

PRELIMINARY OFFICIAL STATEMENT DATED MAY 12, 2017

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Town will designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

TOWN OF CHESTER ORANGE COUNTY, NEW YORK (the "Town")

\$1,850,000

BOND ANTICIPATION NOTES – 2017 (the "Notes")

Dated Date: June 6, 2017

Maturity Date: June 6, 2018

Security and Sources of Payment: The Notes are general obligations of the Town of Chester, Orange County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law," herein).

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

Form and Denomination: At the option of the purchaser, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes. For those Notes registered to the purchaser, a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Those Notes issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the Securities Depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Individual purchases of any Notes issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Noteholders will not receive certificates representing their respective ownership interests in any Notes issued in book-entry form. (See "Book-Entry System" herein).

Payment: Payment of the principal of and interest on the Notes registered to the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Payment of the principal of and interest on any Notes issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC Participants or Indirect Participants and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. Principal and interest payments on any book-entry Notes shall be payable at the office of the Town Clerk. See "Book-Entry System" herein.

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on May 23, 2017 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about June 6, 2017 in New York, New York, or as otherwise agreed to by the Town and the purchaser.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE TOWN FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

**TOWN OF CHESTER
ORANGE COUNTY, NEW YORK**

Town Hall
1786 Kings Highway
Chester, NY 10918
Telephone: 845/469-2796
Fax: 845/469-9242

TOWN BOARD

Alex Jamieson, Supervisor

Brendan Medican
Cynthia A. Smith

Robert Valentine
Ryan Wensley

Linda Zappala, Town Clerk
Scott Bonacic, Esq., Town Attorney

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

MUNISTAT SERVICES, INC.

Municipal Finance Advisory Service

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <http://www.munistat.com>

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

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OFFICIAL STATEMENT
Relating to
TOWN OF CHESTER
ORANGE COUNTY, NEW YORK
\$1,850,000 BOND ANTICIPATION NOTES – 2017

This Official Statement, including the cover page and appendices thereto, has been prepared by the Town and presents certain information relating to the Town's \$1,850,000 Bond Anticipation Notes – 2017 (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the Town. The Town has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

The Notes will be dated and will mature, without the option of prior redemption, as indicated on the cover page hereof.

The Town will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser. The Town's contact information is as follows: Alex Jamieson, Town Supervisor, Town of Chester, Town Hall, 1786 Kings Highway, Chester, NY 10918, Phone (845) 469-2796, Fax (845) 469-9242 and email: ajamieson@thetownofchester.org.

The Notes will not be subject to redemption prior to their maturity.

Book-Entry System

DTC will act as securities depository for any Notes issued as book-entry notes. Such Notes will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued and deposited with DTC for each maturity of the Notes.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Standard & Poor's assigns a rating of "AA+" to DTC. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Source: The Depository Trust Company, New York, New York.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered to the Noteowners. The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, note certificates will be printed and delivered to the Noteowners.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Town takes no responsibility for the accuracy thereof. In addition, the Town will not have any responsibility or obligation to participants, to indirect participants or to any beneficial owner with respect to: (i) the accuracy of any records maintained by DTC, and participant or any indirect participant; (ii) the payments by DTC or any participant or any indirect participant of any amount with respect to the principal of, or premium, if any, or interest on the Notes or (iii) any notice which is permitted or required to be given to Noteowners.

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law, and a bond resolution duly adopted by the Town Board of the Town as follows:

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount to be Issued</u>
03/22/2017	Conversion of the Former Ambulance Building to the Police Department Building	\$1,850,000

Security and Source of Payment

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

The Town's credit rating could be affected by circumstances beyond the Town's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The Town's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Notes. (See "*Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town, could impair the financial condition of such entities, including the Town, and the ability of such entities, including the Town, to pay debt service on the Notes.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the Town default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. Each Note is a general obligation contract between the Town and the owners for which the faith and credit of the Town are pledged and while remedies for enforcement of payment are not expressly included in the Town's contract with such owners, any permanent repeal by statute or constitutional amendment of a bond or note holder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes, at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such Notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether

to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Note, the owner of such Note could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an *ad valorem* tax, upon all taxable property of the Town subject to taxation by the Town, sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds or notes of the Town, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of holders of bonds or notes, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

No current state law purports to create any priority for holders of the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted

such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity of the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

No Past Due Debt

No principal or interest payment on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and/or interest on any indebtedness.

THE TOWN

There follows in this Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

Description

The Town, which encompasses about 25 square miles and has a current population of 11,902 according to the 2015 U.S. Census, is located in the south-eastern portion of Orange County. It is bounded on the east by the Towns of Monroe and Blooming Grove; on the north and west by the Town of Goshen; and on the south by the Town of Warwick. The Town includes the Village of Chester and other communities, such as Sugar Loaf and Walton Lake Estates.

The Town is primarily residential and agricultural in character with some commercial and industrial enterprises. Commercial activity is centered in the business district of the Village of Chester and in shopping centers. Residential development consists of single-family homes, a condominium complex and an apartment complex. In addition to employment opportunities in the Town, residents commute to New York City, Newburgh, Middletown, and Goshen (the County Seat).

Rail transportation is provided by the Southern Norfolk Railroad. Commuter bus service is available to New York City. Highways include New York State Route 17 (the Quickway), with an interchange in the Town, as well as a network of Town and County roads.

Utilities and Other Services

Electricity and natural gas is supplied to the Town by Orange & Rockland Utilities, Inc., and Central Hudson Gas & Electric Corp. The Town is the supplier of water and, through a number of special assessment water districts, is responsible for the financing and construction of water transmission lines as well as maintenance of the necessary facilities in such districts. Sanitary sewer services are provided to about 60% of the Town residents through private sewer systems. The balance of the Town uses septic systems. Police protection is provided by the Town Police Department and fire protection is provided by the Chester Fire District.

Government

The Town was established in 1845. Four independently governed school districts are located partially within the Town which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as their basis for taxation of property located within the Town.

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

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

The Town Clerk and the Tax Collector are elected to four-year terms. The Highway Superintendent is elected to a four-year term. The Town Board appoints the assessor, the Town Attorney and the Town Engineer.

Summary of Building Activity (Number of Building Permits Issued)

Year	<u>Residential</u>	Commercial & <u>Industrial</u>	<u>Total</u>
2012	7	3	10
2013	9		9
2014	21		21
2015	8		8
2016	29		29

Financial Organization

The Supervisor is the chief fiscal officer of the Town; his duties include administration, direction and control of budget and insurance, accounts payable and receivable and payroll. The Supervisor is also responsible for drafting and preparing the budget and securing and administering State and Federal grants.

Employees

The Town provides services through approximately 42 full-time and 24 part-time employees. Eleven Highway Department employees are represented by Teamsters Local 445 under a contract which expires on May 31, 2017 and 13 Town police officers are represented by the Town of Chester PBA under a contract which expires December 31, 2019.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Characteristics

Since 1980, the Town has had a population trend, as compared to the County, the State and the United States, as indicated below:

<u>Year</u>	<u>Town of Chester</u>	<u>Orange County</u>	<u>State of New York</u>
1990	9,138	307,647	17,990,455
2000	12,140	341,367	18,976,457
2010	12,135	370,201	19,378,102
2015	11,902	375,384	19,673,174

Source: U.S. Bureau of the Census.

Income Data

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>
Town of Chester	\$18,684	\$25,900	\$38,236	\$36,741
County of Orange	15,198	21,597	28,944	31,023
State of New York	16,501	23,389	30,791	34,297

	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>
Town of Chester	\$51,447	\$69,280	\$90,915	\$89,217
County of Orange	39,198	52,058	69,523	70,848
State of New York	32,965	43,393	55,603	59,269

Source: United States Department of Commerce, Bureau of the Census.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest areas for which such statistics are available (which include the Town) is the County of Orange. The information set forth below with respect to such County and the State is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County and the State is necessarily representative of the Town or vice versa.

<u>Annual Averages:</u>	<u>Orange County (%)</u>	<u>New York State (%)</u>
2012	7.9	8.5
2013	6.8	7.7
2014	5.5	6.3
2015	4.7	5.3
2016	4.3	4.8
2017 (through March)	4.5	4.8

Source: Department of Labor, State of New York

Selected Listing of Larger Employees

<u>Name</u>	<u>Type</u>	<u>Estimated Number Of Employees</u>
C&S Grocery Wholesalers	Food Distribution	1,000
AMSCAN	Warehouse/Distribution	425
Pep Boys	Warehouse/ Distribution	200
United Parcel Service	Parcel Delivery	200
Nexan	Manufacturing	187
Palmer/LP Transport	Trucking & Delivery	100

Source: Town Officials.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or weighted average maturity thereof; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town so as to prevent abuses in the exercise of such powers; however, as has been noted under "*Security and Source of Payment*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," herein).

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Board of Trustees, except in the event that the Town determines to subject the bond resolution to voter approval by mandatory referendum, in which case only a three-fifths vote is required.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town has complied with such procedure for the bond resolution authorizing the issuance of the Notes.

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

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

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the New York State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the Town to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*," herein).

The following pages set forth certain details with respect to the indebtedness of the Town.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of May 12, 2017)

<u>In Town of Chester:</u>	<u>Assessed_ Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2013	\$791,935,371	64.00	\$1,237,399,017
2014	790,452,431	67.00	1,179,779,748
2015	803,044,946	65.25	1,230,720,224
2016	805,457,742	63.00	1,278,504,352
2017	805,489,605	63.00	1,278,554,929
Total Five Year Full Valuation			\$6,204,958,270
Average Five Year Full Valuation			1,240,991,654
Debt Limit - 7% of Full Valuation			86,869,415
Inclusions:			
General Purposes Bonds			1,165,000
Water Debt			1,410,000
Bond Anticipation Notes			<u>380,000</u>
Total Indebtedness			<u>2,955,000</u>
Exclusions:			
Appropriations for General Purpose Bonds			80,000
Appropriations for Notes			20,000
Water Debt			<u>1,410,000</u>
Total Exclusions			<u>1,510,000</u>
Total Net Indebtedness Before Issuing the BANs			<u>1,445,000</u>
The Notes			1,850,000
Less: Notes to be redeemed by Issuance of the Notes			<u>0</u>
Net Effect of the Notes			<u>1,850,000</u>
Total Net Indebtedness After Issuing the Notes			<u>3,295,000</u>
Net Debt Contracting Margin			<u><u>\$83,574,415</u></u>
Per Cent of Debt Contracting Margin Exhausted			3.68%

Debt Service Requirements - Outstanding Bonds^a

<u>Ending 12/31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 492,800	\$ 61,902	\$ 554,702
2018	488,000	49,974	537,974
2019	438,500	38,814	477,314
2020	369,000	29,800	398,800
2021	374,500	22,015	396,515
2022	325,000	14,100	339,100
2023	100,000	7,500	107,500
2024	100,000	5,250	105,250
2025	100,000	2,750	102,750
Totals	\$ 2,787,800	\$ 232,105	\$ 3,019,905

- a. Does not include refunded bonds and payments made to date.
b. Rounded to the nearest dollar.

Details of Short-Term Indebtedness Outstanding (As of May 12, 2017)

As of the date of this Official Statement, the Town has bond anticipation notes outstanding in the amount of \$380,000 for improvements to the Walton Lake Water District maturing on October 27, 2017.

Authorized but Unissued Indebtedness

As of the date of this Official Statement, the Town authorized but unissued debt in the amount of \$1,850,000 for the conversion of the former ambulance building to the police building. The issuance of the Notes will provide financing for such purpose.

Trend of Town Indebtedness

The following table represents the trend of outstanding indebtedness not including refunded bonds of the Town at the end of the last five preceding fiscal years.

	<u>Fiscal Year Ending December 31:</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Outstanding End of Year:					
Bonds	\$ 5,005,600	\$ 4,384,100	\$ 3,787,400	\$ 3,290,300	\$ 3,019,905
Bond Anticipation Notes				400,000	380,000
Total	<u>5,005,600</u>	<u>4,384,100</u>	<u>3,787,400</u>	<u>3,690,300</u>	<u>3,399,905</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Orange	06/24/2016	4.09	\$12,751,402	\$11,655,058
Chester UFSD	06/30/2015	84.45	18,802,793	8,461,257
Goshen UFSD	06/30/2015	0.03	4,416	1,837
Monroe- Woodbury CSD	06/30/2015	8.40	4,534,164	4,534,164
Warwick Valley CSD	06/30/2015	11.31	2,694,265	996,878
Village of Chester	05/31/2015	100.00	904,454	904,454
Chester Fire District	12/31/2015	100.00	0	0
Totals			<u>\$39,691,494</u>	<u>\$26,553,648</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Statements.

Debt Ratios (As of May 12, 2017)

	<u>Amount^a</u>	<u>Per Capita^b</u>	<u>Percentage Of Full Value (%)^c</u>
Total Direct Debt	\$ 2,955,000	\$ 248	0.231
Net Direct Debt	1,445,000	121	0.113
Total Direct & Applicable Total Overlapping Debt	42,646,494	3,583	3.336
Net Direct & Applicable Net Overlapping Debt	26,553,648	2,231	2.077

a. Inclusive of the Notes.

b. The estimated population of the Town is 11,902.

c. The full valuation of taxable real property in the Town for 2016 is \$1,278,554,929.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2015. The 2016 Unaudited Annual Financial Update Document ("AFUD") is attached as Appendix B. The audited financial statements are expected to be completed by October, 2017 and are not expected to be materially different from the operating results that are presented in the AFUD.

Fund Structure and Accounts

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

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town presently maintains the following governmental funds: General Fund, Highway Fund, Special Districts Funds, and the Capital Projects Fund. Fiduciary funds consist of a Trust and Agency Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 365 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, sanitary landfill post closure costs, installment purchases, judgments and claims, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Investment Policy

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the Town is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the Town; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance and the eligible securities utilized for such collateral must be held by a third party financial institution, pursuant to security and custodial agreements. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

The Town maintains a list of financial institutions and dealers approved for investment purposes and establishes appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Town conducts business must be credit worthy. Banks are required to provide their most recent Consolidated Report of Condition (Call Report) at the request of the Town. Security dealers not affiliated with a bank are required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The chief fiscal officer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

The Town Supervisor is authorized to contract for the purpose of investments: (1) directly, including through a repurchase agreement, from an authorized trading partner, (2) by participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board; and (3) by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the Town, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Town, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Town a perfected interest in the securities.

Repurchase agreements are authorized subject to the following restrictions: (1) all repurchase agreements must be entered into subject to a Master Repurchase Agreement; (2) trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers; (3) obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America; (4) no substitution of securities will be allowed; and (5) the custodian shall be a party other than the trading partner.

Budgetary Procedures

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before August 15th. After reviewing these estimates, the budget officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before October 5th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is generally required to be held on the Thursday immediately following the general election. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor. However, any changes or modifications to the annual budget including the transfer of appropriations among line items must be approved by resolution of the Town Board.

Budget Summaries for the 2016 and 2017 fiscal years may be found in Appendix A, herein.

Financial Operations

The Supervisor functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities. Pursuant to Section 30 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and the issuance of bonds or notes.

Town finances are operated primarily through the General and Special Revenue Funds. The General Fund receives most of its revenue from real property tax and State aid. Current operating expenditures are paid from these funds subject to available appropriations. The Special Revenue Funds are made up of the Town outside Village, Highway, Sewer, Sanitation, Lighting, Ambulance and Water Funds. The primary source of income for these districts comes from special assessments levied against district properties at the same time real estate taxes are levied. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

Revenues

The Town receives most of its revenues from a real property tax on all non-exempt property situated within the Town and from State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A. (See "*Real Property Tax Information*" herein).

State Aid

The Town receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the unaudited financial statements of the Town, the Town received approximately 4.55% of its total General Fund operating revenue from State aid in 2016. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the Town cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years, the Town may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2012 through 2016, inclusive, and the amount budgeted for 2017.

<u>Year Ended</u> <u>December 31:</u>	<u>Total General Fund</u>		<u>State Aid</u>	
	<u>Town Revenue</u>		<u>State Aid</u>	<u>To Revenues (%)</u>
2012	\$ 6,461,812	\$	89,285	1.38
2013	6,577,845		42,330	0.64
2014	6,684,186		35,552	0.53
2015	6,833,848		53,333	1.00
2016 (Unaudited)	7,038,382		320,380	4.55
2017 (Budgeted)	6,889,301		632,340	9.18

Expenditures

The major categories of expenditure for the Town are General Government Support, Public Safety, Transportation, Economic Assistance and Opportunity, Home and Community Services, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A hereof.

Employee Pension System

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the State and Local Police and Fire Retirement System ("PFRS" and together with ERS, the "Retirement System"). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for "Tier 6" employees, as discussed below, whose benefits vest after ten years or credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Due to significant capital market declines in the past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Members of the PFRS are divided into four tiers. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. PFRS members that were hired between July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. PFRS members hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution. PFRS members hired after April 1, 2012 are in Tier 6, which also originally has a 3% contribution requirement for members for fiscal year 2012-2013; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

The Town has not chosen to amortize any of its Retirement System contributions and all payments have been made in December, prior to the scheduled payment date in February.

Required Contributions to the Retirement Systems

<u>FYE Dec 31:</u>	<u>PFRS</u>	<u>ERS</u>
2012	\$270,328	\$397,389
2013	369,918	383,643
2014	360,558	464,587
2015	260,332	383,666
2016	322,553	346,512
2017 (Budget)	420,000	541,050

Other Post Employment Benefits

The Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Accounting rules now require governmental entities, such as the Town, to account for post-retirement health care benefits as its accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") described below requires such accounting.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities to account for OPEB liabilities in the same manner as they already account for pension liabilities. It requires them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities to report a net OPEB obligation at the start.

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

The Town has not conducted the actuarial valuation. The Town provides health insurance coverage for retired employees. Substantially all of the Town's full time employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

During the year, \$139,704 was paid on behalf of 15 retirees and recorded as an expenditure in the General, Highway and Refuse Funds.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein.) Property taxes accounted for approximately 70.06% of total budgeted general fund revenues, for the fiscal year ended 2016. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the Town. (See "*Tax Levy Limit Law*" herein).

The following table presents the total tax levy, by purpose, with adjustments and collection performance for each of the last five fiscal years.

Tax Levies, Collection Records and Tax Rates

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County	\$ 4,378,088	\$ 4,554,571	\$ 4,703,578	\$ 4,834,900	\$ 4,934,083
Town and Highway	5,811,054	6,035,427	6,258,393	6,473,681	6,501,864
Sewer	647,272	761,698	625,326	651,535	687,480
Water	125,854	121,266	44,023	132,759	189,605
Fire	1,189,861	1,221,957	1,233,581	1,242,466	1,285,345
Refuse	519,527	539,664	569,283	571,303	571,303
Relevy	61,015	72,304	68,866	45,365	67,960
Total Tax Levy	<u>\$ 12,732,671</u>	<u>\$ 13,306,887</u>	<u>\$ 13,503,050</u>	<u>\$ 13,952,009</u>	<u>\$ 14,237,640</u>
Assessed Valuation	\$ 791,935,371	\$ 790,452,431	\$ 803,044,946	\$ 805,457,752	\$ 805,489,605

The following table sets forth the percentage of the Town's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2012 through 2016, inclusive.

<u>FYE Dec 31:</u>	<u>Total General Fund Town Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues (%)</u>
2012	6,461,812	4,500,381	69.65
2013	6,577,845	4,505,958	68.42
2014	6,684,186	4,685,474	67.41
2015	6,833,848	4,764,885	68.56
2016 (Unaudited)	7,038,382	4,931,027	70.06

Tax Collection Procedure

Taxes are due January 1, payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In April, the tax roll is returned to the County and taxes plus penalties are payable to the County Commissioner of Finances. The Town retains the total amount of Town, Highway, Special District and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

As far as the Town is concerned there are no uncollected taxes. Payment in full of all Town items is guaranteed by the County.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law, as amended, imposes a tax levy limitation upon the Town for any fiscal year commencing after January 1, 2012 continuing through June 15, 2020, as extended, or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town to pay the bonds and notes of the Town and interest thereon is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit 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 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 Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, 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 Limit 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 is authorized to 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 governing board of the Town, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

Large Taxable Properties
2016 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Orange County Industrial	Warehouse	\$ 21,773,000
Chester Mall Partners.	Retail	12,298,000
Hudson Transit Lines	Bus	10,147,000
Pep Boys.	Warehouse	9,223,000
Chester Logistics	Warehouse	8,501,700
Meadow Hill Apts LLC	Apartments	7,290,500
Isomedix	Industrial	5,946,800
Chester Logistics LLC	Warehouse	5,727,800
Orange and Rockland	Utility	5,460,000
Chester Investment	Warehouse	5,168,000
Pa Leone LLC	Psychologists	5,072,650
Nexan	Manufacturing	4,675,000
Spirit Lo Chester NY, LLC	Retail	4,607,000
Church Communities NY	Transportation	4,242,500
Orange & Rockland	Utility	3,847,255
Total ^b		<u><u>\$113,980,205</u></u>

a. Assessment Roll established in 2016 for levy and collection of taxes in 2017.

b. Represents 14.15% of the 2017 Taxable Assessed Valuation of the Town.

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial conditions of the Town.

There is one matter worthy of special mention

Steven M. Sherman vs. Town of Chester, et al – In a case that originated in May, 2008, and filed again on January 12, 2012, this action arises from a residential site plan and subdivision application before the Town of Chester Planning Board, which sought the approval of a multi-unit residential development, as well as a community golf course, equestrian facility, clubhouse and onsite restaurant. Plaintiff/Petitioner alleges that the Town and its various agencies, has systematically delayed and sought to defeat the approval of the application. In this action, Plaintiff/Petitioner asserts ten claims, seeking declaratory relief compelling the approval of the application, as well as compensatory relief in the amount of \$31 million as a result of the alleged federal constitutional violations. The Town has denied all wrong doing and intends vigorously to defend this action and to contest all asserted claims.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Notes, and Bond Counsel has assumed compliance by the Town with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Notes. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Notes, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Notes. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Note should consult their own tax advisors regarding the treatment of note premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of Note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Notes under Federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the Town with respect to the Notes, which will be available at the time of delivery of the Notes, substantially as set forth in Appendix C.

Closing Certificates

Upon the delivery of the Notes, the Purchaser will be furnished with the following items: (i) a Certificate of the Town Supervisor of the Town to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement up to and including the time of delivery of the Notes, and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by the Town Supervisor evidencing payment for the Notes; (iii) a Signature Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal thereof and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of any of the officers thereof to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) a Tax Certificate executed by the Town Supervisor, as described under "*Tax Matters*".

DISCLOSURE UNDERTAKING

At the time of the delivery of the Notes, the Town will provide an executed copy of its Undertaking to Provide Notices of Events substantially as set forth in Appendix D.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from Alex Jamieson, Town Supervisor, Town of Chester, Town Hall, 1786 Kings Highway, Chester, NY 10918, Phone (845) 469-2796, Fax (845) 469-9242 and email: ajamieson@thetownofchester.org or from Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Town which delegates to the Town Supervisor the power to sell and issue the Notes.

By: s/s ALEX JAMIESON
Supervisor and Chief Fiscal Officer
Town of Chester
Chester, NY

May , 2017

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Funds (Town-Wide and Town Outside of Village)

	Fiscal Year Ending December 31:				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:					
Real Property Taxes	\$ 4,500,381	\$ 4,505,958	\$ 4,685,474	\$ 4,764,885	\$ 4,931,027
Real Property Tax Items	116,902	156,363	150,749	168,927	178,649
Non-Property Taxes	809,144	1,047,249	1,000,818	1,039,214	1,011,753
Departmental Income	376,245	240,543	330,197	293,608	314,398
Mortgage Tax	237,086	309,077	180,634	240,965	0
Licenses & Permits	11,923	11,288	11,051	10,119	10,832
Use of Money and Property	10,823	9,173	9,727	7,135	8,552
Sale of Property	63,820	18,668	5,963	18,371	5,288
Fines & Forfeitures	182,652	170,888	181,401	198,446	212,651
Miscellaneous	13,622	22,908	14,960	18,696	24,024
Intergovernmental Charges			16,039		14,429
Interfund Revenues	15,897	14,127		19,159	0
Federal Aid	34,032	29,273	61,621	990	363
State Aid	89,285	42,330	35,552	53,333	326,416
	<u>\$ 6,461,812</u>	<u>\$ 6,577,845</u>	<u>\$ 6,684,186</u>	<u>\$ 6,833,848</u>	<u>\$ 7,038,382</u>
Total Revenues					
Expenditures:					
General Government Support	\$ 1,248,029	\$ 1,407,037	\$ 1,634,672	\$ 1,493,923	\$ 1,669,368
Public Safety	1,579,649	1,911,579	1,825,958	1,801,844	1,944,063
Health	55,534	34,934	5,370	1,380	1,820
Transportation	311,195	315,944	273,825	261,787	288,279
Economic Assistance & Opportunity	25,828	26,021	25,295	25,978	27,870
Culture and Recreation	620,436	624,098	713,186	622,487	669,567
Home and Community Services	119,679	117,803	102,593	103,896	120,104
Employee Benefits	1,499,907	1,647,298	1,624,856	1,565,753	1,781,538
Debt Service	587,504	628,366	625,996	438,944	437,928
	<u>\$ 6,047,761</u>	<u>\$ 6,713,080</u>	<u>\$ 6,831,751</u>	<u>\$ 6,315,992</u>	<u>\$ 6,940,537</u>
Total Expenditures					
Other Financing Sources (Uses):					
Proceeds of Bonds					
Operating Transfers In		3,580			
Operating Transfers Out					
Total Other Financing Sources and Uses	<u>0</u>	<u>3,580</u>	<u>0</u>	<u>0</u>	
Excess (Deficiency) of					
Revenues over Expenditures	414,051	(131,655)	(147,565)	517,856	97,845
Adjustments					
Fund Balance Beginning of Year	<u>488,130</u>	<u>902,181</u>	<u>770,526</u>	<u>622,961</u>	<u>1,140,817</u>
Fund Balance End of Year	<u>\$ 902,181</u>	<u>\$ 770,526</u>	<u>\$ 622,961</u>	<u>\$ 1,140,817</u>	<u>\$ 1,238,662</u>

Sources: Audited Annual Financial Reports of the Town (2010-2015) & Unaudited Financial Report Update Document (2016)

Statement of Revenues, Expenditures and Fund Balances
Special Revenue Funds*

	Fiscal Year Ending December 31:				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:					
Real Property Taxes	\$ 2,437,067	\$ 2,598,420	\$ 2,774,597	\$ 2,735,250	\$ 2,834,289
Non Property Taxes	256,903	288,418	299,317	284,158	325,590
Departmental Income	429,032	412,542	421,919	413,742	426,544
Licenses and Permits	650	450	450	850	1,000
Use of Money and Property	7,312	7,528	6,595	5,672	4,298
Sale of Property	3,195	10,749	7,681	3,078	1,330
Miscellaneous	15		7,876	10,682	546
Intergovernmental Charges	55,836	55,836	55,836	55,836	56,430
Federal Aid	295,190	231,179			
State Aid	66,550	83,893	92,985	95,265	102,982
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 3,551,750	\$ 3,689,015	\$ 3,667,256	\$ 3,604,533	\$ 3,753,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures:					
General Governmental Support			14,833	5,953	12,600
Transportation	1,166,273	1,580,058	1,465,636	1,460,336	1,519,971
Home and Community Service	1,381,879	1,412,061	1,584,108	1,649,798	1,481,497
Employee Benefits	483,116	462,601	524,528	535,796	543,744
Debt Service	381,871	174,149	173,764	143,270	152,356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 3,413,139	\$ 3,628,869	\$ 3,762,869	\$ 3,795,153	\$ 3,710,168
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources (Uses):					
Proceeds of BANs					
Operating Transfers In		258,787			
Operating Transfers Out					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources and Uses	0	258,787	0	0	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over Expenditures	138,611	318,933	(95,613)	(190,620)	42,841
Adjustments	46,951				
Fund Balance Beginning of Year	<u>1,371,683</u>	<u>1,557,245</u>	<u>1,876,178</u>	<u>1,780,565</u>	<u>1,713,490</u>
Fund Balance End of Year	\$ <u>1,557,245</u>	\$ <u>1,876,178</u>	\$ <u>1,780,565</u>	\$ <u>1,589,945</u>	\$ <u>1,756,331</u>

* Includes Highway, Sewer, Water and Garbage Districts.

Sources: Audited Annual Financial Reports of the Town (2010-2015) & Unaudited Financial Report Update Document (2016)

Balance Sheets
Fiscal Year Ending December 31, 2016

	General <u>Funds</u>	Special Revenue <u>Funds</u>
ASSETS:		
Cash	\$ 508,115	\$ 1,297,390
Water Rents		51,188
Due from Other Funds	161	67,961
Due from Other Governments	68,961	
Restricted Assets	<u>3,614</u>	<u>310,572</u>
 Total Assets	 \$ <u>580,851</u>	 \$ <u>1,727,111</u>
LIABILITIES:		
Accounts Payable	39,823	114,325
Due to Other Funds	68,961	
Due to Other Governments		
 Total Liabilities	 \$ <u>108,784</u>	 \$ <u>114,325</u>
FUND BALANCES:		
Restricted	3,614	310,398
Assigned	200,000	1,302,388
Unassigned	<u>268,453</u>	
 Total Fund Balances	 <u>472,067</u>	 <u>1,612,786</u>
 Total Liabilities and Fund Balance	 \$ <u>580,851</u>	 \$ <u>1,727,111</u>

* Includes Highway, Sewer, Water and Garbage Districts.

Source: 2016 Unaudited Annual Financial Report Update Document of the Town.

This table NOT audited.

Budget Summaries - Fiscal Year Ending December 31, 2017

<u>Fund</u>	<u>Appropriations</u>	Less: <u>Estimated</u> <u>Revenue</u>	Less: <u>Unexpended</u> <u>Balance</u>	<u>Amount of</u> <u>Tax Levy</u>
General	\$ 4,087,499	\$ 1,004,325	\$ 200,000	\$ 2,883,174
General Outside Village	3,356,802	1,078,566	355,000	1,923,236
Highway Townwide	1,111,576	59,336	50,000	1,002,240
Highway- Outside Village	1,140,274	327,060	120,000	693,214
Water Funds	831,625	429,020	213,000	189,605
Sewer Funds	705,292	17,703		687,589
Garbage District	591,682	3,100		588,582
	<u>\$ 11,824,750</u>	<u>\$ 2,919,110</u>	<u>\$ 938,000</u>	<u>\$ 7,967,640</u>

Source: 2017 Adopted Budget

TOWN OF CHESTER

APPENDIX B

**ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

TOWN of Chester

County of Orange

For the Fiscal Year Ended 12/31/2016

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF Chester

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2015 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2016:

- (A) GENERAL
- (B) GENERAL TOWN-OUTSIDE VG
- (DA) HIGHWAY-TOWN-WIDE
- (DB) HIGHWAY-PART-TOWN
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SR) REFUSE AND GARBAGE
- (SS) SEWER
- (SW) WATER
- (TA) AGENCY
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2015 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	441,725	A200	60,388
Cash In Time Deposits	67,330	A201	447,677
Petty Cash	50	A210	50
TOTAL Cash	509,105		508,115
Due From Other Funds	162	A391	161
TOTAL Due From Other Funds	162		161
Due From Other Governments	71,196	A440	68,961
TOTAL Due From Other Governments	71,196		68,961
Cash Special Reserves	3,608	A230	3,614
TOTAL Restricted Assets	3,608		3,614
TOTAL Assets and Deferred Outflows of Resources	584,071		580,851

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Balance Sheet

Code Description	2015	EdpCode	2016
Accounts Payable	14,555	A600	39,823
TOTAL Accounts Payable	14,555		39,823
Due To Other Funds		A630	68,961
TOTAL Due To Other Funds	0		68,961
TOTAL Liabilities	14,555		108,784
Fund Balance			
Capital Reserve	3,608	A878	3,614
TOTAL Restricted Fund Balance	3,608		3,614
Assigned Appropriated Fund Balance	191,997	A914	200,000
TOTAL Assigned Fund Balance	191,997		200,000
Unassigned Fund Balance	302,715	A917	268,453
TOTAL Unassigned Fund Balance	302,715		268,453
TOTAL Fund Balance	498,320		472,067
TOTAL Liabilities, Deferred Inflows And Fund Balance	512,875		580,851

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	2,759,770	A1001	2,912,608
TOTAL Real Property Taxes	2,759,770		2,912,608
Other Payments In Lieu of Taxes	155,817	A1081	174,759
Interest & Penalties On Real Prop Taxes	13,110	A1090	3,890
TOTAL Real Property Tax Items	168,927		178,649
Tax Collector Fees	165	A1232	19,560
Clerk Fees	2,141	A1255	2,151
Park And Recreational Charges	84,010	A2001	67,230
Other Culture & Recreation Income	28,832	A2089	7,835
TOTAL Departmental Income	115,148		96,776
Interest And Earnings	3,765	A2401	5,379
TOTAL Use of Money And Property	3,765		5,379
Dog Licenses	10,074	A2544	10,682
TOTAL Licenses And Permits	10,074		10,682
Fines And Forfeited Bail	197,246	A2610	211,901
Fines & Pen-Dog Cases	1,200	A2611	750
TOTAL Fines And Forfeitures	198,446		212,651
Other Compensation For Loss		A2690	3,139
TOTAL Sale of Property And Compensation For Loss	0		3,139
Refunds of Prior Year's Expenditures	534	A2701	3,242
Gifts And Donations	16,250	A2705	13,000
Unclassified (specify)	831	A2770	1,750
TOTAL Miscellaneous Local Sources	17,615		17,992
St Aid, Revenue Sharing	27,894	A3001	32,894
St Aid, Mortgage Tax	240,965	A3005	275,570
St Aid, Other Public Safety	5,116	A3389	11,916
St Aid, Conservation Programs	597	A3910	
TOTAL State Aid	274,572		320,380
TOTAL Revenues	3,548,317		3,758,256
TOTAL Detail Revenues And Other Sources	3,548,317		3,758,256

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Legislative Board, Pers Serv	47,676	A10101	59,820
Legislative Board, Contr Expend	5,763	A10104	6,593
TOTAL Legislative Board	53,439		66,413
Municipal Court, Pers Serv	187,850	A11101	211,281
Municipal Court, Contr Expend	15,475	A11104	10,892
TOTAL Municipal Court	203,325		222,173
Supervisor, pers Serv	186,293	A12201	186,030
Supervisor, equip & Cap Outlay		A12202	231
Supervisor, contr Expend	10,741	A12204	11,122
TOTAL Supervisor	197,034		197,383
Auditor, Contr Expend	11,300	A13204	11,525
TOTAL Auditor	11,300		11,525
Tax Collection, pers Serv	14,295	A13301	16,723
Tax Collection, contr Expend	3,512	A13304	12,033
TOTAL Tax Collection	17,807		28,756
Budget, Pers Serv	9,300	A13401	12,000
TOTAL Budget	9,300		12,000
Assessment, Pers Serv	41,326	A13551	46,167
Assessment, Equip & Cap Outlay		A13552	20,694
Assessment, Contr Expend	94,318	A13554	155,556
TOTAL Assessment	135,644		222,417
Tax Arrears Board, Pers Serv	2,772	A13601	2,902
Tax Arrears Board, Contr Expend	137	A13604	
TOTAL Tax Arrears Board	2,909		2,902
Clerk, pers Serv	156,987	A14101	191,975
Clerk, contr Expend	9,058	A14104	12,563
TOTAL Clerk	166,045		204,538
Law, Contr Expend	140,805	A14204	120,010
TOTAL Law	140,805		120,010
Elections, Contr Expend	12,066	A14504	12,857
TOTAL Elections	12,066		12,857
Records Mgmt, PerS. SerV.		A14601	8,631
Records Mgmt, Contr Expend	2,256	A14604	4,561
TOTAL Records Mgmt	2,256		13,192
Buildings, Pers Serv	26,789	A16201	29,572
Buildings, Equip & Cap Outlay	25,769	A16202	7,850
Buildings, Contr Expend	159,536	A16204	120,528
TOTAL Buildings	212,094		157,950
Unallocated Insurance, Contr Expend	167,842	A19104	175,235
TOTAL Unallocated Insurance	167,842		175,235
Municipal Assn Dues, Contr Expend	2,350	A19204	2,200
TOTAL Municipal Assn Dues	2,350		2,200
Judgements And Claims, Contr Expend	21,612	A19304	1,893
TOTAL Judgements And Claims	21,612		1,893

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Payment of Mta Payroll Tax,contr Expend	4,328	A19804	4,837
TOTAL Payment of Mta Payroll Tax	4,328		4,837
TOTAL General Government Support	1,360,156		1,456,281
Control of Animals, Contr Expend	34,643	A35104	35,467
TOTAL Control of Animals	34,643		35,467
Civil Defense, Pers Serv	100	A36401	100
TOTAL Civil Defense	100		100
TOTAL Public Safety	34,743		35,567
Street Admin, Pers Serv	151,755	A50101	157,801
Street Admin, Contr Expend	29,812	A50104	23,896
TOTAL Street Admin	181,567		181,697
Garage, Pers Serv	9,008	A51321	8,585
Garage, Contr Expend	34,976	A51324	47,824
TOTAL Garage	43,984		56,409
Bus Operations, Contr Expend	25,000	A56304	40,972
TOTAL Bus Operations	25,000		40,972
TOTAL Transportation	250,551		279,078
Publicity, Contr Expend		A64104	500
TOTAL Publicity	0		500
Programs For Aging, Contr Expend	25,978	A67724	27,370
TOTAL Programs For Aging	25,978		27,370
TOTAL Economic Assistance And Opportunity	25,978		27,870
Parks, Pers Serv	22,920	A71101	21,999
Parks, Equip & Cap Outlay	13,525	A71102	
Parks, Contr Expend	32,309	A71104	35,171
TOTAL Parks	68,754		57,170
Playgr & Rec Centers, Pers Serv	108,474	A71401	148,359
Playgr & Rec Centers, Equip & Cap Outlay	4,354	A71402	
Playgr & Rec Centers, Contr Expend	38,410	A71404	42,825
TOTAL Playgr & Rec Centers	151,238		191,184
Joint Youth Prog, Pers Serv	50,545	A73201	54,691
Joint Youth Prog, Contr Expend	23,463	A73204	24,637
TOTAL Joint Youth Prog	74,008		79,328
Library, Pers Serv	255,667	A74101	265,284
Library, Contr Expend	68,594	A74104	72,000
TOTAL Library	324,261		337,284
Historian, Pers Serv	1,306	A75101	1,344
Historian, Contr Expend	2,920	A75104	3,257
TOTAL Historian	4,226		4,601
TOTAL Culture And Recreation	622,487		669,567
State Retirement System	174,529	A90108	163,245
Social Security, Employer Cont	95,985	A90308	107,284
Worker's Compensation, Empl Bnfts	85,472	A90408	83,991
Unemployment Insurance, Empl Bnfts	459	A90508	1,188
Disability Insurance, Empl Bnfts	2,246	A90558	2,397

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Hospital & Medical (dental) Ins, Empl Bnft	420,148	A90608	520,113
TOTAL Employee Benefits	778,839		878,218
Debt Principal, Serial Bonds	372,939	A97106	375,000
TOTAL Debt Principal	372,939		375,000
Debt Interest, Serial Bonds	66,005	A97107	62,928
TOTAL Debt Interest	66,005		62,928
TOTAL Expenditures	3,511,698		3,784,509
TOTAL Detail Expenditures And Other Uses	3,511,698		3,784,509

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	461,701	A8021	498,320
Restated Fund Balance - Beg of Year	461,701	A8022	498,320
ADD - REVENUES AND OTHER SOURCES	3,548,317		3,758,256
DEDUCT - EXPENDITURES AND OTHER USES	3,511,698		3,784,509
Fund Balance - End of Year	498,320	A8029	472,067

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	2,912,608	A1049N	2,883,174
Est Rev - Real Property Tax Items	172,000	A1099N	177,000
Est Rev - Departmental Income	91,700	A1299N	87,700
Est Rev - Use of Money And Property	5,000	A2499N	5,000
Est Rev - Licenses And Permits	11,000	A2599N	11,000
Est Rev - Fines And Forfeitures	101,000	A2649N	101,000
Est Rev - Miscellaneous Local Sources	12,425	A2799N	12,425
Est Rev - State Aid	360,200	A3099N	610,200
TOTAL Estimated Revenues	3,665,933		3,887,499
Appropriated Fund Balance	191,997	A599N	200,000
TOTAL Estimated Other Sources	191,997		200,000
TOTAL Estimated Revenues And Other Sources	3,857,930		4,087,499

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - General Government Support	1,353,443	A1999N	1,432,039
App - Public Safety	39,807	A3999N	41,205
App - Transportation	262,315	A5999N	271,806
App - Economic Assistance And Opportunity	28,735	A6999N	29,537
App - Culture And Recreation	703,295	A7999N	804,228
App - Employee Benefits	969,600	A9199N	1,009,099
App - Debt Service	500,735	A9899N	499,585
TOTAL Appropriations	3,857,930		4,087,499
TOTAL Appropriations And Other Uses	3,857,930		4,087,499

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	200,656	B200	154,871
Cash In Time Deposits	449,988	B201	635,969
Petty Cash	100	B210	100
TOTAL Cash	650,744		790,940
Due From Other Funds	2,991	B391	1,000
TOTAL Due From Other Funds	2,991		1,000
TOTAL Assets and Deferred Outflows of Resources	653,735		791,940

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code Description	2015	Edp Code	2016
Accounts Payable	11,238	B600	25,345
TOTAL Accounts Payable	11,238		25,345
TOTAL Liabilities	11,238		25,345
Fund Balance			
Assigned Appropriated Fund Balance	201,500	B914	355,000
Assigned Unappropriated Fund Balance	440,997	B915	411,595
TOTAL Assigned Fund Balance	642,497		766,595
TOTAL Fund Balance	642,497		766,595
TOTAL Liabilities, Deferred Inflows And Fund Balance	653,735		791,940

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(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	2,005,115	B1001	2,018,419
TOTAL Real Property Taxes	2,005,115		2,018,419
Sales Tax (from County)	934,767	B1120	904,156
Franchises	104,447	B1170	107,597
TOTAL Non Property Tax Items	1,039,214		1,011,753
Police Department Fees	685	B1520	752
Safety Inspection Fees	162,126	B1560	203,818
Vital Statistics Fees	890	B1603	1,820
Zoning Fees	2,386	B2110	703
Planning Board Fees	12,373	B2115	10,529
TOTAL Departmental Income	178,460		217,622
Public Safety Services For Other Govts	19,159	B2260	14,429
TOTAL Intergovernmental Charges	19,159		14,429
Interest And Earnings	2,930	B2401	3,173
Rental of Real Property	440	B2410	
TOTAL Use of Money And Property	3,370		3,173
Permits, Other	45	B2590	150
TOTAL Licenses And Permits	45		150
Sales of Equipment	8,391	B2665	123
Insurance Recoveries	9,980	B2680	2,026
TOTAL Sale of Property And Compensation For Loss	18,371		2,149
Refunds of Prior Year's Expenditures	21	B2701	
Unclassified (specify)	1,060	B2770	6,032
TOTAL Miscellaneous Local Sources	1,081		6,032
St Aid, Other Aid For Public Safety	19,726	B3389	6,036
TOTAL State Aid	19,726		6,036
Federal Aid - Other	990	B4089	363
TOTAL Federal Aid	990		363
TOTAL Revenues	3,285,531		3,280,126
TOTAL Detail Revenues And Other Sources	3,285,531		3,280,126

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(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Engineer, Contr Expend	72,525	B14404	150,335
TOTAL Engineer	72,525		150,335
Buildings, Contr Expend		B16204	3,075
TOTAL Buildings	0		3,075
Unallocated Insurance, Contr Expend	52,486	B19104	51,808
TOTAL Unallocated Insurance	52,486		51,808
Judgements And Claims, Contr Expend	3,022	B19304	1,473
TOTAL Judgements And Claims	3,022		1,473
Payment of Mta Payroll Tax, Contr Expend	5,734	B19804	6,396
TOTAL Payment of Mta Payroll Tax	5,734		6,396
TOTAL General Government Support	133,767		213,087
Police, Pers Serv	1,486,964	B31201	1,646,396
Police, Equip & Cap Outlay	40,469	B31202	
Police, Contr Expend	111,591	B31204	123,915
TOTAL Police	1,639,024		1,770,311
Safety Inspection, Pers Serv	124,058	B36201	132,067
Safety Inspection, Contr Expend	4,019	B36204	6,118
TOTAL Safety Inspection	128,077		138,185
TOTAL Public Safety	1,767,101		1,908,496
Registrar of Vital Stat Contr Expend	1,380	B40204	1,820
TOTAL Registrar of Vital Stat Contr Expend	1,380		1,820
TOTAL Health	1,380		1,820
Street Lighting, Contr Expend	11,236	B51824	9,201
TOTAL Street Lighting	11,236		9,201
TOTAL Transportation	11,236		9,201
Zoning, Pers Serv	15,709	B80101	10,646
Zoning, Contr Expend	7,077	B80104	1,497
TOTAL Zoning	22,786		12,143
Planning, Pers Serv	59,834	B80201	92,431
Planning, Contr Expend	21,276	B80204	15,530
TOTAL Planning	81,110		107,961
TOTAL Home And Community Services	103,896		120,104
State Retirement, Empl Bnfts	31,557	B90108	31,713
Police & Firemen Retirement, Empl Bnfts	260,224	B90158	322,558
Social Security , Empl Bnfts	126,387	B90308	138,395
Worker's Compensation, Empl Bnfts	54,111	B90408	53,440
Life Insurance, Empl Bnfts	1,030	B90458	896
Unemployment Insurance, Empl Bnfts	3,416	B90508	
Disability Insurance, Empl Bnfts	1,443	B90558	1,485
Hospital & Medical (dental) Ins, Empl Bnft	308,746	B90608	354,833
TOTAL Employee Benefits	786,914		903,320
TOTAL Expenditures	2,804,294		3,156,028
TOTAL Detail Expenditures And Other Uses	2,804,294		3,156,028

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(B) GENERAL TOWN-OUTSIDE VG

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	161,260	B8021	642,497
Restated Fund Balance - Beg of Year	161,260	B8022	642,497
ADD - REVENUES AND OTHER SOURCES	3,285,531		3,280,126
DEDUCT - EXPENDITURES AND OTHER USES	2,804,294		3,156,028
Fund Balance - End of Year	642,497	B8029	766,595

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(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	2,018,419	B1049N	1,923,236
Est Rev - Non Property Tax Items	920,000	B1199N	920,000
Est Rev - Departmental Income	115,029	B1299N	114,829
Est. Rev. - Intergovernmental Charges	14,000	B2399N	11,000
Est Rev - Use of Money And Property	3,000	B2499N	3,000
Est Rev - Sale of Prop And Comp For Loss	3,250	B2699N	5,000
Est Rev-Miscellaneous Local Sources	1,096	B2799N	1,097
Est Rev-State Aid	23,878	B3099N	22,140
Est Rev - Federal Aid	1,500	B4099N	1,501
TOTAL Estimated Revenues	3,100,172		3,001,803
Appropriated Fund Balance	201,500	B599N	355,000
TOTAL Estimated Other Sources	201,500		355,000
TOTAL Estimated Revenues And Other Sources	3,301,672		3,356,803

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(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - General Government Support	111,500	B1999N	95,750
App - Public Safety	1,863,925	B3999N	2,067,241
App - Health	1,525	B4999N	1,571
App - Transportation	3,500	B5999N	3,500
App - Home And Community Services	169,232	B8999N	123,761
App - Employee Benefits	1,151,990	B9199N	1,064,980
TOTAL Appropriations	3,301,672		3,356,803
TOTAL Appropriations And Other Uses	3,301,672		3,356,803

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	81,926	DA200	100,493
Cash In Time Deposits	70,463	DA201	171,518
Petty Cash	200	DA210	200
TOTAL Cash	152,589		272,211
Cash Special Reserves	36,895	DA230	36,955
TOTAL Restricted Assets	36,895		36,955
TOTAL Assets and Deferred Outflows of Resources	189,484		309,166

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2015	EdpCode	2016
Accounts Payable	380	DA600	53,702
TOTAL Accounts Payable	380		53,702
TOTAL Liabilities	380		53,702
Fund Balance			
Other Restricted Fund Balance	36,895	DA899	36,813
TOTAL Restricted Fund Balance	36,895		36,813
Assigned Appropriated Fund Balance	100,000	DA914	50,000
Assigned Unappropriated Fund Balance	52,209	DA915	168,651
TOTAL Assigned Fund Balance	152,209		218,651
TOTAL Fund Balance	189,104		255,464
TOTAL Liabilities, Deferred Inflows And Fund Balance	189,484		309,166

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	775,904	DA1001	945,693
TOTAL Real Property Taxes	775,904		945,693
Snow Removal Services-Other Govts	55,836	DA2302	56,430
TOTAL Intergovernmental Charges	55,836		56,430
Interest And Earnings	1,212	DA2401	1,265
TOTAL Use of Money And Property	1,212		1,265
Sales of Equipment	1,840	DA2665	
TOTAL Sale of Property And Compensation For Loss	1,840		0
Refunds of Prior Year's Expenditures	1,417	DA2701	383
TOTAL Miscellaneous Local Sources	1,417		383
TOTAL Revenues	836,209		1,003,771
TOTAL Detail Revenues And Other Sources	836,209		1,003,771

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Payment of Mta Payroll Tax, Contr Expend	1,076	DA19804	989
TOTAL Payment of Mta Payroll Tax	1,076		989
TOTAL General Government Support	1,076		989
Machinery, Pers Serv	130,731	DA51301	134,574
Machinery, Equip & Cap Outlay	41,049	DA51302	124,619
Machinery, Contr Expend	127,853	DA51304	120,703
TOTAL Machinery	299,633		379,896
Brush And Weeds, Pers Serv	85,709	DA51401	93,579
Brush And Weeds, Contr Expend	20,054	DA51404	12,346
TOTAL Brush And Weeds	105,763		105,925
Snow Removal, Pers Serv	100,039	DA51421	61,295
Snow Removal, Contr Expend	178,305	DA51424	169,783
TOTAL Snow Removal	278,344		231,078
TOTAL Transportation	683,740		716,899
State Retirement, Empl Bnfts	73,965	DA90108	62,158
Social Security , Empl Bnfts	24,109	DA90308	22,129
Worker's Compensation, Empl Bnfts	20,743	DA90408	20,485
Disability Insurance, Empl Bnfts	349	DA90558	360
Hospital & Medical (dental) Ins, Empl Bnft	99,302	DA90608	114,391
TOTAL Employee Benefits	218,468		219,523
TOTAL Expenditures	903,284		937,411
TOTAL Detail Expenditures And Other Uses	903,284		937,411

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(DA) HIGHWAY-TOWN-WIDE

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	256,179	DA8021	189,104
Restated Fund Balance - Beg of Year	256,179	DA8022	189,104
ADD - REVENUES AND OTHER SOURCES	836,209		1,003,771
DEDUCT - EXPENDITURES AND OTHER USES	903,284		937,411
Fund Balance - End of Year	189,104	DA8029	255,464

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	945,693	DA1049N	1,002,240
Est. ReV. - Intergovernmental Charges	55,836	DA2399N	55,836
Est Rev - Use of Money And Property	1,000	DA2499N	1,000
Est Rev - Sale of Prop And Comp For Loss	2,500	DA2699N	2,500
TOTAL Estimated Revenues	1,005,029		1,061,576
Appropriated Fund Balance	100,000	DA599N	50,000
TOTAL Estimated Other Sources	100,000		50,000
TOTAL Estimated Revenues And Other Sources	1,105,029		1,111,576

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(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Transportation	848,826	DA5999N	854,051
App - Employee Benefits	256,203	DA9199N	257,525
TOTAL Appropriations	1,105,029		1,111,576
TOTAL Appropriations And Other Uses	1,105,029		1,111,576

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(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	235,086	DB200	182,896
Cash In Time Deposits	54,761	DB201	105,467
TOTAL Cash	289,847		288,363
TOTAL Assets and Deferred Outflows of Resources	289,847		288,363

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(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code Description	2015	ExpCode	2016
Accounts Payable	1,281	DB600	7,168
TOTAL Accounts Payable	1,281		7,168
TOTAL Liabilities	1,281		7,168
Fund Balance			
Assigned Appropriated Fund Balance	70,000	DB914	120,000
Assigned Unappropriated Fund Balance	218,566	DB915	161,195
TOTAL Assigned Fund Balance	288,566		281,195
TOTAL Fund Balance	288,566		281,195
TOTAL Liabilities, Deferred Inflows And Fund Balance	289,847		288,363

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(DB) HIGHWAY-PART-TOWN

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	718,859	DB1001	599,398
TOTAL Real Property Taxes	718,859		599,398
Sales Tax (from County)	284,158	DB1120	325,590
TOTAL Non Property Tax Items	284,158		325,590
Interest And Earnings	1,111	DB2401	885
TOTAL Use of Money And Property	1,111		885
Street Opening Permits	850	DB2560	1,000
TOTAL Licenses And Permits	850		1,000
Sales of Scrap & Excess Materials	1,238	DB2650	1,330
TOTAL Sale of Property And Compensation For Loss	1,238		1,330
Unclassified (specify)	9,235	DB2770	30
TOTAL Miscellaneous Local Sources	9,235		30
St Aid, Consolidated Highway Aid	95,265	DB3501	102,982
TOTAL State Aid	95,265		102,982
TOTAL Revenues	1,110,716		1,031,215
TOTAL Detail Revenues And Other Sources	1,110,716		1,031,215

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(DB) HIGHWAY-PART-TOWN

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Judgements And Claims, Contr Expend	1,025	DB19304	481
TOTAL Judgements And Claims	1,025		481
Payment of Mta Payroll Tax, Contr Expend	1,671	DB19804	1,732
TOTAL Payment of Mta Payroll Tax	1,671		1,732
TOTAL General Government Support	2,696		2,213
Maint of Streets, Pers Serv	491,453	DB51101	510,596
Maint of Streets, Contr Expend	249,758	DB51104	257,053
TOTAL Maint of Streets	741,211		767,649
Brush And Weeds, Pers Serv		DB51401	
Brush And Weeds, Contr Expend	35,385	DB51404	35,423
TOTAL Brush And Weeds	35,385		35,423
TOTAL Transportation	776,596		803,072
State Retirement, Empl Bnfts	73,965	DB90108	62,158
Social Security, Empl Bnfts	37,261	DB90308	38,591
Worker's Compensation, Empl Bnfts	20,743	DB90408	20,485
Disability Insurance, Empl Bnfts	360	DB90558	360
Hospital & Medical (dental) Ins, Empl Bnft	97,082	DB90608	111,707
TOTAL Employee Benefits	229,411		233,301
TOTAL Expenditures	1,008,703		1,038,586
TOTAL Detail Expenditures And Other Uses	1,008,703		1,038,586

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(DB) HIGHWAY-PART-TOWN

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	186,553	DB8021	288,566
Restated Fund Balance - Beg of Year	186,553	DB8022	288,566
ADD - REVENUES AND OTHER SOURCES	1,110,716		1,031,215
DEDUCT - EXPENDITURES AND OTHER USES	1,008,703		1,038,586
Fund Balance - End of Year	288,566	DB8029	281,195

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(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	599,398	DB1049N	693,214
Est Rev - Non Property Tax Items	325,000	DB1199N	325,000
Est Rev - Use of Money And Property	640	DB2499N	640
Est Rev - Licenses And Permits	800	DB2599N	800
Est Rev - Sale of Prop And Comp For Loss	620	DB2699N	620
Est Rev - State Aid	80,000	DB3099N	
TOTAL Estimated Revenues	1,006,458		1,020,274
Appropriated Fund Balance	70,000	DB599N	120,000
TOTAL Estimated Other Sources	70,000		120,000
TOTAL Estimated Revenues And Other Sources	1,076,458		1,140,274

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(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Transportation	819,248	DB5999N	884,649
App - Employee Benefits	257,210	DB9199N	255,625
TOTAL Appropriations	1,076,458		1,140,274
TOTAL Appropriations And Other Uses	1,076,458		1,140,274

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	402,754	H200	
Cash In Time Deposits		H201	28,381
TOTAL Cash	402,754		28,381
TOTAL Assets and Deferred Outflows of Resources	402,754		28,381

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2015	Eqp Code	2016
Bond Anticipation Notes Payable	400,000	H626	380,000
TOTAL Notes Payable	400,000		380,000
TOTAL Liabilities	400,000		380,000
Fund Balance			
Capital Reserve		H878	-380,000
TOTAL Restricted Fund Balance	0		-380,000
Assigned Unappropriated Fund Balance	2,754	H915	28,381
TOTAL Assigned Fund Balance	2,754		28,381
TOTAL Fund Balance	2,754		-351,619
TOTAL Liabilities, Deferred Inflows And Fund Balance	402,754		28,381

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Interest And Earnings	146	H2401	336
TOTAL Use of Money And Property	146		336
Premium & Accrued Interest On Obligations	2,608	H2710	2,021
TOTAL Miscellaneous Local Sources	2,608		2,021
TOTAL Revenues	2,754		2,357
Interfund Transfers		H5031	20,000
TOTAL Interfund Transfers	0		20,000
Bond Anticipation Notes		H5730	
Bans Redeemed From Appropriations		H5731	20,000
TOTAL Proceeds of Obligations	0		20,000
TOTAL Other Sources	0		40,000
TOTAL Detail Revenues And Other Sources	2,754		42,357

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Water Capital Projects, Equip & Cap Outlay		H83972	376,730
TOTAL Water Capital Projects	0		376,730
TOTAL Home And Community Services	0		376,730
Debt Principal, Bond Anticipation Notes		H97306	20,000
TOTAL Debt Principal	0		20,000
TOTAL Expenditures	0		396,730
TOTAL Detail Expenditures And Other Uses	0		396,730

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(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		H8021	2,754
Restated Fund Balance - Beg of Year		H8022	2,754
ADD - REVENUES AND OTHER SOURCES	2,754		42,357
DEDUCT - EXPENDITURES AND OTHER USES			396,730
Fund Balance - End of Year	2,754	H8029	-351,619

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Land	6,212,616	K101	6,212,616
Buildings	4,089,127	K102	4,089,127
Improvements Other Than Buildings	6,430,783	K103	6,807,513
Machinery And Equipment	4,426,187	K104	4,752,103
TOTAL Fixed Assets (net)	21,158,713		21,861,359
TOTAL Assets and Deferred Outflows of Resources	21,158,713		21,861,359

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2015	EdpCode	2016
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	21,158,713	K159	21,861,359
TOTAL Investments in Non-Current Government Assets	21,158,713		21,861,359
TOTAL Fund Balance	21,158,713		21,861,359
TOTAL	21,158,713		21,861,359

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(SR) REFUSE AND GARBAGE

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	52,579	SR200	9,380
Cash In Time Deposits	3,409	SR201	46,424
TOTAL Cash	55,988		55,804
TOTAL Assets and Deferred Outflows of Resources	55,988		55,804

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(SR) REFUSE AND GARBAGE

Balance Sheet

Code Description	2015	Expense	2016
Accounts Payable	47,337	SR600	47,421
TOTAL Accounts Payable	47,337		47,421
TOTAL Liabilities	47,337		47,421
Fund Balance			
Assigned Unappropriated Fund Balance	8,651	SR915	8,383
TOTAL Assigned Fund Balance	8,651		8,383
TOTAL Fund Balance	8,651		8,383
TOTAL Liabilities, Deferred Inflows And Fund Balance	55,988		55,804

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(SR) REFUSE AND GARBAGE

Results of Operation

Code-Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	571,138	SR1001	573,109
TOTAL Real Property Taxes	571,138		573,109
Interest And Earnings	573	SR2401	536
TOTAL Use of Money And Property	573		536
TOTAL Revenues	571,711		573,645
TOTAL Detail Revenues And Other Sources	571,711		573,645

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(SR) REFUSE AND GARBAGE

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Judgements And Claims, Cont Exp	195	SR19304	
TOTAL Judgements And Claims	195		0
Payment of Mta Payroll Tax,contr Expend		SR19804	12
TOTAL Payment of Mta Payroll Tax	0		12
TOTAL General Government Support	195		12
Refuse & Garbage, Pers Serv		SR81601	3,457
Refuse & Garbage, Contr Expend	571,448	SR81604	570,189
TOTAL Refuse & Garbage	571,448		573,646
TOTAL Home And Community Services	571,448		573,646
Social Security, Empl Bnfts		SR90308	255
TOTAL Employee Benefits	0		255
TOTAL Expenditures	571,643		573,913
TOTAL Detail Expenditures And Other Uses	571,643		573,913

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(SR) REFUSE AND GARBAGE

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	8,583	SR8021	8,651
Restated Fund Balance - Beg of Year	8,583	SR8022	8,651
ADD - REVENUES AND OTHER SOURCES	571,711		573,645
DEDUCT - EXPENDITURES AND OTHER USES	571,643		573,913
Fund Balance - End of Year	8,651	SR8029	8,383

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	31,518	SS200	61,739
Cash In Time Deposits	153,237	SS201	138,540
TOTAL Cash	184,755		200,279
Cash In Time Deposits Special Reserves	183,327	SS231	183,616
TOTAL Restricted Assets	183,327		183,616
TOTAL Assets and Deferred Outflows of Resources	368,082		383,895

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Capital Reserve	183,326	SS878	183,616
TOTAL Restricted Fund Balance	183,326		183,616
Assigned Unappropriated Fund Balance	184,756	SS915	200,279
TOTAL Assigned Fund Balance	184,756		200,279
TOTAL Fund Balance	368,082		383,895
TOTAL Liabilities, Deferred Inflows And Fund Balance	368,082		383,895

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Special Assessments Ad Valorem	625,326	SS1028	651,535
TOTAL Real Property Taxes	625,326		651,535
Sewer Charges	14,207	SS2122	15,201
TOTAL Departmental Income	14,207		15,201
Interest And Earnings	1,277	SS2401	705
TOTAL Use of Money And Property	1,277		705
TOTAL Revenues	640,810		667,441
TOTAL Detail Revenues And Other Sources	640,810		667,441

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Judgements And Claims, Contr Expend	1,365	SS19304	8,774
TOTAL Judgements And Claims	1,365		8,774
TOTAL General Government Support	1,365		8,774
Sanitary Sewers, Contr Expend	645,312	SS81204	572,063
TOTAL Sanitary Sewers	645,312		572,063
TOTAL Home And Community Services	645,312		572,063
Debt Principal, Serial Bonds	62,100	SS97106	62,421
TOTAL Debt Principal	62,100		62,421
Debt Interest, Serial Bonds	10,551	SS97107	8,370
TOTAL Debt Interest	10,551		8,370
TOTAL Expenditures	719,328		651,628
TOTAL Detail Expenditures And Other Uses	719,328		651,628

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	446,600	SS8021	368,082
Restated Fund Balance - Beg of Year	446,600	SS8022	368,082
ADD - REVENUES AND OTHER SOURCES	640,810		667,441
DEDUCT - EXPENDITURES AND OTHER USES	719,328		651,628
Fund Balance - End of Year	368,082	SS8029	383,895

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Budget Summary

Code, Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	635,634	SS1049N	687,589
Est Rev - Departmental Income	15,201	SS1299N	16,800
Est Rev - Use of Money And Property	700	SS2499N	903
TOTAL Estimated Revenues	651,535		705,292
TOTAL Estimated Revenues And Other Sources	651,535		705,292

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SS) SEWER

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Home And Community Services	579,805	SS8999N	635,506
App - Debt Service	71,730	SS9899N	69,786
TOTAL Appropriations	651,535		705,292
TOTAL Appropriations And Other Uses	651,535		705,292

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	195,393	SW200	158,803
Cash In Time Deposits	333,645	SW201	321,930
TOTAL Cash	529,038		480,733
Water Rents Receivable	53,283	SW350	51,188
TOTAL Other Receivables (net)	53,283		51,188
Due From Other Funds	68,206	SW391	67,961
TOTAL Due From Other Funds	68,206		67,961
Cash Special Reserves	60,519	SW230	29,415
Cash In Time Deposits Special Reserves	29,334	SW231	60,586
TOTAL Restricted Assets	89,853		90,001
TOTAL Assets and Deferred Outflows of Resources	740,380		689,883

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Balance Sheet

Code Description	2015	EdpCode	2016
Accounts Payable	4,838	SW600	6,034
TOTAL Accounts Payable	4,838		6,034
TOTAL Liabilities	4,838		6,034
Fund Balance			
Capital Reserve	29,334	SW878	29,415
Reserve For Repairs	60,526	SW882	60,554
TOTAL Restricted Fund Balance	89,860		89,969
Assigned Appropriated Fund Balance	311,909	SW914	213,000
Assigned Unappropriated Fund Balance	333,773	SW915	380,880
TOTAL Assigned Fund Balance	645,682		593,880
TOTAL Fund Balance	735,542		683,849
TOTAL Liabilities, Deferred Inflows And Fund Balance	740,380		689,883

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	44,023	SW1001	64,554
TOTAL Real Property Taxes	44,023		64,554
Metered Water Sales	388,720	SW2140	399,159
Water Service Charges	577	SW2144	110
Interest & Penalties On Water Rents	10,238	SW2148	12,074
TOTAL Departmental Income	399,535		411,343
Interest And Earnings	1,499	SW2401	907
TOTAL Use of Money And Property	1,499		907
Refunds of Prior Year's Expenditures	30	SW2701	133
TOTAL Miscellaneous Local Sources	30		133
TOTAL Revenues	445,087		476,937
TOTAL Detail Revenues And Other Sources	445,087		476,937

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Judgements And Claims, Contr Expend	34	SW19304	
TOTAL Judgements And Claims	34		0
Payment of Mta Payroll Tax, Contr Expend	587	SW19804	612
TOTAL Payment of Mta Payroll Tax	587		612
TOTAL General Government Support	621		612
Water Administration, Pers Serv	172,691	SW83101	180,286
Water Administration, Contr Expend	78,892	SW83104	21,735
TOTAL Water Administration	251,583		202,021
Source Supply Pwr & Pump, Equip & Cap Outlay	8,969	SW83202	
Source Supply Pwr & Pump, Contr Expend	103,137	SW83204	71,335
TOTAL Source Supply Pwr & Pump	112,106		71,335
Water Purification, Contr Expend	41,619	SW83304	17,982
TOTAL Water Purification	41,619		17,982
Water Trans & Distrib, Equip & Cap Outlay		SW83402	985
Water Trans & Distrib, Contr Expend	27,730	SW83404	43,465
TOTAL Water Trans & Distrib	27,730		44,450
TOTAL Home And Community Services	433,038		335,788
State Retirement, Empl Bnfts	29,651	SW90108	27,239
Social Security , Empl Bnfts	13,029	SW90308	13,632
Worker's Compensation, Empl Bnfts	9,021	SW90408	8,907
Disability Insurance, Empl Bnfts	131	SW90558	131
Hospital & Medical (dental) Ins, Empl Bnft	36,085	SW90608	40,756
TOTAL Employee Benefits	87,917		90,665
Debt Principal, Serial Bonds	60,000	SW97106	65,000
TOTAL Debt Principal	60,000		65,000
Debt Interest, Serial Bonds	10,619	SW97107	16,565
TOTAL Debt Interest	10,619		16,565
TOTAL Expenditures	592,195		508,630
Transfers, Other Funds		SW99019	20,000
TOTAL Operating Transfers	0		20,000
TOTAL Other Uses	0		20,000
TOTAL Detail Expenditures And Other Uses	592,195		528,630

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	882,650	SW8021	735,542
Restated Fund Balance - Beg of Year	882,650	SW8022	735,542
ADD - REVENUES AND OTHER SOURCES	445,087		476,937
DEDUCT - EXPENDITURES AND OTHER USES	592,195		528,630
Fund Balance - End of Year	735,542	SW8029	683,849

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	64,054	SW1049N	189,605
Est Rev - Departmental Income	428,089	SW1299N	428,089
Est Rev - Use of Money And Property	931	SW2499N	931
TOTAL Estimated Revenues	493,074		618,625
Appropriated Fund Balance	311,909	SW599N	213,000
TOTAL Estimated Other Sources	311,909		213,000
TOTAL Estimated Revenues And Other Sources	804,983		831,625

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(SW) WATER

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Home And Community Services	607,020	SW8999N	623,882
App-Employee Benefits	108,343	SW9199N	108,343
App - Debt Service	89,620	SW9899N	99,400
TOTAL Appropriations	804,983		831,625
TOTAL Appropriations And Other Uses	804,983		831,625

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(TA) AGENCY

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	151,182	TA200	238,062
Cash In Time Deposits	428,287	TA201	529,963
TOTAL Cash	579,469		768,025
TOTAL Assets and Deferred Outflows of Resources	579,469		768,025

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(TA) AGENCY

Balance Sheet

Code Description	2015	EdpCode	2016
Due To Other Funds	162	TA630	161
TOTAL Due To Other Funds	162		161
Group Insurance	1,951	TA20	3,237
Guaranty & Bid Deposits	576,790	TA30	764,627
Other Funds (specify)	566	TA85	
TOTAL Agency Liabilities	579,307		767,864
TOTAL Liabilities	579,469		768,025
TOTAL Liabilities, Deferred Inflows And Fund Balance	579,469		768,025

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(V) DEBT SERVICE

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Due From Other Funds		V391	
TOTAL Due From Other Funds	0		0
TOTAL Assets and Deferred Outflows of Resources	0		0

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(V) DEBT SERVICE

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Assigned Unappropriated Fund Balance		V915	
TOTAL Assigned Fund Balance	0		0
TOTAL Fund Balance	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(V) DEBT SERVICE

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Premium & Accrued Interest On Obligations		V2710	
TOTAL Miscellaneous Local Sources	0		0
TOTAL Revenues	0		0
TOTAL Detail Revenues And Other Sources	0		0

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(V) DEBT SERVICE

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Debt Principal, Serial Bonds	2,061	V97106	
TOTAL Debt Principal	2,061		0
TOTAL Expenditures	2,061		0
TOTAL Detail Expenditures And Other Uses	2,061		0

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(V) DEBT SERVICE

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	2,061	V8021	
Restated Fund Balance - Beg of Year	2,061	V8022	
ADD - REVENUES AND OTHER SOURCES			
DEDUCT - EXPENDITURES AND OTHER USES	2,061		
Fund Balance - End of Year		V8029	

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Total Non-Current Govt Liabilities	3,714,065	W129	3,217,854
TOTAL Provision To Be Made In Future Budgets	3,714,065		3,217,854
TOTAL Assets and Deferred Outflows of Resources	3,714,065		3,217,854

TOWN OF Chester
Annual Update Document
For the Fiscal Year Ending 2016

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2015	EdpCode	2016
Bond Anticipation Notes Payable		W626	
TOTAL Notes Payable	0		0
Compensated Absences	423,765	W687	430,054
TOTAL Other Liabilities	423,765		430,054
Bonds Payable	3,290,300	W628	2,787,800
TOTAL Bond And Long Term Liabilities	3,290,300		2,787,800
TOTAL Liabilities	3,714,065		3,217,854
TOTAL Liabilities	3,714,065		3,217,854

TOWN OF Chester
Statement of Indebtedness
For the Fiscal Year Ending 2016

2/13/2017

County of: Orange

Municipal Code: 330315700000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amf. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2015	BAN E	WATER DIST IMPROVEMENTS			10/29/2015	10/28/2016	2.00%		\$400,000	\$400,000	\$400,000	\$380,000	\$0		\$0
2016	BAN E	WATER DIST IMPROVEMENTS			10/27/2016	10/27/2017	2.00%		\$380,000	\$0			\$0		\$380,000
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$380,000	\$400,000	\$400,000	\$380,000	\$0	\$0	\$380,000
2009	BOND E	Water			07/15/2009	06/15/2019	2.50%	Y	\$600,000	\$280,000	\$65,000	\$0	\$0		\$215,000
2012	BOND N	Salt Shed EFC Refinanced			06/21/2012	10/16/2016	0.00%		\$95,000	\$20,000	\$20,000	\$0	\$0		\$0
2014	BOND N	REFUNDING SERIAL BONDS			09/17/2014	08/01/2025	2.00%	Y	\$2,565,000	\$2,360,000	\$275,000	\$0	\$0		\$2,085,000
2011	BOND N	Ambulance Vehicles			02/17/2011	02/15/2017	2.68%		\$137,100	\$50,000	\$25,000	\$0	\$0		\$25,000
2011	BOND N	Sewer			05/01/2008	05/01/2018	3.00%			\$170,000	\$55,000	\$0	\$0		\$115,000
2011	BOND N	Ambulance Building			04/28/2004	04/15/2021	4.10%			\$350,000	\$55,000	\$0	\$0		\$295,000
2011	BOND N	Sewer			03/15/2002	03/15/2022	6.00%			\$60,300	\$7,500	\$0	\$0		\$52,800
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$3,290,300	\$502,500	\$0	\$0	\$0	\$2,787,800
AFR Year Total for All Debt Types - Sums Issued Amt only made in AFR Year									\$380,000	\$3,690,300	\$902,500	\$380,000	\$0	\$0	\$3,167,800

TOWN OF Chester
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2016

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$350.00
Demand Deposits	9Z2011	\$996,047.00
Time Deposits	9Z2021	\$2,710,640.00
Total		\$3,707,037.00
COLLATERAL:		
- FDIC Insurance	9Z2014	\$500,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$3,462,621.00
Total		\$3,962,621.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

TOWN OF Chester
Bank Reconciliation
For the Fiscal Year Ending 2016

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-4762	\$100,493	\$0	\$0	\$100,493
*****-2817	\$199,968	\$1,250	\$89,887	\$111,331
*****-8402	\$43,539	\$0	\$0	\$43,539
*****-2820	\$91,154	\$89,477	\$0	\$180,631
*****-8415	\$2,265	\$0	\$0	\$2,265
*****-2896	\$4,610	\$0	\$189	\$4,421
*****-8538	\$4,960	\$0	\$0	\$4,960
*****-2848	\$40,945	\$0	\$0	\$40,945
*****-8431	\$4,044	\$0	\$0	\$4,044
*****-2851	\$16,287	\$0	\$578	\$15,709
*****-8444	\$9,673	\$0	\$0	\$9,673
*****-2865	\$7,989	\$0	\$971	\$7,018
*****-8457	\$10,709	\$0	\$0	\$10,709
*****-2879	\$18,625	\$0	\$125	\$18,500
*****-8460	\$14,400	\$0	\$0	\$14,400
*****-0533	\$30,523	\$0	\$0	\$30,523
*****-8473	\$7,282	\$0	\$0	\$7,282
*****-1724	\$43,553	\$0	\$0	\$43,553
*****-0579	\$7,775	\$0	\$0	\$7,775
*****-0565	\$8,143	\$0	\$0	\$8,143
*****-2754	\$637	\$0	\$0	\$637
*****-1058	\$1,631	\$0	\$0	\$1,631
*****-1804	\$56,782	\$0	\$34,718	\$22,064
*****-0263	\$55,325	\$0	\$26,246	\$29,079
*****-8392	\$9,245	\$0	\$0	\$9,245
*****-8554	\$20,791	\$0	\$0	\$20,791
*****-1289	\$228,205	\$0	\$10,934	\$217,271
*****-5685	\$13,812	\$0	\$0	\$13,812
*****-1387	\$59,856	\$0	\$0	\$59,856
*****-0871	\$737,611	\$0	\$0	\$737,611

TOWN OF Chester
Bank Reconciliation
For the Fiscal Year Ending 2016

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-5948	\$1,928,779	\$0	\$0	\$1,928,779
	Total Adjusted Bank Balance			\$3,706,690
	Petty Cash			\$350.00
	Adjustments			\$-3.00
	Total Cash		9ZCASH *	\$3,707,037
	Total Cash Balance All Funds		9ZCASHB *	\$3,707,037
	* Must be equal			

TOWN OF Chester
Local Government Questionnaire
For the Fiscal Year Ending 2016

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>Yes</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>Yes</u>
4) Does your local government participate in an investment pool with other local governments?	<u>No</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>Yes</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>No</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	<u>Yes</u>

TOWN OF Chester
Employee and Retiree Benefits
For the Fiscal Year Ending 2016

Total Full Time Employees:					
Total Part Time Employees:					
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$346,512.00	30	18	
90158	Police and Fire Retirement	\$322,558.00	12	3	
90258	Local Pension Fund				
90308	Social Security	\$320,290.00	44	31	
90408	Worker's Compensation Insurance	\$187,308.00	44	31	
90458	Life Insurance	\$896.00	5		
90508	Unemployment Insurance	\$1,188.00	2		
90558	Disability Insurance	\$4,733.00	44	31	
90608	Hospital and Medical (Dental) Insurance	\$1,141,797.00	44		22
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$2,325,282.00			
Computed Total From Financial Section (comparative purposes only)		\$2,325,282.00			

TOWN OF Chester
Energy Costs and Consumption
For the Fiscal Year Ending 2016

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$30,888	19,649	gallons	
Diesel Fuel	\$16,314	10,771	gallons	
Fuel Oil			gallons	
Natural Gas	\$19,230	19,277	cubic feet	
Electricity	\$100,518	799,986	kilowatt-hours	
Coal			tons	
Propane			gallons	

TOWN OF Chester
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2016

TOWN OF Chester
Financial Comments
For the Fiscal Year Ending 2016

Thank you, 330315700000 from the TOWN of CHESTER, for your Submission to the Local Government and School Accountability Data Exchange System on 02/13/2017 11:57:49 AM.

Please note that *this page is not proof that you have submitted the correct file*, only that you have successfully attached a file to the EFSDEX website. If you wish to confirm that you have transmitted the correct report you can contact OSC's Data Management Unit at 1-866-321-8503 option 4.

All submissions are subject to verification by OSC.

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APPENDIX C

FORM OF BOND COUNEL OPINION

June 6, 2017

The Board of Trustees of the
Town of Chester, in the
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Chester (the “Town”), in the County of Orange, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$1,850,000 Bond Anticipation Note – 2017 (the “Note”) of the Town dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings

be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the Town will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Town represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town's certifications, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the Town with the procedures and certifications set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated in paragraphs 2 and 3 above, we express no opinion as to any other federal, state or local tax consequences with respect to the Note or the ownership or disposition thereof. Further, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of the interest on the Note, or under state and local tax law.

We render our opinion under existing statutes and court decisions as of the date of issuance of the Note, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

We give no assurances as to the accuracy, sufficiency or completeness of the Preliminary or Final Official Statements or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may hereafter be furnished or disclosed to purchasers of said Note.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean Town of Chester, in the County of Orange, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the Town Supervisor as of June 6, 2017.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.”

“Securities” shall mean the Issuer’s \$1,850,000 Bond Anticipation Note – 2017, dated June 6, 2017, maturing on June 6, 2018, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776 to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of June 6, 2017.

TOWN OF CHESTER, NEW YORK

By _____
Town Supervisor