

Town of Oyster Bay New York



Comprehensive Annual Financial Report

Year Ended December 31, 2018



TOWN OF OYSTER BAY,

NEW YORK

Comprehensive Annual Financial Report
Year Ended December 31, 2018

Prepared by:
The Office of the Comptroller

TOWN OF OYSTER BAY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018
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**INTRODUCTORY
SECTION**

Places to Play and Visit

TOWN BEACHES AND PARKS

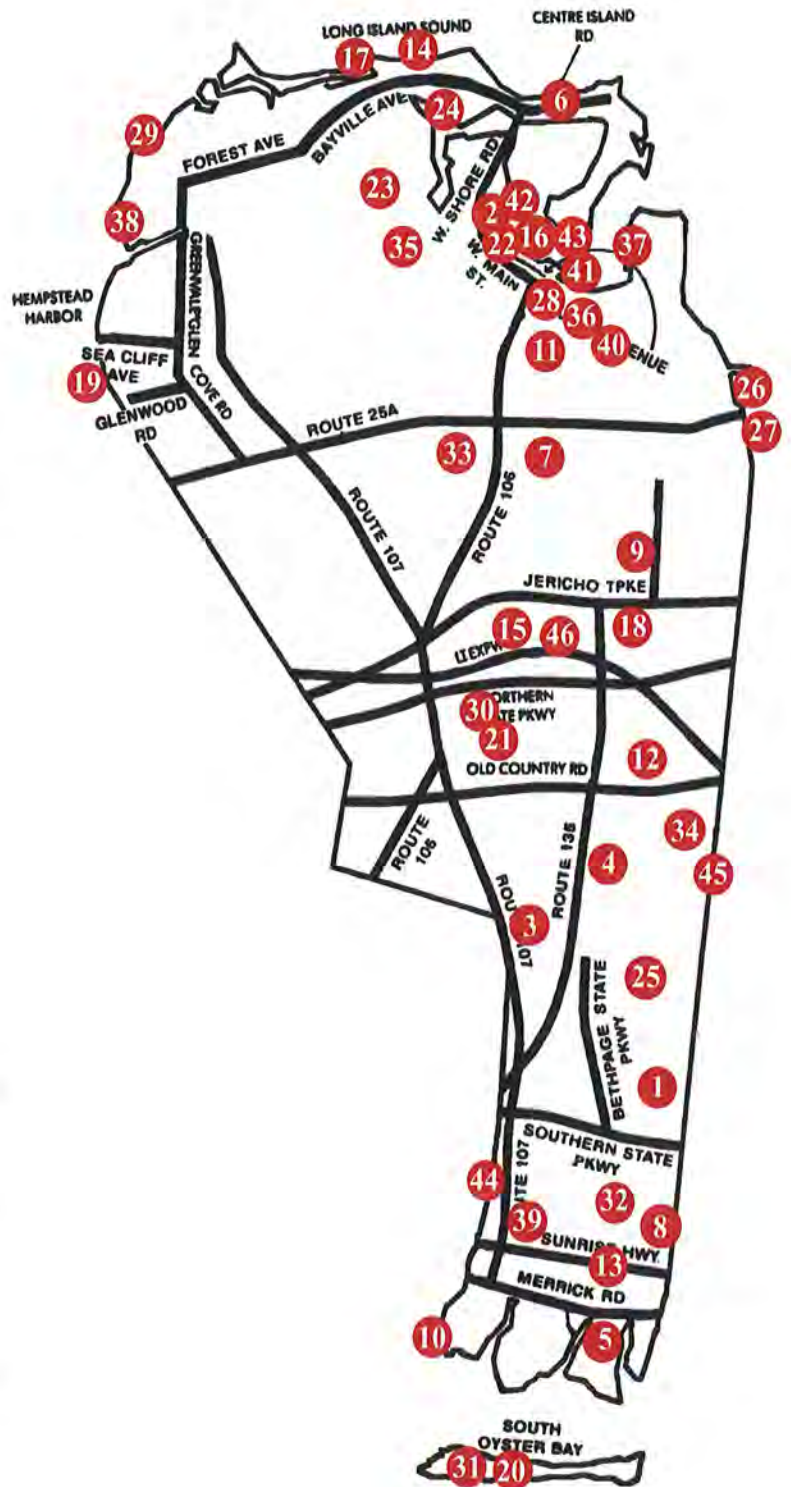
1. Ellsworth W. Allen Town Park
2. Beekman Beach Park
3. Bethpage Community Park
4. Borella Field
5. John J. Burns Town Park
6. Centre Island Beach
7. (The) Farm at Oyster Bay
8. Field of Dreams
9. Golf Course and Clubhouse
10. Philip B. Healey Beach at Florence Avenue
11. Senator Ralph J. Marino Memorial Field
12. Plainview-Old Bethpage Community Park
13. Marjorie R. Post Community Park
14. Charles E. Ransom Beach
15. Robbins Lane Community Park
16. Theodore Roosevelt Memorial Park & Beach
17. Stehli Beach
18. Syosset-Woodbury Community Park
19. Harry Tappen Beach
20. Tobay Beach
21. John Walker Memorial Park
22. Western Waterfront

PLACES OF INTEREST

23. Bailey Arboretum
24. Bayville Historical Museum
25. Bethpage State Park
26. Cold Spring Harbor Fish Hatchery and Aquarium
27. Cold Spring Harbor Laboratory
28. Earle-Wightman House
29. Garvies Point Museum & Preserve
30. Hicksville Gregory Museum
31. John F. Kennedy Memorial Wildlife Sanctuary
32. Massapequa Preserve
33. Muttontown Nature Preserve
34. Old Bethpage Village Restoration
35. Planting Fields Arboretum State Historic Park
36. Raynham Hall Museum
37. Sagamore Hill National Historic Site
38. Sea Cliff Village Museum
39. Tackapausha Museum and Preserve
40. Theodore Roosevelt Memorial Sanctuary and Audubon Center
41. Townsend Museum
42. Waterfront Center

TOWN FACILITIES

43. Town Halls East and West
44. Town Hall South
45. Solid Waste Disposal Complex
46. Departments of Public Safety & Public Works, Highway Division, Animal Shelter



TOWN OF OYSTER BAY, NEW YORK

PRINCIPAL OFFICIALS

December 31, 2018

TOWN BOARD:

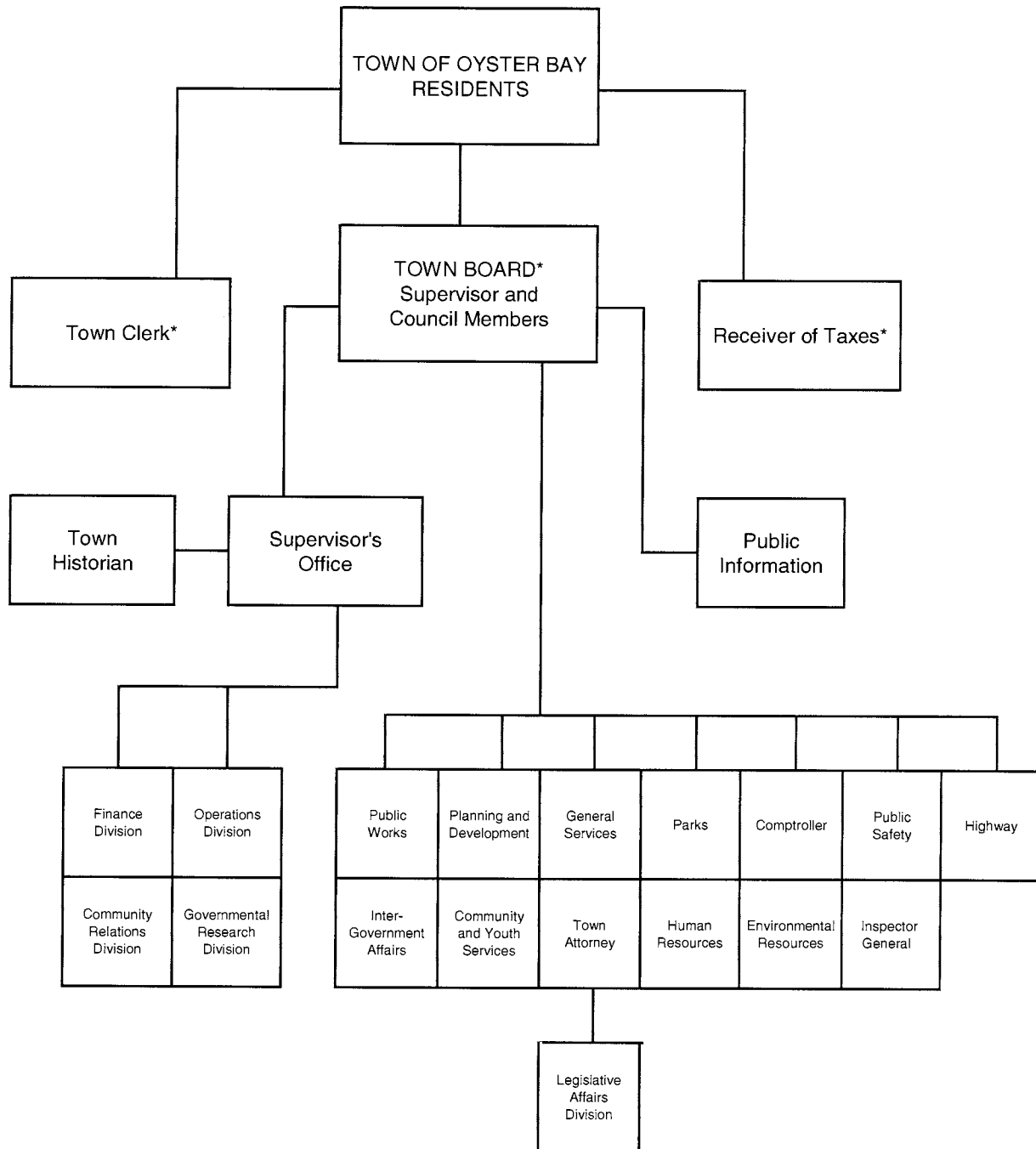
SUPERVISOR	JOSEPH S. SALADINO
COUNCILMAN	JOSEPH D. MUSCARELLA
COUNCILWOMAN	REBECCA M. ALESIA*
COUNCILMAN	ANTHONY D. MACAGNONE
COUNCILWOMAN	MICHELE M. JOHNSON
COUNCILMAN	LOUIS B. IMBROTO
COUNCILMAN	THOMAS P. HAND
TOWN CLERK	JAMES ALTADONNA Jr.
RECEIVER OF TAXES	JAMES J. STEFANICH
TOWN ATTORNEY	JOSEPH NOCELLA
COMPTROLLER	STEVEN C. BALLAS

* Resigned, effective February 12, 2019; Councilman Steve L. Labriola effective, February 26, 2019.

TOWN OF OYSTER BAY, NEW YORK

ORGANIZATIONAL CHART

December 31, 2018



* Elected by Town of Oyster Bay voters.



Steven C. Ballas
Comptroller

Office of the Comptroller
Town of Oyster Bay
Town Hall
Oyster Bay, New York 11771-1592

Christine M. Wiss
Deputy Comptroller

June 28, 2019

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 ("Town") for the year ended December 31, 2018, 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. 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 ("GAAP"). 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 in a competitive bid process by the Town's Board to assist in the preparation of the Town's 2018 Comprehensive Annual Financial Report. The accounting firm Cullen & Danowski, LLP was also selected by the Town's Board in a competitive bid process to perform an independent audit of the Town's financial statements as of December 31, 2018, and for its year then ended. The auditor's report on the basic financial statements, combining and individual fund statements, and schedules are 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's 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 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, the Town is 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 auditor's 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 a single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the independent auditor's 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 19th 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 operates and maintains 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 transitioned 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 diverse commercial, residential, and recreational development, identified by 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 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 of New York to raise revenue. Half of these school districts are entirely within the Town while portions of the remaining districts are located in neighboring municipalities.

The chief executive officer of the Town is the Supervisor, who is elected for a term of two years. The Supervisor is a member and the presiding officer of the Town Board. In addition to the Supervisor, residents elect six members to the Town Board to serve non-concurrent four-year terms. 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.

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 the 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 appropriations 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 is an economic engine within Nassau County. The headquarters of major employers, including nationally-known Altice USA, GEICO, Long Island University – Post and National Grid/PSEG are located within the Town of Oyster Bay. The Town has one of the lowest unemployment rates in the metropolitan area and State of New York, as well as one of the "richest-towns-in-America" according to Bloomberg News. The Motion Picture and Television Industry continues to expand, as the Town of Oyster Bay is home to one of the largest production facilities on the East Coast. As the economy and population continue to grow, so does our community. Significant growth is anticipated in the coming years as downtown Hicksville transforms into a vibrant mixed-use community. 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 ensure new development in the Town, maintaining Oyster Bay's suburban quality of life.

Small businesses continue to be the backbone of the U.S. economy and employ residents. Home prices continue to strengthen in the Town and serve as a nest egg for residents. In the past two years, the Town continues to experience tremendous growth – including records in the issuance of residential building permits and revenue. National and global enterprises continue to expand within the Town. To assist residents and businesses, the Town recently created a Same Day Permit program and established an annex to its planning office for resident convenience.

Occupational outlook anticipates growth in professional, technical, clerical and service industries. Many high-tech manufacturing companies have located in the Town, attracted by a well-educated and highly skilled workforce. The unemployment rate in the Town continues to be below average as compared to the Long Island Region and New York State due to the fact that many companies have remained within the Town.

MAJOR INITIATIVES

Information Technology Standardization and Alignment Project

As information technology continues to advance, the Information Technology Division (“ITD”) continues to balance their efforts across a wide spectrum of improvements ranging from infrastructure development and maintenance to enterprise level business process and data quality improvements.

Organizational transformation continues in the actions and strategies of the Town's diverse operational units. The ITD continues to work closely with Town departments to add value by providing modern business process improvement and reengineered strategies. Many of these efforts streamlined internal processes. In addition, the ITD provides technical support to all departments/users and locations throughout the Town. The 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.

2018 Information Technology (“IT”) Initiatives

The Information Technology group is a 24-hour operation that supports an environment consisting of approximately 50 locations, 800 end users, computers, phones, and other devices for the Town's various departments. Systems are continuously monitored to avoid disruption of service, while also being analyzed for upgrades to better support the mission of the Town of Oyster Bay.

The Town continues an IT maintenance program focused on keeping its overall architecture as well as application and server configurations up to date and secure. This maintenance program also manages the expansion and upgrade of critical systems. In 2018, the maintenance program included significant upgrades to Town servers including migration to Windows 2016 Operating System as well as database migrations to Structured Query Language (“SQL”) 2014. The SQL migration also included the virtualization of most of the Town's SQL servers. In 2018, IT began the rollout of new computers running Windows 10 and Office 2016. These efforts will continue into 2019.

The upgrade of the Community Plus application used by the Department of Planning and Development for permits, licensing and code enforcement was completed and implemented in 2018. This highly customized system received an application upgrade across multiple versions as well as retrofitting the custom code to the current version. This upgrade improved processes and support to the Department of Planning and Development. The Town was also awarded grant funds to track “zombie houses”. A portion of the grant includes the purchase and implementation of the technical components needed to develop the reporting, mapping and tracking programs for “zombie houses” within the Town.

Servers utilized by the Receiver of Taxes to host various tax collection processes were migrated to updated versions on Windows Server as well as application upgrades on each of the servers. Upgrades to the Point of Sale cashier software now support credit card payments.

Energy Efficiency/Green Energy

As the global demand for energy continues to increase, energy conservation has become more important than ever. The Town of Oyster Bay has worked to institute policies and programs to make not only the operations of Town facilities more energy efficient, but also promote energy conservation in the private sector. As part of the plan to improve efficiency in Town facilities, Energy Star rated air conditioning units have been installed along with thermal glass windows. Boilers have been 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. This initiative was accomplished through grant funding, at no cost to Town residents. Additionally, the Town is currently using solar (“green”) power at one of its facilities and has been exploring the use of “green” power on a larger scale. As a result, taxpayers will save millions of dollars. Additionally, largely in part due to the Same Day Permit Program, the Town has also become a leader in issuing permits for solar panel installation, receiving recognition by the New York State Energy and Research Development Authority (“NYSERDA”).

MAJOR INITIATIVES (continued)

The Town has also been conserving energy through the installation of energy efficient street lighting. As old street lighting fixtures come to the end of their lifespan, new energy-saving fixtures are installed. To date, the Town has replaced over 70 percent of its lighting fixtures, helping to reduce energy consumption while saving taxpayers millions. The Town also installed solar lighting systems on the top level of the Hicksville Commuter Parking Garage – helping to save taxpayers money and reduce the Town’s carbon footprint by 4,000 pounds annually. In just three months the system has generated 908 kilowatt hours while only consuming 647 kilowatt hours. This equates to 984 pounds of carbon offset - the equivalent of 11 trees absorbing carbon dioxide. This Smart Off-Grid lighting system enables remote control, monitoring, and management of the lighting systems, ensuring our residents high reliability and low maintenance costs. Additionally, this Smart Off-Grid lighting allows service personnel to optimize lighting profiles, such as dimming the lights during periods of prolonged bad weather to preserve battery power, and also includes automated monitoring and alerts.

In the private sector, the Town has continued to mandate 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 purchasing a more affordable residence to live by virtue of lower energy costs.

Throughout 2018, the Town continued to reap benefits of a Single Stream recycling program, an unprecedented and highly-successful initiative. Changes in the international commodities market have forced the Town to make modifications to the program for 2019, and the Town continues to look for efficient and responsible methods in which residents can recycle commodities. In addition to recycling and waste disposal programs, the Town offers collection and drop off availability for hazardous household products, glass, general home waste, construction debris, yard waste, paper shredding, and electronic waste.

At the end of 2018, the Town was making preparations for a major environmental cleanup initiative at a contaminated ballfield at Bethpage Community Park. The ballfield, shuttered to the public since 2002, will be cleaned up to residential standards through a project performed by Northrup Grumman with State Department of Environmental Conservation (“DEC”) oversight. Through the Town’s efforts, and with cooperation from the DEC, the Grumman Corporation is taking action to remediate two types of contamination under the ballfield, through a project which will be performed in two parts. The Town has also continued the fight for the protection of our drinking water as it relates to the Grumman Navy Plume, an issue for which the Supervisor has been at the forefront throughout his career in various levels of government.

Transparency and Ethics Reforms

The Supervisor and Town Board have worked tirelessly to deliver important services and restore the public’s trust in government. To accomplish just that, the Supervisor and the Town Board took swift action to install a new, independent Board of Ethics with real and meaningful oversight. Together, the Supervisor and Town Board have instituted disclosure requirements for contractors, vendors and high level employees to prevent conflicts of interest and misdeeds. Additionally, a former Federal prosecutor was appointed to serve as Town Attorney.

To enhance transparency and ultimately save money, the Supervisor and Town Board enhanced live-streaming of Town Board meetings and work sessions so that the public may view the meetings from the comfort of their own home. These reforms were long overdue. The good-government organization, Reclaim New York, recognized the Town of Oyster Bay for their accomplishments. In fact, the Town of Oyster Bay is the first government in the State to partner with Reclaim New York to proactively improve transparency and provide residents unprecedented access to government. Furthermore, the Town was awarded a grade A from the Empire Center for its enhanced website transparency efforts to assist the public.

At the beginning of 2018, the Town Board created a new office of Inspector General to oversee all aspects of the Town’s contracting processes, furthering their initiatives to provide residents with confidence that proper rules and regulations are being following when contracting with vendors and procuring goods and services. The Inspector General is charged with standardizing the Town’s purchasing and contract administration; monitoring compliance with all applicable procurement guideline policies, and requirements of federal, state and local laws; providing technical expertise to ensure all contracts, requests for proposals and bid solicitations are posted on the Town’s website; and expanding the Town’s access to municipal and state electronic systems to verify the qualifications and standing of potential contractors. The office was created to bring an even greater level of transparency, integrity and ethics to the Town, which was the first local Town to appoint an inspector general (which was done in January 2019). The current Inspector General has extensive experience working with the FBI, CIA, and DEA.

PLANNING FOR THE FUTURE AND PROTECTING QUALITY OF LIFE

Two of the most important functions of local government are planning and land use. These are the tools the Oyster Bay Town Board has used to ensure that our Town remains among the most desirable places to live. In a short time, the Supervisor and the Town Board have made great strides to help protect the quality of life guarded by Town residents, while taking steps 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:

Quality of Life Taskforce

To help address various issues facing communities throughout the Town, the Town Board created a Quality of Life Task Force, which has achieved many successes, including the removal of squatters and demolition of dangerous vacant homes. The Quality of Life Task Force is charged with combatting vacant and dilapidated homes, as well as focus on code enforcement concerns such as illegal housing, zombie homes, illegal business signs, noise, and unlicensed and uninsured contractors and landscapers.

To help combat zombie homes in local communities, the Town Board in 2018 approved a comprehensive package of laws that increase the Town's ability to seek restitution from property owners and lending institutions in violation of Town Code. These new legislations further allow the Town to recover costs associated with maintenance of vacant properties, and also require that a \$25,000 trust account must be established when a home enters into foreclosure. Most recently, the Town approved the creation of a mortgage default registry, which adds an additional layer of protection to its existing provisions for properties in foreclosure and holds lending institutions and property owners responsible for any maintenance required on an abandoned or derelict property.

Infrastructure Improvements

When people hear the word infrastructure, the first thought that comes to mind is 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 maintains numerous assets. Each year, the Town works to appropriately budget infrastructure improvements and maintenance initiatives. In addition to the vast infrastructure improvements made at Town parks and other facilities, the Town has consistently upgraded and modernized its computer network to streamline tasks and better serve the public.

The Supervisor and Town Board have increased funding for road repaving. Ellsworth Allen Park in Farmingdale – a former Superfund site – is being transformed into a community recreation and sports complex with ballfields, a softball field, t-ball field and multi-purpose athletic field. New playgrounds and pickleball courts have been installed, tennis courts renovated, and pool and beach facilities upgraded.

Keeping the Town's infrastructure strong is important for many reasons; it allows 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 has been an investment in a better future for everyone.

Waterfront Protection and Vitalization Plans

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

The protecting of Oyster Bay Harbor, known as one of the crown jewels of the Town, is of utmost importance to Town officials, who have worked diligently to help improve its water quality. In 2018, members of the Town board joined with the local baymen's association to seed Oyster Bay Harbor with one million clam seeds. This initiative improves water quality, bolsters the local economy and improves the resiliency of our coastal communities by restoring shellfish populations to the harbor.

PLANNING FOR THE FUTURE AND PROTECTING QUALITY OF LIFE (continued)

The Town's various initiatives have kept communities beautiful, infrastructure strong, all while continuing to preserve and protect the quality of life enjoyed by Town residents. These initiatives have resulted in the Town being recognized by a variety of agencies. Recently, the Town was ranked by one of the country's most prestigious financial sources, Money Magazine, as the best place to live on Long Island. The publication, which rated the top 50 places in the nation to live, also recognized Oyster Bay Town as the second in New York State and 34th in the nation because it has what residents most desire.

The Town was praised as a safe, enjoyable community for residents to raise their families, earn a living through economic opportunities and for its strong housing market. The Town also ranked high in terms of job growth and economic opportunity, as well as boasting an extremely low unemployment rate.

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, direction and control of the following divisions: Audit and Control, Information Technology, 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 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.

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.



Steven C. Ballas
Comptroller

**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, 2018 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 nine of the eleven nonmajor component units, 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 80.4%, 83.7%, and 81.4%, 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 nine 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, Massapequa Water District, Plainview 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, with additional revenue recognized in 2018 for the balance of proceeds related to this sale. 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 \$32,500,000. In the statement of net position, total net position (deficit) would increase from a deficit of \$548,257,225 to a deficit of \$580,757,225 and in the balance sheet the fund balance (deficit) of the general fund would be increased from \$10,400,470 to \$42,900,470.

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, 2018, 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, 2018, 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 June 28, 2019, 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
June 28, 2019

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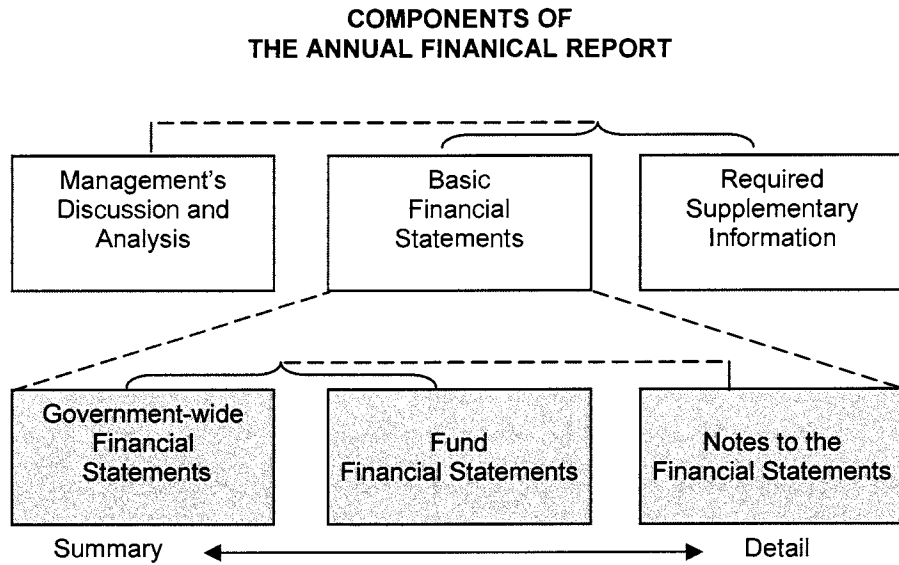
REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

As management of the Town of Oyster Bay ("Town"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2018. 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.



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, 2018

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, restrictions 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 funds balance sheet and governmental funds 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, 2018

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 funds 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, Special Revenue Funds, and Debt Service Fund 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, 2018

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 \$548,257,225 at the close of the most recent year.

Condensed Statement of Net Position
Governmental Activities - Primary Government
as of December 31, 2018 and 2017

	2018	(As Restated) 2017*
Assets		
Current and other assets	\$ 116,535,170	\$ 108,640,563
Capital assets	637,022,245	648,152,216
Total assets	<u>753,557,415</u>	<u>756,792,779</u>
Deferred Outflows of Resources	<u>26,884,260</u>	<u>34,837,480</u>
Liabilities		
Current and other liabilities	173,686,200	274,032,863
Long-term liabilities	1,080,593,171	1,077,194,810
Total liabilities	<u>1,254,279,371</u>	<u>1,351,227,673</u>
Deferred Inflows of Resources	<u>74,419,529</u>	<u>17,778,464</u>
Net Position		
Net investment in capital assets	85,406,978	76,098,412
Restricted	4,523,843	6,651,316
Unrestricted (deficit)	(638,188,046)	(660,125,606)
Total net position	<u>\$ (548,257,225)</u>	<u>\$ (577,375,878)</u>

*Certain amounts were restated to reflect the implementation of GASB No. 75 and the related OPEB liability at December 31, 2017.

Total assets and deferred outflows of resources of the Town as of December 31, 2018 were \$780,441,675, a decrease of \$11,188,584 from the prior year. Total liabilities and deferred inflows of resources as of December 31, 2018 were \$1,328,698,900, a decrease of \$40,307,237 from the prior year restated balance. This results in an overall net position deficit of \$548,257,225 as of December 31, 2018. Of the Town's net position balance, \$85,406,978 reflects the Town's investment in capital assets, net of accumulated depreciation (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 \$4,523,843 that is restricted by statute or for other specific purposes and \$638,188,046 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 \$19,270,580, compensated absences in the amount of \$22,294,782, claims and judgments payable in the amount of \$21,633,752, other litigation payable of \$196,000, estimated liability for landfill closure and post-closure care costs in the amount of \$2,700,000, capital lease payable of \$100,540, other postemployment benefits payable in the amount of \$475,215,153, length of service award program liability – proportionate share of \$6,181,258 and net pension liability – proportionate share of \$10,340,898.

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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 - Primary Government
for the years ended December 31, 2018 and 2017

	2018	2017
Program Revenues		
Charges for services	\$ 23,468,438	\$ 19,588,423
Operating grants and contributions	3,914,142	3,555,183
Capital grants and contributions	6,862,565	437,352
Total Program Revenues	34,245,145	23,580,958
General Revenues		
Real property taxes	234,030,013	235,562,854
Other real property tax items	10,490,964	10,208,772
Non-property tax items	5,642,122	5,705,925
Interest earnings	1,340,630	590,388
Local government assistance - unrestricted	15,497,649	14,959,916
State aid - unrestricted	13,089,231	14,126,639
Other	357,037	6,820,884
Total General Revenues	280,447,646	287,975,378
Total Revenues	314,692,791	311,556,336
Program Expenses		
General government support	31,296,069	32,624,198
Public safety	27,303,498	27,134,763
Transportation	57,624,042	56,143,668
Economic assistance and opportunity	3,157,405	3,123,788
Culture and recreation	69,941,598	70,089,044
Home and community services	77,656,093	79,258,294
Interest on debt	21,718,222	26,173,679
Total Expenses	288,696,927	294,547,434
Excess before Special Item	25,995,864	17,008,902
Special Item		
Gain from sale of land	3,122,789	-0-
Change in Net Position	29,118,653	\$ 17,008,902
Net Position at Beginning of Year, as reported	(313,032,791)	
Cumulative Effect of a Change in Accounting Principle (See Note 6)	(264,343,087)	
Net Position at Beginning of Year, as restated*	(577,375,878)	
Net Position at End of Year	\$ (548,257,225)	

*The cumulative effect of applying Government Accounting Standards Board Statement ("GASB") No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", in the amount of \$264,343,087, is shown as an adjustment to the beginning net position of 2018. The condensed information for the Statement of Net Position for the year ended December 31, 2017 was not restated as the information was not available.

Net position, from all governmental activities, increased by \$29,118,653 in the current year. Key elements of the governmental activities are:

- The current year surplus was mainly due to the increase in fund balance of \$110,995,883 shown in the governmental funds, adjusted for various items presented in the government-wide financial statements. These items included the issuance of debt totaling \$204,445,344, repayment of bond principal totaling \$143,272,598, \$479,038 in pension item related expenses, \$10,925,606 in expenses related to the unfunded liability for other postemployment benefits and adjustments related to capital asset additions, depreciation and loss on dispositions resulting in a net expense of \$11,129,971.
- The Town is reporting a special item in the amount of \$3,122,789 for the gain on sale of land. This is mainly due to the recognition of the final installment of \$2,475,000 for the sale of land initiated in 2013. See Note 1.E. The remaining gain of \$647,789 relates to the sale of surplus property that was sold during the year in accordance with specifications in a public bid.

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

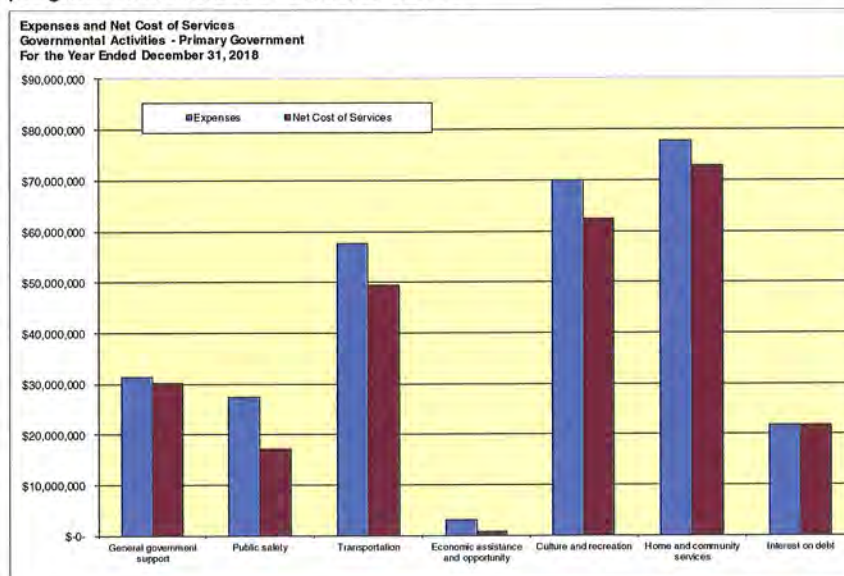
- Total revenues were \$314,692,791 in 2018, an increase of \$3,136,455 over the prior year. General revenues were down overall by \$7,527,732, due primarily to a decrease in other revenues in the current year of \$6,463,847, which was mainly due to the land donation in 2017 of \$3,664,592 that did not recur in 2018 and certain losses on disposals. Program revenues increased from the prior year by \$10,664,187 due to an increase in capital grants and contributions of \$6,425,213, primarily due to an increase in transportation program grant activity. In addition, charges for services increased by \$3,880,015 which was mainly due to increases in parking lot and garage fees, single stream recycling revenue, revenue from the demolition of unsafe buildings, vacant and abandoned building revenue, and program income related to the community development block grant.
- Total program expenses were \$288,696,927 in 2018, a decrease of \$5,850,507 from the prior year. Expenses decreased for general government support, culture and recreation, home and community services and interest on debt, which collectively had a decrease in expenses of \$7,533,233. These decreases were partially offset by an increase in transportation expenses of \$1,480,374, as well as small increases in public safety and economic assistance and opportunity. The decrease in expenses for these functions was mainly due to decreased expenses related to the other postemployment benefits and net pension items. Transportation expenses increased mainly as a result of increases in salaries, central vehicle maintenance charges and snow removal. The decrease in interest on debt was mainly due to the life of the general obligation bonds, decreases in BAN's payable as of year-end, and the fact that there were no TAN's payable as of December 31, 2017, resulting in no interest on TAN's being paid in 2018.

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 - Primary Government
 for the years ended December 31, 2018 and 2017

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
General government support	\$ 31,296,069	\$ 32,624,198	\$ 30,140,299	\$ 31,550,534
Public safety	27,303,498	27,134,763	17,090,984	17,392,710
Transportation	57,624,042	56,143,668	49,501,400	54,406,814
Economic assistance and opportunity	3,157,405	3,123,788	731,991	1,119,158
Culture and recreation	69,941,598	70,089,044	62,322,784	63,517,432
Home and community services	77,656,093	79,258,294	72,946,102	76,806,149
Interest on debt	21,718,222	26,173,679	21,718,222	26,173,679
	<u>\$ 288,696,927</u>	<u>\$ 294,547,434</u>	<u>\$ 254,451,782</u>	<u>\$ 270,966,476</u>

The total cost of all governmental activities this year was \$288,696,927. The net cost of these services after being subsidized by program revenues was \$254,451,782.



TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

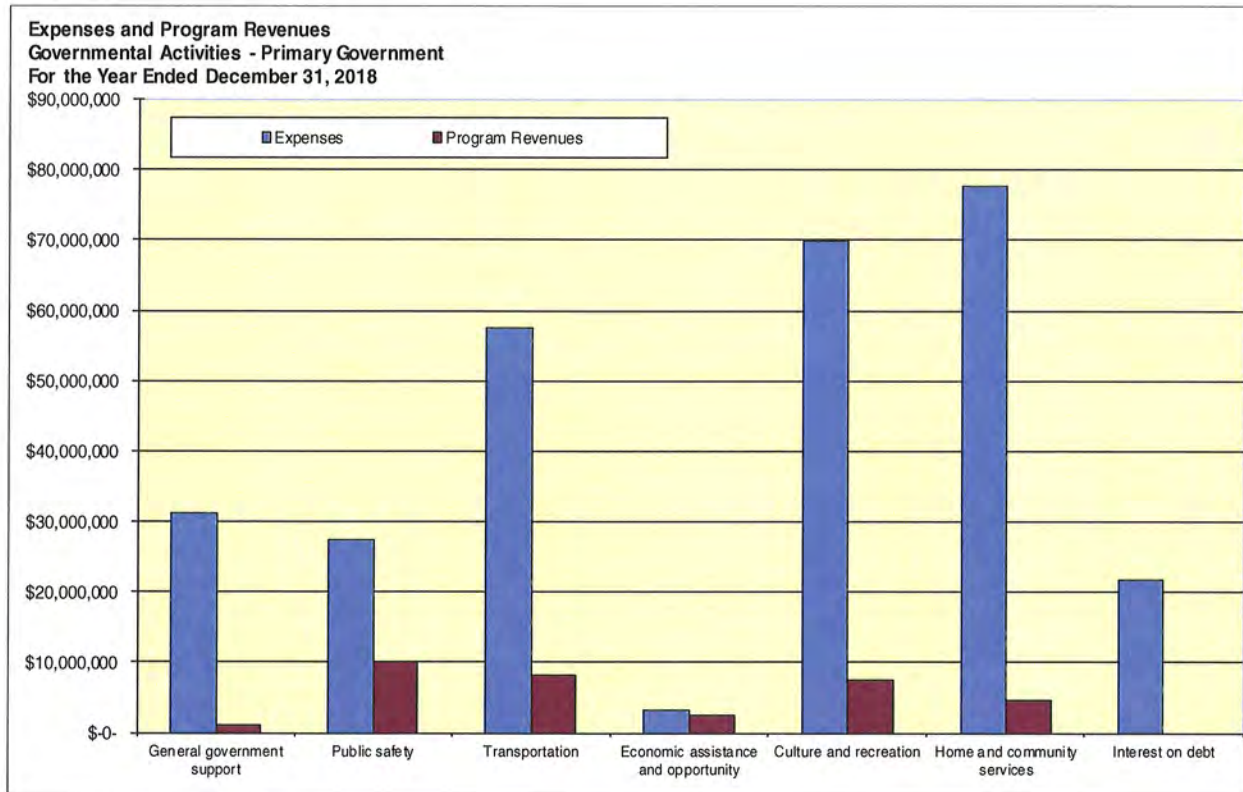
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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 - Primary Government
 for the years ended December 31, 2018 and 2017

	Total Cost of Services		Program Revenues	
	2018	2017	2018	2017
General government support	\$ 31,296,069	\$ 32,624,198	\$ 1,155,770	\$ 1,073,664
Public safety	27,303,498	27,134,763	10,212,514	9,742,053
Transportation	57,624,042	56,143,668	8,122,642	1,736,854
Economic assistance and opportunity	3,157,405	3,123,788	2,425,414	2,004,630
Culture and recreation	69,941,598	70,089,044	7,618,814	6,571,612
Home and community services	77,656,093	79,258,294	4,709,991	2,452,145
Interest on debt	21,718,222	26,173,679		
	<u>\$ 288,696,927</u>	<u>\$ 294,547,434</u>	<u>\$ 34,245,145</u>	<u>\$ 23,580,958</u>

The total cost of all governmental activities this year was \$288,696,927. The cost of these services were subsidized by program revenues of \$34,245,145.



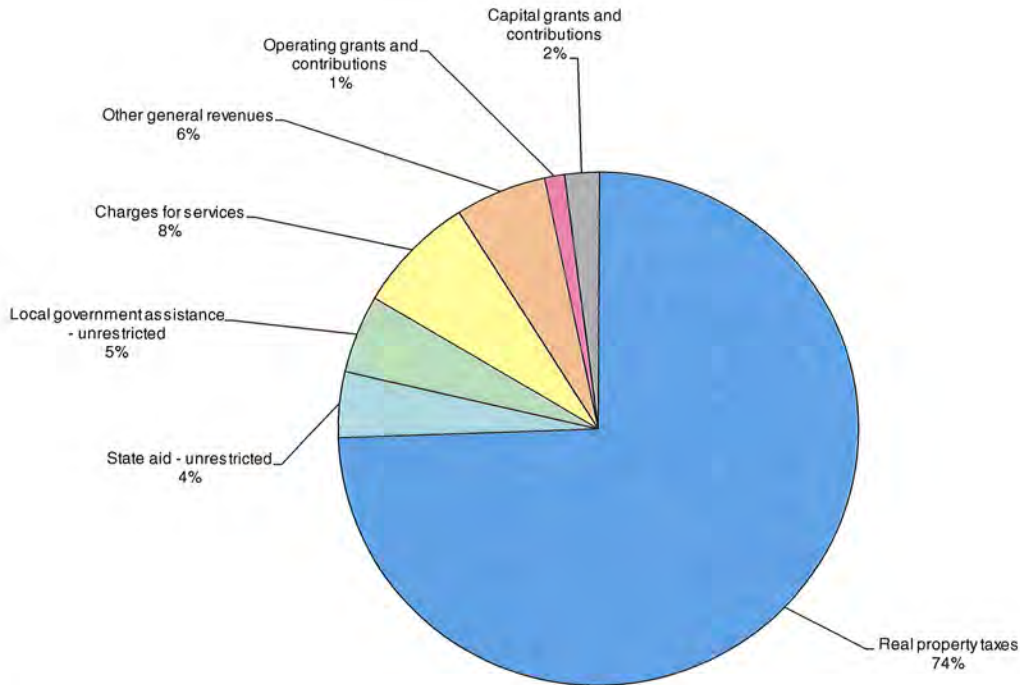
TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Revenue by Source

Governmental Activities - Primary Government
 Year ended December 31, 2018

Real property taxes	\$ 234,030,013
State aid - unrestricted	13,089,231
Local government assistance - unrestricted	15,497,649
Charges for services	23,468,438
Other general revenues	17,830,753
Operating grants and contributions	3,914,142
Capital grants and contributions	6,862,565
	<u>\$ 314,692,791</u>



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, 2018

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

At December 31, 2018, the Town's governmental funds reported a total ending fund balance of \$19,043,016, an increase of \$110,995,883 from the prior year deficit fund balance of \$91,952,867. The category breakdown of fund balance is as follows:

- **Nonspendable fund balance** - \$3,601,183 (inherently nonspendable) includes the portion of net resources that are not in spendable form or will not convert to cash within the current period.
- **Restricted fund balance** - \$47,848,703 (externally enforceable limitations on use) includes amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - \$20,443,449 (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** - \$52,850,319 (residual net resources) is the remaining total fund balance deficit in the General Fund, Solid Waste Disposal District Fund, Capital Projects Fund, and Public Parking District.

The positive change in total governmental fund balance was due largely to the issuance of serial bonds for \$204,445,344, inclusive of refunding debt, the sale of land for \$5,625,000, as well as an overall increase in revenue of \$11,263,330, offset by an increase in expenditures of \$131,143,442, inclusive of \$81,799,140 to extinguish refunded debt. The Town began the year anticipating that revenues would equal expenditures, utilizing no appropriations of fund balance for the 2018 budget in the governmental funds. During the year, the Town appropriated an additional \$4,873,880 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 are explained in their respective paragraphs below.

General Fund	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 136,613,719	\$ 145,692,169	\$ 116,416,593
Expenditures	93,950,754	90,297,141	95,058,611
Other Financing Sources (Uses), net	<u>(34,152,138)</u>	<u>(37,474,900)</u>	<u>(33,468,143)</u>
Excess of Revenues over Expenditure	8,510,827	17,920,128	(12,110,161)
Special Items	3,122,789	-0-	-0-
Net Change in Fund Balance	11,633,616	17,920,128	(12,110,161)
Fund Balance (Deficit), beginning	<u>(22,034,086)</u>	<u>(39,954,214)</u>	<u>(27,844,053)</u>
Fund Balance (Deficit), ending	<u>\$ (10,400,470)</u>	<u>\$ (22,034,086)</u>	<u>\$ (39,954,214)</u>

The General Fund operated at a surplus of \$11,633,616 which reduced the fund deficit from \$22,034,086 to \$10,400,470. Revenues and special items (proceeds from sale of land) decreased by \$5,955,661 from the prior year to \$139,736,508, while expenditures and other financing uses remained consistent with an increase of \$330,851 to \$128,102,892 compared to the prior year. The decrease in revenue and special items was mainly caused by a decrease of \$12,982,350 in real property taxes, offset by an increase in interfund revenues of \$2,816,105 and proceeds from the sale of land of \$3,122,789. Overall, the Town decreased the fund deficit of \$39,954,214 for the year ended December 31, 2016 by \$29,553,744 as of the year ended December 31, 2018.

Highway Fund	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 55,628,585	\$ 55,781,055	\$ 51,850,019
Expenditures	27,785,771	27,045,308	25,294,033
Other Financing Sources (Uses), net	<u>(20,998,808)</u>	<u>(29,644,136)</u>	<u>(26,966,478)</u>
Net Change in Fund Balance	6,844,006	(908,389)	(410,492)
Fund Balance (Deficit), beginning	<u>(4,169,057)</u>	<u>(3,260,668)</u>	<u>(2,850,176)</u>
Fund Balance (Deficit), ending	<u>\$ 2,674,949</u>	<u>\$ (4,169,057)</u>	<u>\$ (3,260,668)</u>

In the Highway Fund, the fund deficit was eliminated by a current year surplus of \$6,844,006, from a \$4,169,057 deficit in the prior year to a \$2,674,949 surplus as of year-end.

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

Revenues, which remained comparable to the prior year, totaled \$55,628,585, a decrease of \$152,470, while expenditures and other financing uses totaled \$48,784,579, a decrease of \$7,904,865 from the prior year. The decrease in expenditures and other financing uses was mainly due to the decrease in transfers out to the Debt Service Fund of \$10,387,615 due to use of accumulated resources in the debt service fund offset by an increase in transfers out to the Capital Projects Funds of \$1,742,287. Overall, the Town eliminated the fund deficit of \$3,260,668 for the year ended December 31, 2016 to a fund balance of \$2,674,949 as of the year ended December 31, 2018.

Garbage Collection Districts Fund	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 60,846,435	\$ 45,211,320	\$ 50,363,069
Expenditures	54,544,346	49,171,647	49,043,823
Other Financing Sources (Uses), net	<u>(7,369,532)</u>	<u>(3,049,277)</u>	<u>16,963,218</u>
Net Change in Fund Balance	(1,067,443)	(7,009,604)	18,282,464
Fund Balance (Deficit), beginning	<u>4,369,726</u>	<u>11,379,330</u>	<u>(6,903,134)</u>
Fund Balance, ending	<u>\$ 3,302,283</u>	<u>\$ 4,369,726</u>	<u>\$ 11,379,330</u>

In the Garbage Collection Districts Fund, the fund balance was reduced by \$1,067,443 to \$3,302,283. Revenues totaled \$60,846,435, an increase of \$15,635,115 from the prior year, while expenditures and other financing uses totaled \$61,913,878, an increase of \$9,692,954 from the prior year. The increase in revenues is primarily due to an increase in real property taxes of \$15,569,270. The overall increase in expenditures and other financing uses was mainly due to increases in salaries, employee benefits, vehicle maintenance charges, and administrative costs totaling \$6,079,168. In addition, transfers out to the Debt Service Fund increased by \$4,193,049 due to increase debt service expenditures related to this fund.

Solid Waste Disposal District Fund	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 27,158,603	\$ 32,426,976	\$ 34,784,867
Expenditures	23,222,280	26,080,295	33,808,496
Other Financing Sources (Uses), net	<u>(4,361,216)</u>	<u>(2,773,573)</u>	<u>4,659,990</u>
Net Change in Fund Balance	(424,893)	3,573,108	5,636,361
Fund Balance (Deficit), beginning	<u>(6,016,218)</u>	<u>(9,589,326)</u>	<u>(15,225,687)</u>
Fund Balance (Deficit), ending	<u>\$ (6,441,111)</u>	<u>\$ (6,016,218)</u>	<u>\$ (9,589,326)</u>

In the Solid Waste Disposal District Fund, fund balance deficit was increased by \$424,893 from \$6,016,218 to \$6,441,111. Revenues totaled \$27,158,603, a decrease of \$5,268,373 from the prior year, while expenditures and other financing uses totaled \$27,583,496, a decrease of \$1,270,372 from the prior year. The decrease in revenue was mainly due to a decrease in real property taxes of \$5,171,879. The overall decrease in expenditures and other financing uses was mainly due to decreases in sanitation and recycling expenditures of \$1,500,601 related to the Town's decision to begin moving the recycling operations in 2017 from this fund to the Garbage Collection Districts Fund. This caused decreases in salaries and employee benefit expenditures, as well as a decrease in administrative costs for 2018, which were offset by an increase in debt service expenditures. Overall, the Town decreased the fund deficit of \$9,589,326 for the year ended December 31, 2016 by \$3,148,215 as of the year ended December 31, 2018.

In the Capital Projects Fund, the fund balance deficit was eliminated by a surplus of \$93,294,751 for the current year, bringing the fund balance from a deficit of \$82,461,656 to a surplus of \$10,833,095. The beginning fund balance deficit resulted 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 (BANs), 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. During the year, the \$139,823,688 of BANs that were payable as of December 31, 2017 were partially redeemed with \$14,074,631 from appropriations and replaced with \$125,749,057 of serial bonds that were issued and recognized as an other financing source, eliminating the deficit as of December 31, 2018.

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (continued)

Governmental Funds (continued)

The total Nonmajor Governmental Funds' fund balance surplus was increased by \$3,206,764. Revenues totaled \$71,703,087, an increase of \$5,624,597 from the prior year, while expenditures and other financing uses totaled \$68,496,323, an increase of \$3,170,879 from the prior year. The increase in revenue was mainly due to increases in real property taxes of \$1,198,447, departmental income of \$2,204,292 and federal aid of \$2,407,223. The increase in expenditures and other financing uses was primarily caused by increases in building department and planning expenditures, as well as special grants and employee benefit expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town appropriated expenditures in the original General Fund budget equal to estimated revenues for a balanced budget. 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 expenditures and other financing uses was increased as well by the appropriation of additional unassigned fund balance by \$2,337,756. Please see the General Fund section for more details on the comparison of final budget to actual amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2018 the Town had \$637,022,245, in net capital assets including land, development rights, construction in progress, land rights, buildings, improvements other than buildings, machinery and equipment, software, curbs and sidewalks, drainage and street lighting. In addition, the Town has encumbered funds for commitments of capital expenditures in the amount of \$19,211,975. The Town's nonmajor component units had \$228,188,257 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>	<u>2018</u>	<u>2017</u>
Land	\$ 116,032,327	\$ 118,534,538
Development rights	1,306,296	1,306,296
Construction in progress	2,450,650	875,983
Land rights	9,296,520	9,296,520
Buildings	168,141,648	152,144,271
Improvements other than buildings	504,094,231	495,406,601
Machinery and equipment	95,269,194	93,063,345
Software	25,732,989	25,297,398
Infrastructure		
Roads, curbs and sidewalks	420,709,069	412,961,552
Drainage system	180,256,293	180,032,362
Lighting system	22,777,185	22,499,105
	<u>1,546,066,402</u>	<u>1,511,417,971</u>
Less: accumulated depreciation	909,044,157	863,265,755
Primary government - Total net capital assets	<u>\$ 637,022,245</u>	<u>\$ 648,152,216</u>

During 2018, the Town's capital assets were decreased by \$11,129,971. The decrease in capital assets included depreciation expense of \$50,412,163 and a loss on dispositions of \$4,648,872, offset by additions net of prior year construction in progress placed into service of \$43,931,064.

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

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets at December 31,

<u>Nonmajor component units</u>	<u>2018</u>	<u>2017</u>
Land	\$ 5,834,112	\$ 5,979,602
Construction in progress	18,093,773	22,641,566
Buildings	69,049,031	70,350,159
Improvements other than buildings	135,229,900	117,487,957
Machinery and equipment	54,599,248	45,701,471
Software	202,729	90,688
Infrastructure		
Water mains	93,274,491	97,585,992
Sewer system	1,517,692	1,517,692
Total capital assets	<u>377,800,976</u>	<u>361,355,127</u>
Less: accumulated depreciation	<u>149,612,719</u>	<u>140,952,938</u>
Component units - Total net capital assets	<u>\$ 228,188,257</u>	<u>\$ 220,402,189</u>

The capital program is a long-range financing guide and not a definite 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 adopted for 2019 and the next five years (in thousands).

<u>Equipment</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund	\$ 1,595	\$ 5,667	\$ 5,477	\$ 5,029	\$ 4,199	\$ 4,260
General - Part Town	155	115	58	58	58	58
Highway Fund	2,581	2,561	3,191	2,746	2,686	2,523
Special Districts	3,682	2,939	2,807	2,823	3,573	3,102
Total Equipment	<u>\$ 8,013</u>	<u>\$ 11,282</u>	<u>\$ 11,533</u>	<u>\$ 10,656</u>	<u>\$ 10,516</u>	<u>\$ 9,943</u>
<u>Improvements</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund	\$ 5,400	\$ 6,175	\$ 3,495	\$ 2,445	\$ 2,545	\$ 2,345
Highway Fund	19,175	18,175	16,425	16,075	16,275	20,275
Special Districts	2,050	2,075	1,725	1,700	1,550	1,550
Total Improvements	<u>\$ 26,625</u>	<u>\$ 26,425</u>	<u>\$ 21,645</u>	<u>\$ 20,220</u>	<u>\$ 20,370</u>	<u>\$ 24,170</u>
Total Program	<u>\$ 34,638</u>	<u>\$ 37,707</u>	<u>\$ 33,178</u>	<u>\$ 30,876</u>	<u>\$ 30,886</u>	<u>\$ 34,113</u>

Debt Administration

At December 31, 2018, the Town had \$672,340,369 in long-term general obligation bonds outstanding, of which \$585,468,018 was for general Town purposes. Also outstanding at year-end were bond anticipation notes in the amount of \$38,540,000 of which \$30,025,000 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.

TOWN OF OYSTER BAY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

Debt Limit (continued)

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, 2018 was 15.14%.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

Chapter 97 of the Laws of 2011 ("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 2019, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2019 budget includes an overall decrease in real property tax revenue from the prior year of .004% for the Town's overall governmental activities.

State Aid and Local Assistance

The Town receives financial assistance from New York State and Nassau County. During 2018, financial assistance included state aid – mortgage tax \$11,406,809; state aid – per capita \$1,682,422 and County local government assistance of \$15,497,649. 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 2019 budget included similar amounts for this financial assistance.

Bond Rating

In March 2019, Standard & Poor's ("S&P") raised its long-term rating on the Town's outstanding debt to AA, with a stable outlook. Moody's maintained its underlying rating of Baa3 with a stable outlook since April 2018.

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.

Town Concessionaire Litigation

The Town is currently in litigation on certain matters which involve a Town concessionaire. The Town Attorney cannot predict the outcome of the pending litigations and investigation or whether any additional litigation against the Town or its officers or officials will be initiated. Additional information on this matter can be found in Note 4.C to the financial statements.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF OYSTER BAY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2018

	Primary Governmental Activities	Nonmajor Component Units
ASSETS		
Current Assets:		
Cash and investments	\$ 73,996,384	\$ 80,765,554
Restricted cash and investments	3,147,027	
Accounts receivable, net of allowances \$1,069,319	7,203,551	11,588,733
State and federal aid receivables	11,493,835	9,906,936
Due from other governments, net of allowances \$52,098	5,272,774	572,010
Due from primary government		11,377,595
Due from component units	1,418,166	
Other assets		49,805
Inventory of material and supplies	3,601,183	843,424
Prepaid items		940,553
Total Current Assets	106,132,920	116,044,610
Non-Current Assets:		
Receivable - service concession arrangement	10,402,250	
Non-depreciable capital assets	119,789,273	23,927,885
Depreciable capital assets, net of depreciation	517,232,972	204,260,372
Total Non-Current Assets	647,424,495	228,188,257
Total Assets	753,557,415	344,232,867
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refundings, net of accumulated amortization	4,662,991	69,493
Length of service award program	858,652	
Pensions	21,362,617	5,479,903
Total Deferred Outflows of Resources	26,884,260	5,549,396

(continued)

TOWN OF OYSTER BAY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
December 31, 2018

	Primary Governmental Activities	Nonmajor Component Units
LIABILITIES		
Current Liabilities:		
Accounts payable	39,521,610	7,862,790
Accrued liabilities	8,940,318	458,611
Accrued interest payable	8,776,963	1,805,334
Bond anticipation notes payable	30,025,000	8,515,000
Tax anticipation notes payable	10,000,000	
Due to other governments	167,240	527,439
Due to primary government		1,418,166
Grant advances	28,805	
Unearned income	18,350	826,862
Other liabilities		465,652
Non-current liabilities due within one year:		
General obligation bonds payable	66,811,223	6,046,636
Due to Employees' Retirement System	2,412,233	
Compensated absences	1,114,739	279,598
Claims and judgments payable	5,351,377	
Other litigation payable	196,000	
Estimated liability for landfill closure and postclosure care costs	300,000	
Capital lease payable	22,342	
Other debt		1,255,662
Total Current Liabilities	173,686,200	29,461,750
Non-Current Liabilities:		
General obligation bonds payable	532,056,899	81,397,529
Due to Employees' Retirement System	16,858,347	
Compensated absences	21,180,043	3,942,120
Claims and judgments payable	16,282,375	
Estimated liability for landfill closure and postclosure care costs	2,400,000	
Capital lease payable	78,198	
Other postemployment benefits payable	475,215,153	71,129,979
Length of service award program liability - proportionate share	6,181,258	
Net pension liability - proportionate share	10,340,898	1,419,205
Other debt		22,193,847
Total Non-Current Liabilities	1,080,593,171	180,082,680
Total Liabilities	1,254,279,371	209,544,430
DEFERRED INFLOWS OF RESOURCES		
Contractual service fees		48,000
Service concession arrangement	11,585,825	
Other postemployment benefits	43,935,756	6,258,368
Length of service award program	342,542	
Pensions	18,555,406	4,729,410
Total Deferred Inflows of Resources	74,419,529	11,035,778
NET POSITION		
Net investment in capital assets	85,406,978	116,916,320
Restricted:		
Length of service award program	3,147,027	
Culture and recreation	31,287	
Home and community services	344,378	49,361,332
Economic assistance and opportunity	360,237	
Debt service	640,914	
Unrestricted (deficit)	(638,188,046)	(37,075,597)
Total Net Position	\$ (548,257,225)	\$ 129,202,055

TOWN OF OYSTER BAY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year ended December 31, 2018

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Government Activities:				
General government support	\$ 31,296,069	\$ 1,155,770		
Public safety	27,303,498	10,212,514		
Transportation	57,624,042	2,976,973		\$ 5,145,669
Economic assistance and opportunity	3,157,405		\$ 2,425,414	
Culture and recreation	69,941,598	7,398,745	220,069	
Home and community services	77,656,093	1,724,436	1,268,659	1,716,896
Interest on debt	21,718,222			
Total Primary Government	\$ 288,696,927	\$ 23,468,438	\$ 3,914,142	\$ 6,862,565
NONMAJOR COMPONENT UNITS				
Home and community services	\$ 61,049,972	\$ 29,994,142	\$ -0-	\$ 4,785,975

General Revenues

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

Special Item

- Gain from sale of land

Total General Revenues and Special Item

Change in Net Position

Net Position at Beginning of Year, as Restated (See Note 6)

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
\$ (30,140,299) (17,090,984) (49,501,400) (731,991) (62,322,784) (72,946,102) <u>(21,718,222)</u>	
<u>\$ (254,451,782)</u>	
	<u>\$ (26,269,855)</u>
\$ 234,030,013 10,490,964 5,642,122 1,340,630 15,497,649 13,089,231 357,037 <u>3,122,789</u> <u>283,570,435</u>	\$ 27,610,314 1,500,349 860,358 128,988 17,788,003 <u>47,888,012</u>
29,118,653 <u>(577,375,878)</u>	21,618,157 <u>107,583,898</u>
<u>\$ (548,257,225)</u>	<u>\$ 129,202,055</u>

TOWN OF OYSTER BAY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	MAJOR FUNDS		
	General	Highway	Garbage Collection Districts
ASSETS			
Cash and investments	\$ 1,771,485	\$ 677,457	\$ 8,519,054
Restricted cash and investments			
Accounts receivable, net of allowances for doubtful accounts of \$1,069,319	5,273,582	169,382	
Due from other funds	100,000	2,500,000	
State and federal aid receivables	2,271,894	7,356	
Due from other governments, net of allowances for doubtful accounts of \$52,098	4,583,499	341,361	147,518
Due from component units			
Inventory of material and supplies	2,314,736	1,020,332	
Total Assets	<u>\$ 16,315,196</u>	<u>\$ 4,715,888</u>	<u>\$ 8,666,572</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ 10,666,973	\$ 1,325,925	\$ 3,351,270
Accrued liabilities	4,206,826	715,014	2,013,019
Bond anticipation notes payable			
Tax anticipation notes payable	10,000,000		
Due to other governments	146,942		
Due to other funds			
Grant advances			
Unearned revenue	18,350		
Total Liabilities	<u>25,039,091</u>	<u>2,040,939</u>	<u>5,364,289</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue from rental of real property	493,000		
Unearned revenue - service concession arrangement	1,183,575		
Total Deferred Inflows of Resources	<u>1,676,575</u>		
FUND BALANCES (DEFICIT)			
Nonspendable	2,314,736	1,020,332	
Restricted	31,287		
Assigned		1,654,617	3,302,283
Unassigned	(12,746,493)		
Total Fund Balances (Deficit)	<u>(10,400,470)</u>	<u>2,674,949</u>	<u>3,302,283</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 16,315,196</u>	<u>\$ 4,715,888</u>	<u>\$ 8,666,572</u>

Solid Waste Disposal District	Debt Service	Capital Projects	Other Governmental Funds	Totals
\$ 357,957	\$ 100,628	\$ 46,323,010	\$ 16,246,793	\$ 73,996,384
			3,147,027	3,147,027
1,739,822			20,765	7,203,551
			8,100,000	10,700,000
750,761		6,294,518	2,169,306	11,493,835
62,428		28,666	109,302	5,272,774
		1,418,166		1,418,166
			266,115	3,601,183
<u>\$ 2,910,968</u>	<u>\$ 100,628</u>	<u>\$ 54,064,360</u>	<u>\$ 30,059,308</u>	<u>\$ 116,832,920</u>
\$ 2,524,974		\$ 13,185,967	\$ 5,166,501	\$ 36,221,610
327,105			1,678,354	8,940,318
		30,025,000		30,025,000
				10,000,000
		20,298		167,240
6,500,000			4,200,000	10,700,000
			28,805	28,805
				18,350
<u>9,352,079</u>		<u>43,231,265</u>	<u>11,073,660</u>	<u>96,101,323</u>
			12,006	505,006
				1,183,575
			12,006	1,688,581
			266,115	3,601,183
96,000	\$ 100,628	43,324,860	4,295,928	47,848,703
			15,486,549	20,443,449
(6,537,111)		(32,491,765)	(1,074,950)	(52,850,319)
(6,441,111)	100,628	10,833,095	18,973,642	19,043,016
<u>\$ 2,910,968</u>	<u>\$ 100,628</u>	<u>\$ 54,064,360</u>	<u>\$ 30,059,308</u>	<u>\$ 116,832,920</u>

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TOWN OF OYSTER BAY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
December 31, 2018

Total Fund Balances - Governmental Funds	\$	19,043,016
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		119,789,273
Capital assets - depreciable		1,426,277,129
Accumulated depreciation		(909,044,157)
Receivables in the Statement of Net Position that do not provide current financial resources are not reported as receivables in the funds.		
		10,402,250
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		(598,868,122)
Due to Employees Retirement System		(19,270,580)
Compensated absences		(22,294,782)
Claims and judgments payable		(21,633,752)
Other litigation payable		(196,000)
Estimated liability for landfill closure and postclosure care costs		(2,700,000)
Capital lease payable		(100,540)
Other postemployment benefits payable		(475,215,153)
Length of service award program liability - proportionate share		(6,181,258)
Net pension liability - proportionate share		(10,340,898)
Deferred outflows of resources included in the Statement of Net Position		
Deferred charges		4,662,991
Length of service award program		858,652
Pensions		21,362,617
Additional accounts payable included in the Statement of Net Position		
		(3,300,000)
Deferred inflows of resources included in the Statement of Net Position		
Service concession arrangements		(10,402,250)
Other postemployment benefits		(43,935,756)
Length of service award program		(342,542)
Pensions		(18,555,406)
Other assets not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds.		
		505,006
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.		
		(8,776,963)
Net Position of Governmental Activities	\$	<u><u>548,257,225</u></u>

See notes to the financial statements.

TOWN OF OYSTER BAY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended December 31, 2018

	MAJOR FUNDS		
	General	Highway	Garbage Collection Districts
REVENUES			
Real property taxes	\$ 55,437,214	\$ 52,763,578	\$ 59,872,864
Other real property tax items	3,441,056	2,283,771	843,016
Non-property tax items	5,642,122		
Departmental income	7,054,583	509,090	
Intergovernmental charges	15,505,185	72,144	1,521
Use of money and property	1,057,858	2	128,784
Licenses and permits	345,030		
Fines and forfeitures	490,845		
Sale of property and compensation for loss	549,550		
Miscellaneous local sources	1,004,480		250
Interfund revenues	32,771,175		
State aid	13,304,300		
Federal aid	10,321		
Total Revenues	<u>136,613,719</u>	<u>55,628,585</u>	<u>60,846,435</u>
EXPENDITURES			
Current:			
General government support	40,589,215		
Public safety	4,913,202		
Transportation	940,562	18,503,353	
Economic assistance and opportunity	35,916		
Culture and recreation	17,823,349		
Home and community services	1,728,282		38,486,888
Employee benefits	25,745,834	6,756,073	15,859,692
Capital Outlay			
Debt Service:			
Principal	127,965		
Interest	2,046,429	2,526,345	197,766
Bond issuance costs			
Total Expenditures	<u>93,950,754</u>	<u>27,785,771</u>	<u>54,544,346</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>42,662,965</u>	<u>27,842,814</u>	<u>6,302,089</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out	(34,152,138)	(20,998,808)	(7,369,532)
Issuance of debt			
Capital lease			
Premiums on obligations			
Refunding bond issued			
Total Other Financing Sources (Uses)	<u>(34,152,138)</u>	<u>(20,998,808)</u>	<u>(7,369,532)</u>
SPECIAL ITEM			
Proceeds from sale of land	3,122,789		
Total Special Item	<u>3,122,789</u>		
Net Change in Fund Balances	11,633,616	6,844,006	(1,067,443)
Fund Balances (Deficit) at Beginning of Year	<u>(22,034,086)</u>	<u>(4,169,057)</u>	<u>4,369,726</u>
Fund Balances (Deficit) at End of Year	<u>\$ (10,400,470)</u>	<u>\$ 2,674,949</u>	<u>\$ 3,302,283</u>

See notes to the financial statements.

Solid Waste Disposal District	Debt Service	Capital Projects	Other Governmental Funds	Totals
\$ 16,396,798			\$ 49,559,559	\$ 234,030,013
558,615			3,364,506	10,490,964
				5,642,122
9,475,500			12,902,244	29,941,417
17,524			388	15,596,762
	\$ 677,205		359,977	2,223,826
				345,030
				490,845
600,638				1,150,188
(2,206)	172,044		252,005	1,426,573
				32,771,175
106,734		\$ 5,145,669		18,556,703
5,000			5,264,408	5,279,729
<u>27,158,603</u>	<u>849,249</u>	<u>5,145,669</u>	<u>71,703,087</u>	<u>357,945,347</u>
	56,079			40,645,294
			14,594,687	19,507,889
			4,812,529	24,256,444
			2,261,218	2,297,134
			15,890,322	33,713,671
19,687,392			6,056,081	65,958,643
3,420,172			12,346,956	64,128,727
		43,046,354		43,046,354
	143,272,598			143,400,563
114,716	18,576,666		322,131	23,784,053
	658,933			658,933
<u>23,222,280</u>	<u>162,564,276</u>	<u>43,046,354</u>	<u>56,283,924</u>	<u>461,397,705</u>
<u>3,936,323</u>	<u>(161,715,027)</u>	<u>(37,900,685)</u>	<u>15,419,163</u>	<u>(103,452,358)</u>
	76,261,636	16,573,014		92,834,650
(4,361,216)		(13,740,557)	(12,212,399)	(92,834,650)
		125,749,057		125,749,057
		111,711		111,711
	4,266,186			4,266,186
	78,696,287			78,696,287
<u>(4,361,216)</u>	<u>159,224,109</u>	<u>128,693,225</u>	<u>(12,212,399)</u>	<u>208,823,241</u>
		2,502,211		5,625,000
		2,502,211		5,625,000
(424,893)	(2,490,918)	93,294,751	3,206,764	110,995,883
(6,016,218)	2,591,546	(82,461,656)	15,766,878	(91,952,867)
<u>\$ (6,441,111)</u>	<u>\$ 100,628</u>	<u>\$ 10,833,095</u>	<u>\$ 18,973,642</u>	<u>\$ 19,043,016</u>

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, 2018

Net Change in Fund Balance	\$ 110,995,883
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation expense in the current period is:</p>	
Capital outlay	43,931,064
Depreciation expense	(50,412,163)
Loss on dispositions	(4,648,872)
<p>Net change in deferred outflows of resources not reported in the funds:</p>	
Deferred charges on refundings	(165,764)
Length of service award program related amounts	520,000
Pension related amounts	(8,307,456)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:</p>	
Accounts payable	210,784
Due to Employees Retirement System	2,333,698
Compensated absences	(1,048,589)
Claims and judgments payable	1,390,161
Estimated liability for landfill closure and postclosure care costs	300,000
Retirement incentive payable	33,666
Capital lease payable	16,254
Other postemployment benefits payable	33,010,150
Length of service award program liability - proportionate share	(755,478)
Net pension liability - proportionate share	21,096,518
Accrued interest cost	1,561,430
<p>Net change in deferred inflows of resources not reported in the funds:</p>	
Other postemployment benefits	(43,935,756)
Length of service award program related amounts	43,866
Pension related amounts	(13,268,100)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	12,006
<p>Other assets not available to pay for current period expenditures and therefore, are deferred and amortized in the Statement of Activities.</p>	
	(2,621,903)
<p>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.</p>	
Issuance of debt	(204,445,344)
Repayment of bond principal	143,272,598
	143,272,598
Change in Net Position of Governmental Activities	\$ 29,118,653

See notes to the financial statements.

TOWN OF OYSTER BAY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2018

ASSETS	<u>Agency Funds</u>
Cash	\$ 116,210,124
Total Assets	<u>\$ 116,210,124</u>
LIABILITIES	
Due to the Comptroller of the State of New York	\$ 15
Due to the Department of Environmental Conservation of the State of New York	621
Due to the Department of Health of the State of New York	1,620
Due to the Department of Agriculture and Markets of the State of New York	113
Due to school districts	100,423,394
Due to component units	11,377,595
Other agency liabilities	<u>4,406,766</u>
Total Liabilities	<u>\$ 116,210,124</u>

See notes to the financial statements.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Oyster Bay ("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 Inspector General 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 ten Commissioners: Public Works, Community and Youth Services, General Services, Human Resources, Intergovernmental Affairs, Parks, Planning and Development, Environmental Resources, Public Safety, and Highways. 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, economic assistance and opportunity, 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 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.

The Town of Oyster Bay Housing Authority ("Authority") is an autonomous body, created under Section 480 of New York State Public Housing Law, responsible for maintaining housing for seniors and families of low income. The Authority is overseen by a seven-member commission. Five members are appointed to five-year terms by the Town Board. Two tenant commissioners are elected to two-year terms by all the residents within the housing units and then confirmed by the Town Board. The Authority is considered a related organization because the majority of the commissioners are appointed by the Town. The Town cooperates with the Housing Authority in making social programs available to seniors at each complex they control. The Housing Authority is not considered a part of the Town's reporting entity.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financials 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.

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, receivables, and deferred outflows of resources as well as long-term debt and obligations and deferred inflows of resources. 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 and opportunity, 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 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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. Governmental funds are further classified as major and nonmajor funds.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Governmental Funds (continued)

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.

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 source of revenue is real property taxes.

Garbage Collection Districts - is a special revenue fund used to account for sanitation services provided by garbage collection district #1 and #2. The major source of revenue is real property taxes.

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. The Town reports the Solid Waste Disposal District as a major fund rather than a nonmajor fund to enhance consistency and because management believes it is important to the financial statement users.

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 Grants 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.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Governmental Funds (continued)

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

Park Districts:

Bethpage	Hicksville	Oyster Bay
Glenwood - Glen Head	Jericho	Plainview-Old Bethpage
Hempstead-Oyster Bay	Locust Valley	South Farmingdale
Community Hall	Massapequa	Syosset
and Swimming Pool	Nassau Shores	

Fire Protection Districts:

Bayville	Greenvale	Plainview
East Norwich	Northeast Farmingdale	
Glenwood - Glen Head	Oyster Bay	

Lighting District

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:

Massapequa Water District	Oyster Bay Water District	Syosset Sanitation District
Plainview Water District	Jericho Water District	Oyster Bay Sewer District
Hicksville Water District	South Farmingdale Water District	Glenwood - Glenhead
Locust Valley Water District	Bethpage Water District	Garbage District

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 collected within 60 days after the year end. The Town generally considers all other revenues available if they are collected 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 will remain uncollected after one year, the Town classifies the fund balance as nonspendable in the General Fund or as restricted or assigned fund balance in funds other than the General Fund.

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) principal and interest on indebtedness are recognized as expenditures when due; (b) other long-term liabilities which vest or accumulate, are charged as expenditures when paid.

Because governmental funds statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' primary governmental activities column, reconciliations are presented that briefly explain the adjustments necessary to reconcile ending net position and the change in net position.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity

1. Restricted Cash and Investments – Length of Service Award Program (LOSAP) Program Assets

The Town jointly sponsors two length of service award programs ("LOSAP") to provide retirement-like benefits for those volunteering time and services pertaining to firefighting services, in accordance with the Program Plan Documents. The assets are held in trust accounts in the name of the award programs. See Note 3.A for more information on the program's investments and Note 3.F for more information on the programs.

2. 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.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

3. Prepaid Items

Prepaid items in the government-wide statements represent nonmajor component unit retirement benefits that will benefit a future period.

4. 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.

5. 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 acquisition 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 are 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.

6. Deferred Outflows 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 (expenditure/expense) 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 activities. The Town also reports amounts related to pensions and length of service award programs, which consists of differences between the expected and actual experience, changes in assumptions, net differences between the projected and actual investment earnings, changes in proportion and differences between the Town's contributions and proportionate share of contributions and the Town's contributions made subsequent to the measurement date.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

7. Deferred Inflows of Resources

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. The unavailable revenue related to rental of real property is deferred in the governmental funds and will be recognized as an inflow of resources in the period that the amounts become available. The governmental funds also contain a deferred amount for an upfront payment on a service concession arrangement that was not earned in the current year. In the government-wide financial statements, the Town reports deferred inflows of resources associated with other postemployment benefits, pensions and length of service award programs which consists of differences between the pension plan's expected and actual experience, changes in assumptions, net difference between projected and actual investment earnings and the changes in proportion and differences between the Town's contributions and proportionate share of contributions. The Town also reports a deferred inflow of resources for the present value of the future installment payments to be received under the service concession arrangement after the advance fee has been liquidated.

8. 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.

9. Long-Term Obligations

The liabilities for long-term obligations consisting of general obligation bonds payable, due to Employees' Retirement System, compensated absences, claims and judgments payable, other litigation payable, estimated liability for landfill closure and postclosure care costs, capital lease payable, other postemployment benefits payable, proportionate shares of length of service award and net pension liability 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.

10. 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 60% 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.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

11. 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 1st, and are due in two installments, 50% on January 1st and 50% on July 1st, payable without penalty to February 10th and August 10th, respectively. Penalties are imposed thereafter at the rate of 1% per month from January 1st and July 1st until August 31st, 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 1st, 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 1st and 50% on April 1st payable without penalty to November 10th and May 10th, respectively. The County is also responsible for uncollected school taxes.

12. Benefits

Eligible Town employees participate in the New York State and Local Employees' Retirement System ("System").

Town employees may choose to participate in the Town's elective deferred compensation plans established under Internal Revenue Code Section 457.

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Town's employees may become eligible for these benefits if they reach normal retirement age with at least five or ten consecutive years of service 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 ("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 the other postemployment benefits payable is recorded as a non-current liability in the government-wide statements.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

13. Length of Service Award Program (“LOSAP”) Liabilities

The Town jointly sponsors LOSAPs, defined benefit service award programs, for its volunteer firefighters of two different fire protection districts. The two programs have multiple sponsors all of whom are legally responsible for annual contributions to the program, as such this is considered a special funding situation. The programs are administered through a trust. Payments under the program are made from the general assets of the sponsors.

The trust does not meet the criteria of GASB Statement No. 73, paragraph 4 because the assets are not protected from the Town’s creditors. Accordingly, the Town reports its proportionate share of the total LOSAP service award liabilities which have been measured at the actuarial present value of projected benefit payments without offset from the trust assets.

14. Compensated Absences

The liability for vested or accumulated vacation, sick leave or compensatory time (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 or expected payouts. 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 in the funds statement of the respective fund that will pay it.

15. 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 and retainage payable in the government-wide financial statements 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), (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).

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

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

15. Net Position and Fund Equity Classifications (continued)

- b) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws and 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 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.

16. 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.

17. Use of Estimates

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

18. 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, 2018, the statement that had an impact on the Town's financial statement was:

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", effective for the year ended December 31, 2018. This Statement replaces the requirements of Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. See Note 6 for the financial statement impact of the implementation of the Statement.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Equity (continued)

19. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

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. In 2018, the Town accrued an additional installment payment in the amount of \$2,475,000 after it sent the requisite notices 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 the deposit and installment payments as revenue.

At December 31, 2018, 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 payments 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 \$32,500,000 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. In the current year, the General Fund net change in fund balance would be decreased by \$2,475,000. In addition, the change in net position on the Statement of Activities would be decreased by the same amount.

See Note 4.J for related commitment and contingency information.

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.
- 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 the 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. All budgetary amendments and transfers of appropriations require Town Board approval. Appropriations for all governmental funds except the Capital Projects Fund lapse at year end.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

- 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. 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, respectively.
- 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, 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 2018 budget included an overall decrease in real property tax revenue from the prior year of .53% for the Town's overall governmental activities.

B. 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.

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 District Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Fund Balances:								
Nonspendable:								
Inventory	\$ 2,314,736	\$ 1,020,332					\$ 266,115	\$ 3,601,183
Total Nonspendable	2,314,736	1,020,332	\$ -0-	\$ -0-	\$ -0-	\$ -0-	266,115	3,601,183
Restricted for:								
Debt service					100,628		540,286	640,914
Capital projects						43,324,860		43,324,860
LOSAP							3,147,027	3,147,027
Grantor restrictions	31,287						608,615	639,902
Long-term receivables				96,000				96,000
Total Restricted	31,287	-0-	-0-	96,000	100,628	43,324,860	4,295,928	47,848,703
Assigned to:								
Purchases on order							9,064	9,064
Special revenue funds								
Highway		1,554,617						1,554,617
Garbage collection district			3,302,283					3,302,283
Drainage district							2,332,299	2,332,299
Park districts							3,058,510	3,058,510
Fire protection districts							1,376,543	1,376,543
Lighting district							2,444,274	2,444,274
Water districts							24,732	24,732
Long-term receivables		100,000					6,241,127	6,341,127
Total Assigned	-0-	1,654,617	3,302,283	-0-	-0-	-0-	15,486,549	20,443,449
Unassigned, reported in								
General fund	(12,746,493)							(12,746,493)
Special revenue funds				(6,537,111)			(1,074,950)	(7,612,061)
Capital projects fund						(32,491,765)		(32,491,765)
Total Unassigned	(12,746,493)	-0-	-0-	(6,537,111)	-0-	(32,491,765)	(1,074,950)	(52,850,319)
Total Fund Balances (Deficits)	\$ (10,400,470)	\$ 2,674,949	\$ 3,302,283	\$ (6,441,111)	\$ 100,628	\$ 10,833,095	\$ 18,973,642	\$ 19,043,016

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

C. Deficit Fund Equity

Individual funds with total fund deficits as of December 31, 2018 were as follows:

	Total Fund Balance (Deficit)
General Fund	\$ (10,400,470)
Solid Waste Disposal District	(6,441,111)
Public Parking District	(534,664)

The General Fund carried forward a deficit of \$22,034,086. This deficit was decreased during the year, primarily due to the Town's higher than originally anticipated revenues. Higher than anticipated local government assistance revenue from Nassau County, interfund revenues, mortgage tax revenue and sales of real property revenue assisted in reducing the deficit. The Town anticipates continuing to eliminate this deficit through careful monitoring of 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 \$6,016,218 from the prior year. The deficit was increased due to actual expenditures being higher than originally anticipated. The increased expenditures were mostly related to sanitation transportation and workers' compensation costs. This was partially offset by the collection of more refuse and garbage revenues than were anticipated. The Town anticipates eliminating this deficit through careful monitoring of expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

The Public Parking District carried forward a deficit of \$1,885,522 from the prior year. The deficit was decreased due to higher than anticipated revenue from parking permits. Overall, expenditures were in line with originally budgeted amounts. The Town anticipates eliminating this deficit through careful monitoring of expenditures combined with increases to program revenue, allowing for increases in property taxes where necessary.

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).

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

	Governmental Funds	Fiduciary Funds		
		Town Agency	Town Clerk	Receiver of Taxes
Cash:				
Demand Deposits	\$ 55,373,135	\$ 15,293,568	\$ 32,133	\$ 100,883,823
Money Market	18,614,964			
Total Cash	73,988,099	15,293,568	32,133	100,883,823
Cash on Hand:				
Petty Cash	8,285			600
Investments:				
Length of Service Award	3,147,027			
	\$ 77,143,411	\$ 15,293,568	\$ 32,133	\$ 100,884,423

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Investments (continued)

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, 2018, the Town's bank deposit balances were \$197,660,530. Of these balances, \$23,781,855 was covered by the Federal Deposit Insurance Corporation, \$3,594,986 was covered by irrevocable stand-by letters of credit issued by the Federal Home Loan Bank, which were held by the pledging financial institutions in the Town's name, \$114,247,764 was covered by collateral held by the Town's agents, third-party financial institutions, in the Town's name, \$56,035,925 was collateralized with securities held by the pledging financial institution, or its trust, in the name of the Town.

As of December 31, 2018, 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, 2018, the Town's nonmajor component units' bank deposit balances were \$81,691,312. Of these balances, \$16,690,743 was covered by Federal Deposit Insurance Corporation, \$33,927,051 was covered by irrevocable stand-by letters of credit issued by the Federal Home Loan Bank, which were held by the pledging financial institutions in the nonmajor component units' name, \$31,073,518 was covered by collateral held by the nonmajor component units' agents, third-party financial institutions, in the nonmajor component units' name.

In addition, the Town's nonmajor component units had investments in CLASS, consisting of U.S. Treasury obligations and repurchase agreements relating to Treasury obligations totaling \$30,066.

Restricted Length of Service Award Program Investments

The Town contributes monies to two length of service award programs ("LOSAP"), as a non-employer contributing entity through joint sponsorship intermunicipal agreements. The funds are set-a-side for LOSAP retirement-like benefits for those volunteering time and services pertaining to firefighting services, in accordance with the Program Plan Documents. The funds are managed by an administrator, designated by the joint sponsoring boards. The administrator maintains the investments in a group benefit trust that are invested by Mass Mutual in their general investment account. The underlying investments are in group annuity contracts and are reported at contract value.

The Town's proportionate share of the LOSAP investments are reported in the Fire Protection Districts Fund and are included in the schedule of cash and investments on the previous page. See Note 3.F for more information on the programs.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

B. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances for the Town at December 31, 2018 represent temporary borrowings. These amounts will be reimbursed subsequent to year end and are stated as follows:

	Amount Receivable	Amount Payable
Major Funds:		
General Fund	\$ 100,000	
Highway Fund	2,500,000	
Solid Waste Disposal District		\$ 6,500,000
Total Major Funds	2,600,000	6,500,000
Nonmajor Funds:		
Town Outside Village Fund	6,500,000	
Drainage District	1,600,000	
Park Districts		3,700,000
Public Parking District		500,000
Total Nonmajor Funds	8,100,000	4,200,000
Total	\$ 10,700,000	\$ 10,700,000

Interfund transfer balances for the Town at December 31, 2018 represent primarily the payment of the general obligation bond and bond anticipation note principal and interest and capital project funding and are stated as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund		\$ 34,152,138
Highway Fund		20,998,808
Garbage Collection Districts		7,369,532
Solid Waste Disposal District		4,361,216
Debt Service Fund	\$ 76,261,636	
Capital Projects Fund	16,573,014	13,740,557
Total Major Funds	92,834,650	80,622,251
Nonmajor Funds:		
Town Outside Village Fund		1,287,589
Drainage District		502,263
Park Districts		5,039,171
Lighting District		330,895
Public Parking District		5,052,481
Total Nonmajor Funds	-0-	12,212,399
Total	\$ 92,834,650	\$ 92,834,650

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

	Balance 1/1/18	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 12/31/18
Primary government				
Capital assets not being depreciated				
Land	\$ 118,534,538		\$ 2,502,211	\$ 116,032,327
Development rights	1,306,296			1,306,296
Construction in progress	875,983	\$ 1,785,451	210,784	2,450,650
Total capital assets not being depreciated	<u>120,716,817</u>	<u>1,785,451</u>	<u>2,712,995</u>	<u>119,789,273</u>
Depreciable capital assets				
Land rights	9,296,520			9,296,520
Buildings	152,144,271	18,729,744	2,732,367	168,141,648
Improvements other than buildings	495,406,601	8,687,630		504,094,231
Machinery and equipment	93,063,345	6,253,904	4,048,055	95,269,194
Software	25,297,398	435,591		25,732,989
Infrastructure				
Roads, curbs and sidewalks	412,961,552	7,747,517		420,709,069
Drainage system	180,032,362	223,931		180,256,293
Lighting system	22,499,105	278,080		22,777,185
Total depreciable capital assets	<u>1,390,701,154</u>	<u>42,356,397</u>	<u>6,780,422</u>	<u>1,426,277,129</u>
Less accumulated depreciation				
Land rights	5,234,512	672,473		5,906,985
Buildings	48,986,221	4,258,976	663,193	52,582,004
Improvements other than buildings	314,648,702	16,692,082		331,340,784
Machinery and equipment	77,782,234	6,176,501	3,970,568	79,988,167
Software	13,027,972	2,510,167		15,538,139
Infrastructure				
Roads, curbs and sidewalks	213,834,356	19,154,822		232,989,178
Drainage system	172,091,279	591,956		172,683,235
Lighting system	17,660,479	355,186		18,015,665
Total accumulated depreciation	<u>\$ 863,265,755</u>	<u>\$ 50,412,163</u>	<u>\$ 4,633,761</u>	<u>909,044,157</u>
Total net depreciable capital assets				<u>517,232,972</u>
Total net capital assets				<u>\$ 637,022,245</u>
Depreciation expense was charged to governmental functions as follows:				
General government support				\$ 5,543,344
Public safety				221,006
Transportation				23,569,869
Economic assistance and opportunity				4,823
Culture and recreation				16,443,418
Home and community services				4,629,703
Total governmental activities depreciation expense				<u>\$ 50,412,163</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.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

	(Restated) Balance 1/1/18	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 12/31/18
Discretely presented component units				
Capital assets not being depreciated				
Land	\$ 5,834,112			\$ 5,834,112
Construction in progress	22,641,566	\$ 16,565,736	\$ 21,113,529	18,093,773
Total capital assets not being depreciated	<u>28,475,678</u>	<u>16,565,736</u>	<u>21,113,529</u>	<u>23,927,885</u>
Depreciable capital assets				
Buildings	68,979,447	74,378	4,794	69,049,031
Improvements other than buildings	115,135,217	20,181,074	86,391	135,229,900
Machinery and equipment	53,128,059	3,266,851	1,795,662	54,599,248
Software	90,688	143,228	31,187	202,729
Infrastructure				
Water mains	91,640,445	2,310,599	676,553	93,274,491
Sewer system	1,517,692			1,517,692
Total depreciable capital assets	<u>330,491,548</u>	<u>25,976,130</u>	<u>2,594,587</u>	<u>353,873,091</u>
Less accumulated depreciation				
Buildings	21,889,561	1,830,554	1,628	23,718,487
Improvements other than buildings	40,349,225	5,149,380	86,391	45,412,214
Machinery and equipment	33,318,693	2,416,592	1,794,942	33,940,343
Software	68,076	9,130	31,187	46,019
Infrastructure				
Water mains	43,836,977	1,795,201	91,596	45,540,582
Sewer system	930,561	24,513		955,074
Total accumulated depreciation	<u>\$ 140,393,093</u>	<u>\$ 11,225,370</u>	<u>\$ 2,005,744</u>	<u>149,612,719</u>
Total net depreciable capital assets				<u>204,260,372</u>
Total net capital assets				<u>\$ 228,188,257</u>

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

Home and community services	\$ 11,225,370
Total discretely presented component unit depreciation expense	<u>\$ 11,225,370</u>

D. Indebtedness

Short-term Debt

Bond Anticipation Notes (BANs) – Bond anticipation notes (BANs) are generally 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. BANs are expected to be paid from the proceeds of future bond issues after renewal of these notes. These BANs bear interest rates of 3.00% and were renewed on March 15, 2019.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

D. Indebtedness (continued)

Short-term Debt (continued)

These notes are summarized by purpose as follows:

	Balance 1/1/18	Issued	Redeemed	Balance 12/31/18
Primary Government:				
Capital Projects Fund:				
General Fund - Townwide	\$ 44,676,281	\$ 10,573,825	\$ 44,676,281	\$ 10,573,825
Highway Fund	77,707,433	3,153,130	77,707,433	3,153,130
Garbage Collection Districts	5,234,517	2,578,729	5,234,517	2,578,729
Solid Waste Disposal District	3,072,139	517,505	3,072,139	517,505
Town Outside Village Fund	2,293,307		2,293,307	
Drainage District	6,507		6,507	
Park Districts	5,887,606	2,572,177	5,887,606	2,572,177
Lighting District	699,991	1,254,634	699,991	1,254,634
Public Parking District	245,907	9,375,000	245,907	9,375,000
Total Capital Projects Fund	139,823,688	30,025,000	139,823,688	30,025,000
Total Primary Government	139,823,688	30,025,000	139,823,688	30,025,000
Component Units:				
Massapequa Water District	-0-	2,000,000		2,000,000
Plainview Water District	366,750		366,750	
Locust Valley Water District	7,655,000		7,655,000	
Oyster Bay Water District	2,100,000		2,100,000	
Jericho Water District	7,980,000		7,980,000	
So. Farmingdale Water District	6,780,000	1,515,000	6,780,000	1,515,000
Bethpage Water District	13,274,562	5,000,000	13,274,562	5,000,000
Total Component Units	38,156,312	8,515,000	38,156,312	8,515,000
Total Bond Anticipation Notes	\$ 177,980,000	\$ 38,540,000	\$ 177,980,000	\$ 38,540,000

Revenue Anticipation Notes (RANs) – This note was issued as a temporary means of financing a cash flow shortfall in the General Fund for 2017. This RAN, with an interest rate of 2.50% was redeemed on February 23, 2018 from local government assistance revenue collected.

The note is summarized as follows:

	Balance 1/1/18	Issued	Redeemed	Balance 12/31/18
Primary Government:				
General Fund	\$ 15,000,000	\$ -0-	\$ 15,000,000	\$ -0-

Tax Anticipation Notes (TANs) – The notes were issued as a temporary means of financing a cash flow shortfall for 2018 on December 14, 2018 for \$1,000,000 and \$9,000,000 with interest rates of 2.50% and 3.25%, respectively. The TANs were redeemed on February 15, 2019 from ad valorem taxes.

	Balance 1/1/18	Issued	Redeemed	Balance 12/31/18
Primary Government:				
General Fund	\$ -0-	\$ 10,000,000	\$ -0-	\$ 10,000,000

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

D. Indebtedness (continued)

Long-term Debt

Summary of changes in long-term debt transactions for the year ended December 31, 2018 is as follows:

	(Restated) Balance 1/1/18*	Increases	Reductions	Balance 12/31/18	Non-current liabilities due within one year	Non-current liabilities
Primary Government:						
General obligation bonds payable	\$ 524,295,272	\$ 204,445,344	\$ 143,272,598	\$ 585,468,018	\$ 64,929,930	\$ 520,538,088
Plus premiums on issuance	10,778,201	4,266,186	1,644,283	13,400,104	1,881,293	11,518,811
Total general obligation bonds	535,073,473	208,711,530	144,916,881	598,868,122	66,811,223	532,056,899
Due to Employees' Retirement System	21,604,278		2,333,698	19,270,580	2,412,233	16,858,347
Compensated absences	21,246,193	4,112,736	3,064,147	22,294,782	1,114,739	21,180,043
Claims and judgments payable	23,023,913	4,600,911	5,991,072	21,633,752	5,351,377	16,282,375
Other litigation payable	196,000			196,000	196,000	
Estimated liability for landfill closure and post-closure care costs	3,000,000		300,000	2,700,000	300,000	2,400,000
Retirement incentive payable	33,666		33,666	-0-		
Capital lease payable	116,794	111,711	127,965	100,540	22,342	78,198
Other postemployment benefits payable	508,225,303	33,803,778	66,813,928	475,215,153		475,215,153
LOSAP liability - proportionate share	5,425,780	979,348	223,870	6,181,258		6,181,258
Net pension liability - proportionate share	31,437,416	12,761,640	33,858,158	10,340,898		10,340,898
Total non-current liabilities	<u>\$ 1,149,382,816</u>	<u>\$ 265,081,654</u>	<u>\$ 257,663,385</u>	<u>\$ 1,156,801,085</u>	<u>\$ 76,207,914</u>	<u>\$ 1,080,593,171</u>
Component Units:						
General obligation bonds payable	\$ 54,134,728	\$ 41,940,025	\$ 9,202,401	\$ 86,872,351	\$ 6,020,441	\$ 80,851,910
Plus premiums on issuance	556,900	41,111	26,197	571,814	26,195	545,619
Total general obligation bonds	54,691,628	41,981,136	9,228,598	87,444,165	6,046,636	81,397,529
Compensated absences	4,255,454	812,917	846,653	4,221,718	279,598	3,942,120
Other postemployment benefits payable	75,692,706	5,364,088	9,926,815	71,129,979		71,129,979
Net pension liability - proportionate share	4,328,495	1,096,046	4,005,336	1,419,205		1,419,205
Other debt	9,925,000	23,865,171	10,340,662	23,449,509	1,255,662	22,193,847
Total non-current liabilities	<u>\$ 148,893,283</u>	<u>\$ 73,119,358</u>	<u>\$ 34,348,064</u>	<u>\$ 187,664,576</u>	<u>\$ 7,581,896</u>	<u>\$ 180,082,680</u>

*The beginning balance of the other postemployment benefits payable was restated by \$264,343,087 and \$43,085,724 for the Town and component units, respectively, as of January 1, 2018 in accordance with GASB Statement No. 75. See Note 6.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 .0263% to 6.0% and have maturity dates in 2019 through 2043. The original amount borrowed for debt currently outstanding was \$939,771,748.

A summary of these bonds by purpose is as follows:

	Balance 1/1/18	Issued	Redeemed	Balance 12/31/18
Primary Government:				
General Fund	\$ 227,983,264	\$ 69,737,288	\$ 57,109,263	\$ 240,611,289
Highway Fund	160,212,169	96,680,360	44,308,895	212,583,634
Garbage Collection Districts	31,838,771	10,032,656	11,606,115	30,265,312
Solid Waste Disposal District	23,177,086	6,010,015	6,611,416	22,575,685
Town Outside Village Fund	2,253,569	1,469,472	513,047	3,209,994
Drainage District	1,896,669	185,325	651,580	1,430,414
Park Districts	31,003,721	10,577,042	9,205,567	32,375,196
Lighting District	2,515,975	1,082,369	794,148	2,804,196
Public Parking District	43,414,048	8,670,817	12,472,567	39,612,298
Total Primary Government	<u>524,295,272</u>	<u>204,445,344</u>	<u>143,272,598</u>	<u>585,468,018</u>
Component Units:				
Massapequa Water District	3,758,150		355,243	3,402,907
Plainview Water District	15,077,212	2,955,453	4,090,032	13,942,633
Locust Valley Water District	3,672,000	7,600,000	260,000	11,012,000
Oyster Bay Water District	2,550,290	2,482,010	729,441	4,302,859
Jericho Water District	5,634,000	7,950,000	360,000	13,224,000
So. Farmingdale Water District	10,789,930	8,298,000	2,314,030	16,773,900
Bethpage Water District	10,629,800	12,654,562	752,800	22,531,562
Oyster Bay Sewer District	2,023,346		340,856	1,682,490
Total Component Units	<u>54,134,728</u>	<u>41,940,025</u>	<u>9,202,402</u>	<u>86,872,351</u>
Total General Obligation Bonds	<u>\$ 578,430,000</u>	<u>\$ 246,385,369</u>	<u>\$ 152,475,000</u>	<u>\$ 672,340,369</u>

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, 2019	\$ 64,929,930	\$ 21,451,002	\$ 86,380,932
2020	67,373,769	18,364,191	85,737,960
2021	55,849,049	16,093,886	71,942,935
2022	49,902,439	14,110,810	64,013,249
2023	48,820,144	12,191,514	61,011,658
2024 - 2028	218,365,687	34,424,189	252,789,876
2029 - 2033	78,932,000	6,992,862	85,924,862
2034 - 2038	610,000	117,400	727,400
2039 - 2043	685,000	41,556	726,556
Totals	<u>\$ 585,468,018</u>	<u>\$ 123,787,410</u>	<u>\$ 709,255,428</u>

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 component units is as follows:

	Principal	Interest	Total Principal and Interest
For years ending December 31, 2019	\$ 6,020,441	\$ 3,206,690	\$ 9,227,131
2020	6,221,229	2,756,149	8,977,378
2021	6,285,951	2,542,538	8,828,489
2022	6,492,561	2,325,469	8,818,030
2023	6,534,856	2,103,793	8,638,649
2024 - 2028	33,354,313	7,105,520	40,459,833
2029 - 2033	21,963,000	1,915,754	23,878,754
Totals	<u>\$ 86,872,351</u>	<u>\$ 21,955,913</u>	<u>\$ 108,828,264</u>

Current Refunding of Bonds

On April 11, 2018, the Town issued \$83,195,000 in Public Improvement Refunding Bonds for the Town and its component units with interest rates ranging from 2.0% to 5.0% and annual maturities through February 2027. Of the \$83,195,000 issued, \$78,696,287 was for the refunding of general Town debt and \$4,498,713 was for the refunding of component unit debt.

The net proceeds of \$87,008,567 (the par amount of the bonds plus a premium of \$4,510,187 less underwriter's fees, insurance and other issuance costs of \$696,620) were used to current refund \$14,520,000 of outstanding 2008 Public Improvement Serial Bonds, with interest rates of 4.0% - 4.125% and \$71,955,000 of outstanding 2010 Public Improvement Serial Bonds, with interest rates of 3.0% - 4.0%. Of the net proceeds, \$82,303,540 was related to general Town purposes and \$4,705,027 was related to component units.

The net proceeds were used to pay \$86,475,000 of outstanding principal and \$533,567 of accrued interest.

The current refunding was done in order to reduce debt payments in the short-term. The refunding decreased total debt service payments by \$3,014,044, of which \$2,809,109 related to the Town and \$204,935 related to component units. The overall transaction resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$1,651,012 of which \$1,561,735 related to the Town and \$89,277 related to component units.

Capital Lease Obligations

In 2016, the Town entered into a capital lease agreement to finance the acquisition of networking and firewall software and hardware. The amount financed was \$349,680 and was repaid by the General Fund over three years, with annual payments totaling \$120,140, inclusive of interest at a rate of 2.865%. This lease matured in March 2018.

In 2018, the Town entered into a capital lease agreement to finance the acquisition of two digital presses and related equipment. The amount financed was \$111,711 and is to be repaid by the General Fund over 60 months, with monthly payments of \$1,862. The lease has an interest rate of 0%.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

D. Indebtedness (continued)

Capital Lease Obligations (continued)

The equipment and related accumulated depreciation under capital lease is as follows:

Equipment	\$	111,711
Less: accumulated depreciation		11,171
Net Value	\$	100,540

Future principal payments to maturity are as follows:

		Principal
For years ending December 31, 2019	\$	22,342
2020		22,342
2021		22,342
2022		22,342
2023		11,172
Totals	\$	100,540

Retirement Incentive Payable – In the prior years, the Town offered employees meeting specific criteria an incentive to retire from active employment. As part of the incentive, employees had the option to receive the retirement incentive payment over a three year period. The Town paid the remaining balance of \$33,666 on the retirement incentive payable in 2018.

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 due to Employees' Retirement System, compensated absences, other litigation payable, retirement incentive payable, other postemployment benefits payable, length of service award program liability – proportionate share, and net pension liability-proportionate share 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 has issued serial bonds not guaranteed by the Town to finance improvements to that district. The outstanding serial bonds of \$23,449,509, inclusive of premiums have been included under the caption "Other debt" because the Town does not bear any responsibility with respect to this debt in its repayment.

E. Retirement System

Plan Description

The Town of Oyster Bay participates in the New York State and Local Employees' Retirement System ("System"). This is a cost-sharing, multiple-employer defined benefit pension plan. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term.

The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee and the Audit Advisory Committee.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Plan Description (continued)

System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Generally, members of the System are employees of the State and its municipalities, other than New York City. The Town also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. In the Fund statements, GLIP amounts are apportioned to and included in ERS. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

Obligation of employers and employees to contribute and benefits to employees are governed by the RSSL. 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.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100 percent vested.

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 and Tier 2, is 55 and 62, respectively.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Tier 3, 4 and 5 (continued)

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 members is age 63 for System members.

Benefit calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Contributions

Generally, Tier 3, 4 and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the RSSL, the Comptroller shall certify annually the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's year ended March 31.

The actual contribution was \$12,282,602.

Retirement Amortizations and Incentives

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. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, the Town will be required to pay additional moneys into a specific reserve fund which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets. The Town's total deferred amount related to the 2011 fiscal year was \$3,703,672 and will be billed and paid over ten years beginning in 2013 and will include interest at 3.75%. During 2018, the Town paid \$375,147 toward this program and has a remaining liability at December 31, 2018 of \$1,646,644.

Pursuant to Chapter 57 of the Laws of 2010, the Town's total deferred amount 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 2018, the Town paid \$676,953 toward this program and has a remaining liability at December 31, 2018 of \$3,701,853.

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 deferred amount related to the 2013 fiscal year was \$6,157,543 and will be billed and paid over twelve years beginning in 2015 and will include interest at 3.76%. During 2018, the Town paid \$464,122 toward this program and has a remaining liability at December 31, 2018 of \$4,399,552.

Pursuant to Chapter 57 of the Laws of 2013, the Town's total deferred amount related to the 2014 fiscal year was \$4,525,561 and will be billed and paid over twelve years beginning in 2016 and will include interest at 3.50%. During 2018, the Town paid \$332,003 toward this program and has a remaining liability at December 31, 2018 of \$3,562,854.

Pursuant to Chapter 57 of the Laws of 2013, the Town's total deferred amount related to the 2015 fiscal year was \$4,773,406 and will be billed and paid over twelve years beginning in 2017 and will include interest at 3.31%. During 2018, the Town paid \$341,402 toward this program and has a remaining liability at December 31, 2018 of \$4,101,540.

Pursuant to Chapter 57 of the Laws of 2013, the Town's total deferred amount related to the 2016 fiscal year was \$2,002,208 and will be billed and paid over twelve years beginning in 2018 and will include interest at 2.63%. During 2018, the Town paid \$144,071 toward this program and has a remaining liability at December 31, 2018 of \$1,858,137.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Retirement Amortizations and Incentives (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
For years ending December 31, 2019	\$ 2,412,233	\$ 647,558	\$ 3,059,791
2020	2,493,446	566,346	3,059,792
2021	2,577,421	482,371	3,059,792
2022	2,664,258	395,534	3,059,792
2023	2,303,086	305,741	2,608,827
2024 - 2028	6,628,448	611,793	7,240,241
2029	191,688	5,041	196,729
Totals	<u>\$ 19,270,580</u>	<u>\$ 3,014,384</u>	<u>\$ 22,284,964</u>

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2018, the Town reported a liability of \$10,340,898 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected long-term contributions of all participating members.

Below is the Town's proportionate share of the net pension liability of the System and the related employer allocation percentage as of the March 31, 2018 measurement date.

<u>Net Pension Liability</u>	<u>Allocation of the System's Total Net Liability</u>	<u>Change in the Allocation of the System's Total Net Pension Liability Since Prior Measurement Date</u>
\$ 10,340,898	0.3204051%	-0.0141699

There was no significant change in the Town's proportion from March 31, 2017 to March 31, 2018.

For the year ended December 31, 2018, the Town recognized pension expense of \$12,761,640 in the Statement of Activities. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,688,263	\$ 3,047,842
Changes in assumptions	6,856,870	
Net difference between projected and actual investment earnings on pension plan investments		14,627,326
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	1,941,493	880,238
Contributions made subsequent to the measurement date	8,875,991	
Total	<u>\$ 21,362,617</u>	<u>\$ 18,555,406</u>

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

Deferred outflows of resources related to pensions resulting from the Town's contribution subsequent to the measurement date in the amount of \$8,875,991 will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For years ending December 31, 2019	\$ 2,473,696
2020	2,173,750
2021	(7,275,020)
2022	(3,441,206)
	<u>\$ (6,068,780)</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Investment rate of return (net of investment expenses)	7.00%
Inflation rate	2.50%
Salary scale	3.80%
Cost of living adjustments	1.30%

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

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below:

<u>Asset Class:</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies*	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation indexed bonds	4.00%	1.25%
	<u>100.00%</u>	

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

* Excludes equity-oriented long-only global funds of \$2.33 billion. For investment management purposes, these funds are included in domestic equity and international equity.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

E. Retirement System (continued)

Actuarial Assumptions (continued)

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

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

	One Percent Decrease (6.00%)	Current Assumption (7.00%)	One Percent Increase (8.00%)
Town's proportionate share of the collective net pension liability/(asset)	\$ 78,242,020	\$ 10,340,898	\$ (47,100,738)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers in the System as of March 31, 2018, were as follows:

	(Dollars in thousands)
Employers' total pension liability	\$ 183,400,590
Plan net position	(180,173,145)
Employers' net pension liability	\$ 3,227,445
 Ratio of plan net position to the Employers' total pension liability	 98.24%

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial statements.

F. Fire Protection Length of Service Award Program ("LOSAP")

The Town jointly sponsors defined benefit length of service award programs ("LOSAP") for the active volunteer firefighters of the Oyster Bay ("Oyster Bay") and Glenwood-Glen Head ("Glenwood") Fire Protection Districts. The programs took effect on July 1, 1991 and April 1, 1990 for Oyster Bay and Glenwood, respectively. The programs were established pursuant to Article 11-A of the New York State General Municipal Law. The programs provide municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is approximately a 55% sponsor of the Oyster Bay program and a 46% sponsor of the Glenwood program for the year ended December 31, 2018. The Town contributed \$197,508 and \$137,468 during 2018 to the Oyster Bay and Glenwood programs, respectively. Additional Fire Protection Districts had LOSAP programs for which the Town did not participate in material intermunicipal agreements to directly fund those LOSAP plans, which were administered by others. These plans are not included in this report.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

F. Fire Protection Length of Service Award Program (“LOSAP”) (continued)

Program Description

Participation, vesting and service credit

Oyster Bay’s active volunteer firefighters who have reached the age of 17 are eligible to participate in the program. Glenwood has no minimum age for eligibility. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program’s entitlement age. The program’s entitlement age is age 62 for Oyster Bay and age 55 for Glenwood, both programs require completion of one 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.

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 five years of firefighting service rendered prior to the establishment of the program.

Benefits Provided

Benefits in the amount of \$20 per month per year of service are paid on behalf of each participant who is credited with a year of firefighting service. The programs guarantee a retirement annuity of 120 monthly payments payable inclusively to the participant and his/her designated beneficiary. The maximum number of years of firefighting service for which a participant may receive a contribution is forty years for Oyster Bay and thirty-seven years for Glenwood. 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 which are self-insured and paid from the program trust funds.

The Equal Employment Opportunity Commission (EEOC) settled an age discrimination lawsuit with the Glenwood LOSAP sponsors. Individuals who were granted post-entitled benefits and are not already participants in another class are listed below as post-entitled participants. They will receive the same benefits as retired participants.

Prior to the 1/1/2018 Actuarial Valuation, no post-entitlement benefits were provided under the Glenwood plan. As a result of the Consent Decree, post-entitlement benefits are now provided under the Glenwood plan. The plan sponsors elected to pay the monthly post-entitlement benefits that had been earned prior to 1/1/2018 as they came due (“pay-as-you-go”), rather than to set aside a liability for these benefits in the normal funding of the plan. The full actuarial present value of post-entitlement benefits that are earned after 1/1/2018 will be added to the plan and funded in the normal manner, as is done with all of the post-entitlement benefits in the Oyster Bay plan, but those pre-1/1/2018 post-entitlement benefits in the Glenwood plan will continue to simply be paid by the plan sponsors as they come due.

Participants covered by the benefit terms

	Oyster Bay	Glenwood
Retired participants receiving benefits	41	14
Post-Entitled participants	0	41
Inactive participants entitled to, but not yet receiving benefits	70	19
Active participants	100	73
Total	211	147

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 boards have retained and designated Glatfelter VFIS Specialty Benefits to assist in the administration of the Oyster Bay and Glenwood programs. The designated program administrator’s functions include calculating the amount to be contributed to the plan at the end of each year based upon the criteria set forth in the Program’s Plan Document. Disbursements for the payment of benefits or administrative expenditures must be approved by the sponsoring board and delivered to the custodian through a payment schedule.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

F. Fire Protection Length of Service Award Program (“LOSAP”) (continued)

Fiduciary Investment and Control (continued)

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 expenditures of the operation and administration of the program. Any payments under the program shall be made from the general assets of the Sponsors which general assets are subject to the claims of creditors of the Sponsor. As such, the trust assets do not meet the criteria as defined by GASB and, therefore, may not be offset against the LOSAP liability.

Authority to invest program assets is vested in the sponsoring board. Subject to restrictions in the Program Plan Document, program assets are invested in accordance with a statutory “prudent person” rule. The sponsoring board is required to retain an actuary to review and certify the administrator’s calculations of the amount of the sponsoring board’s contributions to the program. The actuary retained by the sponsoring board for this purpose is JF Actuarial Service Inc. Portions of the following information are derived from reports prepared by the actuary dated May 30, 2018 for Oyster Bay and February 2, 2019 for Glenwood, respectively. The actuary provided additional calculations for the length of service award program liability.

Program Financial Condition

The following represents the Town’s proportionate share of program assets as of December 31, 2018 and the changes for the year then ended.

Program Financial Condition

		<u>Oyster Bay</u>		<u>Glenwood</u>
Group annuity contracts	100.00%	\$ 1,834,578	100.00%	\$ 1,312,449

Prior Service Costs

There are no prior service costs being amortized.

Receipts and Disbursements

Program Net Assets, January 1, 2018		\$ 1,629,329		\$ 1,273,899
Changes during the year:				
Plan contributions		197,508		137,468
Town's portion of EEOC Settlement				13,248
Changes in fair market value of investments		58,202		26,486
Plan benefit withdrawals		(42,224)		(132,542)
Premiums		(5,109)		(3,421)
Administrative and Other Fees/Charges		<u>(3,128)</u>		<u>(2,689)</u>
Program Net Assets, December 31, 2018		<u>\$ 1,834,578</u>		<u>\$ 1,312,449</u>

Contributions

Amount of Town's required contribution:		\$ 176,583		\$ 178,485
Amount of Town's actual contribution:		\$ 197,508		\$ 137,468

Administration Fees

Plan administrator		\$ 2,577		\$ 2,229
Actuary		\$ 551		\$ 460

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

F. Fire Protection Length of Service Award Program (“LOSAP”) (continued)

Program Liabilities, Program Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Program

At December 31, 2018, the Town reported a liability of \$6,181,258 for its proportionate share of the length of service award program liability. The length of service award program liability was measured as of June 30, 2018 and December 31, 2018 for Oyster Bay and Glenwood, respectively, and the total program liability by an actuarial valuation as of July 1, 2017 and January 1, 2018 for Oyster Bay and Glenwood, respectively. The Town’s proportion of the length of service award program liability was based on a projection of the Town’s share of contributions to the program.

	<u>Oyster Bay</u>	<u>Glenwood</u>
Program Liability - Beginning of year	\$3,436,594	\$1,989,186
Service cost	88,026	68,124
Interest	123,434	71,340
Differences between expected and actual experience	(23,103)	160,576
Changes in assumptions	203,986	263,862
Benefit payments	(42,224)	(132,542)
Expenses	<u>(20,177)</u>	<u>(5,824)</u>
Program Liability - End of year	<u>\$3,766,536</u>	<u>\$2,414,722</u>

Changes in assumptions reflect a change in post-retirement mortality from GAR 94 to RP 2000 projected to 2030 and the discount rates.

For the year ended December 31, 2018, the Town recognized program expense of \$375,616 in the Statement of Activities. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>Oyster Bay</u>	<u>Glenwood</u>	<u>Oyster Bay</u>	<u>Glenwood</u>
Difference between expected and actual experience		\$ 133,814	\$ 20,537	
Changes in assumptions	\$ 181,320	346,010	322,005	
Contributions made subsequent to the measurement date	197,508			
Total	<u>\$ 378,828</u>	<u>\$ 479,824</u>	<u>\$ 342,542</u>	<u>\$ -0-</u>

Deferred outflows of resources related to the program resulting from the Town’s contribution subsequent to the measurement date in the amount of \$197,508 will be recognized as a reduction of the program liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the program will be recognized in program expense as follows:

	<u>Oyster Bay</u>	<u>Glenwood</u>	<u>Total</u>
For years ending December 31, 2019	\$ (44,303)	\$ 95,965	\$ 51,662
2020	(44,303)	95,965	51,662
2021	(44,303)	95,965	51,662
2022	(44,303)	95,965	51,662
2023	(44,303)	95,964	51,661
Thereafter	60,293		60,293
	<u>\$ (161,222)</u>	<u>\$ 479,824</u>	<u>\$ 318,602</u>

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

F. Fire Protection Length of Service Award Program (“LOSAP”) (continued)

Funding Methodology and Actuarial Assumptions

The actuarial valuation methodology used by the actuary to determine the sponsor’s contribution is the entry age normal method. The assumed rate of return on investment was determined by using the Fidelity Municipal General Obligation AA 20-year Bond Index as of the measurement dates of the individual programs. Update procedures were used to roll forward the liability from the actuarial valuation date to the measurement date.

The assumptions used by the actuary to determine the sponsor’s contribution and the actuarial present value of benefits are:

	<u>Oyster Bay</u>	<u>Glenwood</u>
Actuarial Valuation Date	July 1, 2017	January 1, 2018
Measurement Date	June 30, 2018	December 31, 2018
Investment rate of return	3.62%*	3.71%*
Salary increases	Not Applicable	Not Applicable
Inflation rate	0.00%	0.00%
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030	No pre-retirement mortality; post retirement RP2000 projected to 2030
Turnover	T5	T5
Retirement	First Eligible	First Eligible

* Percentages are net of pension plan investment expense, including inflation.

Sensitivity of the Proportionate Share of the Program Liability to the Discount Rate Assumption

The following presents the Town’s proportionate share of the length of service award program liability calculated using the discount rate of 3.62% and 3.71% for Oyster Bay and Glenwood, respectively, as well as what the Town’s proportionate share of the program liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current assumption:

	<u>One Percent Decrease</u>	<u>Current Assumption</u>	<u>One Percent Increase</u>
Oyster Bay			
Discount rates	2.62%	3.62%	4.62%
Net pension liability	\$ 4,032,666	\$ 3,766,536	\$ 3,494,506
Glenwood			
Discount rates	2.71%	3.71%	4.71%
Net pension liability	\$ 2,592,809	\$ 2,414,722	\$ 2,232,699

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

G. 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. The Town established and administers a single-employer defined benefit OPEB plan for its employees. Amendments to the plan are authorized by the union contract. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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 and is a member of the retirement system under tiers 1 through 4. Tier 5 and 6 retirement system members must have been employed with the Town for at least ten consecutive years and be at least 55 years of age in order to be entitled to medical insurance coverage at retirement. Tier 5 and 6 employees are also required to contribute 15% of their applicable medical insurance premium. 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, 2002 and January 1, 2006, respectively, and meet the requirements to receive medical insurance coverage. This contract will be renegotiated at various times in the future. The retiree is also eligible for full Medicare reimbursement in the amount of \$1,308 to \$1,608 per year, based on enrollment date. 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. The Town, as administrator of the plan, does not issue a separate report.

Employees Covered by Benefit Terms

The number of participants as of January 1, 2018, the effective date of the most recent actuarial valuation is as follows.

Active employees	996
Inactive employees or beneficiaries currently receiving benefit payments	1,291
Total	2,287

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

Contributions

The Town pays the cost of medical, dental and optical coverage as those premiums come due each year along with Medicare Part B premiums, on a pay-as-you-go-basis. During the year ended December 31, 2018, the Town paid \$13,856,455 for retiree insurance premiums, inclusive of \$1,447,562 of Medicare Part B premiums.

Total OPEB Liability

The Town's total OPEB liability of \$475,215,153 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2017, with updated procedures used to rollforward the OPEB liability to the measurement date.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Other Postemployment Benefits (Obligations for Health Insurance) (continued)

Actuarial Assumptions and Other Inputs

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 total OPEB liability in the January 1, 2018 valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Discount Rate	4.10%
Healthcare cost trend rates	8.0% for pre-65 for 2018, decreasing 1.0 percent per year to an ultimate rate of 5.0% in 2021 and 5% for post-65
Participant Salary Increases	3.5% annually
Payroll Growth Rate	2.5% annually

The discount rate was based on the December 31, 2018 Bond Buyer's 20 Bond Index.

Mortality rates were based on the RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2017.

The demographic assumptions used for this valuation are based on the New York State Employees' Retirement System ("ERS"). The actuarial assumptions used in the January 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable.

Changes in Total OPEB Liability

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

Balance at December 31, 2017, as restated	\$ 508,225,303
Changes for the year:	
Service cost	16,006,520
Interest	17,797,258
Changes in assumptions and other inputs	(52,957,473)
Benefit payments	(13,856,455)
Balance at December 31, 2018	<u>\$ 475,215,153</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.44% in 2017 to 4.10% in 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

One Percent Decrease (3.10%)	Discount Rate (4.10%)	One Percent Increase (5.10%)
<u>\$ 398,103,296</u>	<u>\$ 475,215,153</u>	<u>\$ 575,584,618</u>

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Other Postemployment Benefits (Obligations for Health Insurance) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

One Percent Decrease (7.00% decreasing to 4.00%)	Healthcare Cost Trend Rates (8.00% decreasing to 5.00%)	One Percent Decrease (9.00% decreasing to 6.00%)
\$ 398,103,296	\$ 475,215,153	\$ 575,584,618

For the year ended December 31, 2018, the Town recognized OPEB expense of \$33,010,150. At December 31, 2018, the Town reported deferred outflows or inflows of resources related to OPEB from the following sources.

	Deferred Inflows of Resources
Changes of assumptions	\$ 43,935,756
Total	\$ 43,935,756

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For years ending December 31, 2019	\$ (9,021,717)
2020	(9,021,717)
2021	(9,021,717)
2022	(9,021,717)
2023	(7,848,888)
	\$ (43,935,756)

The Town's component units had an ending total OPEB liability of \$71,129,979 as of December 31, 2018.

H. Compensated Absences

Town employees are granted vacation, sick and compensatory 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, sick and compensatory leave subject to certain limitations. Estimated vacation, sick leave and compensatory absences accumulated by employees have been recorded in the Statement of Net Position. Payment of vacation time, sick and compensatory 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, 2018, the value of the accumulated vacation time and sick leave was \$22,294,782 for the primary government. The liability for compensated absences for the nonmajor component units amounted to \$4,221,718.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. DETAILED NOTES ON ALL FUNDS (continued)

I. Tax Abatement Programs

The Town granted real property tax abatements to promote affordable senior citizen housing within the Town of Oyster Bay. Pursuant to Section 125 of the Private Housing Finance Law of the State of New York, a Town qualified project will be included into its privately financed affordable senior citizen housing tax abatement program. This program provides real property tax abatements of 100% of real property taxes for 25 years on qualified new capital improvements. During the term of the agreements, the benefiting entity must operate and maintain the property consistent with the terms of the agreement. As a general condition of providing tax relief assistance, the benefiting company enters into a payment in lieu of taxes ("PILOT") agreement to offset the taxes abated. In 2018, the agreements the Town ratified in the current and previous years, resulted in an abatement of \$2,627,052 of the Town's real property taxes and the PILOTs received totaled \$405,398.

The Town is also subject to real property tax abatements granted by the Nassau County Industrial Development Agency ("NCIDA"), an entity created as a New York State public benefit corporation. The NCIDA was established by Code Section 922, which became Chapter 674 of the Laws of 1975. The NCIDA offers several abatement programs on certain qualified projects to promote, retain, attract and encourage sound commerce and an industry base to prevent unemployment. At December 31, 2016, only the real property tax abatement program offered by NCIDA impacts the Town's revenues. Generally, a qualified project is an applicant submitted project which meets certain economic development criteria (such as job creation/retention) and which either 1) has been or will be financed by the issuance of NCIDA issued bonds, notes or other evidences of indebtedness with respect thereto or 2) is a straight lease transaction which the NCIDA has determined to undertake pursuant to a lease policy. The NCIDA, as a condition of providing assistance, may require that the benefiting company remit a PILOT payment to offset the amount of taxes abated. The NCIDA is authorized to enter into PILOT agreements per Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. In 2018, the agreements the NCIDA ratified in the current and previous years, resulted in an abatement of \$5,434,133 of the Town's real property taxes and the receipt of \$3,368,599 in PILOT payments.

The Town is also subject to real property tax abatements granted by Nassau County ("County"). The County approved specific abatements to provide for electric generation facilities within the Town. The two agreements provide PILOT payments through 2026 and 2028, which are subject to change based on the CPI and assessment adjustments. During the year ended December 31, 2018, the agreements resulted in an abatement of \$1,804,415 of the Town's real property tax and the receipt of \$405,531 in PILOT payments.

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.

The Town is self-insured for property protection on the first \$50,000, including earthquake and flood, except for wind and hail which are self-insured for 1% of the total insurable value per location of loss arising out of a named storm with a minimum of \$100,000 per loss and \$100,000 for all other wind and hail. The flood deductible is \$50,000, except maximum available National Flood Insurance Program coverage plus \$100,000 for special flood hazard zones B, zones X 500 and zone X unshaded. 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 coverage for FEMA special flood hazard zones is provided in the aggregate of \$1,000,000.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

A. Risk Management (continued)

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 include attorney, consulting and other fees. The Town is also self-insured for unemployment benefits paid.

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.

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 \$21,633,752, 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 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	
	2018	2017	2018	2017
Unpaid claims and claim adjustment expenditures at the beginning of year	\$ 19,587,730	\$ 20,353,653	\$ 3,436,183	\$ 4,014,865
Incurred claims and claim adjustment expenditures:				
Provision for insured events of the current year and increases in the provision for insured events of prior years	3,128,718	3,352,301	1,472,193	1,261,112
Total incurred claims and claim adjustment expenditures	3,128,718	3,352,301	1,472,193	1,261,112
Payments:				
Claim expenditures attributable to insured events of the current and prior years	4,841,095	4,118,224	1,149,977	1,839,794
Total payments	4,841,095	4,118,224	1,149,977	1,839,794
Total unpaid claims and claim adjustment expenditures at the end of the year	\$ 17,875,353	\$ 19,587,730	\$ 3,758,399	\$ 3,436,183

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

B. Property Condemnation and Environmental Issues

Liberty Industrial Site, Farmingdale, New York

The Town has acquired title to approximately 14 acres in Farmingdale (Liberty Industrial Site) through a condemnation proceeding. The United States Environmental Protection Agency (EPA) has conducted remediation of environmentally hazardous substances at the subject property. The Town plans to eventually convert property into 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 paid the EPA for the remediation and paid the former property owners \$3,300,000 as the initial payment on the condemnation. However, additional payments may be required to the former property owners 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 to determine if additional payments to the former property owners would be required. On June 30, 2016, the New York State Supreme Court, Nassau County determined the value of the property to be approximately \$31,300,000, which is inclusive of interest and other costs. The Town has been ordered to make an additional payment to the former property owners to reflect this value. The Town disagreed with the Court's decision and filed a Notice of Appeal on August 1, 2016.

In December 2017, the Appellate Division, Second Department vacated the trial court's approximate \$31,300,000 determination and remitted the matter back to the trial court in order to determine, based upon the evidence offered by the Town, the fair market value of the property with a highest and best use of light industrial development, considering such adjustments as the evidence will support, and whether the property sustained any consequential damages when its proposed highest and best use was industrial. By Order dated April 18, 2018, the trial court requested that the parties submit "Findings of Fact and Conclusions of Law" in accordance with the Appellate Division decision. By Order dated December 17, 2018, the trial court adopted the Findings of the claimant and awarded \$9,732,498, to which \$11,640,000 must be added to account for 6% interest from September 2003. Although the later decision reduced the original award, the Town believes that the lower court exceeded its discretion in making such an award, including allowing claimant to submit findings and conclusions, in the Town's opinion, outside of the direction of the appellate court. The Town plans to appeal once it is served with the Judgment with notice of entry.

The Town has also 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. The ultimate value of the parcel will be subject to determination at trial, however, it is uncertain what amounts of additional payments will be required by the Town.

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.

Bethpage Community Park

In another matter, the Town is currently engaged in litigation against Northrup Grumman ("Grumman"), the former owner of certain property donated to the Town for use as park land known as the Bethpage Community Park ("Park"). In 2005, the Town entered into a voluntary agreement ("DEC Agreement") with the New York State Department of Environmental Conservation ("NYSDEC") to allow the Town to proceed with remediation in the northern portion of the Park, for the purpose of allowing the redevelopment of this area with a new ice skating center. Due to the apparent environmental concerns to the residents regarding the park, the Town chose to take a proactive stance, and remediated the environmental concerns to the park in the summer of 2007.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

B. Property Condemnation and Environmental Issues (continued)

Bethpage Community Park (continued)

The Town's position is that Grumman is the cause of the environmental problems at the Park and is pursuing litigation against Grumman for reimbursement of the above mentioned remediation expenses that the Town incurred in the performance of its obligations under the DEC Agreement. The court, however, granted Grumman summary judgement, dismissing the Town's claims. Grumman's counterclaim against the Town is pending. Grumman alleges the Town contributed to the contamination of the site and seeks a contribution by the Town toward the cost of remediation.

Outside counsel to the Town 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. The aggregate cost of the remediation for which contribution is being sought is unknown but has been estimated to be as high as \$80,000,000. Since the federal court does not permit an interlocutory appeal in this instance, the Town must wait on its appeal of the summary judgment decision until the matter is final, when the trial on the counterclaims are adjudicated.

At the request of the parties (the Town and Grumman), the court has allowed for a lengthy adjournment of the trial so that settlement may be explored. The Town and Grumman, with input from the NYS Department of Environmental Conservation, have discussed the potential of a discontinuance of all claims, a less costly clean-up and either no contribution by the Town or a reduced fixed payment by the Town in furtherance of the remediation.

C. Litigation

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town beyond those already recorded.

Town Concessionaire Litigation

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

The Town is a defendant in three lawsuits in New York arising from certain purported amendments to agreements with the former Town concessionaire. The first lawsuit was filed in January 2016 and the other two were filed in July 2016. In each of the lawsuits against the Town, a lender to the former Town concessionaire has brought suit against the Town seeking to enforce one of the purported amendments and contending that it requires the Town to reimburse the lender for unpaid amounts on its loan following default by the concessionaire. The total amount of damages sought by the three lenders across all three lawsuits is approximately \$18,000,000. It is the Town's position that the three amendments that are subject of the lawsuits are each unenforceable.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Town Concessionaire Litigation (continued)

The Town has filed motions to dismiss in each of the lawsuits. Its motions were denied in two of the lawsuits. The Town appealed both of those decisions to the New York State Supreme Court, Appellate Division, Second Department. Both appeals are now fully briefed (and one submitted after argument) and both actions are stayed pending the outcome of former County Executive, Edward Mangano's criminal case in the United States District Court, Eastern District of New York. The Office of the Town Attorney cannot predict the outcome of the appeals nor the pending litigations and investigations, or whether any additional litigation against the Town or its officers or officials will be initiated. However, in the event that there is a judgement entered against the Town for money damages, the Local Finance Law permits the Town to issue bonds or notes to fund such judgement.

As to the third lawsuit, United States District Judge Sandra Feuerstein of the United States District Court for the Eastern District of New York, in a decision dated May 30, 2017, dismissed the suit with prejudice, ruling that the lender had failed to plausibly allege that the Town Board had ever approved, authorized or ratified the purported amendment at issue, which sought to require the Town to reimburse the lender for any unpaid amounts on a loan of approximately \$7,800,000 that the lender extended to the defaulting concessionaire. The plaintiff moved for reconsideration. On January 29, 2018, the Court vacated that part of its original order and found that former Town Attorney, Leonard Genova, lacked authority to execute the alleged amendment but adhered to its original determination and again dismissed the plaintiff's claims. The plaintiff appealed that decision to the United State Court of Appeals for the Second Circuit; that appeal is fully briefed and oral argument was held on October 24, 2018. The Office of the Town Attorney cannot predict the outcome of that appeal.

Unrelated to the unauthorized amendments that are the subject of litigation described above, a prior amendment to the Golf Course/The Woodlands Catering Hall Agreement included certain provisions for payment of a \$2,000,000 termination fee by the Town that the concessionaire may claim was triggered by its termination in September 2016. While the Town would expect to contest any claim by the concessionaire for a termination fee, it cannot predict the outcome of any such dispute.

On October 18, 2016, the Town's former Supervisor, John Venditto, was charged by a grand jury in the United States District Court for the Eastern District of New York with solicitation and receipt of bribes in exchange for official action in connection with the former Town concessionaire referred to above, honest service wire fraud and obstruction of justice. As discussed below, the grand jury indictment was superseded on November 21, 2017 to add allegations of criminal violations of securities laws, rules and regulations. The Supervisor had denied all charges. The former Town Supervisor resigned effective January 4, 2017. Trial commenced on March 14, 2018 and ended on May 24, 2018 with the jury acquitting Mr. Venditto of all charges. During the trial, former Town Attorney, Leonard Genova testified, among other things, that numerous Town officials accepted bribes from the former Town concessionaire, including both he and former Town Supervisor, John Venditto, who accepted free car rides and meals among other things, in exchange for causing the Town to enter into certain agreements, including the purported amendments described above, that provided for so-called "indirect loan guarantees" for the benefit of the concessionaire.

Securities and Exchange Commission Civil Complaint

On November 21, 2017, the SEC filed a civil complaint against the Town and the former Town Supervisor, John Venditto, alleging violations of various provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules promulgated thereunder. In the complaint, the SEC alleged that the Town's disclosures, made in connection with various note and bond sales dating between June 2010 through December 2015, omitted information regarding certain agreements with the former Town concessionaire to operate concessions at certain Town facilities and that such omission was material to investors.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Securities and Exchange Commission Civil Complaint (continued)

In addition, the complaint alleged that between December 2015 and December 2016, the Town misstated and misrepresented the circumstances surrounding the purported amendments by stating that the purported amendments were entered into without the involvement or knowledge of senior Town officials (i.e., the former Town Attorney and former Town Supervisor). In the complaint, the SEC requested various forms of relief, including, without limitation, an unspecified monetary penalty, injunctive relief, the appointment of an independent consultant to recommend improvements to the Town's financial reporting procedures and controls and municipal security disclosure procedures, and a prohibition on the sale of securities by the Town unless the Town implements the recommendations of the independent consultant.

The SEC case has been stayed pending the outcome of the criminal cases against the Town's former Supervisor, John Venditto and former Nassau County Executive Edward Mangano and his wife, Linda Mangano, in the United States District Court, Eastern District of New York. A superseding indictment against Mr. Venditto, filed on November 21, 2017, had included criminal charges based upon the same alleged disclosure violations as set forth in the SEC complaint against the Town. During an eleven week trial which commenced on March 14, 2018, former Town Attorney and Deputy Supervisor, Leonard Genova testified, among other things, that from 2010 to 2015, the Town's disclosures omitted information regarding so-called "indirect loan guarantees" and that, starting in 2015, the Town's disclosures that the purported amendments were entered into without the involvement of the necessary Town Officials were false and misleading because, among other reasons, he and former Town Supervisor John Venditto had accepted bribes in exchange for facilitating the purported amendments. Following trial, Mr. Venditto was acquitted on all charges, but the jury was unable to reach a verdict as to the Manganos. The retrial of Mr. and Mrs. Mangano was concluded on March 8, 2019 with a finding of guilty against each of them on certain counts.

On February 26, 2019, the Town Board approved an agreement with the SEC staff to settle the SEC's case against the Town. Pursuant to that agreement, the SEC agreed to dismiss all allegations of intentional securities law violations and assert only allegations of negligent securities law violations. In addition, without admitting or denying any of the SEC's allegations, the Town will consent to the court entering a final judgment in the case enjoining the Town from violating Sections 17(a)(2) and (3) of the Securities Act of 1933 and ordering the Town to retain an independent consultant with municipal finance experience, appointed by the Court, to review the Town's policies, procedures, and internal controls regarding its disclosures for securities offerings, and to recommend improvements to those policies, procedures, and internal controls with a view to assuring compliance with the Town's disclosure obligations under the federal securities laws for a period of three years. The agreement does not require any monetary penalty on the Town. On June 7, 2019, the SEC filed a motion with the Court seeking entry of a final judgment on the terms of the settlement agreement reached between the SEC and the Town. The parties expect the Court to approve the settlement within the next several weeks.

On August 22, 2018, the Town filed suit against former Town Attorney Genova alleging faithless servant, breach of fiduciary duty, and other claims premised on Mr. Genova's admissions on the stand during the Venditto trial. Mr. Genova filed a motion to dismiss the Town's claims on November 7, 2018. The Town's opposition to that motion has been served, and the motion was fully submitted for decision on April 5, 2019. The Office of the Town Attorney cannot predict the outcome of that motion.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Class Action Lawsuit

On December 5, 2016, the Town was served with a summons and complaint by a group of residents purporting to act as class representatives in a personal injury action filed in Federal court arising out of activities by Grumman Aerospace Corporation and its successors in interest, Northrop Grumman Corporation (collectively, "Grumman") in the Bethpage area over a nearly 60-year period. These plaintiffs allege, in substance, that Grumman's discharge of chemicals used in its manufacturing of aircraft, weapons, and spacecraft contaminated the ground and groundwater aquifer and, relatedly, the plaintiffs' properties, thereby leading to personal injuries. The plaintiffs allege four causes of action sounding in negligence, strict liability (against Grumman, only), trespass, and nuisance, and, for each cause of action, allege damages in excess of \$100,000,000. The plaintiffs also request punitive damages in an unspecified amount. At this early stage of the litigation, there has been no discovery to assess the validity of the damages allegations.

Inclusion of the Town as a defendant in the subject action is related to the Town's current ownership of 18 acres of land which had previously been part of a more than 600 acre complex used in Grumman's manufacturing operations before this parcel was conveyed to the Town in 1962 and subsequently developed as Bethpage Community Park ("Park"). There is no accusation that the Town engaged in improper handling or disposal of hazardous chemicals which caused the plaintiffs' alleged injuries.

It is alleged by the plaintiffs that a smaller portion of the land was used by Grumman as "settling ponds" to discharge and dispose of manufacturing chemicals. The plaintiffs do not allege that the Town was, in any way, engaged in the discharge or disposal of such chemicals that contributed to the contamination which caused the alleged injuries. The Town has acted to reduce the Grumman contamination by completing major remediation in the Park. Accordingly, even if the plaintiffs in this case are able to establish that they have suffered injuries attributable to contamination from the Grumman site, which of itself is by no means certain, there does not appear to be any reasonable likelihood that the facts of this matter would justify a significant judgment against the Town.

It is the Town's position that Grumman is, in any case, the party which would be ultimately liable for any proven harms to the plaintiffs. In a related matter, the Town is pursuing litigation against Grumman for reimbursement of certain remediation expenses that the Town incurred in the performance of its obligations under the DEC Agreement. Accordingly, no liability has been accrued.

On February 14, 2017, the plaintiff's initiated a proceeding in the New York State Supreme Court, Nassau County, seeking leave of the Court to file late notices of claim against the Town, which filings are a statutory condition precedent to the commencement of tort litigation against the Town. After fully briefing the issues, the Supreme Court denied, without prejudice, the petitioners' application because the Court was unable to determine, based upon the allegations contained in the petition, whether the petitioners' claims were timely. In addition, over the last several months, the Town has received several additional notices of claim from claimants who appear to be making an effort to join the purported class action. Statutory examinations of each claimant are on-going.

Housing Discrimination Litigation

In April 2014, the United States Government ("Government") commenced a civil action against the Town and then Supervisor John Venditto, alleging, in sum and substance, that the Town's Next Generation and Golden Age housing programs (collectively, the "Housing Programs") were discriminatory and in violation of, inter alia, the Fair Housing Act inasmuch as the Housing Programs had an alleged disparate impact upon African Americans. The Government's allegations were and remain based upon statistics only, and, significantly, do not contain any indicia that the Housing Programs were intentionally designed and implemented to have a discriminatory intent.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Housing Discrimination Litigation (continued)

More specifically, according to the complaint, the Government alleges that the Town's Housing Programs have a discriminatory effect because (1) the Housing Programs gave priority to Town residents and relatives of Town residents and (2) the eligible population in the Town happens to include a smaller percentage of African Americans than the eligible populations of New York City and Nassau and Suffolk Counties. Responding to the Government's complaint, the Town has argued, among other things, that the Fair Housing Act prohibits intentional discrimination, only; that a disparate impact claim based upon statistics alone is legally insufficient; and, that notwithstanding the foregoing points, the Fair Housing Act does not require municipalities to engage in "racial balancing" as the Government seeks.

The Government's complaint seeks a declaration that the Housing Programs violated the Fair Housing Act, an injunction to enjoin the Town and its employees from engaging in discrimination on the basis of race, ordering the Town to take steps to prevent discriminatory conduct, and insignificant civil penalties, and unspecified damages related to the financial position of the Town. The Town has vigorously defended against this action, which is presently stayed pending the resolution of an unrelated court proceeding. During the stay, the Town does not anticipate any legal costs.

In a related matter, on December 17, 2015, New York State, through its Division of Human Rights brought a similar lawsuit under the New York State Human Rights Law in Nassau County Supreme Court. The complaint makes almost identical statistically based allegations of discrimination as those set forth in the United States' action. The Town has made a motion to dismiss which was denied by the Court. The Town's appeal of the decision is pending.

Attorney's Fee Dispute

This action involved a challenge to a Town ordinance which prohibited individuals who were standing within or adjacent to public rights-of-way from stopping or attempting to stop vehicles for the purpose of soliciting employment from the occupants of that vehicle. Plaintiffs brought their challenge pursuant to 42 USC Section 1983, arguing that the ordinance was constitutionally infirm for a variety of reasons. The United States District Court for the Eastern District of New York granted summary judgment in favor of the plaintiffs and, on August 22, 2017, the United States Court of Appeals for the Second Circuit affirmed.

Plaintiffs have filed a formal application under 42 USC Section 1988 to recover their attorneys' fees and disbursements. That application, which the Town opposed, was referred to the assigned magistrate judge to issue a report and recommendation as to the appropriate amount of fees. The Town's insurance carrier for this matter has offered to contribute a maximum of \$100,000, citing an exclusion in the policy as the basis for the limited coverage.

On June 18, 2019, the Magistrate Judge issued a report and recommendation that the Court award plaintiff \$1,482,248 in attorney fees and \$23,558 in cost and disbursements. The Town has until July 7, 2019 to file objections to the report and recommendation. Final approval and final amounts will be determined by the Honorable Denis Hurley, the District Judge.

Tax Assessment Litigation

This action was served upon the Town on April 27, 2018, and seeks among other forms of relief, that the defendant, which includes the County of Nassau and the Town, make an unspecified refund to the plaintiff, New York American Water Company, Inc., for the plaintiff's alleged overpayment in taxes resulting from the County's erroneous method by which certain property was assessed for taxation purposes.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Tax Assessment Litigation (continued)

Because the County of Nassau is responsible for assessment of properties in Nassau County, the Town believes at this early juncture that the complaint does not state a cause of action against the Town. Several of the defendants have moved to dismiss the plaintiff's complaint. On February 15, 2019, the assigned justice rendered a decision granting, in part, the County of Nassau's motion to dismiss and granting, in full, the North Shore Central School District's motion to dismiss. Based upon the reasoning contained in the justice's decision, the Town made a similar motion to dismiss. The Town cannot, however, predict the outcome of the Town's anticipated motion to dismiss. On May 21, 2019, Justice Jeffrey Brown granted the Town's motion to dismiss in full.

Separately New York American Water served a similar action to challenge Nassau County's 2019 assessments. However, because the Court granted the motions to dismiss in the 2018 action, the parties have agreed to hold the 2019 action in abeyance pending the resolution of any appeals regarding the motions to dismiss.

Local Government Assistance Program Litigation

A number of incorporated villages located within Nassau County brought a hybrid Article 78 proceeding/declaratory judgment action (the "Initial LGAP Petition") against the County of Nassau, the Town of North Hempstead, the Town of Hempstead, the Town of Oyster Bay, the State of New York, and various elected officials (in their official capacities) seeking, among other forms of relief, that the respondents/defendants be directed to pay the petitioners/plaintiffs a minimum of \$21,500,000 due to an alleged failure to "distribute to Petitioners their one-sixth share of the revenues respondents received from the imposition of three-quarters percent sales tax authorized under NY Tax Law Section 1262-e." This litigation involves a program known as the Local Government Assistance Program ("LGAP") under which the towns in Nassau County receive payments from the County of Nassau pursuant to a statutory formula. The complaint alleges that the villages did not receive LGAP proceeds, that the towns have received a "windfall" under LGAP by using the villages' population figures to increase their respective LGAP, and that the towns misused the LGAP proceeds. The Town of Oyster Bay moved to dismiss the petition/complaint, but cannot predict the outcome of that motion. On November 29, 2018, the Town received a second Article 78 petition on behalf of a different set of villages asserting claims similar to those described in the Initial LGAP Petition, and has moved to dismiss.

Syosset Mobile Home Park Litigation

On January 4, 2019, the Town was served with a complaint involving civil rights and associated state law claims by the tenants of a former mobile home park located in Syosset, New York. In their complaint, the plaintiffs allege that they were improperly and unlawfully evicted from the mobile home park by a corporation, STP Associates, LLC, with the aid and assistance of the Nassau County Sheriff and Police Department. According to the complaint, STP Associates, LLC sought to evict the plaintiffs in order to change the use of the premises so that STP Associates, LLC, and its members, could profit. The complaint alleges that former Town Attorney Leonard Genova was a member of STP Associates, LLC and that he "abused his authority as a public official . . . to wrongfully evict Plaintiffs from their homes so that . . . Genova . . . his father . . . [and others] could profit thereby as a member of STP Associates, LLC."

The complaint does not allege that the Town of Oyster Bay, as a municipal corporation, took part in either the eviction proceedings that led to the Plaintiffs' evictions from the mobile home park or the actual evictions. While the complaint seeks to assert a municipal liability claim against the Town under 42 USC § 1983, the complaint does not articulate any specific Town actions that led to the Plaintiffs' claimed \$26,000,000 in compensatory damages (the complaint also seeks recovery of punitive damages of \$26,000,000). On May 10, 2019, the Town served the Plaintiffs' counsel with a motion to dismiss the complaint. The Town can make no prediction as to the outcome of that motion.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

C. Litigation (continued)

Hicksville Garage

The Town is currently bringing suits against the contractor and engineering firm involved in the construction of the Hicksville parking garage. The Town alleges that poor construction has led to the need for major repair work. In order to make the repairs, the Town closed the parking garage in the latter part of 2018 and it reopened by December 31, 2018. The repairs cost approximately \$17,500,000. In order to fund the repairs until such time that the litigation with the contractor and engineering firm is resolved, the Town has issued bond anticipation notes for \$8,300,000. In addition, the Town Board has authorized an additional borrowing of \$10,800,000 which is expected to take place in 2019.

Other Matters

On June 29th, 2017, the Nassau County District Attorney's Office charged former Town Supervisor John Venditto with conspiracy and corrupt use of position or authority, and the former Town Commissioner of Parks and the former Commissioner of Planning and Development with official misconduct in connection with an alleged illegal hiring and firing of a Town employee. In a separate indictment that was unsealed on the same day, the former Town Supervisor, together with others, were indicted in connection with, among other things, the failure to disclose a financial interest of a Town official in a real estate development deal relating to property located in Hicksville, New York. At this juncture, it is uncertain if there will any financial impact on the Town as a result of this matter. The trial is scheduled to begin in September of 2019.

D. Compressed Natural Gas - Grant Funding

In April 2010, the Town entered into an agreement for grant funding that was made available under the American Recovery and Reinvestment Act of 2009. Pursuant to that grant, the Town was awarded approximately \$5,000,000, to be used in the purchase of compressed natural gas ("CNG") vehicles, the conversion of conventional vehicles to compressed natural gas, and/or the construction of compressed natural gas fueling station(s). Subsequent to 2010, the grant agreement was amended and the final grant awarded to the Town was approximately \$5,200,000.

Consistent with the grant award, the Town constructed a CNG fueling station and converted several diesel trucks to CNG. As designed, the cost of the Town's CNG fueling station, located at the Department of Public Works (DPW) Complex at 150 Miller Place, Syosset, New York, was approximately \$2,000,000 and the purchase of CNG trucks and/or the conversion of conventional trucks to CNG was approximately \$3,000,000, which left approximately \$200,000 of grant monies unexpended.

Subsequent to the grant award, the Town entered into a contract to sell the real property upon which the Town's CNG fueling station was located. Under the terms of that contract, the Town must vacate the property by 2021. In view of the relocation from the DPW Complex, the Town inquired as to the procedures that govern the decommissioning of the CNG fueling station. Regardless of the disposition of the CNG fueling station, the Town intends to continue use of the CNG fueled trucks.

With respect to the CNG fueling station, the U.S. Department of Energy ("DOE") has indicated that, upon consent of the DOE, the Town may sell those components for which the Town no longer has a use. For those components that the Town does not sell or otherwise dispose of pursuant to DOE instructions, the Town may be responsible to reimburse the DOE for the value of such equipment, after factoring depreciation. Since the Town plans to continue use of the CNG trucks, there should be no potential reimbursement for this portion of the grant award. At this time, however, it would not be possible to determine the possible exposure to the DOE because the Town is unclear as to when it will fully vacate the DPW Complex, how much of the CNG fueling infrastructure the Town will retain, whether the Town will be permitted to sell or otherwise dispose of and, assuming such permission is granted by the DOE, the value that the Town will raise through such sales or dispositions, and the indeterminate depreciated value of the remaining equipment.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

E. 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. In 1994, the Old Bethpage Landfill was determined to have to continue post-closure care maintenance and monitoring until 2024. If the EPA determines the landfill to be remediated before the thirty years are complete, 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. As of December 31, 2018, the annual monitoring and post-closure care costs are expected to be approximately \$300,000 per year and Town has recorded a liability of \$2,700,000, 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.

F. Federal and State Grants

The Town has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the Town's administration believes disallowances, if any, will be immaterial.

G. Construction and Other Capital Acquisition Commitments

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to \$19,211,975 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.

H. Lease Commitments and Leased Assets

The Town 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 \$34,132 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, 2018 totaled \$658,248, which, due to the circumstances discussed below, included late fees and rent expenditures related to a portion of 2017.

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

For years ending December 31, 2019	\$ 414,050
2020	<u>138,761</u>
	<u>\$ 552,811</u>

Due to certain circumstances, the Town vacated the premises discussed above in 2017. The landlord, however, brought litigation to collect rent due under the lease agreement which ends April 30, 2020. The Landlord obtained a judgment against the Town for approximately \$220,000 in rental arrears and related costs which represented the period of January 1, 2017 through May 2, 2017. Further litigation was settled in January 2019, with the Town paying \$953,517 and the Town retaking possession of the warehouse facility for the balance of the lease term ending April 30, 2020.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

I. Service Concession Arrangement

The Town entered into an agreement with Lessing's, Inc. ("Lessing's") to use and operate the Mansion at Oyster Bay (catering facility), Clubhouse Grille (restaurant), and the halfway and breakfast house stands at the Honorable Joseph Colby Town of Oyster Bay Golf Course. The agreement conveys to Lessing's the right, through license to provide future repairs, improvements and modifications to the facilities, related storage buildings and grounds and to operate and maintain those facilities for a period of twenty years unless extended. The Town has the right to approve the type of services Lessing's may provide and the fees that may be charged to the public. Lessing's was required to make an up-front concession fee of \$2,000,000. The Town will recognize revenue from monthly license fees that start at \$42,500 per month and increase annually by 3%. The guaranteed base rent for twenty years is \$13,703,892 of which \$518,925 was recognized in 2018 and \$1,183,575 of the advance payment is reported as a deferred inflow of resources in the general fund. The present value of the installments to be paid after the upfront payment has been liquidated is \$10,402,250 and have been reported in the Statement of Net Position as a receivable-service concession arrangement and an increase in the deferred inflow of resources-service concession arrangement. The Town is also entitled to a 15% share of operator gross receipts over \$6,000,000 annually, which will be recognized as earned. The Town has made no guarantees or commitments to Lessing's, who assumes all risk in the operation of the facilities.

Lessing's has agreed to provide various capital improvements to the facility. The improvements that increase the capacity or efficiency of the facility will be capitalized by the Town at acquisition value once construction is completed. Title to the facilities and all fixed improvements rests with the Town. Lessing's will return the premises back to the Town in its original condition at the end of the lease, so the Town will not recognize depreciation on the existing assets throughout the term of the agreement.

Should the Town terminate the agreement with Lessing's prior to the end of the original term, Lessing's is entitled to actual certified costs of construction after the contract effective date (June 1, 2017) less 5% for each year or part of a year since completion. Lessing's would also receive the balance of the advanced concession fee and any lost profits on events booked prior to receipt of notice of termination.

J. Sale of Department of Public Works (DPW) Facility

On August 27, 2013, the Town and Oyster Bay Realty, LLC entered into a Purchase and Sale Agreement ("Agreement") for the sale of the real property located at 150 Miller Place, Syosset, New York, also known as the Town's DPW Facility. The parties agreed to defer the transfer of title and, therefore, the closing date has yet to occur. The closing date may be adjourned or delayed by the Town, at the Town's option, so that the Town may continue to hold title and remain in use of the premises, free of charge/rent, excluding utilities and operational charges, for a period of up to five years from the installment date, concluding on September 4, 2018 (the "closing extension date"). The accounting treatment for this sale is discussed in Note 1.E.

The closing could be further extended by the Town for up to an additional three years provided that the Town notifies the Purchaser in writing no less than 120 days prior to the end of the closing extension date of the Town's intent to extend; and beginning on the first day of the sixth year, the Town shall pay a fee of \$8.00 per square foot triple net per annum of the buildings that remain occupied by the Town, in accordance with the square footage calculations set forth in the Agreement.

The Town has sent the requisite notice of intent to extend on March 27, 2018. Based upon the square footage of the current occupancy, the Town will be obligated to pay approximately \$900,000 per year starting September 5, 2018, payable on a monthly basis.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

4. COMMITMENTS AND CONTINGENCIES (continued)

J. Sale of Department of Public Works (DPW) Facility (continued)

The Agreement also addressed an existing cell tower on the property from which the Town derived revenue. The Agreement states that during the Closing Deferral Period, the rents and other fees payable to the Town under the Cell Tower Lease shall be payable to the Purchaser. The Town has booked and accrued \$75,000 per month since September 2018 for the deferral fee as rent payable. As of year end, the Town has accrued \$300,000 for the Deferral Fee as rent payable. The Cell Tower Lease rents and fees in the amount of \$592,483 have been segregated and set aside. The Town, however, has not paid to the Purchaser any of these monies.

While the prior Town administration entered into the transaction in 2013, the present Town administration believes that the transaction is no longer cost effective since it would cost more to relocate Town buildings and personnel. In 2017, the Town advised the Purchaser that it sought to remain on the property. This, in turn, resulted in the parties engaging in negotiations to reconfigure the development proposed on the property to allow the Town to remain in whole or in part on the property. In light of the negotiations, the Town deferred making any payments for Deferral Fees and Cell Tower Lease revenues.

On March 1, 2019, the Town received a notice of claim from the Purchaser seeking the payment of the Cell Tower Lease rents. On March 25, 2019, the Town received a notice of claim seeking termination of the Agreement based on the Town's nonpayment of both the Deferral Fees and Cell Tower Lease rents. On May 10, 2019, the Purchaser commenced a lawsuit against the Town for breach of contract seeking (i) \$30,025,000 the Purchaser paid to the Town for the purchase; (ii) \$680,904 for the Deferral Fees to date; and (iii) \$592,483 for the Cell Tower Lease rents, plus statutory interest of nine percent per annum calculated from the date of breach through December 31, 2018. The Town cannot make a prediction as to the outcome of the litigation, however it is important to note, that the Town could bond any settlement or litigation amount, should it be necessary.

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, 2018:

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	\$ 7,609,447	\$ 134,148	\$ 17,078,234	\$ 637,290	\$ 3,452,993	\$ 718,166	\$ 13,929,302	\$ 1,678,825	\$ 10,429,722	\$ 1,701,064	\$ (6,450,953)
Plainview Water District	9,507,864	277,235	29,668,301	643,801	1,742,596		22,682,647	1,467,663	15,725,670	6,049,351	(7,570,726)
Hicksville Water District	32,842,377	167,599	34,628,173	746,020	2,348,027		34,701,227	1,274,466	11,178,664	25,894,832	(7,013,047)
Locust Valley Water District	1,621,646	1,071,903	14,467,008	300,937	937,436		13,832,857	479,036	3,040,370	190,940	(1,019,145)
Oyster Bay Water District	1,710,535	354,469	11,311,177	249,166	613,778		7,461,278	489,539	7,224,589	777,387	(2,941,224)
Jericho Water District	12,442,292	6,734,864	31,930,935	906,971	6,112,792	700,000	25,111,186	1,780,146	25,342,711	4,764,936	(11,796,709)
South Farmingdale Water District	11,670,480	962,072	30,158,479	732,932	3,463,253		23,435,354	1,335,929	12,542,323	4,750,987	(2,003,883)
Bethpage Water District	25,745,928	1,395,861	46,865,814	536,420	8,604,421		27,821,425	1,082,509	21,217,047	5,231,835	10,586,786
Syosset Sanitation District	448,441										448,441
Oyster Bay Sewer District	992,713	279,444	12,080,136	795,859	611,230		11,107,404	1,447,665	10,215,224		(9,233,371)
Glenwood-Glenhead Garbage District	75,292				157,058						(81,766)
	<u>\$104,667,015</u>	<u>\$ 11,377,595</u>	<u>\$ 228,188,257</u>	<u>\$ 5,549,396</u>	<u>\$ 28,043,584</u>	<u>\$ 1,418,166</u>	<u>\$ 180,082,680</u>	<u>\$11,035,778</u>	<u>\$ 116,916,320</u>	<u>\$ 49,361,332</u>	<u>\$ (37,075,597)</u>

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

Condensed Statement of Activities:

	Program			General Revenue			Net Position		
	Expenses	Charges for Services	Capital	Property Tax	Other	Change	(As restated)		
			Grants and Contributions				Net (Expense) Revenue	1/1/18	12/31/18
Massapequa Water District	\$ 5,944,941	\$ 3,351,299	2,627,062	\$ 33,420	\$ 1,986,894	\$ 493,717	\$ 2,514,031	\$ 3,165,802	\$ 5,679,833
Plainview Water District	7,506,749	4,810,684		(2,696,065)	4,381,975	2,404,751	4,090,661	10,113,634	14,204,295
Hicksville Water District	8,059,591	3,447,577		(4,612,014)	5,333,609	1,150,352	1,871,947	28,188,502	30,060,449
Locust Valley Water District	2,934,166	1,719,550		(1,214,616)	770,305	327,431	(116,880)	2,329,045	2,212,165
Oyster Bay Water District	2,470,938	905,428		(1,565,510)	882,117	534,340	(149,053)	5,209,805	5,060,752
Jericho Water District	10,497,879	8,688,156		(1,809,723)	1,441,933	788,564	420,774	17,890,164	18,310,938
South Farmingdale Water District	7,948,723	3,844,046		(4,104,677)	2,479,898	614,123	(1,010,656)	16,300,083	15,289,427
Bethpage Water District	9,064,255	2,754,921	2,158,913	(4,150,421)	5,216,896	13,641,944	14,708,419	22,327,249	37,035,668
Syosset Sanitation District	548,883			(548,883)	585,100		36,217	412,224	448,441
Oyster Bay Sewer District	4,849,225	472,481		(4,376,744)	3,399,996	322,476	(654,272)	1,636,125	981,853
Glenwood-Glenhead Garbage District	1,224,622			(1,224,622)	1,131,591		(93,031)	11,265	(81,766)
	<u>\$ 61,049,972</u>	<u>\$ 29,994,142</u>	<u>\$ 4,785,975</u>	<u>\$ (26,269,855)</u>	<u>\$ 27,610,314</u>	<u>\$ 20,277,698</u>	<u>\$ 21,618,157</u>	<u>\$ 107,583,898</u>	<u>\$ 129,202,055</u>

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 / RESTATEMENT

For the year ended December 31, 2018, the Town implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". The implementation of the Statement resulted in the retroactive reporting of the total other postemployment benefits (OPEB) liabilities and the reporting of current year OPEB expenses and deferred inflows of resources in the Town's government-wide statements. As of January 1, 2018, the Town's net deficit of \$313,032,791 was restated to a net deficit of \$577,375,878, a change of \$264,343,087, for the increase in the total OPEB liability.

As of January 1, 2018, the Town's nonmajor component units' net position of \$152,497,678 was restated to \$107,583,898, a change of \$44,913,780. Due to the implementation of GASB Statement No. 75, the beginning OPEB liability was restated for all nonmajor component units, except for Syosset Sanitation District and Glenwood Glenhead Garbage District, resulting in a decrease in net position of \$43,085,724. In addition, due to updating of inventory records and capitalization of past capital project costs not being depreciated, the beginning capital asset balances of Massapequa Water District and Hicksville Water District were also restated, resulting in an additional decrease in net position of \$1,828,056.

TOWN OF OYSTER BAY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

7. SUBSEQUENT EVENTS

Debt Issuance

In March 2019, the Town issued \$101,035,000 of 2019 BANs which will renew in full \$38,540,000 of 2018 BANs and provide \$62,495,000 in new monies for various capital projects, including \$9,485,000 of water district projects. The notes carry an interest rate of 3.00% and mature on March 13, 2020.

8. NEW PRONOUNCEMENTS

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

Statement No. 83, "*Certain Asset Retirement Obligations*," the objective of which is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of the new Statement become effective for the Town for the year ended December 31, 2019.

Statement No. 84, "*Fiduciary Activities*," the objective of which is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of the new Statement become effective for the Town for the year ended December 31, 2019.

Statement No. 87, "*Leases*," the objective of which is to improve accounting and financial reporting for leases by governments. This Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for financial statements for the year ending December 31, 2020.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*," the objective of which is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for financial statements for the year ending December 31, 2019.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*," the objective of which is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest costs incurred before the end of a construction period. The requirements of this Statement are effective for financial statements for the year ending December 31, 2020.

Statement No. 90, "*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*," the objective of which is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for financial statements for the year ending December 31, 2019.

Statement No. 91, "*Conduit Debt Obligations*," the objective of which is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issues, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for financial statements for the year ending December 31, 2021.

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

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**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.

TOWN OF OYSTER BAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 55,095,098	\$ 55,095,098	\$ 55,437,214	\$ 342,116
Total Real Property Taxes	55,095,098	55,095,098	55,437,214	342,116
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,300,269	3,479,963	1,774,388	(1,705,575)
Interest and penalty on taxes	1,500,000	1,500,000	1,666,668	166,668
Total Other Real Property Tax Items	2,800,269	4,979,963	3,441,056	(1,538,907)
NON-PROPERTY TAX ITEMS				
Franchises - cable TV	5,400,000	5,400,000	5,642,122	242,122
Total Non-Property Tax Items	5,400,000	5,400,000	5,642,122	242,122
DEPARTMENTAL INCOME				
Town clerk fees	500,000	500,000	502,360	2,360
Attorney fees	10,000	10,000	54,252	44,252
Other general departmental income	5,000	5,000	8,700	3,700
Public pound charge dog fees	15,000	15,000	18,591	3,591
Recreation fees	460,000	460,000	669,523	209,523
Community service fees	680,000	680,000	796,991	116,991
Recreational concessions	1,150,000	1,150,000	1,132,538	(17,462)
Beach, pool, golf fees	3,000,000	3,000,000	2,964,789	(35,211)
Boat basin fees	190,000	190,000	176,326	(13,674)
Dock storage leases	600,000	600,000	730,513	130,513
Total Departmental Income	6,610,000	6,610,000	7,054,583	444,583
INTERGOVERNMENTAL CHARGES				
Dog pound facilities, other governments	373	373	481	108
Services other governments	5,000	5,000	7,055	2,055
Nassau County local government assistance	13,800,000	14,300,000	15,497,649	1,197,649
Total Intergovernmental Charges	13,805,373	14,305,373	15,505,185	1,199,812
USE OF MONEY AND PROPERTY				
Interest and earnings	48,538	48,538	198,107	149,569
Rental of real property	500,000	439,978	812,009	372,031
Rental of equipment			47,742	47,742
Total Use of Money and Property	548,538	488,516	1,057,858	569,342

(continued)

TOWN OF OYSTER BAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
LICENSES AND PERMITS				
Games of chance	150	150	510	360
Bingo licenses	300	300		(300)
Dog license fund apportionment	12,000	12,000	13,721	1,721
Road opening permits	225,000	225,000	330,799	105,799
Total Licenses and Permits	<u>237,450</u>	<u>237,450</u>	<u>345,030</u>	<u>107,580</u>
FINES AND FORFEITURES				
Court fines	550,000	550,000	490,390	(59,610)
Fines and penalties - dog cases	600	600	455	(145)
Total Fines and Forfeitures	<u>550,600</u>	<u>550,600</u>	<u>490,845</u>	<u>(59,755)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of scrap and excess material	5,000	5,000	3,361	(1,639)
Sale of surplus equipment	1,000	1,000	126,445	125,445
Insurance recoveries	8,707	438,672	419,636	(19,036)
Other compensation for loss	5,000	5,000	108	(4,892)
Total Sale of Property and Compensation for Loss	<u>19,707</u>	<u>449,672</u>	<u>549,550</u>	<u>99,878</u>
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures	1,000	204,884	61,618	(143,266)
Premiums on obligations			10,080	10,080
Gifts and donations			6,700	6,700
Miscellaneous revenue	686,800	703,087	926,082	222,995
Miscellaneous Local Sources	<u>687,800</u>	<u>907,971</u>	<u>1,004,480</u>	<u>96,509</u>
INTERFUND REVENUES	<u>31,118,740</u>	<u>31,178,762</u>	<u>32,771,175</u>	<u>1,592,413</u>
STATE AID				
Mental health	100,000	100,000	150,069	50,069
Per capita	1,650,000	1,650,000	1,682,422	32,422
Mortgage tax	10,000,000	12,000,000	11,406,809	(593,191)
Youth program	65,000	65,000	65,000	
Other	5,000	5,000		(5,000)
Total State Aid	<u>11,820,000</u>	<u>13,820,000</u>	<u>13,304,300</u>	<u>(515,700)</u>
FEDERAL AID				
Other			10,321	10,321
Total Federal Aid			<u>10,321</u>	<u>10,321</u>
Total Revenue	<u>128,693,575</u>	<u>134,023,405</u>	<u>136,613,719</u>	<u>2,590,314</u>

(continued)

TOWN OF OYSTER BAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT SUPPORT					
Town board	1,875,690	1,776,057	1,774,843		1,214
Executive	1,252,669	1,382,317	1,381,567		750
Comptroller	5,007,623	6,010,587	5,435,305	9,184	566,098
Receiver of taxes	1,278,268	1,324,941	1,323,466		1,475
Inspector General	172,000	620			620
Town clerk	1,252,872	1,261,137	1,223,213		37,924
Town attorney	3,589,905	4,155,903	4,059,468	93,835	2,600
Human resources	842,646	853,973	853,587		386
Public works	1,910,174	2,147,561	2,107,435		40,126
General services	6,539,248	7,860,130	7,518,853	332,456	8,821
Central vehicle maintenance	8,419,680	10,090,461	9,766,753	28,744	294,964
Other general government support	4,024,083	5,654,230	4,656,329	5,000	992,901
Unallocated insurance and payment for losses	1,372,245	1,841,062	488,396		1,352,666
Total General Government Support	<u>37,537,103</u>	<u>44,358,979</u>	<u>40,589,215</u>	<u>469,219</u>	<u>3,300,545</u>
PUBLIC SAFETY					
Public safety	3,300,258	3,609,840	3,587,243	1,903	20,694
Animal shelter	1,231,764	1,326,112	1,325,959		153
Total Public Safety	<u>4,532,022</u>	<u>4,935,952</u>	<u>4,913,202</u>	<u>1,903</u>	<u>20,847</u>
TRANSPORTATION					
Superintendent of highways	960,596	940,562	940,562		
Total Transportation	<u>960,596</u>	<u>940,562</u>	<u>940,562</u>		
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Publicity	35,000	32,266	32,266		
Economic development		3,650	3,650		
Total Economic Assistance And Opportunity	<u>35,000</u>	<u>35,916</u>	<u>35,916</u>		
CULTURE AND RECREATION					
Community and youth services	4,689,255	4,921,129	4,867,946		53,183
Parks, recreation, beaches	11,445,803	12,972,714	12,955,403	358	16,953
Total Culture and Recreation	<u>16,135,058</u>	<u>17,893,843</u>	<u>17,823,349</u>	<u>358</u>	<u>70,136</u>
HOME AND COMMUNITY SERVICES					
Intergovernmental affairs	855,987	926,301	766,104		160,197
Housing authority	20,000	11,500	11,500		
Environmental control	848,471	953,101	950,678		2,423
Total Home and Community Services	<u>1,724,458</u>	<u>1,890,902</u>	<u>1,728,282</u>		<u>162,620</u>

(continued)

TOWN OF OYSTER BAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
EMPLOYEE BENEFITS					
State Employees' Retirement System	7,548,174	8,024,782	7,235,498		789,284
Social security	3,202,449	3,263,752	3,245,707		18,045
Workers' compensation	520,000	874,262	151,197		723,065
Disability benefits	6,000	1,000			1,000
Unemployment benefits	51,000	21,127	20,114		1,013
Hospital, medical and dental	15,450,800	17,793,426	15,093,318		2,700,108
Total Employee Benefits	<u>26,778,423</u>	<u>29,978,349</u>	<u>25,745,834</u>		<u>4,232,515</u>
Total Current	<u>87,702,660</u>	<u>100,034,503</u>	<u>91,776,360</u>	471,480	<u>7,786,663</u>
DEBT SERVICE					
Debt principal:					
Capital lease		128,017	127,965	52	
Debt interest:					
Bond anticipation notes		1,797,250	1,797,250		
Revenue anticipation notes		245,833	245,833		
Capital lease		3,346	3,346		
Total Debt Service		<u>2,174,446</u>	<u>2,174,394</u>	52	
Total Expenditures	<u>87,702,660</u>	<u>102,208,949</u>	<u>93,950,754</u>	471,532	<u>7,786,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>40,990,915</u>	<u>31,814,456</u>	<u>42,662,965</u>	<u>(471,532)</u>	<u>10,376,977</u>
OTHER FINANCING SOURCES (USES)					
Transfers out:					
Debt service fund	(40,990,915)	(25,910,920)	(25,910,846)		74
Capital projects fund		(8,241,292)	(8,241,292)		
Total Other Financing Sources (Uses)	<u>(40,990,915)</u>	<u>(34,152,212)</u>	<u>(34,152,138)</u>		<u>74</u>
SPECIAL ITEM					
Proceeds from sale of land			3,122,789		3,122,789
Total Special Item			<u>3,122,789</u>		<u>3,122,789</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (2,337,756)</u>	11,633,616	<u>\$ (471,532)</u>	<u>\$ 13,499,840</u>
Fund Balance (Deficit) at Beginning of Year			(22,034,086)		
Fund Balance (Deficit) at End of Year			<u>\$ (10,400,470)</u>		

TOWN OF OYSTER BAY
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 52,762,979	\$ 52,762,979	\$ 52,763,578	\$ 599
Total Real Property Taxes	52,762,979	52,762,979	52,763,578	599
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	2,200,186	2,680,277	2,283,771	(396,506)
Total Other Real Property Tax Items	2,200,186	2,680,277	2,283,771	(396,506)
DEPARTMENTAL INCOME				
Road restoration fee	30,000	30,000	85,175	55,175
Public safety cleanup	150,000	250,000	207,620	(42,380)
Public safety sidewalk repair		100,000	115,250	15,250
Public safety vacant and abandoned buildings			8,795	8,795
Charges demolition of unsafe buildings		100,000	92,250	(7,750)
Total Departmental Income	180,000	480,000	509,090	29,090
INTERGOVERNMENTAL CHARGES				
Services other governments			72,144	72,144
Total Intergovernmental Charges			72,144	72,144
USE OF MONEY AND PROPERTY				
Rental of real property			2	2
Total Use of Money and Property			2	2
Total Revenues	55,143,165	55,923,256	55,628,585	(294,671)

(continued)

TOWN OF OYSTER BAY
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
CURRENT:				
TRANSPORTATION				
Maintenance of streets	12,061,776	13,381,116	13,201,776	179,340
Machinery	2,443,381	2,804,067	2,804,067	
Snow removal	1,956,124	2,521,059	2,497,510	23,549
Total Transportation	<u>16,461,281</u>	<u>18,706,242</u>	<u>18,503,353</u>	<u>202,889</u>
EMPLOYEE BENEFITS				
State Employee Retirement System	1,161,342	1,723,555	1,533,761	189,794
Social security	493,570	570,760	570,760	
Workers' compensation	500,000	346,720	346,720	
Disability benefits	1,000	1,000		1,000
Unemployment benefits	1,000	1,000		1,000
Hospital, medical and dental	4,035,000	4,304,832	4,304,832	
Total Employee Benefits	<u>6,191,912</u>	<u>6,947,867</u>	<u>6,756,073</u>	<u>191,794</u>
Total Current	<u>22,653,193</u>	<u>25,654,109</u>	<u>25,259,426</u>	<u>394,683</u>
DEBT SERVICE:				
Debt interest:				
Bond anticipation notes		2,526,345	2,526,345	
Total Debt Service		<u>2,526,345</u>	<u>2,526,345</u>	
Total Expenditures	<u>22,653,193</u>	<u>28,180,454</u>	<u>27,785,771</u>	<u>394,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,489,972</u>	<u>27,742,802</u>	<u>27,842,814</u>	<u>100,012</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Debt service fund	(32,489,972)	(22,031,797)	(15,287,703)	6,744,094
Capital projects fund		(5,711,105)	(5,711,105)	
Total Other Financing Sources (Uses)	<u>(32,489,972)</u>	<u>(27,742,902)</u>	<u>(20,998,808)</u>	<u>6,744,094</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (100)</u>	6,844,006	<u>\$ 6,844,106</u>
Fund Balance (Deficit) at Beginning of Year			(4,169,057)	
Fund Balance at End of Year			<u>\$ 2,674,949</u>	

TOWN OF OYSTER BAY
GARBAGE COLLECTION DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 59,872,862	\$ 59,872,862	\$ 59,872,864	\$ 2
Total Real Property Taxes	59,872,862	59,872,862	59,872,864	2
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	770,046	770,046	843,016	72,970
Total Other Real Property Tax Items	770,046	770,046	843,016	72,970
INTERGOVERNMENTAL CHARGES				
Refuse and garbage charges - other governments			1,521	1,521
Total Intergovernmental Charges			1,521	1,521
USE OF MONEY AND PROPERTY				
Interest and earnings			128,784	128,784
Total Use of Money and Property			128,784	128,784
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue			250	250
Total Miscellaneous Local Sources			250	250
Total Revenues	60,642,908	60,642,908	60,846,435	203,527

(continued)

TOWN OF OYSTER BAY
GARBAGE COLLECTION DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Sanitation	38,124,803	38,909,132	38,486,888	422,244
Total Home and Community Services	<u>38,124,803</u>	<u>38,909,132</u>	<u>38,486,888</u>	<u>422,244</u>
EMPLOYEE BENEFITS				
State Employee Retirement System	3,419,702	3,419,702	3,178,611	241,091
Social security	1,453,373	1,453,373	1,396,378	56,995
Workers' compensation	2,250,000	3,408,184	3,408,184	
Unemployment benefits	1,000	1,000		1,000
Disability benefits	1,000	1,000		1,000
Hospital, medical and dental	7,493,000	7,876,519	7,876,519	
Total Employee Benefits	<u>14,618,075</u>	<u>16,159,778</u>	<u>15,859,692</u>	<u>300,086</u>
Total Current	<u>52,742,878</u>	<u>55,068,910</u>	<u>54,346,580</u>	<u>722,330</u>
DEBT SERVICE:				
Debt interest:				
Bond anticipation notes		197,766	197,766	
Total Debt Service		<u>197,766</u>	<u>197,766</u>	
Total Expenditures	<u>52,742,878</u>	<u>55,266,676</u>	<u>54,544,346</u>	<u>722,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,900,030</u>	<u>5,376,232</u>	<u>6,302,089</u>	<u>925,857</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Debt service fund	(7,900,030)	(6,841,057)	(6,791,555)	49,502
Capital projects fund		(577,977)	(577,977)	
Total Other Financing Sources (Uses)	<u>(7,900,030)</u>	<u>(7,419,034)</u>	<u>(7,369,532)</u>	<u>49,502</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (2,042,802)</u>	<u>(1,067,443)</u>	<u>\$ 975,359</u>
Fund Balance at Beginning of Year			<u>4,369,726</u>	
Fund Balance at End of Year			<u>\$ 3,302,283</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, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 16,396,797	\$ 16,396,797	\$ 16,396,798	\$ 1
Total Real Property Taxes	16,396,797	16,396,797	16,396,798	1
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	500,492	2,039,397	558,615	(1,480,782)
Total Other Real Property Tax Items	500,492	2,039,397	558,615	(1,480,782)
DEPARTMENTAL INCOME				
Refuse and garbage charges	8,600,000	9,475,000	9,475,500	500
Total Departmental Income	8,600,000	9,475,000	9,475,500	500
INTERGOVERNMENTAL CHARGES				
Refuse and garbage charges - other governments			17,524	17,524
Total Intergovernmental Charges			17,524	17,524
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of recyclable material	350,000	350,000	600,638	250,638
Total Sale of Property and Compensation for Loss	350,000	350,000	600,638	250,638
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			(2,206)	(2,206)
Total Miscellaneous Local Sources			(2,206)	(2,206)
STATE AID				
Other	500,000	500,000	106,734	(393,266)
Total State Aid	500,000	500,000	106,734	(393,266)
FEDERAL AID				
Other			5,000	5,000
Total Federal Aid			5,000	5,000
Total Revenues	26,347,289	28,761,194	27,158,603	(1,602,591)

(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, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
EXPENDITURES					
CURRENT:					
HOME AND COMMUNITY SERVICES					
Sanitation	15,573,497	16,646,965	16,502,403	\$ 46,368	98,194
Recycling	3,390,782	3,240,033	3,184,989	55,041	3
Total Home and Community Services	<u>18,964,279</u>	<u>19,886,998</u>	<u>19,687,392</u>	<u>101,409</u>	<u>98,197</u>
EMPLOYEE BENEFITS					
State Employee Retirement System	562,467	1,417,577	427,779		989,798
Social security	239,049	228,626	228,626		
Workers' compensation	275,000	1,204,913	1,204,913		
Unemployment benefits	2,000				
Disability benefits	2,000				
Hospital, medical and dental	1,819,000	1,558,854	1,558,854		
Total Employee Benefits	<u>2,899,516</u>	<u>4,409,970</u>	<u>3,420,172</u>		<u>989,798</u>
Total Current	<u>21,863,795</u>	<u>24,296,968</u>	<u>23,107,564</u>	<u>101,409</u>	<u>1,087,995</u>
DEBT SERVICE:					
Debt interest:					
Bond anticipation notes		114,716	114,716		
Total Debt Service		<u>114,716</u>	<u>114,716</u>		
Total Expenditures	<u>21,863,795</u>	<u>24,411,684</u>	<u>23,222,280</u>	<u>101,409</u>	<u>1,087,995</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>4,483,494</u>	<u>4,349,510</u>	<u>3,936,323</u>	<u>(101,409)</u>	<u>(514,596)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out:					
Debt service fund	(4,483,494)	(3,914,733)	(3,914,733)		
Capital projects fund		(446,483)	(446,483)		
Total Other Financing Sources (Uses)	<u>(4,483,494)</u>	<u>(4,361,216)</u>	<u>(4,361,216)</u>		
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (11,706)</u>	<u>(424,893)</u>	<u>\$ (101,409)</u>	<u>\$ (514,596)</u>
Fund Balance (Deficit) at Beginning of Year			<u>(6,016,218)</u>		
Fund Balance (Deficit) at End of Year			<u>\$ (6,441,111)</u>		

TOWN OF OYSTER BAY
 SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OTHER POSTEMPLOYMENT
 BENEFITS LIABILITY AND RELATED RATIOS
 December 31, 2018

	2018
Total OPEB Liability	
Service cost	\$ 16,006,520
Interest	17,797,258
Changes of assumptions and other inputs	(52,957,473)
Benefit payments	(13,856,455)
Net Change in Total OPEB Liability	(33,010,150)
Total OPEB Liability - Beginning	508,225,303
Total OPEB Liability - Ending	\$ 475,215,153
 Covered-employee payroll	\$ 75,752,158
Total OPEB liability as a percentage of covered-employee payroll	627.33%

Notes to Schedule: This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other data, prior to 2018 is available. However, additional years will be included as they become available.

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay other postemployment benefits (OPEB).

The Town currently contributed enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Plan Changes

None

Assumption Changes

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount rate:	2018	4.10%
	2017	3.44%

TOWN OF OYSTER BAY
SCHEDULE OF PENSION CONTRIBUTIONS
December 31, 2018

<u>Years Ending December 31,</u>	<u>Contractually Required Contributions</u>	<u>Contributions Recognized by the Plan in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Covered Payroll</u>	<u>Actual Contributions as a Percentage of Covered Payroll</u>
2018	\$ 12,282,602	\$ 12,282,602	\$ -0-	\$ 77,611,752	15.83%
2017	13,671,247	13,177,601	493,646	78,717,049	16.74%
2016	14,097,142	11,502,635	2,594,507	86,642,362	13.28%
2015	15,112,830	10,327,189	4,785,641	87,297,307	11.83%
2014	16,227,162	9,980,533	6,246,629	81,871,351	12.19%
2013	17,448,825	10,683,465	6,765,360	79,520,605	13.43%
2012	15,808,562	10,354,332	5,454,230	90,863,367	11.40%
2011	12,471,195	8,978,629	3,492,566	89,891,250	9.99%
2010	9,171,197	8,126,858	1,044,339	88,764,270	9.16%
2009	6,559,441	6,559,441	-0-	90,032,402	7.29%

Note: Contribution amounts presented for each year were determined as of December 31st with the contractually required contributions based on the amounts invoiced by the New York State Local Retirement System.

TOWN OF OYSTER BAY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2018

	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	0.3204051%	0.3345750%	0.3241518%	0.3185572%	0.3185572%
Town's proportionate share of the net collective pension liability	\$ 10,340,898	\$ 31,437,416	\$ 52,027,268	\$ 10,761,642	\$ 14,395,154
Town's covered-employee payroll	\$ 76,989,796	\$ 87,196,731	\$ 87,987,807	\$ 82,956,655	\$ 79,614,352
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.43%	36.05%	59.13%	12.97%	18.08%
Plan fiduciary net position as a percentage of the total pension liability coming from Plan	98.24%	94.70%	90.70%	97.90%	97.20%

TOWN OF OYSTER BAY
SCHEDULE OF PROPORTIONATE SHARE OF THE LENGTH OF SERVICE AWARD PROGRAM LIABILITY
 December 31, 2018

Measurement date	Oyster Bay Fire Protection District		Glenwood Fire Protection District	
	June 30, 2018	June 30, 2017	December 31, 2018	December 31, 2017
Total program liability - end of year	\$ 6,841,343	\$ 6,242,053	\$ 5,249,395	\$ 4,324,315
Town's percentage share of the LOSAP liability	55.05551%	55.05551%	46.0%	46.0%
Town's proportionate share of the LOSAP liability	\$ 3,766,536	\$ 3,436,594	\$ 2,414,723	\$ 1,989,186
Expected average remaining years of service of all participants	9	7	6	7

Notes:

There is no covered payroll due to the fact that these are volunteer fire departments.
 Benefits are determined based off service credits earned.

Trust Assets

There are no assets accounted in a trust that meets the criteria in paragraph 4
 of GASB Statement No. 73 to pay related benefits.

Change of assumptions: Discount rate, and mortality/post-retirement mortality changed from GAR94 to RP2000 projected to 2030.

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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, 2018

	Special Revenue Funds			
	Town Outside Village	Special Grants	Drainage District	Park Districts
ASSETS				
Cash and investments	\$ 658,141	\$ 443,103	\$ 1,381,165	\$ 9,115,653
Restricted cash and investments				
Accounts receivable, net of allowances for doubtful accounts of \$13,134	13,544			5,127
Due from other funds	6,500,000		1,600,000	
State and federal aid receivables		2,169,306		
Due from other governments	4,201		9,716	65,375
Inventory of material and supplies				
Total Assets	<u>\$ 7,175,886</u>	<u>\$ 2,612,409</u>	<u>\$ 2,990,881</u>	<u>\$ 9,186,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 711,916	\$ 1,918,372	\$ 85,210	\$ 1,725,535
Accrued liabilities	714,330	56,617	73,372	689,553
Due to other funds				3,700,000
Grant advances		28,805		
Total Liabilities	<u>1,426,246</u>	<u>2,003,794</u>	<u>158,582</u>	<u>6,115,088</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned rental income				12,006
Total Deferred Inflows of Resources				<u>12,006</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Restricted		608,615		
Assigned	5,749,640		2,832,299	3,059,061
Unassigned				
Total Fund Balances (Deficits)	<u>5,749,640</u>	<u>608,615</u>	<u>2,832,299</u>	<u>3,059,061</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 7,175,886</u>	<u>\$ 2,612,409</u>	<u>\$ 2,990,881</u>	<u>\$ 9,186,155</u>

Fire Protection Districts	Lighting District	Public Parking District	Water District	Total Nonmajor Funds
\$ 1,578,912	\$ 2,922,172	\$ 122,915	\$ 24,732	\$ 16,246,793
3,147,027				3,147,027
	633	1,461		20,765
				8,100,000
				2,169,306
	10,251	19,759		109,302
	266,115			266,115
<u>\$ 4,725,939</u>	<u>\$ 3,199,171</u>	<u>\$ 144,135</u>	<u>\$ 24,732</u>	<u>\$ 30,059,308</u>
\$ 202,369	\$ 416,614	\$ 106,485		\$ 5,166,501
	72,168	72,314		1,678,354
		500,000		4,200,000
				28,805
<u>202,369</u>	<u>488,782</u>	<u>678,799</u>		<u>11,073,660</u>
				12,006
				12,006
	266,115			266,115
3,147,027		540,286		4,295,928
1,376,543	2,444,274		\$ 24,732	15,486,549
		(1,074,950)		(1,074,950)
<u>4,523,570</u>	<u>2,710,389</u>	<u>(534,664)</u>	<u>24,732</u>	<u>18,973,642</u>
<u>\$ 4,725,939</u>	<u>\$ 3,199,171</u>	<u>\$ 144,135</u>	<u>\$ 24,732</u>	<u>\$ 30,059,308</u>

TOWN OF OYSTER BAY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended December 31, 2018

	Special Revenue Funds			
	Town Outside Village	Special Grants	Drainage District	Park Districts
REVENUES				
Real property taxes	\$ 4,242,953		\$ 2,717,183	\$ 24,506,874
Other real property tax items	121,145		258,236	1,667,729
Departmental income	10,362,447			615,756
Intergovernmental charges			388	
Use of money and property	84,100		32,744	114,074
Miscellaneous local sources	427	\$ 242,750		12
Federal aid		5,264,408		
Total Revenues	<u>14,811,072</u>	<u>5,507,158</u>	<u>3,008,551</u>	<u>26,904,445</u>
EXPENDITURES				
Current:				
Public safety	6,439,857			
Transportation				
Economic assistance and opportunity		2,261,218		
Culture and recreation				15,890,322
Home and community services	1,663,788	2,889,813	1,493,687	
Employee benefits	3,886,270	331,531	784,397	5,688,496
Debt Service:				
Interest	72,317		259	208,541
Total Expenditures	<u>12,062,232</u>	<u>5,482,562</u>	<u>2,278,343</u>	<u>21,787,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,748,840</u>	<u>24,596</u>	<u>730,208</u>	<u>5,117,086</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,287,589)		(502,263)	(5,039,171)
Total Other Financing Sources (Uses)	<u>(1,287,589)</u>		<u>(502,263)</u>	<u>(5,039,171)</u>
Net Change in Fund Balances	1,461,251	24,596	227,945	77,915
Fund Balances (Deficits) at Beginning of Year	<u>4,288,389</u>	<u>584,019</u>	<u>2,604,354</u>	<u>2,981,146</u>
Fund Balances (Deficits) at End of Year	<u>\$ 5,749,640</u>	<u>\$ 608,615</u>	<u>\$ 2,832,299</u>	<u>\$ 3,059,061</u>

Fire Protection Districts	Lighting District	Public Parking District	Water Districts	Total Nonmajor Funds
\$ 7,937,781	\$ 3,149,257	\$ 7,005,511		\$ 49,559,559
566,385	250,021	500,990		3,364,506
		1,915,248	\$ 8,793	12,902,244
				388
97,691	31,368			359,977
6,235		2,581		252,005
				5,264,408
<u>8,608,092</u>	<u>3,430,646</u>	<u>9,424,330</u>	<u>8,793</u>	<u>71,703,087</u>
8,154,830				14,594,687
	2,662,105	2,150,424		4,812,529
				2,261,218
				15,890,322
			8,793	6,056,081
	794,507	861,755		12,346,956
	32,202	8,812		322,131
<u>8,154,830</u>	<u>3,488,814</u>	<u>3,020,991</u>	<u>8,793</u>	<u>56,283,924</u>
453,262	(58,168)	6,403,339		15,419,163
	(330,895)	(5,052,481)		(12,212,399)
	(330,895)	(5,052,481)		(12,212,399)
453,262	(389,063)	1,350,858		3,206,764
4,070,308	3,099,452	(1,885,522)	24,732	15,766,878
<u>\$ 4,523,570</u>	<u>\$ 2,710,389</u>	<u>\$ (534,664)</u>	<u>\$ 24,732</u>	<u>\$ 18,973,642</u>

TOWN OF OYSTER BAY
TOWN OUTSIDE VILLAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 4,242,906	\$ 4,242,906	\$ 4,242,953	\$ 47
Total Real Property Taxes	4,242,906	4,242,906	4,242,953	47
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	250,881	250,881	121,145	(129,736)
Total Other Real Property Tax Items	250,881	250,881	121,145	(129,736)
DEPARTMENTAL INCOME				
Building fees	8,000,000	8,595,869	9,971,647	1,375,778
Zoning board fees	300,000	300,000	366,050	66,050
Planning fees	10,000	10,000	24,750	14,750
Total Departmental Income	8,310,000	8,905,869	10,362,447	1,456,578
USE OF MONEY AND PROPERTY				
Interest and earnings			84,100	84,100
Total Use of Money and Property			84,100	84,100
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			327	327
Photo processing fee			100	100
Total Miscellaneous Local Sources			427	427
Total Revenues	12,803,787	13,399,656	14,811,072	1,411,416

(continued)

TOWN OF OYSTER BAY
TOWN OUTSIDE VILLAGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
EXPENDITURES					
CURRENT:					
PUBLIC SAFETY					
Building	6,114,697	6,282,490	6,107,724		174,766
Animal warden services	332,133	332,133	332,133		
Total Public Safety	<u>6,446,830</u>	<u>6,614,623</u>	<u>6,439,857</u>		<u>174,766</u>
CULTURE AND RECREATION					
Memorial day assistance	5,000				
Total Culture and Recreation	<u>5,000</u>				
HOME AND COMMUNITY SERVICES					
Board of appeals	420,913	441,550	411,721		29,829
Planning and development - staff	922,827	1,271,980	1,252,067	\$ 8,513	11,400
Total Home and Community Services	<u>1,343,740</u>	<u>1,713,530</u>	<u>1,663,788</u>	<u>8,513</u>	<u>41,229</u>
EMPLOYEE BENEFITS					
State Employee Retirement System	1,040,354	1,270,076	1,124,564		145,512
Social security	442,150	481,300	474,335		6,965
Workers' compensation	50,000	15,369	15,369		
Disability benefits	1,600				
Unemployment benefits	3,000				
Hospital, medical and dental	1,989,200	2,272,004	2,272,002		2
Total Employee Benefits	<u>3,526,304</u>	<u>4,038,749</u>	<u>3,886,270</u>		<u>152,479</u>
Total Current	<u>11,321,874</u>	<u>12,366,902</u>	<u>11,989,915</u>	<u>8,513</u>	<u>368,474</u>
DEBT SERVICE:					
Debt interest:					
Bond anticipation notes		72,317	72,317		
Total Debt Service		<u>72,317</u>	<u>72,317</u>		
Total Expenditures	<u>11,321,874</u>	<u>12,439,219</u>	<u>12,062,232</u>	<u>8,513</u>	<u>368,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,481,913</u>	<u>960,437</u>	<u>2,748,840</u>	<u>(8,513)</u>	<u>1,779,890</u>
OTHER FINANCING SOURCES (USES)					
Transfers out:					
Debt service fund	(1,481,913)	(263,724)	(263,724)		
Capital projects fund		(1,023,865)	(1,023,865)		
Total Other Financing Sources (Uses)	<u>(1,481,913)</u>	<u>(1,287,589)</u>	<u>(1,287,589)</u>		
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ (327,152)</u>	<u>1,461,251</u>	<u>\$ (8,513)</u>	<u>\$ 1,779,890</u>
Fund Balance at Beginning of Year			<u>4,288,389</u>		
Fund Balance at End of Year			<u>\$ 5,749,640</u>		

TOWN OF OYSTER BAY
DRAINAGE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 2,717,183	\$ 2,717,183	\$ 2,717,183	
Total Real Property Taxes	<u>2,717,183</u>	<u>2,717,183</u>	<u>2,717,183</u>	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	330,593	330,593	258,236	\$ (72,357)
Total Other Real Property Tax Items	<u>330,593</u>	<u>330,593</u>	<u>258,236</u>	<u>(72,357)</u>
INTERGOVERNMENTAL CHARGES				
Services other governments			388	388
Total Intergovernmental Charges			<u>388</u>	<u>388</u>
USE OF MONEY AND PROPERTY				
Interest and earnings			32,744	32,744
Total Use of Money and Property			<u>32,744</u>	<u>32,744</u>
Total Revenues	<u>3,047,776</u>	<u>3,047,776</u>	<u>3,008,551</u>	<u>(39,225)</u>

(continued)

TOWN OF OYSTER BAY
DRAINAGE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Drainage	1,573,163	1,676,571	1,493,687	182,884
Total Home and Community Services	1,573,163	1,676,571	1,493,687	182,884
EMPLOYEE BENEFITS				
State Employee Retirement System	164,710	191,246	149,353	41,893
Social security	70,002	70,002	67,046	2,956
Disability benefits	200	200		200
Workers' compensation	5,000	24,590	24,590	
Hospital, medical and dental	697,000	543,409	543,408	1
Unemployment insurance	1,000	1,000		1,000
Total Employee Benefits	937,912	830,447	784,397	46,050
Total Current	2,511,075	2,507,018	2,278,084	228,934
DEBT SERVICE:				
Debt interest:				
Bond anticipation notes		259	259	
Total Debt Service		259	259	
Total Expenditures	2,511,075	2,507,277	2,278,343	228,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	536,701	540,499	730,208	189,709
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Debt service fund	(536,701)	(536,701)	(498,465)	38,236
Capital projects fund		(3,798)	(3,798)	
Total Other Financing Sources (Uses)	(536,701)	(540,499)	(502,263)	38,236
Net Change in Fund Balance	\$ -0-	\$ -0-	227,945	\$ 227,945
Fund Balance at Beginning of Year			2,604,354	
Fund Balance at End of Year			\$ 2,832,299	

TOWN OF OYSTER BAY
PARK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 24,506,868	\$ 24,506,868	\$ 24,506,874	\$ 6
Total Real Property Taxes	24,506,868	24,506,868	24,506,874	6
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	1,637,746	1,802,344	1,667,729	(134,615)
Total Other Real Property Tax Items	1,637,746	1,802,344	1,667,729	(134,615)
DEPARTMENTAL INCOME				
Recreational concessions	17,500	17,500	31,500	14,000
Special recreational facility charge	595,000	595,000	584,256	(10,744)
Total Departmental Income	612,500	612,500	615,756	3,256
USE OF MONEY AND PROPERTY				
Interest and earnings	3	35,459	90,631	55,172
Rental of real property			21,393	21,393
Rental of equipment			2,050	2,050
Total Use of Money and Property	3	35,459	114,074	78,615
MISCELLANEOUS LOCAL SOURCES				
Miscellaneous revenue	204,201	204,201	12	(204,189)
Total Miscellaneous Local Sources	204,201	204,201	12	(204,189)
Total Revenues	26,961,318	27,161,372	26,904,445	(256,927)

(continued)

TOWN OF OYSTER BAY
PARK DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance Positive (Negative)
EXPENDITURES					
CURRENT:					
CULTURE AND RECREATION					
Parks, pools and rinks	15,744,652	15,986,721	15,890,322	551	95,848
Total Culture and Recreation	15,744,652	15,986,721	15,890,322	551	95,848
EMPLOYEE BENEFITS					
State Employee Retirement System	1,338,837	1,593,387	1,396,231		197,156
Social security	638,241	639,096	636,810		2,286
Workers' compensation	153,000	208,401	208,401		
Disability insurance	1,000	1,000			1,000
Unemployment insurance	1,000	1,000			1,000
Hospital, medical and dental	3,455,000	3,447,054	3,447,054		
Total Employee Benefits	5,587,078	5,889,938	5,688,496		201,442
Total Current	21,331,730	21,876,659	21,578,818	551	297,290
DEBT SERVICE:					
Debt interest:					
Bond anticipation notes		208,541	208,541		
Total Debt Service		208,541	208,541		
Total Expenditures	21,331,730	22,085,200	21,787,359	551	297,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,629,588	5,076,172	5,117,086	(551)	40,363
OTHER FINANCING SOURCES (USES)					
Transfers out:					
Debt service fund	(5,629,588)	(4,679,453)	(4,574,029)		105,424
Capital projects fund		(465,142)	(465,142)		
Total Other Financing Sources (Uses)	(5,629,588)	(5,144,595)	(5,039,171)		105,424
Net Change in Fund Balance	\$ -0-	\$ (68,423)	77,915	\$ (551)	\$ 145,787
Fund Balance at Beginning of Year			2,981,146		
Fund Balance at End of Year			<u>\$ 3,059,061</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, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 7,937,779	\$ 7,937,779	\$ 7,937,781	\$ 2
Total Real Property Taxes	7,937,779	7,937,779	7,937,781	2
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	507,512	693,806	566,385	(127,421)
Total Other Real Property Tax Items	507,512	693,806	566,385	(127,421)
USE OF MONEY AND PROPERTY				
Interest and earnings			97,691	97,691
Total Use of Money and Property			97,691	97,691
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			6,235	6,235
Total Miscellaneous Local Sources			6,235	6,235
Total Revenues	8,445,291	8,631,585	8,608,092	(23,493)
EXPENDITURES				
CURRENT:				
PUBLIC SAFETY				
Fire protection	8,445,291	8,673,508	8,154,830	518,678
Total Public Safety	8,445,291	8,673,508	8,154,830	518,678
Total Current	8,445,291	8,673,508	8,154,830	518,678
Total Expenditures	8,445,291	8,673,508	8,154,830	518,678
Net Change in Fund Balance	\$ -0-	\$ (41,923)	453,262	\$ 495,185
Fund Balance at Beginning of Year			4,070,308	
Fund Balance at End of Year			\$ 4,523,570	

TOWN OF OYSTER BAY
LIGHTING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 3,147,498	\$ 3,147,498	\$ 3,149,257	\$ 1,759
Total Real Property Taxes	<u>3,147,498</u>	<u>3,147,498</u>	<u>3,149,257</u>	<u>1,759</u>
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	330,328	789,390	250,021	(539,369)
Total Other Real Property Tax Items	<u>330,328</u>	<u>789,390</u>	<u>250,021</u>	<u>(539,369)</u>
USE OF MONEY AND PROPERTY				
Interest and earnings			31,368	31,368
Total Use of Money and Property			<u>31,368</u>	<u>31,368</u>
Total Revenues	<u>3,477,826</u>	<u>3,936,888</u>	<u>3,430,646</u>	<u>(506,242)</u>

(continued)

TOWN OF OYSTER BAY
LIGHTING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
CURRENT:				
TRANSPORTATION				
Lighting	2,206,491	2,703,861	2,662,105	41,756
Total Transportation	2,206,491	2,703,861	2,662,105	41,756
EMPLOYEE BENEFITS				
State Employee Retirement System	104,747	251,698	132,259	119,439
Social security	44,517	58,002	58,002	
Disability benefits	200			
Workers' compensation	15,000	59,016	59,016	
Hospital, medical and dental	582,000	545,232	545,230	2
Unemployment benefits	1,000			
Total Employee Benefits	747,464	913,948	794,507	119,441
Total Current	2,953,955	3,617,809	3,456,612	161,197
DEBT SERVICE:				
Debt interest:				
Bond anticipation notes		32,202	32,202	
Total Debt Service		32,202	32,202	
Total Expenditures	2,953,955	3,650,011	3,488,814	161,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	523,871	286,877	(58,168)	(345,045)
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Debt service fund	(523,871)	(292,054)	(292,054)	
Capital projects fund		(38,841)	(38,841)	
Total Other Financing Sources (Uses)	(523,871)	(330,895)	(330,895)	
Net Change in Fund Balance	\$ -0-	\$ (44,018)	(389,063)	\$ (345,045)
Fund Balance at Beginning of Year			3,099,452	
Fund Balance at End of Year			<u>\$ 2,710,389</u>	

TOWN OF OYSTER BAY
PUBLIC PARKING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
REAL PROPERTY TAXES				
Ad valorem taxes	\$ 7,005,511	\$ 7,005,511	\$ 7,005,511	
Total Real Property Taxes	7,005,511	7,005,511	7,005,511	
OTHER REAL PROPERTY TAX ITEMS				
Payment in lieu of taxes	500,002	507,077	500,990	\$ (6,087)
Total Other Real Property Tax Items	500,002	507,077	500,990	(6,087)
DEPARTMENTAL INCOME				
Parking permits	700,000	700,000	1,896,104	1,196,104
Parking meter fees	30,000	30,000	19,144	(10,856)
Total Departmental Income	730,000	730,000	1,915,248	1,185,248
MISCELLANEOUS LOCAL SOURCES				
Refund of prior year expenditures			2,500	2,500
Miscellaneous revenue			81	81
Total Miscellaneous Local Sources			2,581	2,581
Total Revenues	8,235,513	8,242,588	9,424,330	1,181,742

(continued)

TOWN OF OYSTER BAY
PUBLIC PARKING DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
CURRENT:				
TRANSPORTATION				
Parking	2,098,120	2,160,276	2,150,424	9,852
Total Transportation	2,098,120	2,160,276	2,150,424	9,852
EMPLOYEE BENEFITS				
State Employee Retirement System	114,909	142,535	122,739	19,796
Social security	48,836	52,522	52,522	
Workers compensation	140,000	91,598	91,598	
Disability benefits	1,000	1,000		1,000
Unemployment benefits	1,000	1,000		1,000
Hospital, medical and dental	585,000	594,897	594,896	1
Total Employee Benefits	890,745	883,552	861,755	21,797
Total Current	2,988,865	3,043,828	3,012,179	31,649
DEBT SERVICE:				
Debt interest:				
Bond anticipation notes		8,812	8,812	
Total Debt Service		8,812	8,812	
Total Expenditures	2,988,865	3,052,640	3,020,991	31,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,246,648	5,189,948	6,403,339	1,213,391
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Debt service fund	(5,246,648)	(5,125,438)	(4,987,971)	137,467
Capital projects fund		(64,510)	(64,510)	
Total Other Financing Sources (Uses)	(5,246,648)	(5,189,948)	(5,052,481)	137,467
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	1,350,858	<u>\$ 1,350,858</u>
Fund Balance (Deficit) at Beginning of Year			(1,885,522)	
Fund Balance (Deficit) at End of Year			<u>\$ (534,664)</u>	

TOWN OF OYSTER BAY
WATER DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
DEPARTMENTAL INCOME				
Water rental arrears		\$ 8,793	\$ 8,793	
Total Departmental Income		8,793	8,793	
Total Revenues		8,793	8,793	
EXPENDITURES				
CURRENT:				
HOME AND COMMUNITY SERVICES				
Water		8,793	8,793	
Total Home and Community Services		8,793	8,793	
Total Expenditures		8,793	8,793	
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>-0-</u>	<u>\$ -0-</u>
Fund Balance at Beginning of Year			<u>24,732</u>	
Fund Balance at End of Year			<u>\$ 24,732</u>	

TOWN OF OYSTER BAY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Interest and earnings			\$ 677,205	\$ 677,205
Total Use of Money and Property			677,205	677,205
MISCELLANEOUS LOCAL SOURCES				
Premiums on bond anticipation notes			172,044	172,044
Total Miscellaneous Local Sources			172,044	172,044
Total Revenues			849,249	849,249
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT SUPPORT				
Fiscal agent fees	\$ 99,997	\$ 152,189	56,079	96,110
Total General Government Support	99,997	152,189	56,079	96,110
Total Current	99,997	152,189	56,079	96,110
DEBT SERVICE:				
Debt principal:				
Serial bonds	75,548,091	157,295,039	143,272,598	14,022,441
Debt interest:				
Serial bonds	23,635,044	24,139,444	18,576,666	5,562,778
Bond issuance costs		658,933	658,933	
Total Debt Service	99,183,135	182,093,416	162,508,197	19,585,219
Total Expenditures	99,283,132	182,245,605	162,564,276	19,681,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,283,132)	(182,245,605)	(161,715,027)	20,530,578
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Other funds	99,283,132	99,283,132	76,261,636	(23,021,496)
Premiums on obligations		4,266,186	4,266,186	
Refunding bond issued		78,696,287	78,696,287	
Total Other Financing Sources (Uses)	99,283,132	182,245,605	159,224,109	(23,021,496)
Net Change in Fund Balance	\$ -0-	\$ -0-	(2,490,918)	\$ (2,490,918)
Fund Balance at Beginning of Year			2,591,546	
Fund Balance at End of Year			<u>\$ 100,628</u>	

TOWN OF OYSTER BAY
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2018

	Town Agency Fund	Town Clerk Agency Fund	Town Receiver of Taxes Agency Fund	Total Agency Funds
ASSETS				
Cash	\$ 15,293,568	\$ 32,133	\$100,884,423	\$ 116,210,124
Total Assets	\$ 15,293,568	\$ 32,133	\$100,884,423	\$ 116,210,124
LIABILITIES				
Due to the Comptroller of the State of New York		\$ 15		\$ 15
Due to the Department of Environmental Conservation of the State of New York		621		621
Due to the Department of Health of the State of New York		1,620		1,620
Due to the Department of Agriculture and Markets of the State of New York		113		113
Due to school districts			\$100,423,394	100,423,394
Due to component units	\$ 11,377,595			11,377,595
Other agency liabilities	3,915,973	29,764	461,029	4,406,766
Total Liabilities	\$ 15,293,568	\$ 32,133	\$100,884,423	\$ 116,210,124

TOWN OF OYSTER BAY
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
Year ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
ASSETS				
Town Agency Funds				
Cash	\$ 14,824,927	\$ 203,334,218	\$ 202,865,577	\$ 15,293,568
Total Assets - Town Agency Funds	<u>14,824,927</u>	<u>203,334,218</u>	<u>202,865,577</u>	<u>15,293,568</u>
Town Clerk Agency Funds				
Cash	26,589	620,810	615,266	32,133
Due from other governments	788	(788)		
Total Assets - Town Clerk Agency Funds	<u>27,377</u>	<u>620,022</u>	<u>615,266</u>	<u>32,133</u>
Town Receiver of Taxes Agency Funds				
Cash	113,012,413	1,597,357,671	1,609,485,661	100,884,423
Taxes Agency Funds	113,012,413	1,597,357,671	1,609,485,661	100,884,423
Total Assets	<u>\$ 127,864,717</u>	<u>\$ 1,801,311,911</u>	<u>\$ 1,812,966,504</u>	<u>\$ 116,210,124</u>
LIABILITIES				
Town Agency Funds				
Consolidated payroll		\$ 92,326,682	\$ 92,326,682	
Due to component units	\$ 12,396,938	72,029,256	73,048,599	\$ 11,377,595
Other agency liabilities	2,427,989	38,978,280	37,490,296	3,915,973
Total Liabilities - Town Agency Funds	<u>14,824,927</u>	<u>203,334,218</u>	<u>202,865,577</u>	<u>15,293,568</u>
Town Clerk Agency Funds				
Due to the Comptroller of the State of New York	45	765	795	15
Due to the Department of Environmental Conservation of the State of New York	372	33,475	33,226	621
Due to the Department of Health of the State of New York	1,395	28,507	28,282	1,620
Due to the Department of Agriculture and Markets of the State of New York	171	2,221	2,279	113
Other agency liabilities	25,394	555,054	550,684	29,764
Total Liabilities - Town Clerk Agency Funds	<u>27,377</u>	<u>620,022</u>	<u>615,266</u>	<u>32,133</u>
Town Receiver of Taxes Agency Funds				
Due to school districts	108,287,063	1,021,567,770	1,029,431,439	100,423,394
Due to the Treasurer of Nassau County	176,191	221,791,283	221,967,474	
Other agency liabilities	4,549,159	353,998,618	358,086,748	461,029
Total Liabilities - Town Receiver of Taxes Agency Funds	<u>113,012,413</u>	<u>1,597,357,671</u>	<u>1,609,485,661</u>	<u>100,884,423</u>
Total Liabilities	<u>\$ 127,864,717</u>	<u>\$ 1,801,311,911</u>	<u>\$ 1,812,966,504</u>	<u>\$ 116,210,124</u>

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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 COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2018

	Massapequa Water District	Plainview Water District	Hicksville Water District	Locust Valley Water District
ASSETS				
Current Assets:				
Cash and investments	\$ 2,744,195	\$ 7,965,060	\$ 31,764,791	\$ 805,663
Accounts receivable	4,627,007	979,324	816,484	559,979
State and federal aid receivables				
Due from other governments	144,681	130,087	185,272	
Due from primary government	134,148	277,235	167,599	1,071,903
Other assets			48,105	
Inventory of materials and supplies	39,278	242,025	27,725	115,609
Prepaid items	54,286	191,368		140,395
Total Current Assets	<u>7,743,595</u>	<u>9,785,099</u>	<u>33,009,976</u>	<u>2,693,549</u>
Non-Current Assets:				
Non-depreciable capital assets	3,756,976	421,024	2,946,260	1,953,014
Depreciable capital assets, net of depreciation	13,321,258	29,247,277	31,681,913	12,513,994
Total Non-Current Assets	<u>17,078,234</u>	<u>29,668,301</u>	<u>34,628,173</u>	<u>14,467,008</u>
Total Assets	<u>24,821,829</u>	<u>39,453,400</u>	<u>67,638,149</u>	<u>17,160,557</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings				
Pensions	637,290	643,801	746,020	300,937
Total Deferred Outflows of Resources	<u>637,290</u>	<u>643,801</u>	<u>746,020</u>	<u>300,937</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	315,139	296,421	699,863	173,598
Accrued liabilities	68,810	49,709	65,956	40,864
Accrued interest payable	94,154	190,535	316,411	84,974
Bond anticipation notes payable	2,000,000			
Due to other governments	527,439			
Due to primary government	718,166			
Unearned income	29,265			
Other liabilities	3,100			
Non-current liabilities due within one year				
General obligation bonds payable	318,066	1,164,443		638,000
Compensated absences	97,020	41,488	10,135	
Other debt			1,255,662	
Total Current Liabilities	<u>4,171,159</u>	<u>1,742,596</u>	<u>2,348,027</u>	<u>937,436</u>
Non-Current Liabilities:				
General obligation bonds payable	3,084,841	12,778,190		10,788,638
Compensated absences	266,854	207,043	290,889	357,535
Other postemployment benefits payable	10,384,247	9,523,853	12,088,465	2,623,452
Net pension liability - proportionate share	193,360	173,561	128,026	63,232
Other debt			22,193,847	
Total Non-Current Liabilities	<u>13,929,302</u>	<u>22,682,647</u>	<u>34,701,227</u>	<u>13,832,857</u>
Total Liabilities	<u>18,100,461</u>	<u>24,425,243</u>	<u>37,049,254</u>	<u>14,770,293</u>
DEFERRED INFLOWS OF RESOURCES				
Contractual service fees				48,000
Pensions	692,864	609,599	423,798	210,263
Other postemployment benefits	985,961	858,064	850,668	220,773
Total Deferred Inflows of Resources	<u>1,678,825</u>	<u>1,467,663</u>	<u>1,274,466</u>	<u>479,036</u>
NET POSITION				
Net investment in capital assets	10,429,722	15,725,670	11,178,664	3,040,370
Restricted	1,701,064	6,049,351	25,894,832	190,940
Unrestricted (deficit)	(6,450,953)	(7,570,726)	(7,013,047)	(1,019,145)
Total Net Position	<u>\$ 5,679,833</u>	<u>\$ 14,204,295</u>	<u>\$ 30,060,449</u>	<u>\$ 2,212,165</u>

Oyster Bay Water District	Jericho Water District	South Farmingdale Water District	Bethpage Water District	Syosset Sanitation District	Oyster Bay Sewer District	Glenwood- Glenhead Garbage District	Totals
\$ 1,396,048	\$ 9,539,962	\$ 10,357,287	\$ 14,779,272	\$ 448,389	\$ 891,295	\$ 73,592	\$ 80,765,554
236,247	2,271,407	1,275,938	822,347				11,588,733
	117,639		9,789,297				9,906,936
	5,953		105,965	52			572,010
354,469	6,734,864	962,072	1,395,861		279,444		11,377,595
						1,700	49,805
54,326	196,294	12,394	155,773				843,424
23,914	311,037	24,861	93,274		101,418		940,553
2,065,004	19,177,156	12,632,552	27,141,789	448,441	1,272,157	75,292	116,044,610
85,555	7,578,256	328,796	6,782,136		75,868		23,927,885
11,225,622	24,352,679	29,829,683	40,083,678		12,004,268		204,260,372
11,311,177	31,930,935	30,158,479	46,865,814		12,080,136		228,188,257
13,376,181	51,108,091	42,791,031	74,007,603	448,441	13,352,293	75,292	344,232,867
					69,493		69,493
249,166	906,971	732,932	536,420		726,366		5,479,903
249,166	906,971	732,932	536,420		795,859		5,549,396
50,831	4,667,475	471,896	925,314		105,195	157,058	7,862,790
14,774	55,547	68,479	35,918		58,554		458,611
66,388	214,482	295,473	512,831		30,086		1,805,334
		1,515,000	5,000,000				8,515,000
							527,439
	700,000						1,418,166
	80,893		716,704				826,862
35,645	284,116	350	126,092		16,349		465,652
432,387	756,000	1,074,024	1,287,562		376,154		6,046,636
13,753	54,279	38,031			24,892		279,598
							1,255,662
613,778	6,812,792	3,463,253	8,604,421		611,230	157,058	29,461,750
3,870,472	12,468,000	15,699,876	21,244,000		1,463,512		81,397,529
261,315	1,031,311	722,580	331,638		472,955		3,942,120
3,264,189	11,367,866	6,809,912	6,090,434		8,977,561		71,129,979
65,302	244,009	202,986	155,353		193,376		1,419,205
							22,193,847
7,461,278	25,111,186	23,435,354	27,821,425		11,107,404		180,082,680
8,075,056	31,923,978	26,898,607	36,425,846		11,718,634	157,058	209,544,430
							48,000
220,063	789,322	656,484	511,014		616,003		4,729,410
269,476	990,824	679,445	571,495		831,662		6,258,368
489,539	1,780,146	1,335,929	1,082,509		1,447,665		11,035,778
7,224,589	25,342,711	12,542,323	21,217,047		10,215,224		116,916,320
777,387	4,764,936	4,750,987	5,231,835				49,361,332
(2,941,224)	(11,796,709)	(2,003,883)	10,586,786	448,441	(9,233,371)	(81,766)	(37,075,597)
\$ 5,060,752	\$ 18,310,938	\$ 15,289,427	\$ 37,035,668	\$ 448,441	\$ 981,853	\$ (81,766)	\$ 129,202,055

TOWN OF OYSTER BAY
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
Year ended December 31, 2018

	Massapequa Water District	Plainview Water District	Hicksville Water District	Locust Valley Water District
EXPENSES				
Current:				
Home and community services	\$ 5,944,941	\$ 7,506,749	\$ 8,059,591	\$ 2,934,166
Total Expenses	<u>5,944,941</u>	<u>7,506,749</u>	<u>8,059,591</u>	<u>2,934,166</u>
PROGRAM REVENUES				
Charges for services	3,351,299	4,810,684	3,447,577	1,719,550
Capital grants and contributions	2,627,062			
Total Program Revenues	<u>5,978,361</u>	<u>4,810,684</u>	<u>3,447,577</u>	<u>1,719,550</u>
Net Expenses	<u>33,420</u>	<u>(2,696,065)</u>	<u>(4,612,014)</u>	<u>(1,214,616)</u>
GENERAL REVENUES				
Real property taxes	1,986,894	4,381,975	5,333,609	770,305
Other real property tax items	116,953	198,155	342,214	
Use of money and property - interest and earnings	18,357	93,913	341,231	16,139
Sales of property and compensation for loss	135,510	76,296	60,792	
State aid			11,349	
Miscellaneous local sources	222,897	2,036,387	394,766	311,292
Total General Revenues	<u>2,480,611</u>	<u>6,786,726</u>	<u>6,483,961</u>	<u>1,097,736</u>
Changes in Net Position	<u>2,514,031</u>	<u>4,090,661</u>	<u>1,871,947</u>	<u>(116,880)</u>
Net Position at Beginning of Year	10,440,797	16,262,116	37,246,940	3,835,949
Cumulative Effect of Change in Accounting Principle and Restatement	<u>(7,274,995)</u>	<u>(6,148,482)</u>	<u>(9,058,438)</u>	<u>(1,506,904)</u>
Net Position at Beginning of Year, as restated	<u>3,165,802</u>	<u>10,113,634</u>	<u>28,188,502</u>	<u>2,329,045</u>
Net Position at End of Year	<u>\$ 5,679,833</u>	<u>\$ 14,204,295</u>	<u>\$ 30,060,449</u>	<u>\$ 2,212,165</u>

Oyster Bay Water District	Jericho Water District	South Farmingdale Water District	Bethpage Water District	Syosset Sanitation District	Oyster Bay Sewer District	Glenwood- Glenhead Garbage District	Totals
\$ 2,470,938	\$ 10,497,879	\$ 7,948,723	\$ 9,064,255	\$ 548,883	\$ 4,849,225	\$ 1,224,622	\$ 61,049,972
2,470,938	10,497,879	7,948,723	9,064,255	548,883	4,849,225	1,224,622	61,049,972
905,428	8,688,156	3,844,046	2,754,921		472,481		29,994,142
			2,158,913				4,785,975
905,428	8,688,156	3,844,046	4,913,834		472,481		34,780,117
(1,565,510)	(1,809,723)	(4,104,677)	(4,150,421)	(548,883)	(4,376,744)	(1,224,622)	(26,269,855)
882,117	1,441,933	2,479,898	5,216,896	585,100	3,399,996	1,131,591	27,610,314
40,278	70,979	58,374	397,158		276,238		1,500,349
19,928	109,750	118,630	124,924		17,486		860,358
	457,823	34,442	12,495,898				13,260,761
	117,639						128,988
474,134	32,373	402,677	623,964		28,752		4,527,242
1,416,457	2,230,497	3,094,021	18,858,840	585,100	3,722,472	1,131,591	47,888,012
(149,053)	420,774	(1,010,656)	14,708,419	36,217	(654,272)	(93,031)	21,618,157
7,183,164	24,562,437	20,097,567	25,897,080	412,224	6,548,139	11,265	152,497,678
(1,973,359)	(6,672,273)	(3,797,484)	(3,569,831)		(4,912,014)		(44,913,780)
5,209,805	17,890,164	16,300,083	22,327,249	412,224	1,636,125	11,265	107,583,898
\$ 5,060,752	\$ 18,310,938	\$ 15,289,427	\$ 37,035,668	\$ 448,441	\$ 981,853	\$ (81,766)	\$ 129,202,055

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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. 141-148

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. 149-154

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. 155-158

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. 159-160

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. 162-166

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

Year Ended December 31,	2018	2017 ¹	2016	2015	2014
Primary government					
Governmental activities					
Net position					
Net investment					
in capital assets	\$ 85,406,978	\$ 76,098,412	\$ 56,626,377	\$ 41,720,284	\$ 39,210,064
Restricted	4,523,843	6,651,316	5,814,874	2,849,979	1,808,763
Unrestricted (deficit)	<u>(638,188,046)</u>	<u>(660,125,606)</u>	<u>(389,373,300)</u>	<u>(351,779,423)</u>	<u>(313,071,481)</u>
Total primary government net position	<u>\$ (548,257,225)</u>	<u>\$ (577,375,878)</u>	<u>\$ (326,932,049)</u>	<u>\$ (307,209,160)</u>	<u>\$ (272,052,654)</u>

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

Note ¹ The net position at December 31, 2017 was restated to reflect the implementation of GASB No. 75.

2013	2012	2011	2010	2009
\$ 32,343,595	\$ 26,762,896	\$ 24,260,496	\$ 24,709,247	\$ 29,999,229
1,201,964	1,276,840	2,026,619	659,882	4,077,987
(263,390,501)	(231,457,703)	(176,918,159)	(142,604,599)	(101,048,213)
<u>\$ (229,844,942)</u>	<u>\$ (203,417,967)</u>	<u>\$ (150,631,044)</u>	<u>\$ (117,235,470)</u>	<u>\$ (66,970,997)</u>

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

Year Ended December 31,	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government support	\$ 31,296,069	\$ 32,624,198	\$ 35,572,625	\$ 37,483,953	\$ 38,162,097
Public safety	27,303,498	27,134,763	28,898,107	29,462,383	28,286,861
Transportation	57,624,042	56,143,668	60,479,881	59,896,037	62,982,460
Economic assistance and opportunity	3,157,405	3,123,788	3,391,651	4,041,854	4,192,597
Culture and recreation	69,941,598	70,089,044	71,781,695	70,411,344	66,674,609
Home and community service	77,656,093	79,258,294	84,826,153	89,199,268	86,904,193
Interest on debt	21,718,222	26,173,679	25,706,555	25,301,881	24,225,844
Total governmental activities expenses	<u>288,696,927</u>	<u>294,547,434</u>	<u>310,656,667</u>	<u>315,796,720</u>	<u>311,428,661</u>
Total primary government expenses	<u>\$ 288,696,927</u>	<u>\$ 294,547,434</u>	<u>\$ 310,656,667</u>	<u>\$ 315,796,720</u>	<u>\$ 311,428,661</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government support	\$ 1,155,770	\$ 1,073,664	\$ 1,865,841	\$ 1,286,612	\$ 1,136,556
Public safety	10,212,514	9,742,053	7,799,239	6,697,956	6,024,901
Transportation	2,976,973	1,413,871	1,921,218	1,899,617	2,922,521
Culture and recreation	7,398,745	6,328,599	5,844,405	6,175,419	6,230,650
Home and community service	1,724,436	1,030,236	768,665	984,528	830,167
Operating grants and contributions	3,914,142	3,555,183	3,988,225	4,535,703	10,777,160
Capital grants and contributions	6,862,565	437,352	2,815,071	2,465,139	4,522,687
Total governmental activities program revenues	<u>34,245,145</u>	<u>23,580,958</u>	<u>25,002,664</u>	<u>24,044,974</u>	<u>32,444,642</u>
Total primary government program revenues	<u>\$ 34,245,145</u>	<u>\$ 23,580,958</u>	<u>\$ 25,002,664</u>	<u>\$ 24,044,974</u>	<u>\$ 32,444,642</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (254,451,782)</u>	<u>\$ (270,966,476)</u>	<u>\$ (285,654,003)</u>	<u>\$ (291,751,746)</u>	<u>\$ (278,984,019)</u>
Total primary government net expense	<u>\$ (254,451,782)</u>	<u>\$ (270,966,476)</u>	<u>\$ (285,654,003)</u>	<u>\$ (291,751,746)</u>	<u>\$ (278,984,019)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Real property taxes	\$ 234,030,013	\$ 235,562,854	\$ 210,988,363	\$ 215,667,149	\$ 198,080,058
Other real property tax items	10,490,964	10,208,772	10,129,678	4,993,937	3,678,417
Non-property tax items	5,642,122	5,705,925	5,680,869	5,308,648	5,112,339
Interest earnings	1,340,630	590,388	236,536	218,014	181,680
Local government assistance - unrestricted	15,497,649	14,959,916	14,556,122	14,258,755	13,942,484
State aid - unrestricted	13,089,231	14,126,639	13,679,895	12,311,610	10,327,711
Other	357,037	6,820,884	10,659,651	3,837,127	8,005,579
Special item	3,122,789				
Total primary government government general revenues and other	<u>283,570,435</u>	<u>287,975,378</u>	<u>265,931,114</u>	<u>256,595,240</u>	<u>239,328,268</u>
Total primary government	<u>\$ 283,570,435</u>	<u>\$ 287,975,378</u>	<u>\$ 265,931,114</u>	<u>\$ 256,595,240</u>	<u>\$ 239,328,268</u>
Change in Net Position					
Governmental activities	<u>\$ 29,118,653</u>	<u>\$ 17,008,902</u>	<u>\$ (19,722,889)</u>	<u>\$ (35,156,506)</u>	<u>\$ (39,655,751)</u>
Total primary government	<u>\$ 29,118,653</u>	<u>\$ 17,008,902</u>	<u>\$ (19,722,889)</u>	<u>\$ (35,156,506)</u>	<u>\$ (39,655,751)</u>

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

2013	2012	2011	2010	2009
\$ 36,575,649	\$ 32,796,871	\$ 23,979,446	\$ 32,283,214	\$ 30,938,595
29,134,180	27,821,478	26,314,669	24,145,307	22,853,502
68,083,600	71,035,386	56,829,279	51,102,059	48,780,746
4,035,988	4,039,287	3,952,952	5,214,244	4,671,721
71,386,725	70,617,267	67,279,441	66,858,706	56,125,780
93,926,958	85,793,941	85,314,148	85,680,187	81,279,479
22,180,971	21,318,102	18,275,637	14,948,060	13,940,075
<u>325,324,071</u>	<u>313,422,332</u>	<u>281,945,572</u>	<u>280,231,777</u>	<u>258,589,898</u>
<u>\$ 325,324,071</u>	<u>\$ 313,422,332</u>	<u>\$ 281,945,572</u>	<u>\$ 280,231,777</u>	<u>\$ 258,589,898</u>

\$ 1,229,235	\$ 1,003,364	\$ 984,923	\$ 1,038,276	\$ 877,821
6,354,468	4,564,537	4,067,938	4,271,347	4,439,212
2,029,540	2,285,793	1,768,986	2,017,458	1,878,588
6,307,093	6,586,215	6,002,337	6,122,679	5,586,432
794,692	899,181	581,858	692,256	819,174
15,217,357	18,126,195	8,156,683	7,838,502	8,155,922
10,328,219	5,666,110	10,661,138	3,815,966	1,465,316
<u>42,260,604</u>	<u>39,131,395</u>	<u>32,223,863</u>	<u>25,796,484</u>	<u>23,222,465</u>
<u>\$ 42,260,604</u>	<u>\$ 39,131,395</u>	<u>\$ 32,223,863</u>	<u>\$ 25,796,484</u>	<u>\$ 23,222,465</u>

<u>\$ (283,063,467)</u>	<u>\$ (274,290,937)</u>	<u>\$ (249,721,709)</u>	<u>\$ (254,435,293)</u>	<u>\$ (235,367,433)</u>
<u>\$ (283,063,467)</u>	<u>\$ (274,290,937)</u>	<u>\$ (249,721,709)</u>	<u>\$ (254,435,293)</u>	<u>\$ (235,367,433)</u>

\$ 182,180,760	\$ 175,579,664	\$ 175,265,000	\$ 166,258,122	\$ 166,273,638
3,390,556	3,197,633	3,128,447	2,821,830	2,244,124
4,863,692	4,696,524	4,617,396	4,437,509	4,038,122
246,628	147,906	283,646	389,697	831,303
14,680,867	13,733,876	13,144,675	13,331,035	12,465,539
11,883,093	11,184,538	10,201,720	10,762,780	11,800,490
10,062,430	12,963,873	9,685,251	6,169,847	3,396,170
30,025,000				
<u>257,333,026</u>	<u>221,504,014</u>	<u>216,326,135</u>	<u>204,170,820</u>	<u>201,049,386</u>
<u>\$ 257,333,026</u>	<u>\$ 221,504,014</u>	<u>\$ 216,326,135</u>	<u>\$ 204,170,820</u>	<u>\$ 201,049,386</u>

<u>\$ (25,730,441)</u>	<u>\$ (52,786,923)</u>	<u>\$ (33,395,574)</u>	<u>\$ (50,264,473)</u>	<u>\$ (34,318,047)</u>
<u>\$ (25,730,441)</u>	<u>\$ (52,786,923)</u>	<u>\$ (33,395,574)</u>	<u>\$ (50,264,473)</u>	<u>\$ (34,318,047)</u>

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

Year Ended December 31,	2018	2017	2016	2015	2014
General Fund					
Reserved					
Unreserved					
Nonspendable	\$ 2,314,736	\$ 2,077,679	\$ 5,629,349	\$ 9,209,971	\$ 11,909,423
Restricted	31,287	32,237			
Unassigned	<u>(12,746,493)</u>	<u>(24,144,002)</u>	<u>(45,583,563)</u>	<u>(37,054,024)</u>	<u>(29,416,588)</u>
Total General Fund	<u>\$ (10,400,470)</u>	<u>\$ (22,034,086)</u>	<u>\$ (39,954,214)</u>	<u>\$ (27,844,053)</u>	<u>\$ (17,507,165)</u>
All other governmental funds					
Reserved					
Unreserved, reported in:					
Special Revenue Funds					
Capital Projects Fund					
Debt Service Fund					
Nonspendable	\$ 1,286,447	\$ 1,428,965	\$ 1,300,742	\$ 1,259,729	\$ 1,530,435
Restricted	47,817,416	31,425,489	29,698,404	2,849,979	1,808,763
Assigned	20,443,449	18,064,833	23,998,100	7,023,559	3,729,857
Unassigned	<u>(40,103,826)</u>	<u>(120,838,068)</u>	<u>(125,878,180)</u>	<u>(109,470,762)</u>	<u>(80,437,628)</u>
Total all other governmental funds	<u>\$ 29,443,486</u>	<u>\$ (69,918,781)</u>	<u>\$ (70,880,934)</u>	<u>\$ (98,337,495)</u>	<u>\$ (73,368,573)</u>

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

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

2013	2012	2011 ¹	2010	2009
			\$ 1,708,530	\$ 1,919,359
			374,746	6,279,485
\$ 4,678,333	\$ 3,387,516	\$ 4,292,202		
(3,168,285)	(10,299,540)	(5,422,383)		
<u>\$ 1,510,048</u>	<u>\$ (6,912,024)</u>	<u>\$ (1,130,181)</u>	<u>\$ 2,083,276</u>	<u>\$ 8,198,844</u>
			\$ 33,306,988	\$ 75,490,973
			6,665,244	7,444,464
			(281,933,862)	(336,440,020)
\$ 1,734,984	\$ 1,721,425	\$ 1,635,674		
1,201,964	1,276,840	2,026,619		
5,633,333	6,680,117	14,100,368		
(310,460,120)	(366,641,459)	(298,511,328)		
<u>\$ (301,889,839)</u>	<u>\$ (356,963,077)</u>	<u>\$ (280,748,667)</u>	<u>\$ (241,961,630)</u>	<u>\$ (253,504,583)</u>

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

Year Ended December 31,	2018	2017	2016	2015	2014
Revenues					
Real property taxes	\$ 234,030,013	\$ 235,562,854	\$ 210,988,363	\$ 215,667,149	\$ 198,080,058
Other real property tax items	10,490,964	10,208,772	10,129,678	4,993,937	3,678,417
Non-property tax items	5,642,122	5,705,925	5,680,869	5,308,648	5,112,339
Departmental income	29,941,417	27,166,574	24,191,587	22,938,738	22,978,529
Intergovernmental charges	15,596,762	15,008,883	14,579,184	14,402,785	13,973,877
Use of money and property	2,223,826	1,282,267	1,063,225	852,443	777,031
License and permits	345,030	292,778	317,165	233,344	296,652
Fines and forfeitures	490,845	443,751	583,553	640,896	1,027,489
Sale of property and compensation for loss	1,150,188	517,549	736,829	933,986	468,532
Miscellaneous and local sources	1,426,573	2,476,099	10,059,186	3,092,399	7,774,106
Interfund revenues	32,771,175	29,955,070	30,090,695	29,596,471	29,949,479
State aid	18,556,703	15,112,964	16,077,219	14,775,547	17,497,657
Federal aid	5,279,729	2,948,531	4,418,132	4,179,376	7,744,354
Total revenues	357,945,347	346,682,017	328,915,685	317,615,719	309,358,520
Expenditures					
Current:					
General government support	40,645,294	38,604,808	40,670,837	38,037,078	39,420,479
Public safety	19,507,889	18,589,267	20,707,244	21,009,794	20,595,032
Transportation	24,256,444	22,919,060	24,515,940	24,686,666	26,210,566
Economic assistance and opportunity	2,297,134	2,166,355	2,531,011	2,916,303	3,366,498
Culture and recreation	33,713,671	32,521,859	34,741,523	33,427,561	32,963,253
Home and community service	65,958,643	61,645,325	73,109,702	65,812,654	69,396,713
Employee benefits	64,128,727	61,121,561	59,065,008	55,838,958	54,412,698
Capital outlay	43,046,354	9,954,834	15,949,008	35,133,901	57,144,686
Debt Service:					
Principal	143,400,563	55,551,737	53,633,058	50,506,321	38,231,954
Interest	23,784,053	27,179,457	23,345,634	25,552,293	23,805,275
Bond issuance costs	658,933				355,604
Advanced refunding escrow					3,622,850
Total expenditures	461,397,705	330,254,263	348,268,965	352,921,529	369,525,608
Excess (deficiency) of revenues over (under) expenditures	(103,452,358)	16,427,754	(19,353,280)	(35,305,810)	(60,167,088)
Other financing sources (uses)					
Transfers in	92,834,650	86,640,884	84,814,895	77,120,806	75,101,560
Transfers out	(92,834,650)	(86,640,884)	(84,814,895)	(77,120,806)	(75,101,560)
Issuance of debt	125,749,057		34,350,000		264,175,000
Premiums on obligations	4,266,186				8,649,587
Refunding bond issued	78,696,287				66,224,563
Payment to refunded bond escrow agent					(70,152,185)
Capital lease	111,711		349,680		
Total other financing sources (uses)	208,823,241	-0-	34,699,680	-0-	268,896,965
Special item	5,625,000				
Net change in fund balances	\$ 110,995,883	\$ 16,427,754	\$ 15,346,400	\$ (35,305,810)	\$ 208,729,877
Debt service as a percentage of noncapital expenditures	40.21%	26.11%	23.14%	24.23%	20.84%

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

2013	2012	2011	2010	2009
\$ 182,180,760	\$ 175,579,664	\$ 175,265,001	\$ 166,258,122	\$ 166,273,638
3,390,556	3,197,633	3,128,447	2,821,830	2,244,124
4,863,692	4,696,524	4,617,396	4,437,509	4,038,122
23,120,124	22,079,123	20,406,328	20,966,195	21,915,754
14,718,216	13,942,518	13,176,813	13,365,710	12,884,581
824,353	603,056	735,241	894,246	1,208,674
205,178	174,475	149,865	119,629	119,429
666,753	746,224	454,077	513,879	527,531
905,960	1,606,331	333,447	396,953	419,791
9,770,228	1,803,732	5,105,926	3,530,852	3,253,042
28,423,597	29,876,012	29,160,183	26,942,095	24,410,321
14,987,030	13,608,089	13,732,037	14,549,881	16,686,465
22,354,741	21,139,005	12,200,790	7,362,931	4,735,263
<u>306,411,188</u>	<u>289,052,386</u>	<u>278,465,551</u>	<u>262,159,832</u>	<u>258,716,735</u>
37,984,142	39,712,264	34,125,789	36,650,794	35,459,470
19,778,269	20,167,997	19,295,277	18,433,319	17,459,466
31,523,700	36,926,372	25,912,405	24,496,655	24,814,537
2,812,692	3,184,421	3,200,016	4,121,859	3,828,861
32,362,259	35,638,463	35,039,970	33,278,647	31,438,530
66,628,449	68,441,125	67,054,880	69,766,398	67,781,406
53,452,014	51,210,979	46,923,714	42,116,903	41,419,904
84,324,592	78,651,835	114,031,571	123,578,275	101,778,497
30,680,747	31,355,462	25,975,875	20,526,759	22,756,967
21,958,366	20,754,691	16,402,710	13,086,920	14,445,618
		233,966		273,907
		2,731,641		1,790,652
<u>381,505,230</u>	<u>386,043,609</u>	<u>390,927,814</u>	<u>386,056,529</u>	<u>363,247,815</u>
(75,094,042)	(96,991,223)	(112,462,263)	(123,896,697)	(104,531,080)
55,504,247	52,917,281	42,553,991	42,092,659	40,597,795
(55,504,247)	(52,917,281)	(42,553,991)	(42,092,659)	(40,597,795)
107,056,379	7,500,000	61,575,000	125,449,000	
1,507,973	7,494,970	8,915,009	3,875,082	5,591,215
		32,514,467		39,074,300
		(32,542,707)		(40,331,000)
<u>108,564,352</u>	<u>14,994,970</u>	<u>70,461,769</u>	<u>129,324,082</u>	<u>4,334,515</u>
<u>30,025,000</u>				
<u>\$ 63,495,310</u>	<u>\$ (81,996,253)</u>	<u>\$ (42,000,494)</u>	<u>\$ 5,427,385</u>	<u>\$ (100,196,565)</u>
17.57%	16.94%	16.37%	12.83%	14.78%

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 Residential Property	Class Two Condo and Co-Op Property	Class Three Utility and Special Franchise	Class Four Commercial Property	Total Net Assessed Value
2018	\$ 94,095,129	\$ 3,104,209	\$ 3,562,100	\$ 35,199,552	\$ 135,960,990
2017	97,247,808	3,191,037	3,697,345	36,691,677	140,827,867
2016	100,696,094	3,265,115	4,009,445	41,924,815	149,895,469
2015	103,499,098	3,314,650	8,110,700	43,333,487	158,257,935
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

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
4.83	0.22%	\$ 61,800,450,000	0.22%
5.08	0.24%	58,678,277,917	0.24%
4.67	0.26%	57,652,103,462	0.26%
4.67	0.27%	58,614,050,000	0.27%
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%

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	Total Net Assessed Value	Tax Levy For Town ¹	Total Town Direct Tax Rate ^{1,2}
2018	\$ 61,800,450,000	0.22%	\$ 135,960,990	\$ 298,600,390	4.83
2017	58,678,277,917	0.24%	140,827,867	298,248,457	5.08
2016	57,652,103,462	0.26%	149,895,469	269,088,858	4.67
2015	58,614,050,000	0.27%	158,257,935	273,742,969	4.67
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

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

¹ 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.

² Per \$1,000 of full valuation.

Overlapping Rates

County Tax Levy For Town	Total County Direct Rate ²	School Levy	Total School Direct Rate ²	Total Direct & Overlapping Rates
\$ 288,565,537	4.67	\$ 1,066,840,424	17.26	26.76
287,751,116	4.90	1,048,569,504	17.87	27.85
261,689,441	4.54	1,038,819,411	18.02	27.23
272,517,577	4.65	1,055,707,878	18.01	27.33
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

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

2018

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation
1	Keyspan Gas East	Public Utility - Public Franchise	\$ 1,907,502	1.40%
2	Sunrise Mall Associates & Hudson Resources	Shopping Mall	1,020,223	0.75%
3	Long Island Power Authority	Public Utility - Public Franchise	712,713	0.52%
4	Jericho Quads Associates	Office Buildings	658,836	0.48%
5	Broadway Mall (KRE Broadway Owner LLC)	Shopping Mall	656,779	0.48%
6	One-Two Jericho Plaza Owner LLC	Office Buildings	622,208	0.46%
7	Verizon NY	Public Utility - Public Franchise	482,673	0.36%
8	Northrop Grumman Corp. & Related Companies	Office Buildings	406,788	0.30%
9	92 FHB LLC	Apartments	339,277	0.25%
10	Sunrise Mass LLC	Shopping Center	337,604	0.25%
Total			<u>\$ 7,144,603</u>	<u>(a) 5.25%</u>

(a) Represents 5.25% of the total taxable assessed valuation of the Town for 2018.

2009

Rank	Taxpayer	Nature of Business	Assessed Valuation	Percent of Total Assessed Valuation
1	Long Island Power Authority	Public Utility	\$ 3,511,179	1.66%
2	CLK-HP Various Properties	Office Buildings	2,842,045	1.34%
3	Keyspan Gas East	Public Utility	2,446,932	1.16%
4	Verizon	Public Utility	1,764,078	0.83%
5	Sunrise Mall Assoc. & Hudson Resources	Shopping Mall	1,745,328	0.83%
6	Broadway Mall (CGA Broadway Partners LLC)	Shopping Mall	1,377,254	0.65%
7	Northrop Grumman Corp. & Related Companies	Aerospace Industry	947,377	0.45%
8	Jericho Quads	Office Buildings	887,305	0.42%
9	Calpine	Public Utility	770,600	0.36%
10	Mass One LLC	Shopping Center	600,104	0.28%
Total			<u>\$ 16,892,202</u>	<u>(b) 7.98%</u>

(b) Represents 7.98% of the total taxable assessed valuation of the Town for 2009.

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 ¹	Amount Collected ²	Percent Collected
2018	\$ 298,600,390	\$ 298,600,390	100.00%
2017	298,248,457	298,248,457	100.00%
2016	269,088,858	269,088,858	100.00%
2015	273,742,969	273,742,969	100.00%
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%

Source: Receiver of Taxes - General Tax Levy.

¹ 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.

² During year of levy.

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

Year Ended	<u>Governmental Activities</u> General Obligation Bonds	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2018	\$ 598,868,122	\$ 598,868,122	0.52%	2,005
2017	535,073,473	535,073,473	0.50%	1,798
2016	562,468,941	562,468,941	0.53%	1,895
2015	612,489,926	612,489,926	0.61%	2,050
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

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

Notes: As of December 31, 2018, the Town had \$30,025,000 in short-term bond anticipation notes, which are not presented in this schedule.

As of December 31, 2018, the Town had \$10,000,000 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.

¹ See the schedule of Demographic and Economic Statistics for personal income and population.

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 of Property ¹	Per Capita ²
2018	\$ 598,868,122	\$ 100,628	\$ 598,767,494	0.97%	2,005
2017	535,073,473	2,591,546	532,481,927	0.91%	1,790
2016	562,468,941	2,128,871	560,340,070	0.97%	1,887
2015	612,489,926	1,764,668	610,725,258	1.04%	2,044
2014	664,403,519	612,934	663,790,585	1.22%	2,255
2013	434,723,923	139,480	434,584,443	0.80%	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

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

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

² 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, 2018

Jurisdiction	Net Long-Term Debt	Percentage Applicable to the Town of Oyster Bay	Town of Oyster Bay Share of Debt ¹
Direct:			
Town of Oyster Bay	\$ 598,868,122	100.00%	\$ 598,868,122
Total Direct Debt	<u>598,868,122</u>		<u>598,868,122</u>
Overlapping:			
Nassau County	3,996,123,567	25.71%	1,027,403,369
School Districts	24,626,076	100.00%	24,626,076
Fire Districts	2,835,599	100.00%	2,835,599
Water Districts	85,189,861	100.00%	85,189,861
Sewer District	1,682,490	100.00%	1,682,490
Incorporated Villages	<u>33,267,800</u>	100.00%	<u>33,267,800</u>
Total Overlapping Debt	<u>4,143,725,393</u>		<u>1,175,005,195</u>
Total Direct and Overlapping Debt	<u>\$ 4,742,593,515</u>		<u>\$ 1,773,873,317</u>

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, 2018

Years Ended December 31,	Assessed Valuation	State Equalization Rate	Full Valuation
2018	\$ 135,960,990	0.22%	\$ 61,800,450,000
2017	140,827,867	0.24%	58,678,277,917
2016	149,895,469	0.26%	57,652,103,462
2015	158,257,935	0.27%	58,614,050,000
2014	163,350,725	0.30%	54,450,241,667
Total Five Year Full Valuation			<u>\$ 291,195,123,046</u>
Five Year Average Full Valuation of Taxable Real Property			<u>58,239,024,609</u>
Debt Limit - 7% of Five Year Average Full Valuation			<u>4,076,731,723</u>
Inclusions:			
Outstanding Bonds			672,340,369
Bond Anticipation Notes (including Long-term BANs)			<u>38,540,000</u>
Total Inclusions			<u>710,880,369</u>
Exclusions:			
Water Bonds			85,189,861
Water Bond Anticipation Notes			<u>8,515,000</u>
Total Exclusions			<u>93,704,861</u>
Total Net Indebtedness Subject to the Debt Limit			<u>617,175,508</u>
Net Debt Contracting Margin			<u>3,459,556,215</u>
Percent of Debt Limit Exhausted			15.14%

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
2018	\$ 4,076,731,723	\$ 710,880,369	\$ 93,704,861	\$ 617,175,508	\$ 3,459,556,215	84.86%
2017	3,969,483,296	756,410,000	90,267,694	666,142,306	3,303,340,990	83.22%
2016	3,969,019,193	808,670,000	74,708,959	733,961,041	3,235,058,152	81.51%
2015	4,015,120,270	823,430,000	79,293,928	744,136,072	3,270,984,198	81.47%
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%

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 ¹	Personal Income ² (in millions)	Per Capita Income ^{2,7}	Median Age ^{3,7}	Unem- ployment Rate ^{2,4,6}	Year-Round Households Estimate ^{4,7}	Average Household Size Estimate ^{4,7}	Population Density Per Square Mile ^{4,7,8}	Public School Enrollment ⁵
2018	298,655	\$116,084	\$ 54,532	44.2	3.30%	99,679	2.95	2,606	52,045
2017	297,537	107,959	51,093	43.8	3.90%	99,217	2.96	2,596	52,030
2016	296,876	105,861	49,697	43.7	3.70%	98,509	2.97	2,591	52,413
2015	298,766	100,019	50,950	44.1	3.90%	98,872	2.97	2,862	52,791
2014	294,307	98,096	50,770	44.4	4.40%	99,159	2.95	2,853	53,384
2013	296,108	95,475	44,704	42.9	5.50%	98,210	2.96	2,836	54,120
2012	293,990	91,120	47,757	44.9	6.60%	100,094	2.89	2,816	54,563
2011	292,033	87,992	45,529	42.6	6.50%	93,579	2.93	2,826	55,098
2010	293,214	83,985	45,607	42.8	6.80%	99,419	2.89	2,808	55,797
2009	303,285	101,648	44,606	39.8	6.40%	101,018	2.95	2,916	55,984

Sources:

- ¹ Bureau of the Census / American Community Survey
- ² Bureau of Economic Analysis. Figures are for Nassau County. TOB figures not available.
- ³ State Department of Commerce
- ⁴ Long Island Business News - Doing Business on Long Island / LILCO Survey / Long Island Population Survey.
- ⁵ NYSED.gov
- ⁶ State Department of Labor
- ⁷ U.S. Census Bureau
- ⁸ Town of Oyster Bay Official Statement

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

2018

Rank	Name	Type of Business	Number of Employees
1	Association for Help of Retarded Children (AHRC)	Job Training & Vocational Rehab. Services	A
2	Altice USA (formerly Cablevision)	Televison-Cable	A
3	Brunswick Psych Center	Hospitals	A
4	GEICO	Insurance Agents/Brokers	A
5	Long Island University-Post	Schools-Universities & Colleges Academic	A
6	National Grid/PSEG Long Island	Public Utility	A
7	Rainbow Media (AMC Networks Inc.)	Multimedia (Mfrs)	A
8	St. Francis Hospital	General Medical & Surgical Hospital	A
9	Best Yet Market Inc.	Grocers-Retail	B
10	Commercial Building Maintenance Corp	Cleaners	B

2009

Rank	Name	Type of Business	Number of Employees
1	Cablevision Systems	Entertainment/Telecommunications	A
2	Gov't. Employees Insurance Co.	Insurance Agents/Brokers	A
3	Keyspan	Public Utility	A
4	King Kullen Grocery	Supermarket Chain	A
5	Long Island University	College University	A
6	Northrop Grumman Systems Corp.	Electronic & Aircraft Software Systems	A
7	North Shore University Hospital	General Medical & Surgical Hospital	A
8	N.C. Assoc. for Help of Retarded Children	Job Training & Vocational Rehab Services	A
9	Pall Corporation	Surgical Appliances & Supplies	A
10	St. Francis Hospital	General Medical & Surgical Hospital	A

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

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

Full-time Equivalent Employees as of December 31										
Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government support	237	228	224	248	258	256	253	274	257	298
Public safety	112	114	109	123	126	118	116	125	119	124
Transportation	119	113	120	142	151	152	160	176	164	174
Economic assistance and opportunity	8	10	11	13	14	11	11	11	12	12
Culture and recreation	247	254	268	289	293	280	287	303	277	269
Home and community services	270	279	301	333	343	350	344	361	356	376
Total	<u>993</u>	<u>998</u>	<u>1,033</u>	<u>1,148</u>	<u>1,185</u>	<u>1,167</u>	<u>1,171</u>	<u>1,250</u>	<u>1,185</u>	<u>1,253</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,	2018	2017	2016	2015	2014
Function					
General Government Support					
Public Safety					
Building					
Residential building permits issued	5,265	5,057	5,140	4,745	4,739
Commercial building permits issued	997	1,013	1,161	715	866
Public Safety					
Animals received	695	708	803	788	805
Animals adopted	384	364	382	363	258
Animals redeemed	118	105	149	127	130
Town Clerk					
Permits issued ¹	26,970	6,975	31,891	9,275	27,446
Fire					
Number of fire protection districts	7	7	7	7	7
Number of calls answered	8,913	8,473	8,565	8,321	7,503
Transportation					
Parking Meters					
Number of parking meters	219	275	275	275	275
Collections per month	2	2	2	2	2
Highways and Streets					
Street resurfacing (miles)	3	3	2	3	7
Number of trees planted	31			781	794
Number of trees removed	1,347	697	720	616	801
Economic Assistance and Opportunity					
Culture and Recreation					
Beach permits issued	44,010	47,553	45,439	48,247	47,512
Registration for adult programs	611	979	880	714	766
Registration for summer programs	1,817	1,721	1,631	1,627	1,685
Home and Community Services					
Sanitation					
Refuse collected (tons/day)	544	560	580	567	588
Recyclables collected (tons/day) ²	220	176	196	180	208

Source: Various departments of the Town of Oyster Bay.

¹ Resident parking permits contained in this total are issued every two years.

² Single stream collections began October 23, 2017 and ended as of January 1, 2019.

2013	2012	2011	2010	2009
4,838	3,935	4,018	3,783	1,756
1,062	795	921	293	52
783	826	804	747	847
354	233	327	200	276
127	172	127	116	143
6,050	29,592	8,272	29,384	6,882
7	7	7	7	7
8,926	7,822	18,240	17,498	19,232
275	275	305	305	305
2	2	2	2	2
11	14	18	4	10
1,566	1,080	419	1,996	293
2,808	2,695	3,396	1,558	3,135
45,262	48,316	50,974	55,987	49,947
709	238	400	339	142
1,975	2,150	2,300	2,650	2,500
1,259	1,293	633	565	650
195	178	190	208	208

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

Year Ended December 31,	2018	2017	2016	2015	2014
Function					
General Government Support					
Municipal buildings	3	3	3	3	3
Central vehicle maintenance					
Vehicles maintained	700	700	700	700	700
Transportation					
Highways and streets					
Streets (miles) ⁽¹⁾	733	781	781	781	781
Streetlights	21,051	20,989	20,990	20,927	20,927
Parking fields	45	56	54	54	54
Culture and Recreation					
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
Home and Community Service					
Sanitation					
Collection trucks	91	81	64	64	64

Source: Various departments of the Town of Oyster Bay.

(1) As per consultation evaluation in 2018.

2013	2012	2011	2010	2009
3	3	3	3	3
700	700	700	687	729
781	781	781	781	780
23,000	25,000	25,000	25,000	20,703
54	54	54	54	54
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
11	11	11	11	10
64	50	50	50	50