

Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2016

Town of Yorktown, New York

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Independent Auditors' Report

**The Honorable Supervisor and Town Board of
the Town of Yorktown, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended December 31, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2016 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2016.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2015, and have issued our report thereon dated July 11, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and

was derived from and relate directly to the underlying accounting and other records used to prepare the 2015 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2015.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2017 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
May 9, 2017

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Town of Yorktown, New York

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

Introduction

The following discussion and analysis of the Town of Yorktown, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the year ended December 31, 2016. This should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$88,491,334. Of this amount, the unrestricted portion is \$1,483,515.
- The Town recorded its liability of \$27,260,000 for the accounting and financial reporting of the Other Post Employment Benefits Obligations, other than pensions as per Governmental Accounting Standards Board ("GASB") Statement No. 45 in the government-wide financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$22,759,316, an increase from the prior fiscal year.
- At the end of the current fiscal year, the assigned and unassigned components of fund balance for the General Fund aggregated \$12,409,424, or 49%, of the total General Fund expenditures and other financing uses. These balances increased from the prior year, when the amount of \$8,543,347, was 31%, of total General Fund expenditures and other financing uses.
- During 2016, the Town issued additional short-term obligations of \$1,100,000, while retiring \$1,168,080 of this type of debt.
- The Town did not issue any additional long-term obligations, and retired \$1,345,000 of this debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements (3) and notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statement and other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. 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 fiscal periods (for example, earned but unused vacation leave and other post employment benefit obligations).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. The governmental activities of the Town include: general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 fiscal year. Such information may be useful in evaluating a government's near-term financing 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains the following governmental funds: General Fund, Highway Fund, Special Districts Fund, Capital Projects Fund, Community Development Fund, Public Library Fund, Special Purpose Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, since they are classified as major funds. Individual fund data for the Community Development Fund, Public Library Fund, Special Purpose Fund and the Debt Service Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual appropriated budgets for the General Fund, Highway Fund, Special Districts Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General, Highway and Special Districts funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds are used to show activities that operate similar to private business enterprises. The town maintains two proprietary funds, which are internal service funds, to account for its self insured worker's compensation and general liability claims programs. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the basic financial statement section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The Town maintains one Fiduciary fund, an Agency Fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in the Agency Fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individuals, organizations or governments.

The financial statement for the fiduciary fund can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's net position at fiscal year-end December 31, 2016 was \$88,491,334. Of this amount, \$9,133,268 is restricted for various purposes (general liability, debt service, special revenue funds, trust and parklands). The net investment in capital assets accounts for \$77,874,551 of the total net position.

The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The balance of the net position is unrestricted, \$1,483,515.

Statement of Net Position

	2016	2015
Current Assets	\$ 96,179,376	\$ 93,885,232
Capital Assets, net	100,363,375	102,807,627
Total Assets	196,542,751	196,692,859
Deferred outflows of Resources	14,010,169	3,359,838
Current Liabilities	60,044,828	62,667,474
Long-term Liabilities	60,273,433	47,459,227
Total Liabilities	120,318,261	110,126,701
Deferred Inflows of Resources	1,743,325	186,723
NET POSITION		
Net investment in capital assets	77,874,551	80,046,998
Restricted	9,133,268	9,536,800
Unrestricted	1,483,515	155,475
Total Net Position	\$ 88,491,334	\$ 89,739,273

The restricted net position of \$9,133,268 represents resources that are subject to external restrictions on how they may be used.

Change in Net Position

	2016	2015
PROGRAM REVENUES		
Charges for Services	\$ 13,344,997	\$ 12,671,151
Operating Grants and Contributions	2,323,236	2,471,044
Capital Grants and Contributions	18,840	40,609
General Revenues		
Real Property Taxes	30,556,809	30,029,843
Other Tax items	1,024,913	922,099
Non-Property Taxes	6,242,606	6,187,351
Unrestricted Use of Money and Property	70,799	66,732
Sale of Property and Compensation for Loss	117,400	181,713
Unrestricted State Aid	1,439,033	1,368,500
Miscellaneous	930,163	1,364,477
	<u>56,068,796</u>	<u>55,303,519</u>
PROGRAM EXPENSES		
General Government Support	8,151,729	6,662,848
Public Safety	14,626,245	14,117,589
Health	586,069	473,907
Transportation	7,020,907	8,048,881
Economic Opportunity and Development	2,335,581	2,223,931
Culture and Recreation	7,626,052	7,258,580
Home and Community Services	16,489,299	17,375,721
Interest	480,853	544,346
	<u>57,316,735</u>	<u>56,705,803</u>
Total Expenses		
Change in Net Position	<u>(1,247,939)</u>	<u>(1,402,284)</u>
NET POSITION		
Beginning, as reported	89,739,273	84,921,444
Prior Period Adjustment (Fixed Asset)	-	5,939,651
Cumulative Effect of Change in Accounting Principal	-	280,462
	<u>-</u>	<u>280,462</u>
Ending	<u>\$ 88,491,334</u>	<u>\$ 89,739,273</u>

For the fiscal year ended December 31, 2016, actual revenues from governmental activities totaled \$56,068,796. Real Property Tax revenues of \$30,556,809 represent 54% of total revenues.

Actual Expenses from governmental activities for the fiscal year ended December 31, 2016 totaled \$57,316,735 an increase of \$610,932, from fiscal year 2015. The most substantial increases can directly be attributed to expenditures in the General Fund, general government support followed by public safety. There was a significant decrease in Transportation, Highway fund, from savings in snow removal costs and employee salary and benefits.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated the authority to assign resources for use for particular purposes by the Town Board.

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$22,759,316, an increase of \$4,026,572 from the prior year. Of this amount, \$4,275,569 (or 19%) is reported as either *nonspendable* or *restricted*, which indicates that it is not available for new spending because it has already been set aside for:

1) Employee benefit accrued liability	\$ 1,045,907
2) Debt service	1,211,155
3) Parklands	441,328
4) Trusts	633,326
5) Prepaid expenditures	823,850
6) Advances	120,003

\$13,484,131 constitutes *assigned fund balances*, of which \$1,752,250 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2017 budget, while \$529,810 has been assigned for tax certiorari payments and \$25,000 has been assigned for ballpark, leaving an assigned fund balance of \$10,605,002, representing the residual fund balances of the Highway, Special Districts, Community Development and Public Library funds. The Town's total *unassigned fund balance* for governmental funds is \$4,999,634 which consists of an unassigned fund balance of \$10,720,870 in the General Fund offset by a deficit of \$5,721,236 in the Capital Projects Fund. The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$13,726,108.

As a measure of the General Fund's liquidity, it is useful to compare the committed, assigned and unassigned fund balance to the total fund balance and to the General Fund expenditures and other financing uses. The assigned and unassigned fund balance of \$12,409,424 represents approximately 55% of the total combined fund balance and 49% of the General Fund's expenditures and other financing uses.

When the fiscal 2016 General Fund budget was adopted, it anticipated the use of \$925,000 of fund balance. Actual results of operations resulted in an increase of \$3,791,304 in the General Fund total fund balance. The increase in the fund balance can partially be attributed to the license agreement with Algonquin Gas Transmission as well as various savings in expenditures.

In the Highway Fund, the fund balance increased by \$479,207 to \$804,866 in the current fiscal year. The fund balance increase is directly related to the reduction in employee salaries / benefits and snow overtime.

General Fund Budgetary Highlights

There was a difference between the budgeted and actual revenues and other financing sources recorded for the General Fund with the original amount budgeted of \$26,421,179 and actual revenue collected of \$28,790,050. The actual results realized for the year ended December 31, 2016 surpassed the budgeted amount by \$2,368,871. This can partially be attributed to increases in:

Licensing Agreement	\$ 545,544
Mortgage Tax	\$ 280,797
Sales Tax	\$ 268,319
Property Tax Interest / Penalties	\$ 221,733

The difference between the expenditures and other financing uses budgeted, inclusive of prior year encumbrances, (\$27,406,260) and actual expenditures (\$24,998,746) in the General Fund showed a positive budgetary variance of \$2,442,138. Savings can primarily be attributed to:

General Government Support	\$1,047,328
Employee Benefits	\$ 854,209
Culture and Recreation	\$ 137,683
Public Safety	\$ 231,644
Home and Community Services	\$ 111,769

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2016 amounted to \$100,363,375. The net investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

**Capital Assets
(Net of Accumulated Depreciation)**

	<u>2016</u>	<u>2015</u>
Land	\$ 15,184,930	\$ 15,184,930
Construction-in-Progress	<u>9,574,960</u>	<u>28,513,658</u>
Total Assets Not Depreciated	<u>24,759,890</u>	<u>43,698,588</u>
Land Improvements	4,981,583	4,007,377
Buildings and Improvements	32,514,053	22,826,846
Infrastructure	33,695,227	28,015,008
Machinery and Equipment	<u>4,412,622</u>	<u>4,259,808</u>
Total Assets Net of Depreciation	<u>75,603,485</u>	<u>59,109,039</u>
Total Capital Assets	<u><u>\$ 100,363,375</u></u>	<u><u>\$ 102,807,627</u></u>

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

Long Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$17,995,000. The Town's serial bond debt decreased by \$1,345,000. Payments on short-term obligations totaled \$1,168,080. All of this debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property.

Additional information on the Town's short -term and long-term debt can be found in Notes 3E and 3F in the notes to financial statements.

Economic Factors and Next Year's Budget and Rates

The New York State Department of Labor has reported the 2015 average unemployment rates for the Town of Yorktown as 4.9%. While Westchester County's was stated as 4.4% and that of New York State as 5.3%. This compares to the data reported by the US Bureau of Labor Statistics. They further report average consumer spending by category as: housing, transportation, food, insurance / pensions and healthcare. The average hourly wages for various occupations reported in the New York area are slightly higher than those reported for those across the country.

The Town's employee pension contribution rates have increased substantially from the late 1990's. Contributions by the Town are significantly greater than they were just five years ago. Additionally, the costs of employee health insurance premiums have also been escalating at the same time. Both of these factors are considered by management when preparing the Town's budgets

Requests for Information

This financial report is designed to provide a general overview of the Town of Yorktown, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Town Comptroller, Town of Yorktown, 363 Underhill Avenue, Yorktown Heights, NY 10598.

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Town of Yorktown, New York

Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 33,250,087
Receivables	
Taxes, net	48,609,302
Accounts	1,744,918
State and Federal aid	8,328
Due from other governments	1,435,230
Advances for proposed special districts	120,003
Prepaid expenses	823,850
Investment in joint venture	10,187,658
Capital assets	
Not being depreciated	24,759,890
Being depreciated, net	75,603,485
Total Assets	<u>196,542,751</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>14,010,169</u>
LIABILITIES	
Accounts payable	2,927,906
Due to school districts	50,091,103
Unearned revenues	131,052
Bond anticipation notes payable	6,753,789
Accrued interest payable	140,978
Non-current liabilities	
Due within one year	1,674,000
Due in more than one year	58,599,433
Total Liabilities	<u>120,318,261</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,743,325</u>
NET POSITION	
Net Investment in capital assets	77,874,551
Restricted	
General liability	10,638
Debt service	1,211,155
Special Revenue funds	
Special districts	6,778,852
Community development	57,969
Trusts	633,326
Parklands	441,328
Unrestricted	1,483,515
Total Net Position	<u>\$ 88,491,334</u>

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

Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 8,151,729	\$ 2,132,489	\$ -	\$ -
Public safety	14,626,245	494,613	25,988	-
Health	586,069	1,022	21,647	-
Transportation	7,020,907	-	477,981	-
Economic opportunity and development	2,335,581	-	1,639,265	-
Culture and recreation	7,626,052	1,753,523	64,617	-
Home and community services	16,489,299	8,963,350	93,738	18,694
Interest	480,853	-	-	146
Total Governmental Activities	\$ 57,316,735	\$ 13,344,997	\$ 2,323,236	\$ 18,840

General revenues

- Real property taxes
- Other tax items
 - Interest and penalties on real property taxes
 - Payments in lieu of taxes
- Non-property taxes
 - Non-property tax distribution from County
 - Franchise fees
 - Unrestricted use of money and property
 - Sale of property and compensation for loss
 - Unrestricted State aid
 - Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION

Beginning

Ending

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in</u>	
<u>Net Position</u>	
\$	(6,019,240)
	(14,105,644)
	(563,400)
	(6,542,926)
	(696,316)
	(5,807,912)
	(7,413,517)
	(480,707)
	<u>(41,629,662)</u>
	30,556,809
	996,733
	28,180
	5,268,319
	974,287
	70,799
	117,400
	1,439,033
	930,163
	<u>40,381,723</u>
	(1,247,939)
	<u>89,739,273</u>
\$	<u><u>88,491,334</u></u>

Town of Yorktown, New York

Balance Sheet
 Governmental Funds
 December 31, 2016

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	\$ 16,723,519	\$ 1,105,724	\$ 11,448,209	\$ 1,336,283
Taxes receivable, net	48,609,302	-	-	-
Other receivables				
Accounts	160,900	-	1,584,018	-
State and Federal aid	8,328	-	-	-
Due from other governments	1,434,249	-	-	-
Advances for proposed special districts	120,003	-	-	-
Due from other funds	31,179	-	-	-
	<u>1,754,659</u>	<u>-</u>	<u>1,584,018</u>	<u>-</u>
Prepaid expenditures	602,591	68,492	105,861	-
Total Assets	<u>\$ 67,690,071</u>	<u>\$ 1,174,216</u>	<u>\$ 13,138,088</u>	<u>\$ 1,336,283</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 1,014,518	\$ 196,494	\$ 1,346,322	\$ 303,730
Due to school districts	50,091,103	-	-	-
Due to other funds	226,249	172,856	50,808	-
Unearned revenue	-	-	-	-
Bond anticipation notes payable	-	-	-	6,753,789
Total Liabilities	<u>51,331,870</u>	<u>369,350</u>	<u>1,397,130</u>	<u>7,057,519</u>
Deferred inflows of resources				
Taxes collected in advance	142,906	-	-	-
Deferred tax revenues	2,489,187	-	-	-
Total Deferred Inflows of Resources	<u>2,632,093</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,963,963</u>	<u>369,350</u>	<u>1,397,130</u>	<u>7,057,519</u>
Fund balances (deficits)				
Nonspendable	722,594	68,492	105,861	-
Restricted	594,090	140,748	1,332,319	-
Assigned	1,688,554	595,626	10,302,778	-
Unassigned	10,720,870	-	-	(5,721,236)
Total Fund Balances (Deficits)	<u>13,726,108</u>	<u>804,866</u>	<u>11,740,958</u>	<u>(5,721,236)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 67,690,071</u>	<u>\$ 1,174,216</u>	<u>\$ 13,138,088</u>	<u>\$ 1,336,283</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,389,806	\$ 33,003,541
-	48,609,302
-	1,744,918
-	8,328
981	1,435,230
-	120,003
-	31,179
981	3,339,658
46,906	823,850
\$ 2,437,693	\$ 85,776,351
\$ 66,842	\$ 2,927,906
-	50,091,103
31,179	481,092
131,052	131,052
-	6,753,789
229,073	60,384,942
-	142,906
-	2,489,187
-	2,632,093
229,073	63,017,035
46,906	943,853
1,264,559	3,331,716
897,155	13,484,113
-	4,999,634
2,208,620	22,759,316
\$ 2,437,693	\$ 85,776,351

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Town of Yorktown, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2016

Fund Balances - Total Governmental Funds	\$ 22,759,316
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds. Investment in joint venture is not reported in the funds.	100,363,375 <u>10,187,658</u>
	<u>110,551,033</u>
Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities	
Deferred amount on net pension liabilities	<u>12,409,750</u>
Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds.	
Real property taxes	<u>2,489,187</u>
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>(1,215,444)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(140,978)
Bonds payable	(17,995,000)
Compensated absences	(1,045,907)
Net pension liability	(12,060,623)
Other post employment benefit obligations payable	<u>(27,260,000)</u>
	<u>(58,502,508)</u>
Net Position of Governmental Activities	<u>\$ 88,491,334</u>

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2016

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	\$ 13,484,789	\$ 5,031,175	\$ 10,434,716	\$ -
Other tax items	1,024,913	-	-	-
Non-property taxes	6,242,606	-	-	-
Departmental income	2,340,089	-	7,919,223	-
Intergovernmental charges	-	-	806,366	-
Use of money and property	680,829	5,129	34,979	-
Licenses and permits	721,900	-	-	-
Fines and forfeitures	429,543	-	-	-
Sale of property and compensation for loss	17,685	16,077	54,207	-
State aid	1,515,201	435,427	-	-
Federal aid	62,968	-	-	-
Miscellaneous	765,326	3,348	28,930	18,694
Total Revenues	27,285,849	5,491,156	19,278,421	18,694
EXPENDITURES				
Current				
General government support	5,757,650	-	-	-
Public safety	9,831,636	-	-	-
Health	1,250	-	584,816	-
Transportation	420,812	4,211,683	-	-
Economic opportunity and development	590,905	-	-	-
Culture and recreation	3,053,152	-	168,397	-
Home and community services	510,977	-	13,392,720	-
Employee benefits	4,492,155	762,911	1,125,289	-
Debt service				
Principal	-	-	1,345,000	-
Interest	23,908	7,130	456,349	-
Capital outlay	-	-	-	1,692,573
Total Expenditures	24,682,445	4,981,724	17,072,571	1,692,573
Excess (Deficiency) of Revenues Over Expenditures	2,603,404	509,432	2,205,850	(1,673,879)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	18,000	-	-
Sale of equipment	99,715	-	-	-
Transfers in	1,404,486	95,775	55,478	1,317,728
Transfers out	(316,301)	(144,000)	(2,299,822)	(24,449)
Total Other Financing Sources (Uses)	1,187,900	(30,225)	(2,244,344)	1,293,279
Net Change in Fund Balances	3,791,304	479,207	(38,494)	(380,600)
FUND BALANCES (DEFICITS)				
Beginning of year	9,934,804	325,659	11,779,452	(5,340,636)
End of Year	<u>\$ 13,726,108</u>	<u>\$ 804,866</u>	<u>\$ 11,740,958</u>	<u>\$ (5,721,236)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,949,500	\$ 30,900,180
-	1,024,913
-	6,242,606
40,717	10,300,029
385,644	1,192,010
5,626	726,563
-	721,900
-	429,543
375	88,344
14,419	1,965,047
1,527,828	1,590,796
106,035	922,333
4,030,144	56,104,264
-	5,757,650
-	9,831,636
-	586,066
-	4,632,495
1,528,384	2,119,289
1,897,714	5,119,263
-	13,903,697
339,996	6,720,351
-	1,345,000
-	487,387
-	1,692,573
3,766,094	52,195,407
264,050	3,908,857
-	18,000
-	99,715
-	2,873,467
(88,895)	(2,873,467)
(88,895)	117,715
175,155	4,026,572
2,033,465	18,732,744
\$ 2,208,620	\$ 22,759,316

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Town of Yorktown, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2016

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

Net Change in Fund Balances - Total Governmental Funds \$ 4,026,572

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold.

Capital outlay expenditures	1,170,118
Depreciation expense	(3,614,370)
Equity interest in joint venture	<u>1,322,752</u>
	<u>(1,121,500)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>(343,371)</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal paid on bonds	<u>1,345,000</u>
-------------------------	------------------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	6,534
Compensated absences	200,275
Pension assets (obligations)	(1,102,366)
Other post employment benefit obligations	<u>(3,710,000)</u>
	<u>(4,605,557)</u>

The net revenue of the activities of internal service funds are reported within governmental activities.

	<u>(549,083)</u>
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Change in Net Position of Governmental Activities \$ (1,247,939)

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2016

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 13,000,618	\$ 13,000,618	\$ 13,484,789	\$ 484,171
Other tax items	800,000	800,000	1,024,913	224,913
Non-property taxes	5,965,000	5,965,000	6,242,606	277,606
Departmental income	2,145,100	2,145,100	2,340,089	194,989
Intergovernmental charges	-	-	-	-
Use of money and property	641,500	641,500	680,829	39,329
Licenses and permits	640,225	640,225	721,900	81,675
Fines and forfeitures	500,000	500,000	429,543	(70,457)
Sale of property and compensation for loss	7,000	7,000	17,685	10,685
State aid	1,207,250	1,207,250	1,515,201	307,951
Federal aid	50,000	50,000	62,968	12,968
Miscellaneous	60,000	60,000	765,326	705,326
Total Revenues	25,016,693	25,016,693	27,285,849	2,269,156
EXPENDITURES				
Current				
General government support	6,906,429	6,804,978	5,757,650	1,047,328
Public safety	10,086,829	10,063,280	9,831,636	231,644
Health	1,250	1,250	1,250	-
Transportation	368,730	434,286	420,812	13,474
Economic opportunity and development	628,887	635,419	590,905	44,514
Culture and recreation	3,220,310	3,190,835	3,053,152	137,683
Home and community services	556,050	622,746	510,977	111,769
Employee benefits	5,352,725	5,346,364	4,492,155	854,209
Debt service				
Principal	-	-	-	-
Interest	25,425	25,425	23,908	1,517
Total Expenditures	27,146,635	27,124,583	24,682,445	2,442,138
Excess (Deficiency) of Revenues Over Expenditures	(2,129,942)	(2,107,890)	2,603,404	4,711,294
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Sale of equipment	-	-	99,715	99,715
Transfers in	1,404,486	1,404,486	1,404,486	-
Transfers out	(259,625)	(316,301)	(316,301)	-
Total Other Financing Sources (Uses)	1,144,861	1,088,185	1,187,900	99,715
Net Change in Fund Balances	(985,081)	(1,019,705)	3,791,304	4,811,009
FUND BALANCES				
Beginning of year	985,081	1,019,705	9,934,804	8,915,099
End of Year	\$ -	\$ -	\$ 13,726,108	\$ 13,726,108

Highway				Special Districts			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,031,175	\$ 5,031,175	\$ 5,031,175	\$ -	\$ 10,437,295	\$ 10,437,295	\$ 10,434,716	\$ (2,579)
-	-	-	-	-	-	-	-
-	-	-	-	6,868,950	6,868,950	7,919,223	1,050,273
-	-	-	-	806,366	806,366	806,366	-
6,000	6,000	5,129	(871)	38,740	38,740	34,979	(3,761)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	16,077	16,077	37,500	37,500	54,207	16,707
375,000	375,000	435,427	60,427	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	3,348	(16,652)	-	-	28,930	28,930
<u>5,432,175</u>	<u>5,432,175</u>	<u>5,491,156</u>	<u>58,981</u>	<u>18,188,851</u>	<u>18,188,851</u>	<u>19,278,421</u>	<u>1,089,570</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	586,079	586,079	584,816	1,263
4,522,300	4,702,227	4,211,683	490,544	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	486,105	491,071	168,397	322,674
-	-	-	-	15,019,111	15,147,212	13,392,720	1,754,492
854,500	853,332	762,911	90,421	1,341,705	1,331,870	1,125,289	206,581
-	-	-	-	1,347,100	1,347,300	1,347,300	-
7,150	7,150	7,130	20	479,350	479,443	454,049	25,394
<u>5,383,950</u>	<u>5,562,709</u>	<u>4,981,724</u>	<u>580,985</u>	<u>19,259,450</u>	<u>19,382,975</u>	<u>17,072,571</u>	<u>2,310,404</u>
<u>48,225</u>	<u>(130,534)</u>	<u>509,432</u>	<u>639,966</u>	<u>(1,070,599)</u>	<u>(1,194,124)</u>	<u>2,205,850</u>	<u>3,399,974</u>
-	-	18,000	18,000	-	-	-	-
-	-	-	-	-	-	-	-
95,775	95,775	95,775	-	31,029	31,029	55,478	24,449
(144,000)	(144,000)	(144,000)	-	(2,295,745)	(2,299,823)	(2,299,822)	1
<u>(48,225)</u>	<u>(48,225)</u>	<u>(30,225)</u>	<u>18,000</u>	<u>(2,264,716)</u>	<u>(2,268,794)</u>	<u>(2,244,344)</u>	<u>24,450</u>
-	(178,759)	479,207	657,966	(3,335,315)	(3,462,918)	(38,494)	3,424,424
-	178,759	325,659	146,900	3,335,315	3,462,918	11,779,452	8,316,534
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,866</u>	<u>\$ 804,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,740,958</u>	<u>\$ 11,740,958</u>

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2016

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	\$ 246,546
Due from other funds	<u>449,913</u>
Total Assets	<u>696,459</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	194,000
Non-current liabilities	
Claims payable, less current portion	<u>1,717,903</u>
Total Liabilities	<u>1,911,903</u>
NET POSITION	
Unrestricted	<u><u>\$ (1,215,444)</u></u>

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

Town of Yorktown, New York

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2016

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 449,914
Miscellaneous	189,577
	<hr/>
Total Operating Revenues	639,491
OPERATING EXPENSES	
Workers' compensation benefits	1,050,373
Judgments and claims	138,809
	<hr/>
Total Operating Expenses	1,189,182
Loss from Operations	(549,691)
NON-OPERATING REVENUES	
Interest income	608
	<hr/>
Change in Net Position	(549,083)
NET POSITION	
Beginning of Year	(666,361)
	<hr/>
End of Year	\$ (1,215,444)
	<hr/> <hr/>

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

Town of Yorktown, New York

Statement of Cash Flows
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2016

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 517,341
Cash received from insurance carriers, claimants and others	189,577
Cash payments to insurance carriers, claimants and others	<u>(691,979)</u>
Net Cash from Operating Activities	<u>14,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>608</u>
Net Increase in Cash and Equivalents	15,547
CASH AND EQUIVALENTS	
Beginning of Year	<u>230,999</u>
End of Year	<u><u>\$ 246,546</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (549,691)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Due from other funds	67,427
Claims payable	<u>497,203</u>
Net Cash from Operating Activities	<u><u>\$ 14,939</u></u>

Town of Yorktown, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 2,062,231
LIABILITIES	
Employee payroll deductions	\$ 46,240
Deposits	<u>2,015,991</u>
Total Liabilities	<u>\$ 2,062,231</u>

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

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Town of Yorktown, New York

Notes to Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

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

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, refuse, park and advanced life-support districts. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

The Town also reports the following non-major governmental funds:

Special Revenue Funds:

Community Development Fund - Housing Assistance Payments Program - The Community Development Fund is used to account for grants and entitlements received by the Town from the U.S. Department of Housing and Urban Development.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

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

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

- b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for those operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is also used to account for deposits and other liabilities that are payable to other jurisdictions or individuals.

D. Measurement Focus/Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as do the Internal Service Funds. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, certain claims and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

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

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Town's policy provides for no credit risk on investments.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town follows the provisions of GASB Statement No. 72, *"Fair Value Measurements and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rate. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2016.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special district taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts

Note 1 - Summary of Significant Accounting Policies (Continued)

collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Advances for Proposed Special Districts - Advances for proposed special districts represent funds expended prior to the establishment of a special district. The advances will be repaid when the district's operations commence. The advances are equally offset by a nonspendable fund balance, in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not "available spendable resources" even though they are a component of current assets.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent amounts which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Investment in Joint Venture - The investment in joint venture represents the Town's 49% equity interest in the Northern Westchester Joint Water Works.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Town of Yorktown, New York

Notes to Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenue consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town reported unearned revenues of \$131,052 for grant funds received in advance in the Community Development Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town reported deferred inflows of resources of \$2,489,187 for real property taxes in the General Fund. The Town also reported deferred inflows of resources of \$142,906 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Town also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3F.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*".

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for general liability, debt service, special revenue funds, trusts and parklands. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making Town. The Town Board is the highest level of decision making Town for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted or committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Highway and Special Districts funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 9, 2017.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.

Town of Yorktown, New York

Notes to Financial Statements
December 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts and Public Library funds.
- i) Budgets for General, Highway, Special Districts and Public Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose, Debt Service and Proprietary funds.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in the General, Highway, Special Districts and Public Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax Levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer

Note 2 - Stewardship, Compliance and Accountability (Continued)

Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Fund Deficits

A deficit balance of \$1,226,082 exists in the Internal Service Fund – Workers' Compensation Benefits Fund as of December 31, 2016. The Workers' Compensation Benefits Fund deficit is attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. This deficit will be addressed in future periods.

D. Capital Projects Fund Deficit

The unassigned deficit of \$5,721,236 in the Capital Projects Fund arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed or converted to permanent financing. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or are converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on these projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Excess of Actual Expenditures Over Budget

The 1995 Mohegan East Sewer District project exceeded its budgetary authorization by \$22,412.

In the general fund the Unallocated Insurance and Youth Programs exceed their budgetary authorizations by \$10,261 and \$22,118 respectively.

F. Tax Abatements

The Town does not currently have any tax abatement agreements.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2016 consisted of the following:

Town and County taxes - Current	\$	553,791
School districts taxes - Current		46,032,540
Taxes receivable - Overdue		3,023,683
Property acquired for taxes		<u>559,253</u>
		50,169,267
Allowance for uncollectible taxes		<u>(1,559,965)</u>
	\$	<u>48,609,302</u>

School district taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2017. Taxes receivable are also partially offset by deferred tax revenues of \$2,489,187, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2016 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 31,179	\$ 226,249
Highway	-	172,856
Special Districts	-	50,808
Non-Major Governmental	-	31,179
Internal Service	449,913	-
	<u>\$ 481,092</u>	<u>\$ 481,092</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Investment in Joint Venture

The Town, together with the Town of Cortlandt, the Town of Somers and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 49%.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The following is an audited summary of financial information included in the financial statements of the joint venture.

Total Assets	\$ 26,039,696
Total Deferred Outflows of Resources	1,473,510
Total Liabilities	6,509,222
Total Deferred Inflows of Resources	212,845
Total Equity	20,791,139
Total Operating Revenues	11,329,360
Total Non-Operating Revenues	2,780,319
Total Expenses	11,410,184

D. Capital Assets

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

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Capital Assets, not being depreciated				
Land	\$ 15,184,930	\$ -	\$ -	\$ 15,184,930
Construction-in-progress	28,513,658	369,692	19,308,390	9,574,960
Total Capital Assets, not being depreciated	<u>\$ 43,698,588</u>	<u>\$ 369,692</u>	<u>\$ 19,308,390</u>	<u>\$ 24,759,890</u>
Capital Assets, being depreciated				
Land improvements	\$ 8,755,448	\$ 1,339,252	\$ -	\$ 10,094,700
Buildings and improvements	33,278,847	10,787,630	-	44,066,477
Infrastructure	74,328,611	7,181,508	-	81,510,119
Machinery and equipment	16,915,471	800,426	173,765	17,542,132
Total Capital Assets, being depreciated	<u>133,278,377</u>	<u>20,108,816</u>	<u>173,765</u>	<u>153,213,428</u>
Less Accumulated Depreciation for				
Land improvements	4,748,071	365,046	-	5,113,117
Buildings and improvements	10,452,001	1,100,423	-	11,552,424
Infrastructure	46,313,603	1,501,289	-	47,814,892
Machinery and equipment	12,655,663	647,612	173,765	13,129,510
Total Accumulated Depreciation	<u>74,169,338</u>	<u>3,614,370</u>	<u>173,765</u>	<u>77,609,943</u>
Total Capital Assets, being depreciated, net	<u>\$ 59,109,039</u>	<u>\$ 16,494,446</u>	<u>\$ -</u>	<u>\$ 75,603,485</u>
Capital Assets, net	<u>\$ 102,807,627</u>	<u>\$ 16,864,138</u>	<u>\$ 19,308,390</u>	<u>\$ 100,363,375</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities:		
General Government Support		\$ 177,058
Public Safety		250,891
Transportation		1,249,402
Economic Opportunity and Development		20,505
Culture and Recreation		599,782
Home and Community Services		<u>1,316,732</u>
Total Depreciation Expense		<u>\$ 3,614,370</u>

E. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2016	New Issues	Redemptions	Balance December 31, 2016
Various Capital Projects	2008	12/15/17	1.29 %	\$ 3,480,500	-	\$ 555,500	\$ 2,925,000
Various Capital Projects	2010	-	-	216,480	-	216,480	-
Various Capital Projects	2015	05/12/17	1.09	<u>3,124,889</u>	<u>1,100,000</u>	<u>396,100</u>	<u>3,828,789</u>
				<u>\$ 6,821,869</u>	<u>\$ 1,100,000</u>	<u>\$ 1,168,080</u>	<u>\$ 6,753,789</u>

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

Interest expenditures of \$63,099 were recorded in the fund financial statements in the funds identified below. Interest expense of \$70,027 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
General	\$ 23,806
Special Districts	<u>39,293</u>
	<u>\$ 63,099</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2016:

	Balance January 1, 2016	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2016	Due Within One Year
Bonds Payable					
Capital Construction	\$ 17,570,000	\$ -	\$ 780,000	\$ 16,790,000	\$ 785,000
Other	1,770,000	-	565,000	1,205,000	590,000
	<u>19,340,000</u>	<u>-</u>	<u>1,345,000</u>	<u>17,995,000</u>	<u>1,375,000</u>
Other Non-Current Liabilities:					
Claims Payable	1,414,700	1,189,182	691,979	1,911,903	194,000
Compensated Absences	1,246,182	-	200,275	1,045,907	105,000
Net pension liability	1,908,345	10,152,278	-	12,060,623	-
Other Post Employment Benefit Obligations Payable	23,550,000	4,690,000	980,000	27,260,000	-
Total Other Non-Current Liabilities	<u>28,119,227</u>	<u>16,031,460</u>	<u>1,872,254</u>	<u>42,278,433</u>	<u>299,000</u>
Total Long-Term Liabilities	<u>\$ 47,459,227</u>	<u>\$ 16,031,460</u>	<u>\$ 3,217,254</u>	<u>\$ 60,273,433</u>	<u>\$ 1,674,000</u>

Each governmental fund's liability for bonds, claims payable, compensated absences, net pension liability and other post employment benefit obligations is liquidated by the General, Special Districts and Debt Service funds.

Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2016
Environmental Improvements	1998	\$ 1,500,000	June, 2018	2.635 - 3.105 %	\$ 205,000
Environmental Improvements	1998	7,400,113	June, 2018	2.6210 - 3.283	1,000,000
Sewer District Improvements	2002	670,800	October, 2031	4.5220 - 5.082	300,000
Sewer District Improvements	2003	5,644,195	July, 2030	5.5060 - 6.306	3,185,000
Sewer District Improvements	2004	5,960,770	May, 2033	4.0610 - 4.625	3,935,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.130 - 4.656	9,370,000
					<u>\$ 17,995,000</u>

Interest expenditures of \$424,288 were recorded in the fund financial statements in the following funds:

Fund	Amount
General	\$ 102
Highway	7,130
Special Districts	<u>417,056</u>
	<u>\$ 424,288</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Interest expense of \$410,826 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2016 including interest payments of \$8,220,864 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,375,000	\$ 837,312	\$ 2,212,312
2018	1,420,000	782,309	2,202,309
2019	820,000	734,425	1,554,425
2020	855,000	695,096	1,550,096
2021	870,000	653,448	1,523,448
2022-2026	4,525,000	2,590,550	7,115,550
2027-2031	4,410,000	1,443,387	5,853,387
2032-2036	3,165,000	471,417	3,636,417
2037	555,000	12,920	567,920
	<u>\$ 17,995,000</u>	<u>\$ 8,220,864</u>	<u>\$ 26,215,864</u>

Claims Payable

The Internal Service Funds and the government-wide financial statements reflect workers' compensation liabilities and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

An analysis of the activity of unpaid claim liabilities for the year ended December 31, 2016 is as follows:

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	\$ 1,344,664	\$ 70,036	\$ 646,680	\$ 70,036
Provision for Claims and Claims Adjustment Expenses	1,050,373	138,809	1,750,002	7,500
Claims and Claims Adjustment Expenses Paid	<u>(626,979)</u>	<u>(65,000)</u>	<u>(1,052,018)</u>	<u>(7,500)</u>
Balance - End of Year	<u>\$ 1,768,058</u>	<u>\$ 143,845</u>	<u>\$ 1,344,664</u>	<u>\$ 70,036</u>
Due Within One Year	<u>\$ 180,000</u>	<u>\$ 14,000</u>	<u>\$ 134,000</u>	<u>\$ 10,000</u>

Compensated Absences

The collective bargaining agreements with the Superior Police Officers and all other Police Officers provide that an officer with twenty years of service shall be compensated for 75% of accumulated sick leave at current salary rates. Employees with ten years of service and who have attained the age of 55 are entitled to 50% of their accumulated sick leave. All employees are compensated for unused vacation leave upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75i	21.8 %
	2 75i	19.8
	3 A14	16.0
	4 A15	16.0
	5 A15	13.1
	6 A15	9.3
PFRS	1 384D	29.2
	2 375i	17.3
	2 384D	24.1
	5 384D	19.5
	6 384D	14.5

At December 31, 2016, the Town reported a liability of \$6,941,563 for its proportionate share of the net pension liability of ERS and a liability of \$5,119,060 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016, the Town's proportion was .0432489% for ERS and .1728952% for PFRS which was a decrease of .0001711% for ERS and an increase of .0124962% for PFRS, from its proportion measured as of March 31, 2015.

For the year ended December 31, 2016, the Town recognized pension expense in the government-wide financial statements of \$2,568,107 for ERS and \$1,917,129 for PFRS. Pension expenditures of \$1,938,837 for ERS and \$1,444,033 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 989,222	\$ 1,444,033
Highway	309,324	-
Special Districts	455,326	-
Non-Major Governmental	<u>184,965</u>	<u>-</u>
Total	<u>\$ 1,938,837</u>	<u>\$ 1,444,033</u>

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

	<u>ERS</u> <u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>ERS</u> <u>Deferred</u> <u>Inflows</u> <u>of Resources</u>	<u>PFRS</u> <u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>PFRS</u> <u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 35,077	\$ 822,806	\$ 45,913	\$ 773,940
Changes of assumptions	1,851,105	-	2,206,810	-
Net difference between projected and actual earnings on pension plan investments	4,118,116	-	2,868,819	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	290,430	3,673	91,091	-
Town contributions subsequent to the measurement date	<u>1,419,783</u>	<u>-</u>	<u>1,083,025</u>	<u>-</u>
	<u>\$ 7,714,511</u>	<u>\$ 826,479</u>	<u>\$ 6,295,658</u>	<u>\$ 773,940</u>

\$1,419,783 and \$1,083,025 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2017	\$ 1,395,597	\$ 1,044,871
2018	1,395,597	1,044,871
2019	1,395,597	1,044,871
2020	1,281,458	1,004,926
2021	-	299,154

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

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

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

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

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

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 15,652,719</u>	<u>\$ 6,941,563</u>	<u>\$ (418,993)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 11,433,959</u>	<u>\$ 5,119,060</u>	<u>\$ (174,194)</u>

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

	ERS	PFRS	Total
Total pension liability	\$ 172,303,544,000	\$ 30,347,727,000	\$ 202,651,271,000
Fiduciary net position	<u>156,253,265,000</u>	<u>27,386,940,000</u>	<u>183,640,205,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>	<u>\$ 2,960,787,000</u>	<u>\$ 19,011,066,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.7%</u>	<u>90.2%</u>	<u>90.6%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2016 represent the employer contribution for the period of April 1, 2016 through December 31, 2016 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2016 were \$1,419,783 and \$1,083,075, respectively.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town’s employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

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

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

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

<u>Year Ended December 31,</u>	<u>Assumed Increase</u>
2017	7.50 %
2018	7.00
2019	6.50
2020	6.30
2021	5.50
2022	5.00
2023	5.00
2024	5.00
2025+	5.00

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level percentage of payroll method with an open amortization approach. The actuarial assumptions include a 4.5% investment rate of return. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2016 was as follows:

Active Employees	212
Retired Employees	<u>118</u>
Total	<u><u>330</u></u>

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2016	\$ 50,050,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 50,050,000</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (Active Plan Members)	<u><u>\$ 20,080,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>249.25%</u></u>
Annual Required Contribution	\$ 5,010,000
Interest on Net OPEB Obligation	1,060,000
Adjustment to Annual Required Contribution	<u>(1,380,000)</u>
Annual OPEB Cost	4,690,000
Contributions Made	<u>(980,000)</u>
Increase in Net OPEB Obligation	3,710,000
Net OPEB Obligation - Beginning of Year	<u>23,550,000</u>
Net OPEB Obligation -End of Year	<u><u>\$ 27,260,000</u></u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 4,000,000	15.3 %	\$ 20,180,000
2015	4,160,000	19.0	23,550,000
2016	4,690,000	20.9	27,260,000

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

G. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Transfers Out	Transfers In				Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	
General Fund	\$ -	\$ 7,525	\$ -	\$ 308,776	\$ 316,301
Highway Fund	-	-	-	144,000	144,000
Special Districts Fund	1,404,486	88,250	31,029	776,057	2,299,822
Capital Projects Fund	-	-	24,449	-	24,449
Non-Major Governmental Funds	-	-	-	88,895	88,895
	<u>\$ 1,404,486</u>	<u>\$ 95,775</u>	<u>\$ 55,478</u>	<u>\$ 1,317,728</u>	<u>\$ 2,873,467</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts earmarked in the operating funds to fulfill commitments for General, Highway and Special District funds expenditures.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

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

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

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

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the gift or grant.

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2016						2015					
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Other Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable												
Advances	\$ 120,003	\$ -	\$ -	\$ -	\$ -	\$ 120,003	\$ 114,943	\$ -	\$ -	\$ -	\$ -	\$ 114,943
Prepaid expenditures	602,591	68,492	105,861	-	46,906	823,850	600,603	96,793	126,837	-	60,927	885,160
Total Nonspendable	722,594	68,492	105,861	-	46,906	943,853	715,546	96,793	126,837	-	60,927	1,000,103
Restricted												
Employee benefit accrued liability	594,090	140,748	181,227	-	129,842	1,045,907	675,911	228,121	229,172	-	112,978	1,246,182
Debt service	-	-	1,151,092	-	60,063	1,211,155	-	-	1,151,092	-	59,917	1,211,009
Parklands	-	-	-	-	441,328	441,328	-	-	-	-	382,134	382,134
Trusts	-	-	-	-	633,326	633,326	-	-	-	-	646,122	646,122
Total Restricted	594,090	140,748	1,332,319	-	1,264,559	3,331,716	675,911	228,121	1,380,264	-	1,201,151	3,485,447
Assigned												
Purchases on order												
General government support	88,191	-	-	-	-	88,191	26,738	-	-	-	-	26,738
Public safety	53,264	-	-	-	-	53,264	11,514	-	-	-	-	11,514
Health	-	-	11,563	-	-	11,563	-	-	11,563	-	-	11,563
Transportation	9,522	24,100	-	-	-	33,622	5,580	-	-	-	-	5,580
Economic opportunity and development	2,505	-	-	-	-	2,505	2,113	-	-	-	-	2,113
Culture and recreation	54,621	-	-	-	12,912	67,533	13,208	-	-	-	4,406	17,614
Home and community services	659	-	314,732	-	-	315,391	928	-	299,752	-	-	300,680
	208,762	24,100	326,295	-	12,912	572,069	60,081	-	311,315	-	4,406	375,802
Subsequent year's expenditures	925,000	-	777,250	-	50,000	1,752,250	925,000	-	3,024,000	-	86,525	4,035,525
Tax certiorari	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810
Ballpark	25,000	-	-	-	-	25,000	18,800	-	-	-	-	18,800
Major funds	-	571,526	9,199,233	-	-	9,770,759	-	745	6,937,036	-	-	6,937,781
Non-major funds												
Community development	-	-	-	-	52,680	52,680	-	-	-	-	49,708	49,708
Public Library	-	-	-	-	781,563	781,563	-	-	-	-	630,748	630,748
Total Assigned	1,688,572	595,626	10,302,778	-	897,155	13,484,131	1,533,691	745	10,272,351	-	771,387	12,578,174
Unassigned	10,720,852	-	-	(5,721,236)	-	4,999,616	7,009,656	-	-	(5,340,636)	-	1,669,020
Total Fund Balances	\$ 13,726,108	\$ 804,866	\$ 11,740,958	\$ (5,721,236)	\$ 2,208,620	\$ 22,759,316	\$ 9,934,804	\$ 325,659	\$ 11,779,452	\$ (5,340,636)	\$ 2,033,465	\$ 18,732,744

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of Net Position but are reported in the governmental funds balance sheet are described below.

Advances have been established to indicate the long-term nature of funds advanced to the Special Districts Fund. These funds do not represent "available" spendable resources even though they are component of current assets.

Prepaid Expenditures has been established to account for retirement and health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide Town to complete the transactions.

Subsequent year's expenditures represent that at December 31, 2016, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for tax certiorari is used to segregate a portion of the fund balance of the General Fund to be utilized for potential tax certiorari settlements.

Assigned for ballpark has been established to set aside funds to renovate a Town owned Ballpark.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balances in the Capital Projects Fund represent the deficit balances in the projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. There are also numerous tort claims pending against the Town. Town management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town. The Town's claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Internal Service Funds are sufficient to satisfy any payments arising therefrom.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Risk Management

The Town has General Liability coverage with limits of \$1,000,000 each occurrence with a \$3,000,000 general aggregate with a deductible of \$25,000 each occurrence. Additional coverage has been purchased for liability claims with a limit of \$10,000,000 each occurrence with a \$10,000,000 aggregate. In addition the Town purchased insurance for Workers Compensation benefits with a maximum limit of \$10,000,000 with a self-retention limit per occurrence for police officers of \$650,000 and for all other Town employees of \$575,000. The governmental funds are charged premiums by the Internal Service Funds. Accrued liabilities in the Internal Service Funds include provisions for claims reported and claims incurred but not reported.

C. Contingencies

The Town participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

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Town of Yorktown, New York

Required Supplementary Information
 Schedule of Funding Progress - Other Postemployment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2014	\$ -	\$ 40,990,000	40,990,000	- %	\$ 19,840,000	206.60 %
January 1, 2015 (1)	-	43,550,000	43,550,000	-	20,220,000	215.38
January 1, 2016 (2)	-	50,050,000	50,050,000	-	20,080,000	249.25

(1) The following assumptions were modified with respect to the January 1, 2015 valuation date:

The annual rate of increase in health care costs was revised as of January 1, 2015 to better reflect future expectations, including updating long-term rates based on the Society of Actuaries Getzen model. A review of published national trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in an increase in liabilities.

Rates of turnover and retirement were determined based on the April 1, 2010 to March 31, 2015 experience study released by the actuaries for the New York State Employees' Retirement System and the New York State Police and Fire Retirement System. Revised tables have been utilized as of January 1, 2015 to better reflect recent experience. The revised assumption resulted in an increase in liabilities.

The mortality assumption has been revised as of January 1, 2015 to the sex-distinct RP-2014 Mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2015 mortality improvement scale on a generational basis in order to reflect the continued improvement in mortality rates. The revised assumption resulted in a decrease in liabilities.

The election coverage percentage 1) for PFRS retirees at age 65 was revised from 10% to 0%, 2) for PFRS surviving spouses from 100% to 0% and 3) for ERS surviving spouses from 100% to 50% as of January 1, 2015 to better reflect actual experience. A review of the valuation data from January 1, 2009 to January 1, 2015 was the basis for the change. The revised assumption resulted in a decrease in liabilities.

(2) The following assumptions were modified with respect to the January 1, 2016 valuation date:

The annual rate of increase in health care costs was revised to better reflect future expectations. A review of published national trend survey data in relation to the retiree health plan offerings and an update to the Getzen model released in September 2016 was the basis for this change. The revised assumption resulted in an increase in liabilities.

The mortality assumption has been revised as of December 31, 2016 to the sex-distinct RP-2014 Mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2016 mortality improvement scale on a generational basis. The revised assumption resulted in a minimal decrease in liabilities.

Town of Yorktown, New York

Required Supplementary Information - Schedule of the
Town's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0432489%</u>	<u>0.0434200%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 6,941,563</u>	<u>\$ 1,466,832</u>
Town's covered-employee payroll	<u>\$ 12,132,399</u>	<u>\$ 11,936,220</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>57.22%</u>	<u>12.29%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Town of Yorktown, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,319,499	\$ 1,584,829
Contributions in relation to the contractually required contribution	<u>(2,319,499)</u>	<u>(1,584,829)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 11,336,997</u>	<u>\$ 11,687,962</u>
Contributions as a percentage of covered-employee payroll	<u>20.46%</u>	<u>13.56%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Yorktown, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.1728952%</u>	<u>0.1603990%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 5,119,060</u>	<u>\$ 441,513</u>
Town's covered-employee payroll	<u>\$ 6,309,161</u>	<u>\$ 6,120,486</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>81.14%</u>	<u>7.21%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.20%</u>	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Town of Yorktown, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,427,123	\$ 1,080,555
Contributions in relation to the contractually required contribution	<u>(1,427,123)</u>	<u>(1,080,555)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 6,189,568</u>	<u>\$ 5,942,839</u>
Contributions as a percentage of covered-employee payroll	<u>23.06%</u>	<u>18.18%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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Town of Yorktown, New York

General Fund
Comparative Balance Sheet
December 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 16,723,519	\$ 22,936,421
Taxes receivable		
Town and County taxes	553,791	690,636
School districts taxes	46,032,540	37,830,701
Taxes receivable - Overdue	3,023,683	3,444,409
Property acquired for taxes	559,253	559,253
	50,169,267	42,524,999
Allowance for uncollectible taxes	(1,559,965)	(1,683,024)
	48,609,302	40,841,975
Other receivables		
Accounts	160,900	164,453
State and Federal aid	8,328	8,634
Due from other governments	1,434,249	1,398,493
Advances for proposed special districts	120,003	114,943
Due from other funds	31,179	31,541
	1,754,659	1,718,064
Prepaid expenditures	602,591	600,603
Total Assets	\$ 67,690,071	\$ 66,097,063
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,014,518	\$ 1,204,530
Due to other governments	-	696,286
Due to school districts	50,091,103	50,483,044
Due to other funds	226,249	213,058
Unearned revenues	-	546,060
Total Liabilities	51,331,870	53,142,978
Deferred inflows of resources		
Taxes collected in advance	142,906	186,723
Deferred tax revenues	2,489,187	2,832,558
Total Deferred Inflows of Resources	2,632,093	3,019,281
Total Liabilities and Deferred Inflows of Resources	53,963,963	56,162,259
Fund balance		
Nonspendable	722,594	715,546
Restricted	594,090	675,911
Assigned	1,688,554	1,533,691
Unassigned	10,720,870	7,009,656
Total Fund Balance	13,726,108	9,934,804
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 67,690,071	\$ 66,097,063

See independent auditors' report

Town of Yorktown, New York

General Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Years Ended December 31,

2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 13,000,618	\$ 13,000,618	\$ 13,484,789	\$ 484,171
Other tax items	800,000	800,000	1,024,913	224,913
Non-property taxes	5,965,000	5,965,000	6,242,606	277,606
Departmental income	2,145,100	2,145,100	2,340,089	194,989
Use of money and property	641,500	641,500	680,829	39,329
Licenses and permits	640,225	640,225	721,900	81,675
Fines and forfeitures	500,000	500,000	429,543	(70,457)
Sale of property and compensation for loss	7,000	7,000	17,685	10,685
State aid	1,207,250	1,207,250	1,515,201	307,951
Federal aid	50,000	50,000	62,968	12,968
Miscellaneous	60,000	60,000	765,326	705,326
Total Revenues	25,016,693	25,016,693	27,285,849	2,269,156
EXPENDITURES				
Current				
General government support	6,906,429	6,804,978	5,757,650	1,047,328
Public safety	10,086,829	10,063,280	9,831,636	231,644
Health	1,250	1,250	1,250	-
Transportation	368,730	434,286	420,812	13,474
Economic opportunity and development	628,887	635,419	590,905	44,514
Culture and recreation	3,220,310	3,190,835	3,053,152	137,683
Home and community services	556,050	622,746	510,977	111,769
Employee benefits	5,352,725	5,346,364	4,492,155	854,209
Debt service				
Principal	-	-	-	-
Interest	25,425	25,425	23,908	1,517
Total Expenditures	27,146,635	27,124,583	24,682,445	2,442,138
Excess (Deficiency) of Revenues Over Expenditures	(2,129,942)	(2,107,890)	2,603,404	4,711,294
OTHER FINANCING SOURCES (USES)				
Sale of equipment	-	-	99,715	99,715
Transfers in	1,404,486	1,404,486	1,404,486	-
Transfers out	(259,625)	(316,301)	(316,301)	-
Total Other Financing Sources (Uses)	1,144,861	1,088,185	1,187,900	99,715
Net Change in Fund Balance	(985,081)	(1,019,705)	3,791,304	4,811,009
FUND BALANCE				
Beginning of Year	985,081	1,019,705	9,934,804	8,915,099
End of Year	\$ -	\$ -	\$ 13,726,108	\$ 13,726,108

See independent auditors' report

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,869,281	\$ 12,848,281	\$ 12,812,845	\$ (35,436)
790,000	790,000	918,341	128,341
5,890,000	5,890,000	6,187,351	297,351
2,109,000	2,109,000	2,139,319	30,319
608,500	608,500	659,407	50,907
655,950	655,950	634,404	(21,546)
500,000	500,000	523,696	23,696
7,000	7,000	6,561	(439)
1,211,750	1,211,750	1,438,447	226,697
50,000	50,000	64,689	14,689
43,500	43,500	1,174,887	1,131,387
<u>24,734,981</u>	<u>24,713,981</u>	<u>26,559,947</u>	<u>1,845,966</u>
6,718,692	6,761,786	5,782,098	979,688
9,892,124	10,096,933	9,980,957	115,976
1,250	1,250	1,250	-
359,275	358,485	347,676	10,809
617,104	653,094	603,834	49,260
3,166,932	3,200,552	3,046,914	153,638
548,460	521,801	459,727	62,074
5,282,200	5,255,143	4,725,119	530,024
300,000	300,000	300,000	-
21,000	21,000	18,329	2,671
<u>26,907,037</u>	<u>27,170,044</u>	<u>25,265,904</u>	<u>1,904,140</u>
<u>(2,172,056)</u>	<u>(2,456,063)</u>	<u>1,294,043</u>	<u>3,750,106</u>
-	-	175,152	-
1,493,193	1,493,193	1,691,246	198,053
(237,500)	(1,545,922)	(1,545,922)	-
<u>1,255,693</u>	<u>(52,729)</u>	<u>320,476</u>	<u>198,053</u>
(916,363)	(2,508,792)	1,614,519	4,123,311
<u>916,363</u>	<u>2,508,792</u>	<u>8,320,285</u>	<u>5,811,493</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,934,804</u>	<u>\$ 9,934,804</u>

Town of Yorktown, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	\$ 13,000,618	\$ 13,000,618	\$ 13,484,789	\$ 484,171	\$ 12,812,845
OTHER TAX ITEMS					
Interest and penalties on real property taxes	775,000	775,000	996,733	221,733	907,802
Payments in lieu of taxes	25,000	25,000	28,180	3,180	10,539
	800,000	800,000	1,024,913	224,913	918,341
NON-PROPERTY TAXES					
Non-property tax distribution from County	5,000,000	5,000,000	5,268,319	268,319	5,203,292
Franchise fees	965,000	965,000	974,287	9,287	984,059
	5,965,000	5,965,000	6,242,606	277,606	6,187,351
DEPARTMENTAL INCOME					
Tax collector fees	10,000	10,000	3,550	(6,450)	11,775
Town Clerk fees	66,000	66,000	39,000	(27,000)	39,446
Police fees	13,000	13,000	7,000	(6,000)	16,007
Police alarm fees	65,000	65,000	58,070	(6,930)	64,890
Parks and recreation fees	1,129,600	1,129,600	1,233,387	103,787	1,153,971
Planning Board fees	35,000	35,000	65,626	30,626	37,846
Zoning fees	13,500	13,500	19,106	5,606	12,165
Inspection fees	45,000	45,000	69,936	24,936	34,159
Title search fees	40,500	40,500	42,010	1,510	40,700
General administration fees	6,000	6,000	25,753	19,753	2,098
ABACA	8,500	8,500	17,470	8,970	5,437
Assessors fees	1,500	1,500	911	(589)	961
Tax map	500	500	828	328	15
School resources officers	425,000	425,000	468,828	43,828	444,393
Services to other governments	165,000	165,000	173,675	8,675	159,732
Driving While Intoxicated Program	3,500	3,500	2,898	(602)	2,577
Section 8 Housing Assistance Fund reimbursement	117,500	117,500	112,041	(5,459)	113,147
	2,145,100	2,145,100	2,340,089	194,989	2,139,319

USE OF MONEY AND PROPERTY

Earnings on investments	62,000	62,000	70,191	8,191	66,250
Rental of real property	312,500	312,500	327,225	14,725	316,536
Special facility charges (YCCC)	267,000	267,000	283,413	16,413	276,621

	<u>641,500</u>	<u>641,500</u>	<u>680,829</u>	<u>39,329</u>	<u>659,407</u>
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LICENSES AND PERMITS

Certificates of occupancy	10,000	10,000	17,999	7,999	9,384
Bingo licenses	1,500	1,500	1,650	150	967
Dog license fund apportionment	15,000	15,000	14,712	(288)	14,556
Building permits	603,225	603,225	678,813	75,588	600,502
Plumbing fees	10,000	10,000	8,151	(1,849)	8,345
Non-conforming building permits	500	500	575	75	650

	<u>640,225</u>	<u>640,225</u>	<u>721,900</u>	<u>81,675</u>	<u>634,404</u>
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FINES AND FORFEITURES

Fines and forfeited bail	500,000	500,000	429,543	(70,457)	523,696
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	2,000	2,000	2,960	960	2,463
Insurance recoveries	5,000	5,000	14,725	9,725	4,098

	<u>7,000</u>	<u>7,000</u>	<u>17,685</u>	<u>10,685</u>	<u>6,561</u>
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STATE AID

Per capita	176,750	176,750	176,777	27	176,777
Mortgage tax	975,000	975,000	1,255,797	280,797	1,191,723
Youth officer	-	-	8,328	8,328	8,634
Police	-	-	10,500	10,500	-
Seatbelt grant	10,500	10,500	8,288	(2,212)	10,500
Nutrition program	45,000	45,000	49,052	4,052	50,678
Court grant	-	-	-	-	135
Other	-	-	6,459	6,459	-

	<u>1,207,250</u>	<u>1,207,250</u>	<u>1,515,201</u>	<u>307,951</u>	<u>1,438,447</u>
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FEDERAL AID

Nutrition program	50,000	50,000	58,666	8,666	59,669
Bullet proof vest	-	-	4,302	4,302	5,020

	<u>50,000</u>	<u>50,000</u>	<u>62,968</u>	<u>12,968</u>	<u>64,689</u>
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Town of Yorktown, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 5,000	\$ 5,000	\$ 84,956	\$ 79,956	\$ 173,344
Medicare Part D reimbursements	-	-	(803)	(803)	25
County grants	29,500	29,500	24,740	(4,760)	22,313
Licensing agreement	-	-	545,544	545,544	954,456
Unclassified	25,500	25,500	110,889	85,389	24,749
	<u>60,000</u>	<u>60,000</u>	<u>765,326</u>	<u>705,326</u>	<u>1,174,887</u>
TOTAL REVENUES	<u>25,016,693</u>	<u>25,016,693</u>	<u>27,285,849</u>	<u>2,269,156</u>	<u>26,559,947</u>
OTHER FINANCING SOURCES					
Sale of equipment	-	-	99,715	99,715	175,152
Transfers in					
Capital Projects Fund	-	-	-	-	198,053
Special Districts Fund					
Consolidated Water District	543,000	543,000	543,000	-	586,485
Sewer districts	570,586	570,586	570,586	-	612,978
Refuse District	263,100	263,100	263,100	-	266,425
Park districts	27,800	27,800	27,800	-	27,305
	<u>1,404,486</u>	<u>1,404,486</u>	<u>1,404,486</u>	<u>-</u>	<u>1,691,246</u>
TOTAL OTHER FINANCING SOURCES	<u>1,404,486</u>	<u>1,404,486</u>	<u>1,504,201</u>	<u>99,715</u>	<u>1,866,398</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 26,421,179</u>	<u>\$ 26,421,179</u>	<u>\$ 28,790,050</u>	<u>\$ 2,368,871</u>	<u>\$ 28,426,345</u>

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Town of Yorktown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 164,350	\$ 142,580	\$ 126,934	\$ 15,646	\$ 109,811
Town Justice	616,034	609,420	572,014	37,406	544,790
Supervisor	444,900	430,323	363,817	66,506	352,774
Finance	591,525	581,055	486,381	94,674	475,086
Auditor	36,500	36,795	36,795	-	32,619
Receiver of Taxes	210,700	210,700	202,907	7,793	207,063
Purchasing	142,500	148,726	124,914	23,812	133,831
Board of Assessors	466,170	466,170	420,071	46,099	360,348
Town Clerk	362,732	360,338	340,433	19,905	331,840
Town Attorney	469,500	463,326	348,486	114,840	417,474
Engineer	839,965	864,546	732,463	132,083	801,518
Elections	104,600	104,600	96,253	8,347	92,432
Buildings	693,856	698,640	607,711	90,929	594,545
Community and cultural center	313,278	311,215	220,994	90,221	252,945
Public safety facilities	247,970	246,849	197,225	49,624	216,575
Central services	57,250	56,750	44,696	12,054	40,861
Central garage	331,099	329,949	293,228	36,721	282,668
Unallocated insurance	325,000	361,572	371,833	(10,261)	355,143
Municipal association dues	3,000	3,000	2,800	200	2,800
Taxes on Town-owned property	110,000	96,364	35,082	61,282	57,604
Property tax refunds	225,500	216,500	86,295	130,205	73,816
Metropolitan commuter transportation mobility tax	50,000	50,000	46,318	3,682	45,555
Contingency	100,000	15,560	-	15,560	-
	<u>6,906,429</u>	<u>6,804,978</u>	<u>5,757,650</u>	<u>1,047,328</u>	<u>5,782,098</u>
PUBLIC SAFETY					
Police Department	9,247,846	9,223,632	9,049,194	174,438	9,205,320
Traffic control	23,500	24,494	20,980	3,514	18,375
Jail	975	850	181	669	285
Building inspector	806,058	805,854	752,990	52,864	748,848
Civil defense	8,450	8,450	8,291	159	8,129
	<u>10,086,829</u>	<u>10,063,280</u>	<u>9,831,636</u>	<u>231,644</u>	<u>9,980,957</u>

HEALTH

Health services	1,250	1,250	1,250	-	1,250
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TRANSPORTATION

Superintendent of Highways	228,150	225,997	223,774	2,223	221,315
Street lighting	140,580	208,289	197,038	11,251	126,361

	<u>368,730</u>	<u>434,286</u>	<u>420,812</u>	<u>13,474</u>	<u>347,676</u>
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Nutrition program	625,887	632,419	588,917	43,502	603,137
Historical celebrations	3,000	3,000	1,988	1,012	697

	<u>628,887</u>	<u>635,419</u>	<u>590,905</u>	<u>44,514</u>	<u>603,834</u>
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CULTURE AND RECREATION

Recreation administration	551,063	543,166	502,916	40,250	533,398
Playgrounds and recreation centers	1,341,616	1,354,483	1,311,429	43,054	1,340,595
Joint Program for Developmentally Disabled	38,232	38,232	-	38,232	38,232
Swimming pool	422,099	400,359	372,575	27,784	378,879
Special events	22,180	18,276	17,593	683	19,159
Adult recreation	72,500	59,935	57,128	2,807	59,281
Youth programs	668,620	675,084	697,202	(22,118)	584,096
Museum	72,200	72,200	65,752	6,448	66,473
Senior citizens program	31,800	29,100	28,557	543	26,801

	<u>3,220,310</u>	<u>3,190,835</u>	<u>3,053,152</u>	<u>137,683</u>	<u>3,046,914</u>
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HOME AND COMMUNITY SERVICES

Zoning Board	4,800	4,000	3,044	956	3,195
Section 8 Housing	101,200	101,196	90,587	10,609	87,253
Planning Board	436,675	504,175	406,306	97,869	357,714
Conservation	13,375	13,375	11,040	2,335	11,565

	<u>556,050</u>	<u>622,746</u>	<u>510,977</u>	<u>111,769</u>	<u>459,727</u>
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EMPLOYEE BENEFITS

State retirement	1,295,000	1,081,521	989,222	92,299	1,104,481
Police retirement	2,000,000	2,000,000	1,444,033	555,967	1,558,495
Social security	1,100,000	1,100,000	993,893	106,107	998,040
Hospital, medical and dental insurance	749,750	787,047	773,626	13,421	652,627
Workers' compensation benefits	150,000	319,821	274,353	45,468	393,517
Unemployment benefits	13,475	13,475	1,067	12,408	1,415
Other	44,500	44,500	15,961	28,539	16,544

	<u>5,352,725</u>	<u>5,346,364</u>	<u>4,492,155</u>	<u>854,209</u>	<u>4,725,119</u>
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(Continued)

Town of Yorktown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Interest					
Serial bonds	1,000	1,000	102	898	16,098
Bond anticipation notes	24,425	24,425	23,806	619	2,231
	<u>25,425</u>	<u>25,425</u>	<u>23,908</u>	<u>1,517</u>	<u>18,329</u>
	<u>25,425</u>	<u>25,425</u>	<u>23,908</u>	<u>1,517</u>	<u>318,329</u>
TOTAL EXPENDITURES	<u>27,146,635</u>	<u>27,124,583</u>	<u>24,682,445</u>	<u>2,442,138</u>	<u>25,265,904</u>
OTHER FINANCING USES					
Transfers out					
Highway Fund	7,525	7,525	7,525	-	1,143,100
Capital Projects Fund	252,100	308,776	308,776	-	402,822
TOTAL OTHER FINANCING USES	<u>259,625</u>	<u>316,301</u>	<u>316,301</u>	<u>-</u>	<u>1,545,922</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 27,406,260</u>	<u>\$ 27,440,884</u>	<u>\$ 24,998,746</u>	<u>\$ 2,442,138</u>	<u>\$ 26,811,826</u>

Town of Yorktown, New York

Highway Fund
 Comparative Balance Sheet
 December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,105,724	\$ 588,095
Accounts receivable	-	69,794
Due from other governments	-	433,076
Prepaid expenditures	<u>68,492</u>	<u>96,793</u>
 Total Assets	 <u>\$ 1,174,216</u>	 <u>\$ 1,187,758</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 196,494	\$ 600,506
Due to other funds	<u>172,856</u>	<u>261,593</u>
 Total Liabilities	 <u>369,350</u>	 <u>862,099</u>
Fund balance		
Nonspendable	68,492	96,793
Restricted	140,748	228,121
Assigned	<u>595,626</u>	<u>745</u>
 Total Fund Balance	 <u>804,866</u>	 <u>325,659</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,174,216</u>	 <u>\$ 1,187,758</u>

Town of Yorktown, New York

Highway Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,031,175	\$ 5,031,175	\$ 5,031,175	\$ -
Use of money and property	6,000	6,000	5,129	(871)
Sale of property and compensation for loss	-	-	16,077	16,077
State aid	375,000	375,000	435,427	60,427
Miscellaneous	20,000	20,000	3,348	(16,652)
Total Revenues	5,432,175	5,432,175	5,491,156	58,981
EXPENDITURES				
Current				
Transportation	4,522,300	4,702,227	4,211,683	490,544
Employee benefits	854,500	853,332	762,911	90,421
Debt service				
Interest	7,150	7,150	7,130	20
Total Expenditures	5,383,950	5,562,709	4,981,724	580,985
Excess (Deficiency) of Revenues Over Expenditures	48,225	(130,534)	509,432	639,966
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	18,000	18,000
Transfers in	95,775	95,775	95,775	-
Transfers out	(144,000)	(144,000)	(144,000)	-
Total Other Financing Sources (Uses)	(48,225)	(48,225)	(30,225)	18,000
Net Change in Fund Balance	-	(178,759)	479,207	657,966
FUND BALANCE				
Beginning of Year	-	178,759	325,659	146,900
End of Year	\$ -	\$ -	\$ 804,866	\$ 804,866

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,826,250	\$ 4,826,250	\$ 4,826,250	\$ -
5,000	5,000	3,767	(1,233)
-	-	670	670
350,000	350,000	458,168	108,168
17,500	17,500	44,490	26,990
<u>5,198,750</u>	<u>5,198,750</u>	<u>5,333,345</u>	<u>134,595</u>
4,515,849	5,475,526	5,401,664	73,862
792,500	1,348,915	1,346,068	2,847
-	-	-	-
<u>5,308,349</u>	<u>6,824,441</u>	<u>6,747,732</u>	<u>76,709</u>
<u>(109,599)</u>	<u>(1,625,691)</u>	<u>(1,414,387)</u>	<u>211,304</u>
-	-	115,027	115,027
96,750	1,232,350	1,232,350	-
-	-	-	-
<u>96,750</u>	<u>1,232,350</u>	<u>1,347,377</u>	<u>115,027</u>
(12,849)	(393,341)	(67,010)	326,331
<u>12,849</u>	<u>393,341</u>	<u>392,669</u>	<u>(672)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,659</u>	<u>\$ 325,659</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2016
 (With Comparative Totals for 2015)

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	\$ 2,061,962	\$ 7,280,593	\$ 1,033,114
Accounts receivable	1,462,152	118,571	-
Prepaid expenditures	45,581	32,314	27,966
Total Assets	<u>\$ 3,569,695</u>	<u>\$ 7,431,478</u>	<u>\$ 1,061,080</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 860,611	\$ 157,908	\$ 300,162
Due to other funds	16,178	9,899	24,731
Unearned revenues	-	-	-
Total Liabilities	<u>876,789</u>	<u>167,807</u>	<u>324,893</u>
Fund balances			
Nonspendable	45,581	32,314	27,966
Restricted	452,120	770,342	82,380
Assigned	2,195,205	6,461,015	625,841
Total Fund Balances	<u>2,692,906</u>	<u>7,263,671</u>	<u>736,187</u>
Total Liabilities and Fund Balances	<u>\$ 3,569,695</u>	<u>\$ 7,431,478</u>	<u>\$ 1,061,080</u>

Combined Park Districts	Advanced Life-Support District	Totals	
		2016	2015
\$ 1,012,898	\$ 59,642	\$ 11,448,209	\$ 11,996,558
-	3,295	1,584,018	1,250,990
-	-	105,861	126,837
<u>\$ 1,012,898</u>	<u>\$ 62,937</u>	<u>\$ 13,138,088</u>	<u>\$ 13,374,385</u>
\$ 27,634	\$ 7	\$ 1,346,322	\$ 1,350,653
-	-	50,808	42,689
-	-	-	201,591
<u>27,634</u>	<u>7</u>	<u>1,397,130</u>	<u>1,594,933</u>
-	-	105,861	126,837
27,477	-	1,332,319	1,380,264
<u>957,787</u>	<u>62,930</u>	<u>10,302,778</u>	<u>10,272,351</u>
<u>985,264</u>	<u>62,930</u>	<u>11,740,958</u>	<u>11,779,452</u>
<u>\$ 1,012,898</u>	<u>\$ 62,937</u>	<u>\$ 13,138,088</u>	<u>\$ 13,374,385</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	\$ 1,366,103	\$ 3,309,741	\$ 4,506,277
Other tax items	-	-	-
Departmental income	7,293,104	575,732	49,365
Intergovernmental charges	-	806,366	-
Use of money and property	6,539	20,467	4,752
Sale of property and compensation for loss	33,050	-	-
Miscellaneous	10,881	654	17,395
Total Revenues	8,709,677	4,712,960	4,577,789
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	7,138,999	2,285,071	3,968,650
Employee benefits	655,369	229,664	237,062
Debt service			
Principal			
Serial bonds	565,000	780,000	-
Interest			
Serial bonds	29,934	387,122	-
Bond anticipation notes	425	36,568	-
Total Expenditures	8,389,727	3,718,425	4,205,712
Excess (Deficiency) of Revenues Over Expenditures	319,950	994,535	372,077
OTHER FINANCING SOURCES (USES)			
Transfers in	-	55,478	-
Transfers out	(615,500)	(1,121,192)	(318,850)
Total Other Financing Uses	(615,500)	(1,065,714)	(318,850)
Net Change in Fund Balances	(295,550)	(71,179)	53,227
FUND BALANCES			
Beginning of year	2,988,456	7,334,850	682,960
End of Year	<u>\$ 2,692,906</u>	<u>\$ 7,263,671</u>	<u>\$ 736,187</u>

See independent auditors' report

Combined Park Districts	Advanced Life-Support District	Totals	
		2016	2015
\$ 692,966	\$ 559,629	\$ 10,434,716	\$ 10,419,626
-	-	-	2,822
-	1,022	7,919,223	6,562,580
-	-	806,366	1,801,673
2,734	487	34,979	41,946
-	21,157	54,207	50,705
-	-	28,930	12,855
<u>695,700</u>	<u>582,295</u>	<u>19,278,421</u>	<u>18,892,207</u>
-	584,816	584,816	527,575
168,397	-	168,397	169,203
-	-	13,392,720	14,538,941
3,194	-	1,125,289	1,244,662
-	-	1,345,000	1,310,000
-	-	417,056	465,369
2,300	-	39,293	45,271
<u>173,891</u>	<u>584,816</u>	<u>17,072,571</u>	<u>18,301,021</u>
<u>521,809</u>	<u>(2,521)</u>	<u>2,205,850</u>	<u>591,186</u>
-	-	55,478	289,144
(244,280)	-	(2,299,822)	(2,793,915)
(244,280)	-	(2,244,344)	(2,504,771)
277,529	(2,521)	(38,494)	(1,913,585)
<u>707,735</u>	<u>65,451</u>	<u>11,779,452</u>	<u>13,693,037</u>
<u>\$ 985,264</u>	<u>\$ 62,930</u>	<u>\$ 11,740,958</u>	<u>\$ 11,779,452</u>

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2016
 (With Comparative Totals for 2015)

	Consolidated Water	Kitchawan Water	Totals	
			2016	2015
ASSETS				
Cash and equivalents	\$ 1,931,088	\$ 130,874	\$ 2,061,962	\$ 2,791,445
Accounts receivable	1,460,632	1,520	1,462,152	1,134,802
Prepaid expenditures	45,581	-	45,581	58,379
Total Assets	\$ 3,437,301	\$ 132,394	\$ 3,569,695	\$ 3,984,626
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 856,986	\$ 3,625	\$ 860,611	\$ 977,184
Due to other funds	16,178	-	16,178	18,986
Total Liabilities	873,164	3,625	876,789	996,170
Fund balances				
Nonspendable	45,581	-	45,581	58,379
Restricted	452,120	-	452,120	504,867
Assigned	2,066,436	128,769	2,195,205	2,425,210
Total Fund Balances	2,564,137	128,769	2,692,906	2,988,456
Total Liabilities and Fund Balances	\$ 3,437,301	\$ 132,394	\$ 3,569,695	\$ 3,984,626

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Sub Funds
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Consolidated Water	Kitchawan Water	Totals	
			2016	2015
REVENUES				
Real property taxes	\$ 1,320,603	\$ 45,500	\$ 1,366,103	\$ 1,378,085
Other tax items	-	-	-	2,822
Departmental income	7,265,395	27,709	7,293,104	5,974,350
Use of money and property	6,156	383	6,539	10,864
Sale of property and compensation for loss	33,050	-	33,050	18,148
Miscellaneous	10,881	-	10,881	10,225
Total Revenues	8,636,085	73,592	8,709,677	7,394,494
EXPENDITURES				
Current				
Home and community services	7,113,884	25,115	7,138,999	7,421,972
Employee benefits	655,369	-	655,369	711,803
Debt service				
Principal				
Serial bonds	565,000	-	565,000	550,000
Interest				
Serial bonds	29,934	-	29,934	39,089
Bond anticipation notes	-	425	425	922
Total Expenditures	8,364,187	25,540	8,389,727	8,723,786
Excess (Deficiency) of Revenues Over Expenditures	271,898	48,052	319,950	(1,329,292)
OTHER FINANCING USES				
Transfers out	(575,500)	(40,000)	(615,500)	(671,235)
Net Change in Fund Balances	(303,602)	8,052	(295,550)	(2,000,527)
FUND BALANCES				
Beginning of Year	2,867,739	120,717	2,988,456	4,988,983
End of Year	\$ 2,564,137	\$ 128,769	\$ 2,692,906	\$ 2,988,456

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2016
 (With Comparative Totals for 2015)

	Yorktown	Osceola	Hunter Brook	Clover Road
ASSETS				
Cash and equivalents	\$ 6,168,642	\$ 170,860	\$ 188,572	\$ 3,006
Accounts receivable	118,571	-	-	-
Prepaid expenditures	32,314	-	-	-
Total Assets	\$ 6,319,527	\$ 170,860	\$ 188,572	\$ 3,006
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 149,783	\$ 699	\$ 1,217	\$ -
Due to other funds	9,899	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	159,682	699	1,217	-
Fund balances				
Nonspendable	32,314	-	-	-
Restricted	635,283	-	-	-
Assigned	5,492,248	170,161	187,355	3,006
Total Fund Balances	6,159,845	170,161	187,355	3,006
Total Liabilities and Fund Balances	\$ 6,319,527	\$ 170,860	\$ 188,572	\$ 3,006

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 59,450	\$ 45,419	\$ 3,192	\$ 199,696	\$ 143,821	\$ 159,295
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59,450</u>	<u>\$ 45,419</u>	<u>\$ 3,192</u>	<u>\$ 199,696</u>	<u>\$ 143,821</u>	<u>\$ 159,295</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,906	-	64,633	59,520	-
59,450	34,513	3,192	135,063	84,301	159,295
59,450	45,419	3,192	199,696	143,821	159,295
<u>\$ 59,450</u>	<u>\$ 45,419</u>	<u>\$ 3,192</u>	<u>\$ 199,696</u>	<u>\$ 143,821</u>	<u>\$ 159,295</u>

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Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2016
 (With Comparative Totals for 2015)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2016	2015
ASSETS				
Cash and equivalents	\$ 24,643	\$ 113,997	\$ 7,280,593	\$ 7,627,093
Accounts receivable	-	-	118,571	107,906
Prepaid expenditures	-	-	32,314	32,500
Total Assets	<u>\$ 24,643</u>	<u>\$ 113,997</u>	<u>\$ 7,431,478</u>	<u>\$ 7,767,499</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 6,209	\$ 157,908	\$ 224,208
Due to other funds	-	-	9,899	6,850
Unearned revenues	-	-	-	201,591
Total Liabilities	<u>-</u>	<u>6,209</u>	<u>167,807</u>	<u>432,649</u>
Fund balances				
Nonspendable	-	-	32,314	32,500
Restricted	-	-	770,342	769,092
Assigned	24,643	107,788	6,461,015	6,533,258
Total Fund Balances	<u>24,643</u>	<u>107,788</u>	<u>7,263,671</u>	<u>7,334,850</u>
Total Liabilities and Fund Balances	<u>\$ 24,643</u>	<u>\$ 113,997</u>	<u>\$ 7,431,478</u>	<u>\$ 7,767,499</u>

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	\$ 2,364,303	\$ 38,730	\$ 302,267	\$ 5,116
Departmental income	575,732	-	-	-
Intergovernmental charges	806,366	-	-	-
Use of money and property	16,615	434	353	20
Miscellaneous	651	-	-	-
	<u>3,763,667</u>	<u>39,164</u>	<u>302,620</u>	<u>5,136</u>
EXPENDITURES				
Current				
Home and community services	2,202,388	22,431	44,716	16
Employee benefits	229,664	-	-	-
Debt service				
Principal				
Serial bonds	387,625	-	110,000	15,000
Interest				
Serial bonds	238,381	-	54,677	99
Bond anticipation notes	9,300	-	-	-
	<u>3,067,358</u>	<u>22,431</u>	<u>209,393</u>	<u>15,115</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>696,309</u>	<u>16,733</u>	<u>93,227</u>	<u>(9,979)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,478	-	-	-
Transfers out	(806,045)	(7,480)	(42,167)	-
	<u>(750,567)</u>	<u>(7,480)</u>	<u>(42,167)</u>	<u>-</u>
Net Change in Fund Balances	(54,258)	9,253	51,060	(9,979)
FUND BALANCES				
Beginning of Year	<u>6,214,103</u>	<u>160,908</u>	<u>136,295</u>	<u>12,985</u>
End of Year	<u>\$ 6,159,845</u>	<u>\$ 170,161</u>	<u>\$ 187,355</u>	<u>\$ 3,006</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 177,100	\$ 63,550	\$ 16,250	\$ 42,725	\$ 75,950	\$ 37,900
-	-	-	-	-	-
-	-	-	-	-	-
263	323	25	523	476	450
-	3	-	-	-	-
<u>177,363</u>	<u>63,876</u>	<u>16,275</u>	<u>43,248</u>	<u>76,426</u>	<u>38,350</u>
6,370	1,035	224	2,537	675	384
-	-	-	-	-	-
160,150	49,000	15,000	43,225	-	-
60,119	13,006	994	19,846	-	-
-	-	-	-	10,250	5,936
<u>226,639</u>	<u>63,041</u>	<u>16,218</u>	<u>65,608</u>	<u>10,925</u>	<u>6,320</u>
<u>(49,276)</u>	<u>835</u>	<u>57</u>	<u>(22,360)</u>	<u>65,501</u>	<u>32,030</u>
-	-	-	-	-	-
-	-	-	-	(65,000)	(31,500)
-	-	-	-	(65,000)	(31,500)
<u>(49,276)</u>	<u>835</u>	<u>57</u>	<u>(22,360)</u>	<u>501</u>	<u>530</u>
<u>108,726</u>	<u>44,584</u>	<u>3,135</u>	<u>222,056</u>	<u>143,320</u>	<u>158,765</u>
<u>\$ 59,450</u>	<u>\$ 45,419</u>	<u>\$ 3,192</u>	<u>\$ 199,696</u>	<u>\$ 143,821</u>	<u>\$ 159,295</u>

(Continued)

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds (Continued)
 Year Ended December 31, 2016
 (With Comparative Totals for 2015)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2016	2015
REVENUES				
Real property taxes	\$ 35,600	\$ 150,250	\$ 3,309,741	\$ 3,331,274
Departmental income	-	-	575,732	537,335
Intergovernmental charges	-	-	806,366	1,801,673
Use of money and property	119	866	20,467	22,963
Miscellaneous	-	-	654	8
Total Revenues	35,719	151,116	4,712,960	5,693,253
EXPENDITURES				
Current				
Home and community services	288	4,007	2,285,071	3,179,240
Employee benefits	-	-	229,664	236,250
Debt service				
Principal				
Serial bonds	-	-	780,000	760,000
Interest				
Serial bonds	-	-	387,122	426,280
Bond anticipation notes	4,456	6,626	36,568	38,374
Total Expenditures	4,744	10,633	3,718,425	4,640,144
Excess (Deficiency) of Revenues Over Expenditures	30,975	140,483	994,535	1,053,109
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	55,478	289,144
Transfers out	(30,750)	(138,250)	(1,121,192)	(1,377,430)
Total Other Financing Sources (Uses)	(30,750)	(138,250)	(1,065,714)	(1,088,286)
Net Change in Fund Balances	225	2,233	(71,179)	(35,177)
FUND BALANCES				
Beginning of Year	24,418	105,555	7,334,850	7,370,027
End of Year	\$ 24,643	\$ 107,788	\$ 7,263,671	\$ 7,334,850

See independent auditors' report

Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,033,114	\$ 752,766
Prepaid expenditures	<u>27,966</u>	<u>35,958</u>
Total Assets	<u><u>\$ 1,061,080</u></u>	<u><u>\$ 788,724</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 300,162	\$ 88,911
Due to other funds	<u>24,731</u>	<u>16,853</u>
Total Liabilities	<u>324,893</u>	<u>105,764</u>
Fund balances		
Nonspendable	27,966	35,958
Restricted	82,380	78,828
Assigned	<u>625,841</u>	<u>568,174</u>
Total Fund Balances	<u>736,187</u>	<u>682,960</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,061,080</u></u>	<u><u>\$ 788,724</u></u>

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Town of Yorktown, New York

Special Districts Fund - Refuse District

Comparative Statement of Revenues, Expenditures and Changes

In Fund Balance

Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Real property taxes	\$ 4,506,277	\$ 4,508,250
Departmental income	49,365	49,959
Use of money and property	4,752	5,047
Miscellaneous	<u>17,395</u>	<u>2,622</u>
Total Revenues	<u>4,577,789</u>	<u>4,565,878</u>
EXPENDITURES		
Current		
Home and community services	3,968,650	3,937,729
Employee benefits	<u>237,062</u>	<u>293,495</u>
Total Expenditures	<u>4,205,712</u>	<u>4,231,224</u>
Excess of Revenues Over Expenditures	372,077	334,654
OTHER FINANCING USES		
Transfers out	<u>(318,850)</u>	<u>(318,425)</u>
Net Change in Fund Balance	53,227	16,229
FUND BALANCE		
Beginning of Year	<u>682,960</u>	<u>666,731</u>
End of Year	<u>\$ 736,187</u>	<u>\$ 682,960</u>

See independent auditors' report

Town of Yorktown, New York

Special Districts Fund - Park Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2016
 (With Comparative Totals for 2015)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
ASSETS				
Cash and equivalents	<u>\$ 112,995</u>	<u>\$ 111,111</u>	<u>\$ 214,604</u>	<u>\$ 99,866</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ 8,835</u>	<u>\$ 2,353</u>
Fund balances				
Restricted	-	-	-	-
Assigned	<u>111,245</u>	<u>111,111</u>	<u>205,769</u>	<u>97,513</u>
Total Fund Balances	<u>111,245</u>	<u>111,111</u>	<u>205,769</u>	<u>97,513</u>
Total Liabilities and Fund Balances	<u>\$ 112,995</u>	<u>\$ 111,111</u>	<u>\$ 214,604</u>	<u>\$ 99,866</u>

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2016	2015
<u>\$ 157,859</u>	<u>\$ 45,277</u>	<u>\$ 98</u>	<u>\$ 271,088</u>	<u>\$ 1,012,898</u>	<u>\$ 724,278</u>
<u>\$ -</u>	<u>\$ 14,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,634</u>	<u>\$ 16,543</u>
27,477	-	-	-	27,477	27,477
<u>130,382</u>	<u>30,581</u>	<u>98</u>	<u>271,088</u>	<u>957,787</u>	<u>680,258</u>
<u>157,859</u>	<u>30,581</u>	<u>98</u>	<u>271,088</u>	<u>985,264</u>	<u>707,735</u>
<u>\$ 157,859</u>	<u>\$ 45,277</u>	<u>\$ 98</u>	<u>\$ 271,088</u>	<u>\$ 1,012,898</u>	<u>\$ 724,278</u>

Town of Yorktown, New York

Special Districts Fund - Park Districts

Combining Schedule of Revenues, Expenditures and Changes in

Fund Balances - Sub Funds

Year Ended December 31, 2016

(With Comparative Totals for 2015)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
REVENUES				
Real property taxes	\$ 58,250	\$ 22,325	\$ 84,221	\$ 12,840
Use of money and property	287	257	541	244
Total Revenues	<u>58,537</u>	<u>22,582</u>	<u>84,762</u>	<u>13,084</u>
EXPENDITURES				
Current				
Culture and recreation	33,219	266	58,049	7,219
Employee benefits	1,823	-	1,224	-
Debt service				
Interest				
Bond anticipation notes	-	-	-	-
Total Expenditures	<u>35,042</u>	<u>266</u>	<u>59,273</u>	<u>7,219</u>
Excess of Revenues Over Expenditures	23,495	22,316	25,489	5,865
OTHER FINANCING USES				
Transfers out	(6,000)	(2,000)	(6,500)	(2,500)
Net Change in Fund Balances	17,495	20,316	18,989	3,365
FUND BALANCES				
Beginning of year	93,750	90,795	186,780	94,148
End of Year	<u>\$ 111,245</u>	<u>\$ 111,111</u>	<u>\$ 205,769</u>	<u>\$ 97,513</u>

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2016	2015
\$ 71,425	\$ 31,775	\$ 2,000	\$ 410,130	\$ 692,966	\$ 690,544
403	113	2	887	2,734	2,619
<u>71,828</u>	<u>31,888</u>	<u>2,002</u>	<u>411,017</u>	<u>695,700</u>	<u>693,163</u>
37,348	31,096	-	1,200	168,397	169,203
-	147	-	-	3,194	3,114
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300</u>	<u>2,300</u>	<u>5,975</u>
<u>37,348</u>	<u>31,243</u>	<u>-</u>	<u>3,500</u>	<u>173,891</u>	<u>178,292</u>
34,480	645	2,002	407,517	521,809	514,871
<u>(5,800)</u>	<u>(3,000)</u>	<u>(2,000)</u>	<u>(216,480)</u>	<u>(244,280)</u>	<u>(426,825)</u>
28,680	(2,355)	2	191,037	277,529	88,046
<u>129,179</u>	<u>32,936</u>	<u>96</u>	<u>80,051</u>	<u>707,735</u>	<u>619,689</u>
<u>\$ 157,859</u>	<u>\$ 30,581</u>	<u>\$ 98</u>	<u>\$ 271,088</u>	<u>\$ 985,264</u>	<u>\$ 707,735</u>

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 59,642	\$ 100,976
Accounts receivable	<u>3,295</u>	<u>8,282</u>
Total Assets	<u>\$ 62,937</u>	<u>\$ 109,258</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 7	\$ 43,807
Fund balance		
Assigned	<u>62,930</u>	<u>65,451</u>
Total Liabilities and Fund Balance	<u>\$ 62,937</u>	<u>\$ 109,258</u>

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Real property taxes	\$ 559,629	\$ 511,473
Departmental income	1,022	936
Use of money and property	487	453
Sale of property and compensation for loss	<u>21,157</u>	<u>32,557</u>
Total Revenues	582,295	545,419
EXPENDITURES		
Current		
Health	<u>584,816</u>	<u>527,575</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,521)	17,844
FUND BALANCE		
Beginning of Year	<u>65,451</u>	<u>47,607</u>
End of Year	<u>\$ 62,930</u>	<u>\$ 65,451</u>

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 1,336,283</u>	<u>\$ 2,048,638</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 303,730	\$ 567,405
Bond anticipation notes payable	<u>6,753,789</u>	<u>6,821,869</u>
Total Liabilities	7,057,519	7,389,274
Fund deficit		
Unassigned	<u>(5,721,236)</u>	<u>(5,340,636)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,336,283</u>	<u>\$ 2,048,638</u>

Town of Yorktown, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Miscellaneous	\$ 18,694	\$ 40,455
EXPENDITURES		
Capital outlay	<u>1,692,573</u>	<u>1,650,461</u>
Deficiency of Revenues Over Expenditures	<u>(1,673,879)</u>	<u>(1,610,006)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,317,728	1,782,330
Transfers out	<u>(24,449)</u>	<u>(455,233)</u>
Total Other Financing Sources	<u>1,293,279</u>	<u>1,327,097</u>
Net Change in Fund Balance	(380,600)	(282,909)
FUND DEFICIT		
Beginning of Year	<u>(5,340,636)</u>	<u>(5,057,727)</u>
End of Year	<u>\$ (5,721,236)</u>	<u>\$ (5,340,636)</u>

Town of Yorktown, New York

Capital Projects Fund

Project-Length Schedule

Inception Of Project Through December 31, 2016

PROJECT	Sub-Fund	Authorization	Expenditures and Transfers
Hunterbrook Rt. 202 Extension	HB	\$ 3,000,000	\$ 1,358,962
Improve/Construct Roads	HC	1,450,000	1,086,005
Gomer Street Sewer	HG	610,000	601,470
Improve Sparkle Lake Dam	HK	270,000	253,936
Library HVAC	HL	702,916	488,894
1995 - Mohegan West Sewer District	HQ	1,570,559	3,286
1995 - Mohegan East Sewer District	HT	5,333,897	5,356,309
Improve Various Town Buildings	HV	175,389	-
NWJWW Tank Replacement	HU	1,100,000	1,100,000
General Heavy Equipment and Machinery	HW	100,000	-
Highway Heavy Equipment and Machinery	HW	820,000	819,998
Various Items	HY	409,500	81,648
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Suncrest Sewer	JH	750,000	750,000
Railroad Park Rehabilitation	JJ	76,514	54,462
Kitchawan Water District	JK	850,000	848,306
Yorktown Sewer Inflow/Infiltration	JO	1,912,610	1,691,629
Overlook Sewer	JW	1,600,000	1,400,000
WPC Ammonia Removal and Equipment Upgrade	JX	9,868,053	9,868,053
Baptist/Mohegan/Sherman/Old Crompond Bridge	JY	3,600,000	1,059,421
		<u>\$ 37,199,438</u>	<u>\$ 29,820,269</u>
Totals			

See independent auditors' report

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2016	Bond Anticipation Notes Outstanding at December 31, 2016
\$ 1,641,038	\$ 1,039,963	\$ (318,999)	\$ 466,500
363,995	97,000	(989,005)	1,353,000
8,530	212,970	(388,500)	388,500
16,064	18,000	(235,936)	252,000
214,022	488,894	-	-
1,567,273	3,286	-	-
(22,412)	5,333,897	(22,412)	-
175,389	35,100	35,100	140,289
-	-	(1,100,000)	1,100,000
100,000	-	-	-
2	164,000	(655,998)	656,000
327,852	82,000	352	327,500
2,110	2,375,000	(622,890)	625,000
-	223,000	(527,000)	527,000
22,052	76,514	22,052	-
1,694	848,306	-	-
220,981	1,691,629	-	-
200,000	482,000	(918,000)	918,000
-	9,868,053	-	-
2,540,579	1,059,421	-	-
<u>\$ 7,379,169</u>	<u>\$ 24,099,033</u>	<u>\$ (5,721,236)</u>	<u>\$ 6,753,789</u>

Town of Yorktown, New York

Non-Major Governmental Funds
 Combining Balance Sheet
 December 31, 2016
 (With Comparative Totals for 2015)

	Community Development	Public Library	Special Purpose
ASSETS			
Cash and equivalents	\$ 215,725	\$ 1,039,364	\$ 1,074,654
Due from other governments	981	-	-
Prepaid expenditures	5,289	41,617	-
Total Assets	<u>\$ 221,995</u>	<u>\$ 1,080,981</u>	<u>\$ 1,074,654</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,795	\$ 65,047	\$ -
Due to other funds	31,179	-	-
Unearned revenue	131,052	-	-
Total Liabilities	<u>164,026</u>	<u>65,047</u>	<u>-</u>
Fund balances			
Nonspendable	5,289	41,617	-
Restricted	-	129,842	1,074,654
Assigned	52,680	844,475	-
Total Fund Balances	<u>57,969</u>	<u>1,015,934</u>	<u>1,074,654</u>
Total Liabilities and Fund Balances	<u>\$ 221,995</u>	<u>\$ 1,080,981</u>	<u>\$ 1,074,654</u>

See independent auditors' report

Debt Service	Total Non-Major Governmental Funds	
	2016	2015
\$ 60,063	\$ 2,389,806	\$ 2,050,180
-	981	1,917
-	46,906	60,927
<u>\$ 60,063</u>	<u>\$ 2,437,693</u>	<u>\$ 2,113,024</u>
\$ -	\$ 66,842	\$ 48,018
-	31,179	31,541
-	131,052	-
<u>-</u>	<u>229,073</u>	<u>79,559</u>
-	46,906	60,927
60,063	1,264,559	1,201,151
-	897,155	771,387
<u>60,063</u>	<u>2,208,620</u>	<u>2,033,465</u>
<u>\$ 60,063</u>	<u>\$ 2,437,693</u>	<u>\$ 2,113,024</u>

Town of Yorktown, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes

in Fund Balances

Year Ended December 31, 2016

(With Comparative Totals for 2015)

	Community Development	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ -	\$ 1,949,500	\$ -
Departmental income	-	40,717	-
Intergovernmental charges	-	385,644	-
Use of money and property	64	3,636	1,780
Sale of property and compensation for loss	-	375	-
State aid	-	14,419	-
Federal aid	1,527,828	-	-
Miscellaneous	3,655	9,851	92,529
Total Revenues	1,531,547	2,404,142	94,309
EXPENDITURES			
Current			
Economic opportunity and development	1,528,384	-	-
Culture and recreation	-	1,849,803	47,911
Employee benefits	-	339,996	-
Debt service			
Interest	-	-	-
Total Expenditures	1,528,384	2,189,799	47,911
Excess of Revenues Over Expenditures	3,163	214,343	46,398
OTHER FINANCING USES			
Transfers out	-	(88,895)	-
Net Change in Fund Balances	3,163	125,448	46,398
FUND BALANCES			
Beginning of Year	54,806	890,486	1,028,256
End of Year	\$ 57,969	\$ 1,015,934	\$ 1,074,654

See independent auditors' report

Debt Service	Total Non-Major Governmental Funds	
	2016	2015
\$ -	\$ 1,949,500	\$ 1,949,875
-	40,717	42,243
-	385,644	307,200
146	5,626	6,240
-	375	-
-	14,419	18,481
-	1,527,828	1,547,419
-	106,035	82,296
146	4,030,144	3,953,754
-	1,528,384	1,523,351
-	1,897,714	2,070,405
-	339,996	352,024
-	-	1,940
-	3,766,094	3,947,720
146	264,050	6,034
-	(88,895)	(200,000)
146	175,155	(193,966)
59,917	2,033,465	2,227,431
\$ 60,063	\$ 2,208,620	\$ 2,033,465

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 215,725	\$ 81,214
Due from other governments	981	1,917
Prepaid expenditures	<u>5,289</u>	<u>5,098</u>
 Total Assets	 <u>\$ 221,995</u>	 <u>\$ 88,229</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,795	\$ 1,882
Due to other funds	31,179	31,541
Unearned revenue	<u>131,052</u>	<u>-</u>
 Total Liabilities	 <u>164,026</u>	 <u>33,423</u>
 Fund balance		
Nonspendable	5,289	5,098
Assigned	<u>52,680</u>	<u>49,708</u>
 Total Fund Balance	 <u>57,969</u>	 <u>54,806</u>
 Total Liabilities and Fund Balance	 <u>\$ 221,995</u>	 <u>\$ 88,229</u>

Town of Yorktown, New York

Community Development Fund -

Housing Assistance Payments Program

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 64	\$ 39
Federal aid	1,527,828	1,547,419
Miscellaneous	<u>3,655</u>	<u>7,473</u>
Total Revenues	1,531,547	1,554,931
EXPENDITURES		
Current		
Economic opportunity and development	<u>1,528,384</u>	<u>1,523,351</u>
Excess of Revenues Over Expenditures	3,163	31,580
FUND BALANCE		
Beginning of Year	<u>54,806</u>	<u>23,226</u>
End of Year	<u>\$ 57,969</u>	<u>\$ 54,806</u>

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Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,039,364	\$ 880,793
Prepaid expenditures	<u>41,617</u>	<u>55,829</u>
Total Assets	<u>\$ 1,080,981</u>	<u>\$ 936,622</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 65,047</u>	<u>\$ 46,136</u>
Fund balance		
Nonspendable	41,617	55,829
Restricted	129,842	112,978
Assigned	<u>844,475</u>	<u>721,679</u>
Total Fund Balance	<u>1,015,934</u>	<u>890,486</u>
Total Liabilities and Fund Balance	<u>\$ 1,080,981</u>	<u>\$ 936,622</u>

Town of Yorktown, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

Years Ended December 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,949,500	\$ 1,949,500	\$ 1,949,500	\$ -
Departmental income	45,000	45,000	40,717	(4,283)
Intergovernmental charges	307,000	307,000	385,644	78,644
Use of money and property	4,500	4,500	3,636	(864)
Sale of property and compensation for loss	-	-	375	375
State aid	8,500	8,500	14,419	5,919
Miscellaneous	2,000	2,000	9,851	7,851
Total Revenues	2,316,500	2,316,500	2,404,142	87,642
EXPENDITURES				
Current				
Culture and recreation	2,010,056	2,020,112	1,849,803	170,309
Employee benefits	397,375	404,955	339,996	64,959
Debt service				
Interest				
Bond anticipation notes	-	-	-	-
Total Expenditures	2,407,431	2,425,067	2,189,799	235,268
Excess (Deficiency) of Revenues Over Expenditures	(90,931)	(108,567)	214,343	322,910
OTHER FINANCING USES				
Transfers out	-	(88,895)	(88,895)	-
Net Change in Fund Balance	(90,931)	(197,462)	125,448	322,910
FUND BALANCE				
Beginning of Year	90,931	197,462	890,486	693,024
End of Year	\$ -	\$ -	\$ 1,015,934	\$ 1,015,934

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,949,875	\$ 1,949,875	\$ 1,949,875	\$ -
50,000	50,000	42,243	(7,757)
305,000	305,000	307,200	2,200
4,500	4,500	3,994	(506)
-	-	-	-
8,000	8,000	18,481	10,481
1,500	1,500	4,431	2,931
<u>2,318,875</u>	<u>2,318,875</u>	<u>2,326,224</u>	<u>7,349</u>
1,974,600	2,014,267	1,889,369	124,898
391,275	396,003	352,024	43,979
3,000	3,000	1,940	1,060
<u>2,368,875</u>	<u>2,413,270</u>	<u>2,243,333</u>	<u>169,937</u>
(50,000)	(94,395)	82,891	177,286
<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
(250,000)	(294,395)	(117,109)	177,286
<u>250,000</u>	<u>294,395</u>	<u>1,007,595</u>	<u>713,200</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 890,486</u>	<u>\$ 890,486</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 1,074,654</u>	<u>\$ 1,028,256</u>
FUND BALANCE		
Restricted	<u>\$ 1,074,654</u>	<u>\$ 1,028,256</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 1,780	\$ 2,053
Miscellaneous	<u>92,529</u>	<u>70,392</u>
Total Revenues	94,309	72,445
EXPENDITURES		
Current		
Culture and recreation	<u>47,911</u>	<u>181,036</u>
Excess (Deficiency) of Revenues Over Expenditures	46,398	(108,591)
FUND BALANCE		
Beginning of Year	<u>1,028,256</u>	<u>1,136,847</u>
End of Year	<u>\$ 1,074,654</u>	<u>\$ 1,028,256</u>

Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 60,063</u>	<u>\$ 59,917</u>
FUND BALANCE		
Restricted	<u>\$ 60,063</u>	<u>\$ 59,917</u>

Town of Yorktown, New York

Debt Service Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended December 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 146	\$ 154
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	146	154
FUND BALANCE		
Beginning of Year	<u>59,917</u>	<u>59,763</u>
End of Year	<u>\$ 60,063</u>	<u>\$ 59,917</u>

Town of Yorktown, New York

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

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2016	2015
ASSETS				
Cash and equivalents	\$ 165,872	\$ 80,674	\$ 246,546	\$ 230,999
Due from other funds	376,104	73,809	449,913	517,340
Total Assets	541,976	154,483	696,459	748,339
LIABILITIES				
Current liabilities				
Current portion of claims payable	180,000	14,000	194,000	144,000
Non-current liabilities				
Claims payable, less current portion	1,588,058	129,845	1,717,903	1,270,700
Total Liabilities	1,768,058	143,845	1,911,903	1,414,700
NET POSITION				
Unrestricted	<u>\$ (1,226,082)</u>	<u>\$ 10,638</u>	<u>\$ (1,215,444)</u>	<u>\$ (666,361)</u>

Town of Yorktown, New York

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

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2016	2015
OPERATING REVENUES				
Charges for services	\$ 376,104	\$ 73,810	\$ 449,914	\$ 1,173,880
Miscellaneous	189,577	-	189,577	211,903
Total Operating Revenues	565,681	73,810	639,491	1,385,783
OPERATING EXPENSES				
Workers' compensation benefits	1,050,373	-	1,050,373	1,750,002
Judgments and claims	-	138,809	138,809	7,500
Total Operating Expenses	1,050,373	138,809	1,189,182	1,757,502
Loss from Operations	(484,692)	(64,999)	(549,691)	(371,719)
NON-OPERATING REVENUES				
Interest income	480	128	608	482
Change in Net Position	(484,212)	(64,871)	(549,083)	(371,237)
NET POSITION				
Beginning of Year	(741,870)	75,509	(666,361)	(295,124)
End of Year	<u>\$ (1,226,082)</u>	<u>\$ 10,638</u>	<u>\$ (1,215,444)</u>	<u>\$ (666,361)</u>

See independent auditors' report

Town of Yorktown, New York

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

	<u>Workers' Compensation Benefits</u>	<u>General Liability Claims</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 437,525	\$ 79,816
Cash received from insurance carriers, claimants and others	189,577	-
Cash payments to insurance carriers, claimants and others	<u>(626,979)</u>	<u>(65,000)</u>
Net Cash from Operating Activities	<u>123</u>	<u>14,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>480</u>	<u>128</u>
Net Change in Cash and Equivalents	603	14,944
CASH AND EQUIVALENTS		
Beginning of Year	<u>165,269</u>	<u>65,730</u>
End of Year	<u>\$ 165,872</u>	<u>\$ 80,674</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (484,692)	\$ (64,999)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	61,421	6,006
Claims payable	<u>423,394</u>	<u>73,809</u>
Net Cash from Operating Activities	<u>\$ 123</u>	<u>\$ 14,816</u>

Totals	
2016	2015
\$ 517,341	\$ 656,540
189,577	211,903
<u>(691,979)</u>	<u>(1,059,518)</u>
<u>14,939</u>	<u>(191,075)</u>
<u>608</u>	<u>482</u>
15,547	(190,593)
<u>230,999</u>	<u>421,592</u>
<u>\$ 246,546</u>	<u>\$ 230,999</u>
\$ (549,691)	\$ (371,719)
67,427	(517,340)
<u>497,203</u>	<u>697,984</u>
<u>\$ 14,939</u>	<u>\$ (191,075)</u>

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Yorktown, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Town in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

May 9, 2017

**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditor's Report

**The Honorable Supervisor and the Town Board
of the Town of Yorktown, New York**

Report on Compliance for Each Major Federal Program

We have audited the Town of Yorktown, New York's ("Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2016. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
May 9, 2017

Town of Yorktown, New York

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

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- recipients</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program				
Section 8 Housing Choice Vouchers	14.871		\$ -	\$ 1,528,384
<u>Department of Justice</u>				
Direct Program				
Bullet Proof Vest	16.607		-	4,302
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs - Passed through				
County of Westchester				
Special Programs for the Aging - Title III Part B	93.044	AGET9281414	-	6,742
Special Programs for the Aging - Title III Part C	93.045	AGET9411515	-	51,924
Total U.S. Department of Health and Human Services			-	58,666
Total Expenditures of Federal Awards			\$ -	\$ 1,591,352

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

Town of Yorktown, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of Yorktown, New York (the "Town") under programs of the federal government for the year ended December 31, 2016. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in the net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Town of Yorktown, New York

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

NONE

Town of Yorktown, New York

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

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

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

Yes No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major Federal programs:

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

Yes No
 Yes None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Town of Yorktown, New York

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

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None