

**TOWN OF FISHKILL, NEW YORK
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2010**

**TOWN OF FISHKILL, NEW YORK
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DECEMBER 31, 2010**

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INDEPENDENT AUDITORS' REPORT

To the Supervisor and
Members of the Town Board
Town of Fishkill, New York
807 Route 52
Fishkill, NY 12524

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fishkill, New York as of December 31, 2010, and for the year then ended, which collectively comprise the Town of Fishkill, New York's basic financial statements. These basic financial statements are the responsibility of the Town of Fishkill, New York's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fishkill, New York as of December 31, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and Exhibit I, budgetary comparison information, listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This report is intended solely for the information and use of the Supervisor, Members of the Town Board and management of the Town of Fishkill, New York and for the filing requirements under the S.E.C. Rule No. 240.15 (c) 2-12 requiring issuers of municipal securities to report financial and operational information and notices of material events, to nationally recognized municipal securities information systems. It should not be used for any other purpose.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fishkill, New York's basic financial statements. The combining non-major fund statements listed in the Table of Contents as Exhibits III and IV, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the financial statements taken as a whole.

Sedore Hudson Valley CPA's

Poughkeepsie, New York
December 28, 2011

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

General Overview

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

The accounting policies of the Town of Fishkill, New York conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Overview of the Financial Statements

These audited financial statements consist of five parts. The Independent Auditors Reports on our Financial Statements, Management's Discussion and Analysis (this section), Government-Wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

- Government-Wide Financial statements provide both long term and short-term information about the Town's overall financial status. They report information about the Town as a whole using accounting methods similar to private sector companies.
- Fund Financial Statements focus on the individual parts of Town government, reporting the Town's operations in more detail than the Government-Wide Financial Statements. They focus on the most significant or "major" funds-not the Town as a whole. See the notes to the financial statements for information regarding individual types of funds.
- Notes to the Financial Statements provide further explanation and support for the information contained in the financial statements.

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

2. Reporting on the Town as an Entity: The Statement of Net Assets

**TABLE 1
STATEMENT OF NET ASSETS**

	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 4,921,201	\$ 5,572,456
Capital Assets	32,890,623	33,652,072
	<u>\$ 37,811,824</u>	<u>\$ 39,224,528</u>
Current liabilities	\$ 28,296,150	\$ 28,962,396
Non-current liabilities	6,638,774	7,508,219
	<u>34,934,924</u>	<u>36,470,615</u>
Net Assets	<u>2,876,900</u>	<u>2,753,913</u>
	<u>2,876,900</u>	<u>2,753,913</u>
Total liabilities and net assets	<u>\$ 37,811,824</u>	<u>\$ 39,224,528</u>

Net assets may serve over time as a useful indicator of a government's financial position. At December 31, 2010, the Town's net assets exceeded liabilities by \$2,876,900. Net assets increased by \$122,987 in 2010.

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

3. Reporting on the Town as an Entity: The Statement of Activities

**TABLE 2
STATEMENT OF ACTIVITIES**

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Revenues			
Program			
Fines, Fees & Charges	\$ 3,325,482	\$ 3,289,110	\$ 36,372
Operating Grants	521,113	929,875	(408,762)
Capital Grants	41,071	121,225	(80,154)
General revenues			
Property taxes	5,463,693	5,308,188	155,505
Other taxes	2,062,616	1,867,275	195,341
State Aid	140,995	107,285	33,710
Other revenues	1,041,537	1,043,860	(2,323)
Total Revenues	<u>12,596,507</u>	<u>12,666,818</u>	<u>(70,311)</u>
Expenses			
General government support	2,707,172	2,903,677	(196,505)
Public safety	2,277,616	2,276,213	1,403
Health	18,327	48,118	(29,791)
Transportation	2,235,289	2,433,742	(198,453)
Economic assistance & opportunity	16,675	16,176	499
Culture and recreation	861,231	942,172	(80,941)
Home and community service	3,279,648	2,941,928	337,720
Other	1,077,562	993,661	83,901
Total Expenses	<u>12,473,520</u>	<u>12,555,687</u>	<u>(82,167)</u>
Change in Net Assets	<u>\$ 122,987</u>	<u>\$ 111,131</u>	<u>\$ 11,856</u>

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

4. Financial Analysis of the Town as a whole

GENERAL FUND

The majority of activity for the town is located in the General Fund. Fund equity decreased by \$ 799,641 from the prior year to (\$ 2,906,264). There are three components that make up this fund, the Town Wide General Fund, the Town Outside Village General Fund, and the non-escrow portions of the Trust and Agency Fund. We will discuss some major issues within each fund.

The largest single event was the continued slowdown in the housing market which impacted both general funds. The major area's of underperformance relating to the poor housing market were Mortgage Tax at \$ 383,172 and Building and Planning Fees of \$ 343,184. Legal expenses exceeded the budget by \$ 379,192. Two employees accepted an early retirement package which generated an additional \$ 41,079 in labor costs due to payments for unused time and accrued vacations. Sales taxes were better than plan by \$ 29,806.

In seeing a decrease in revenues the town took affirmative action to reduce the impact of the housing market slump. Initially the town was predicting a \$ 1,170,359 reduction in fund balance. Some of the steps taken in the prior year to reduce the prediction were extended to 2010 with the addition of the early retirement package.

- Layoff of two full time employees, and one part time employee (2009-10).
- Convert one full time employee to part time (2009-10).
- Six Employees accepted an early retirement (2010).
- Salary deferral for all non-elected full time employees (started 1/1/10).
- Higher contributions from employees for medical benefits (2009-10).
- No raises for elected officials (2nd year).
- No COLA or step increases for employees (2nd year).
- No new debt (with the exception of the Rombout Sewer Plant).
- Reduced hours (full time employees 40 hours to 35 hours) (2009-10).
- Four day work week to increase efficiency
and reduce utility costs (2009-10).
- Outside training and travel (unless mandated) eliminated (2009-10).
- Cutting or freezing contractual expenses when possible (2009-10).

Over all other departments completed the year within or below the operational budget.

The remaining balance is non-agency trust items that are included in the overall total. These include Parkland Trust and the Housing trust Fund. These fund balances increased by

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

\$362,409 over the 2009 balance of \$ 742,063 for a final favorability of \$ 1,104,472. These monies are used for operational expenses for the Housing Department and operational and capital expenses in the Recreation/Parks Department.

Some items that had "zero impact" on the fund balance include the debt service on the Recreation Center. Debt Service was reimbursed from the Parklands Trust Fund for the Recreation Center land purchase and construction, which was also seen in 2008 and 2009. Overall Parkland Trust contributed \$ 290,984 and the Housing Trust Fund contributed \$ 204,511 to offset the Housing Department expenses.

HIGHWAY FUND

The Town Wide Highway fund ended the year with a positive fund balance of \$12,407 versus a positive \$58,653 in the prior year. This \$46,246 un-favorability was primarily driven by the early retirement package taken by two employees at a cost of \$ 34,584. There was an additional cost of \$29,226 due to winter storms, or 17.5% over budget. Additionally, equipment repairs were over budget by \$26,962. To help offset some of the snow materials and labor cost a FEMA grant was applied for and received netting the town an unbudgeted revenue of \$41,071.

The Town Outside Village Highway Fund ended the year with a negative fund balance of \$582,606, an increase of \$51,042 over 2009. This was also caused by two employees retiring at a cost of \$ 25,910, other labor costs and an unfavorable \$12,820 in Workers Compensation Insurance.

Overall the Net Highway fund balance is negative \$ 570,199, \$ 97,288 unfavorable over the prior year.

CAPITAL PROJECTS FUND and DEBT

There were no new BAN's (Budget Anticipation Note) issued in 2010.

The RAN (Revenue Anticipation Note) issued in 2009 for \$ 1,800,000 was converted to a TAN (Tax Anticipation Note) for \$ 3,200,000 to ease cash flows until the 2011-2015 recovery plan could commence.

Pay downs of all existing debt during 2010 was \$ 2,296,364. In addition to the TAN, BAN's payable at year end amounted to \$ 21,865,172, Statutory Installment Bonds \$ 169,500 and Serial Bonds \$ 6,352,000.

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

It should be noted that the bulk of the town debt, due to water and sewer projects, is exempt from the state borrowing limitations. The town is substantially below the limitations at 6.9% of its non-exempt borrowing limit, debt power remaining at 93.1%.

SEWER FUND

The Town operates twelve sewer districts. The combined districts are presented here. The fund balance decreased by \$ 874,512. The un-favorability is attributed to four areas; a budgeted developer fee revenue of \$ 492,919 did not occur in 2010, Sewer Operations were unfavorable by \$ 138,354, the net interest/principal payments on the new Rombout Sewer plant was unfavorable by \$ 134,314 due to higher than planned interest rates. Additionally the town had planned a \$ 124,000 reduction in Fund Balance. Fund Balance at year end was a negative \$ 135,208.

WATER FUND

The Town operates seven water districts. The combined districts are presented here. The fund balance increased by \$ 505,258 to \$ 988,900. The increase is due to a budgeted rate increase that had postponed from 2006 and implemented in 2010. Even though the combined districts are favorable there were three districts that had developed deficit balances. The substantial rate increase was enacted 1/1/10 to resolve the issue has resulted in one district returning to favorability, and a second district should be favorable mid 2011. There were no planned uses of fund balances in the 2010 budget.

NON-MAJOR FUNDS

The Non Major Funds represent the Debt Service Fund, six Lighting Funds, Ambulance Fund, and the Community Development Fund. Overall the funds improved by \$ 31,772. As expected the Ambulance fund improved by to end the year with a fund balance of \$179,191. Overall, lighting districts improved by \$ 29,907 and ended the year with a \$ 57,010 Fund Balance. The Debt Service Fund was unfavorable by \$ 38,806 with planned use of funds, ending the year with a \$ 157,081 Fund Balance. The combined fund equity at year-end was \$ 393,282.

BUDGETARY HIGHLIGHTS

The Town Budget is adopted in November for the following year and is modified throughout the year as necessary. Budget amendments correct both revenues and expenditures as the year progresses.

5. Activities regarding capital assets and long-term debt

**TOWN OF FISHKILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

The Town Board issued no new BAN's, Serial or Statutory Installment Bonds issues in 2010 as previously mentioned. There was no new long term debt issued in 2010. Payments of \$ 94,500 and \$ 715,000 were applied against Statutory Installment Bonds and Serial Bonds respectively. Our debt rating at 12/31/10 was a Baa3 rating from Moody's.

6. Town Infrastructure

The town has completed all planned infrastructure. The Rombout Sewer Plant was completed in late 2009 and the old plant demolished in early 2010. The town refinanced the debt on the sewer plant with short term debt in 2010 and renewed it in 2011 through NYS EFC (Environmental Facilities Corporation). The town has planned to go to long term permanent financing with NYS EFC in 2013. The recreation center continues to add programs to aid in its operational costs.

7. The Future

The Town continues to move forward and improve. The greatest challenge is the slowness in the housing market which has impacted our revenues for several years.

We continue to look at reducing expenses. No new bonding for equipment was done in 2009, 2010, or 2011 and all non-essential travel and training has been eliminated.

In the 2012 budget we have not anticipated any new debt for equipment. In 2010, 2011, and 2012 budget wages continue to be frozen, both COLA and steps. Payroll deferral (lag pay) continues through all of 2010 and 2011 but has been eliminated in the 2012 budget. Six employees retired in 2010, and as of 12/22/11 only one has been replaced.

To evaluate the significance of these steps the 2012 budget (four general funds) is:

\$ 148,802 lower than the 2011 budget
\$ 906,277 lower than the 2010 actual
\$ 650,104 lower than the 2009 actual
\$ 1,980,660 lower than the 2008 actual

One of the most significant steps taken was the adoption of a long range deficit reduction plan. 2011 is the first year of the plan which our projections indicate a surplus. The surplus accelerates in subsequent years. The 2012 budget includes more conservative revenue projections than 2011. The mortgage tax revenue budget for 2012 has been reduced for the 3rd straight year. The planning revenue budget has been reduced to zero. The 2012 budget is a 9.0 % increase in the homestead tax rate. All these options have been instituted with no loss of services.

TOWN OF FISHKILL, NEW YORK
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,097,777
Investments	87,665
Receivables (net)	1,696,546
Inventory	24,213
Prepaid expenses	15,000
Total current assets	<u>4,921,201</u>
Capital assets:	
Land	3,133,319
Infrastructure, net of depreciation	5,725,895
Buildings, machinery and equipment, net of depreciation	23,878,416
Construction-in-progress	152,993
Total capital assets	<u>32,890,623</u>
Total assets	<u><u>\$ 37,811,824</u></u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 415,175
Accrued liabilities and retainage payable	482,889
Due to other governments	1,493,097
Deferred revenues	9,190
Revenue anticipation notes	3,200,000
Bond anticipation notes	21,865,172
Current portion of long-term liabilities	
Landfill remediation liability	26,127
Bonds payable	804,500
Total current liabilities	<u>28,296,150</u>
Non-current liabilities:	
Compensated absence liabilities	461,834
Landfill remediation liability	459,940
Bonds payable	5,717,000
Total non-current liabilities	<u>6,638,774</u>
Total liabilities	34,934,924
NET ASSETS	
Invested in Capital Assets, net of related debt	4,572,529
Restricted for:	
Debt service	83,654
Unrestricted	(1,779,283)
Total net assets	<u>2,876,900</u>
Total liabilities and net assets	<u><u>\$ 37,811,824</u></u>

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

TOWN OF FISHKILL, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:			
General government support	\$ 2,707,172	\$ 25,271	\$ 771
Public safety	2,277,616	2,453	7,704
Health	18,327	-	-
Transportation	2,235,289	-	-
Economic assistance & opportunity	16,675	-	-
Culture and recreation	861,231	351,030	308,127
Home and community services	3,279,648	2,946,728	204,511
Interest on long-term debt	1,077,562	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	12,473,520	3,325,482	521,113

General revenues

Taxes:

Real property taxes

Non-property tax items

Sales tax

Mortgage tax

Franchise taxes

Payments from other governments

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Fees, fines, and licenses

Miscellaneous

Special item-Gain on sale of property and compensation for loss

Total general revenues, special items and transfers

Change in net assets

Net assets - beginning

Net assets - ending

**NET (EXPENSE) REVENUE
AND CHANGES IN
NET ASSETS**

<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
\$ -	\$ (2,681,130)
-	(2,267,459)
-	(18,327)
41,071	(2,194,218)
-	(16,675)
-	(202,074)
-	(128,409)
-	(1,077,562)
<hr/>	<hr/>
41,071	(8,585,854)
<hr/>	<hr/>

5,463,693

203,457

919,806

593,274

346,079

16,896

502,154

16,998

509,829

135,548

1,107

8,708,841

122,987

2,753,913

\$ 2,876,900

TOWN OF FISHKILL, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	GENERAL FUND	HIGHWAY FUND	CAPITAL PROJECTS FUND
ASSETS			
Cash and cash equivalents	\$ 1,847,346	\$ 2,351	\$ 525,072
Investments	1,356	556	740
Receivables:			
Charges for services	-	-	-
Other	89,922	-	-
Due from other funds	2,609,042	918,158	2,701,313
State and federal receivable	60,233	41,070	212
Due from other governments	510,543	2,998	-
Prepaid expenses	15,000	-	-
	Total assets	\$ 965,133	\$ 3,227,337
	\$ 5,133,442	\$ 965,133	\$ 3,227,337
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 205,047	\$ 41,804	\$ 12,320
Accrued liabilities	100,316	23,318	-
Retainage payable	-	-	104,122
Due to other funds	3,970,853	1,405,401	1,567,060
Due to other governments	381,600	64,809	-
Deferred revenues	9,190	-	-
Revenue anticipation notes payable	3,200,000	-	-
Bond anticipation notes payable	172,700	-	21,692,472
	Total liabilities	1,535,332	23,375,974
	8,039,706	1,535,332	23,375,974
 FUND BALANCE			
Fund balance (deficit):			
Reserved for:			
Encumbrances	12,606	-	-
Miscellaneous	21,101	-	-
Debt Service	-	-	-
Unreserved:			
Designated for:			
Self-insurance	6,024	-	-
Undesignated	(2,945,995)	(570,199)	(20,148,637)
	Total fund balance	(570,199)	(20,148,637)
	(2,906,264)	(570,199)	(20,148,637)
	Total liabilities	\$ 965,133	\$ 3,227,337
	and fund balance	\$ 965,133	\$ 3,227,337
	\$ 5,133,442	\$ 965,133	\$ 3,227,337

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

WATER FUND	SEWER FUND	NON- MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 424,498	\$ 197,283	\$ 101,227	\$ 3,097,777
2,735	10,761	71,517	87,665
514,353	356,192	-	870,545
-	-	-	89,922
1,481,996	3,371,177	675,168	11,756,854
-	-	-	101,515
-	121,023	-	634,564
-	-	-	15,000
<u>\$ 2,423,582</u>	<u>\$ 4,056,436</u>	<u>\$ 847,912</u>	<u>\$ 16,653,842</u>
\$ 53,975	\$ 82,278	\$ 19,751	\$ 415,175
-	-	-	123,634
-	-	-	104,122
1,076,910	3,301,751	434,879	11,756,854
262,645	784,043	-	1,493,097
41,152	23,572	-	73,914
-	-	-	3,200,000
-	-	-	21,865,172
<u>1,434,682</u>	<u>4,191,644</u>	<u>454,630</u>	<u>39,031,968</u>
-	-	-	12,606
-	-	-	21,101
-	-	83,654	83,654
-	-	-	6,024
<u>988,900</u>	<u>(135,208)</u>	<u>309,628</u>	<u>(22,501,511)</u>
<u>988,900</u>	<u>(135,208)</u>	<u>393,282</u>	<u>(22,378,126)</u>
<u>\$ 2,423,582</u>	<u>\$ 4,056,436</u>	<u>\$ 847,912</u>	<u>\$ 16,653,842</u>

TOWN OF FISHKILL, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund equity for governmental funds	\$ (22,378,126)
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,890,623
Long-term liabilities, including bonds payable, compensated absence and landfill remediation liabilities are not due and payable in the current period and therefore are not reported in the funds.	(7,469,401)
Revenues earned in the current period, but not providing current financial resources are not reported in the funds.	64,723
Inventory is not reported in the funds	24,213
Accrued interest is not reported in the funds.	<u>(255,132)</u>
Total net assets of governmental activities	<u><u>\$ 2,876,900</u></u>

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

TOWN OF FISHKILL, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>GENERAL FUND</u>	<u>HIGHWAY FUND</u>	<u>CAPITAL PROJECTS FUND</u>
REVENUES			
Real property taxes	\$ 1,943,993	\$ 1,733,667	\$ -
Real property taxes items	199,959	-	-
Non property taxes items	1,265,885	-	-
Departmental income	1,328,474	-	-
Intergovernmental charges	-	16,896	-
Use of money and property	11,172	1,011	41,402
Licenses and permits	311,789	-	-
Fines and forfeitures	134,640	-	-
Sale of property and compensation for loss	21,471	415	-
Miscellaneous local sources	12,891	-	37,093
Federal aid	771	41,071	-
State aid	741,973	-	-
Total revenues	<u>5,973,018</u>	<u>1,793,060</u>	<u>78,495</u>
EXPENDITURES			
General government support	2,579,899	-	149,608
Public safety	1,853,053	-	-
Health	-	-	-
Transportation	210,769	1,296,455	-
Economic assistance & opportunity	16,675	-	-
Culture and recreation	680,874	-	-
Home and community services	268,731	-	213,555
Employee benefits	110,308	59,412	-
Debt service	826,397	483,439	-
Total expenditures	<u>6,546,706</u>	<u>1,839,306</u>	<u>363,163</u>
Excess of revenues over expenditures	(573,688)	(46,246)	(284,668)
Other financing sources:			
BANs redeemed from appropriations	84,290	-	1,364,741
Operating transfers in	348,769	-	-
Operating transfers out	(659,012)	(51,042)	-
Total other financing sources	<u>(225,953)</u>	<u>(51,042)</u>	<u>1,364,741</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	(799,641)	(97,288)	1,080,073
Fund Balance, December 31, 2009	<u>(2,106,623)</u>	<u>(472,911)</u>	<u>(21,228,710)</u>
Fund Balance, December 31, 2010	<u>\$ (2,906,264)</u>	<u>\$ (570,199)</u>	<u>\$ (20,148,637)</u>

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

WATER FUND	SEWER FUND	NON- MAJOR FUNDS	TOTAL FUNDS
\$ 607,227	\$ 904,853	\$ 273,953	\$ 5,463,693
-	-	3,498	203,457
-	-	-	1,265,885
1,456,114	1,155,702	-	3,940,290
-	301,573	-	318,469
29,318	6,062	(1,980)	86,985
6,081	-	-	317,870
-	-	-	134,640
3,660	-	-	25,546
277	6,480	-	56,741
-	-	-	41,842
-	-	-	741,973
<u>2,102,677</u>	<u>2,374,670</u>	<u>275,471</u>	<u>12,597,391</u>
-	-	886	2,730,393
-	-	-	1,853,053
-	-	18,329	18,329
-	-	152,949	1,660,173
-	-	-	16,675
-	-	-	680,874
1,056,507	1,974,794	-	3,513,587
-	-	-	169,720
<u>231,659</u>	<u>827,467</u>	<u>1,188,994</u>	<u>3,557,956</u>
<u>1,288,166</u>	<u>2,802,261</u>	<u>1,361,158</u>	<u>14,200,760</u>
814,511	(427,591)	(1,085,687)	(1,603,369)
-	-	-	1,449,031
-	166,653	1,135,218	1,650,640
<u>(309,253)</u>	<u>(613,574)</u>	<u>(17,759)</u>	<u>(1,650,640)</u>
<u>(309,253)</u>	<u>(446,921)</u>	<u>1,117,459</u>	<u>1,449,031</u>
505,258	(874,512)	31,772	(154,338)
<u>483,642</u>	<u>739,304</u>	<u>361,510</u>	<u>(22,223,788)</u>
<u>\$ 988,900</u>	<u>\$ (135,208)</u>	<u>\$ 393,282</u>	<u>\$ (22,378,126)</u>

TOWN OF FISHKILL, NEW YORK
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balance - total government funds \$ (154,338)

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report all capital outlays as expenditures. However, in the statement of activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (761,449)

Bond proceeds are reported on the financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Debt issued:			
Bond anticipation note redeemed	(1,449,029)		
Repayments:			
Bond anticipation note principal	1,449,029		
Bond principal	<u>847,335</u>		
			847,335

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 184,030

Some revenues reported in the statement of activities, such as those related to uncollected receivables do not provide current financial resources and therefore are not reported as revenues in governmental funds. (882)

Inventory is reported as an expenditure in governmental funds (55,876)

Some expenses reported in the statement of activities, such as those related to compensated absences and landfill liabilities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 64,167

Net change in net assets of governmental activities \$ 122,987

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

TOWN OF FISHKILL, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2010

ASSETS	<u>AGENCY FUNDS</u>
Cash and cash equivalents	\$ 425,431
Total assets	<u>425,431</u>
LIABILITIES	
Escrow funds returnable and other liabilities	\$ 425,431
Total liabilities	<u>425,431</u>
NET ASSETS	<u>-</u>
Total liabilities and net assets	<u>425,431</u>

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies

The Town of Fishkill, New York ("the Town") was established on March 7, 1788 under the provisions of the State of New York. The Town operates under a Town Board form of government, consisting of a Supervisor and four Councilmen/women. The Supervisor serves as the Chief Executive Officer and as the Chief Fiscal Officer of the Town.

The Town provides the following services: highway maintenance, water, sewer, planning, police and courts, zoning, building and safety inspection, lighting, and culture and recreation.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Town is also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements in preparing its government-wide financial statements. The more significant accounting policies established by GAAP and used by the Town in preparing its government-wide and fund financial statements are discussed below. The more significant accounting policies established in GAAP and used by the Town are discussed below.

1. The Reporting Entity

The Town, for financial statement purposes, includes all of the funds and account groups relevant to the operations of the Town of Fishkill, New York. The financial statements include organizations, functions and activities that are controlled by or dependent upon the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Excluded from the reporting entity, and described in Note I - Joint Venture, is the Town of Fishkill/East Fishkill Joint Landfill. The Town of Fishkill is not financially accountable for the Joint Landfill under criteria established by G.A.S.B. Statement No. 14 and, therefore, the Joint Landfill is not included in the reporting entity, the Town of Fishkill.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies, (Cont'd.)

1. The Reporting Entity (Cont'd.)

Also excluded from the reporting entity, the Town of Fishkill, are the Blodgett Memorial Library District, the Chelsea Fire District, the Glenham Fire District, the Rombout Fire District and the Rombout Ladder Zone. Although these entities are located partially or entirely within the Town of Fishkill, they are excluded under the same criteria as described above.

2. Basic Financial Statements – Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type activities. The Town's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The Town's water and sewer services are also classified as governmental activities since user fees are not intended to cover all costs including depreciation.

In the government-wide Statement of Net Assets, the governmental activities columns is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions or activities. The functions are also supported by general government revenues (property and sales taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, community and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs are normally covered by general revenue (property, sales or mortgage taxes, intergovernmental revenues, interest income, etc).

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

3. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies, (Cont'd.)

3. Basic Financial Statements – Fund Financial Statements (Cont'd.)

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The following fund types are used by the Town:

A. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the governmental funds of the Town:

1. **General fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is considered a major fund and is presented separately.
2. **Highway fund** is used to record the revenues and expenditures related to the maintenance of Town roadways. The Highway Fund is considered a major fund and is presented separately.
3. **Water Fund** is used to record the revenues and expenditures related to the delivery of water services to the Town's customers. The Water Fund is considered a major fund and is presented separately.
4. **Sewer Fund** is used to record the revenues and expenditures related to the delivery of sewer services to the Town's customers. The Sewer Fund is considered a major fund and is presented separately.
5. **Capital projects funds** are used to account for financial resources are used to account for financial resources to be used for the acquisition and construction of major capital facilities. The Capital Projects Fund is considered a major fund and is presented separately. However, no budgetary comparison schedule is presented as required supplemental information, as the Town is not legally required to adopt an annual budget for the Capital Projects Fund.
6. **Non-major funds** include those that are used for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

3. Basic Financial Statements – Fund Financial Statements (Cont'd.)

B. Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

A. Accrual

The governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

B. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that accumulated vacation, sick pay and other employee amounts are not accrued, principal and interest on general obligation long-term debt, if any, is recognized when due and inventory-type items are recognized as an expenditure at the time of purchase.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts

A. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments. State statutes govern the investment policies of the Town, as well as the Town's adopted investment policy. The Town may invest its funds in banks or trust companies authorized to do business in the State of New York, as well as investing in obligations of the U. S. Treasury, U.S. Agencies, and obligations of the State of New York and its political subdivisions. Deposits not covered by Federal Deposit Insurance, must be collateralized by the banking institutions with investments governed under state statutes.

The Town has entered into an inter-municipal investment agreement in which the Town invests funds through the Cooperative Liquid Assets Securities System - New York (CLASS), a Cooperative Investment Arrangement for New York municipalities. The arrangement was developed pursuant to Article 5-6 of New York Municipal Law and may only invest in investments, which are legally permissible for all participants. Investments are subject to all the collateral agreements and safeguards required for all Town deposits.

CLASS investments consist of investments in U.S. Treasury and agency securities and repurchase agreements. The market value of the CLASS investment approximates cost. The Town has a beneficial proportionate interest in the joint value of the Cooperative Investment Arrangement. Title in the assets and underlying collateral are in the name of the Cooperative Investment Arrangement, and not in the name of the individual participants.

The repurchase agreements involve purchases by the Cooperative Investment Arrangement of portfolio securities concurrently with an agreement by the Cooperative Investment Arrangement to sell the same securities at a later date at a fixed price. Generally, the effect of such transactions is that the Cooperative Investment Arrangement can invest its excess cash balances at competitive interest rates.

**TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010**

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts (Cont'd.)

The cash and investments of the Town at December 31, 2010 are as follows:

	<u>GENERAL FUND</u>	<u>HIGHWAY FUND</u>	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>NON- MAJOR FUNDS</u>	<u>TOTAL</u>
Non-Interest							
Bearing Accounts	\$ 250	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 350
Interest Bearing							
Accounts	<u>1,847,096</u>	<u>2,251</u>	<u>197,283</u>	<u>424,498</u>	<u>525,072</u>	<u>101,227</u>	<u>3,097,427</u>
Subtotal	1,847,346	2,351	197,283	424,498	525,072	101,227	3,097,777
CLASS Investments	<u>1,356</u>	<u>556</u>	<u>10,761</u>	<u>2,735</u>	<u>740</u>	<u>71,517</u>	<u>87,665</u>
TOTALS	<u>\$ 1,848,702</u>	<u>\$ 2,907</u>	<u>\$208,044</u>	<u>\$427,233</u>	<u>\$ 525,812</u>	<u>\$172,744</u>	<u>\$3,185,442</u>

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these Notes. Governmental Accounting Standards Board Statement No. 40 *Deposit and Investment Risk Disclosure*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, or collateralized by securities held by the Town or its agent in the Town's name. The Town's cash balances were fully collateralized with securities held by the Town's third party custodian and not subject to custodial credit risk.

B. Inventories

Inventories consist of significant expendable supplies primarily sand and road salt that are carried at cost in the government-wide financial statements.

C. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-40 years
Infrastructure	20 years
Machinery and equipment	3-20 years
Improvements	10-20 years

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts (Cont'd.)

D. Accumulated Compensated Absences

The Town has established a sick bank policy wherein each employee can accumulate time, which could be used to cover absences when sick. One-half of the unused balance can be carried to future years and paid upon retirement.

Vacation pay is earned during the current year and paid when taken in the following year. It is the Town's policy that payment will be made for vacation due, but not taken, upon separation from the Town's service. The Town has recorded a combined liability of \$461,834 at December 31, 2010 for vacation time earned but not yet taken and those sick bank credits being carried forward to 2011 and equal to one-half of the unused sick time available at December 31, 2010.

Compensatory time continues to be required to be taken in the current year with no liability for future years.

E. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

F. Budgets

The Town employs a formal budgetary accounting system as required by law. During the year, a budget was adopted and modified by the Town Board for the General Fund, Highway Fund, Water Fund, Sewer Fund and Non-Major Funds. However, for the Capital Projects Fund, budgets are established at the project level and continue until the project is completed. Any budgets, which include appropriations of fund balance, show expenditures exceeding revenues. Unused appropriations of the annually budgeted funds lapse at the end of the year.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts (Cont'd.)

G. Pension Plans

Plan Description

The Town of Fishkill participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute and benefits to employees. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town of Fishkill is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2010	<u>\$279,037</u>	<u>\$108,926</u>
2009	<u>\$198,036</u>	<u>\$89,767</u>
2008	<u>\$231,922</u>	<u>\$136,985</u>

The Town's contributions made to the Systems were equal to or in excess of the contributions required for each year.

H. Other Postemployment Benefits

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement requires the reporting of liabilities pertaining to postemployment benefits earned by employees on a current basis. The Town is required to implement this standard for the fiscal year ending December 31, 2010. The Town has not implemented the provisions of GASB Statement 45 as noted in the Town's audit opinion letter causing the Town's liabilities to be understated and net assets to be overstated on its government-wide financial statements.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts (Cont'd.)

I. Property Taxes

The Town submits an approved budget to the Dutchess County Commissioner of Finance by December 5th of the previous year. The County then establishes the warrant for the year. The Town collects the taxes on behalf of the Town and County through May 31st. The Town's portion of the taxes is recognized and transferred prior to the County's portion. Therefore, the Town receives its entire tax, leaving the unpaid taxes owed to the County Commissioner of Finance.

J. Risk Management

The Town of Fishkill assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Such risks are covered by the purchase of commercial insurance. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Workers compensation coverage is provided through a retrospective policy, wherein premiums are recorded based on the ultimate cost of the experience to date of workers in similar occupations. The Town does not estimate claims which may have occurred but are not reported in areas in which the Town is not insured.

K. Long-Term Obligations

Long-Term Debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion which is expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Long-Term Liabilities.

L. Reserves of Fund Equity

The Town records indicate that a portion of the Fund Equity is segregated for a specific future use. The following details the description and amounts of the reserves used by the Town:

	BALANCE AT <u>DECEMBER 31, 2010</u>
A. GENERAL FUND	
Reserved for Miscellaneous	\$ 21,101
Reserved for Encumbrances	12,606
Reserved for Self Insurance	6,024
C. NON-MAJOR FUNDS	
Reserved for Debt Service	83,654
TOTAL FUND EQUITY RESERVES	<u>\$ 123,385</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies (Cont'd.)

5. Financial Statement Amounts (Cont'd.)

M. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE B - Receivables

Receivables at December 31, 2010 consist of the following:

	<u>GENERAL FUND</u>	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
Accounts Receivable	\$ 89,922	\$ -	\$ -	\$ 89,922
Water Rents Receivable	-	-	514,353	514,353
Sewer Rents Receivable	-	356,192	-	356,192
TOTALS	<u>\$ 89,922</u>	<u>\$ 356,192</u>	<u>\$ 514,353</u>	<u>\$ 960,467</u>

NOTE C - Interfund Receivables and Payables

The following is a summary of amounts due from and due to other funds as of December 31, 2010. These inter-fund balances have been eliminated as part of the aggregation of fund balances. Such balances arise through the use of a pooled cash disbursement account, district transfers for water and sewer operations and the temporary funding of capital projects.

<u>FUND</u>	<u>RECEIVABLE</u>	<u>PAYABLE</u>
General	\$ 2,609,042	\$ 3,970,853
Highway	918,158	1,405,401
Sewer	3,371,177	3,301,751
Water	1,481,996	1,076,910
Capital Projects	2,701,313	1,567,060
Non-Major	675,168	434,879
Total	<u>\$ 11,756,854</u>	<u>\$ 11,756,854</u>
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General	\$ 348,769	\$ 659,012
Highway	-	51,042
Sewer	166,653	613,574
Water	-	309,253
Non-Major	1,135,218	17,759
Total	<u>\$ 1,650,640</u>	<u>\$ 1,650,640</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE D – Capital Assets

The following is a summary of changes and adjustments in the General Fixed Assets Account Group for the year ended December 31, 2010:

	BALANCE			BALANCE
	JANUARY 1,			DECEMBER 31,
Governmental activities:	<u>2010</u>	<u>ADDITIONS</u>	<u>(DISPOSALS)</u>	<u>2010</u>
Land	\$ 3,133,319	\$ -	\$ -	\$ 3,133,319
Land Improvements	645,503	-	-	645,503
Buildings	14,793,538	12,663,424	-	27,456,962
Infrastructure- water/sewer	4,904,196	-	-	4,904,196
Town Roads	847,309	-	-	847,309
Improvements other than buildings	132,893	-	-	132,893
Machinery & equipment	7,860,360	60,954	-	7,921,314
Construction-in-progress	<u>12,460,741</u>	<u>152,993</u>	<u>(12,460,741)</u>	<u>152,993</u>
Total	<u>44,777,859</u>	<u>12,877,371</u>	<u>(12,460,741)</u>	<u>45,194,489</u>
Less accumulated depreciation				
Land Improvements	83,367	32,275	-	115,642
Buildings	3,641,937	591,092	-	4,233,029
Infrastructure- water/sewer	333,306	128,051	-	461,357
Town Roads	184,641	42,366	-	227,007
Improvements other than buildings	83,595	6,053	-	89,648
Machinery & equipment	<u>6,798,941</u>	<u>378,242</u>	<u>-</u>	<u>7,177,183</u>
Total accumulated depreciation	<u>11,125,787</u>	<u>1,178,079</u>	<u>-</u>	<u>12,303,866</u>
Governmental activities capital assets, net	<u>\$ 33,652,072</u>	<u>\$ 11,699,292</u>	<u>\$ (12,460,741)</u>	<u>\$ 32,890,623</u>

*Depreciation was charged to governmental activities as follows:

General government support	\$ 153,150
Public Safety	341,643
Transportation	459,451
Home & community	106,027
Culture & recreation	<u>117,808</u>
Total depreciation expense	<u>\$ 1,178,079</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE E - Bond Anticipation Notes Payable

Liabilities for Bond Anticipation Notes are generally accounted for in the Capital Projects Fund, since maturities cannot exceed one year. However, state law allows the notes to be renewed, up to five years for capital purposes and up to the period of probable usefulness for assessable improvements, provided that stipulated annual reductions of principal are made. The Town also has two Bond Anticipation Notes in its General Fund.

The changes in Bond Anticipation Notes in aggregate for both the Capital Projects Fund and the General Fund are as follows:

	BALANCE JANUARY 1, 2010	NEW ISSUES	(RE- FINANCED)	(PAYMENTS)	BALANCE DECEMBER 31, 2010
Bond Anticipation Notes	\$ 22,589,201	\$ -	\$ 725,000	\$ (1,449,029)	\$ 21,865,172

The Bond Anticipation Notes recorded in the Capital Projects and General Funds are as follows:

<u>PURPOSE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>AMOUNT OUTSTANDING AT DECEMBER 31, 2010</u>
<u>Capital Projects Fund:</u>					
Rombout Sewer	02/25/99	02/12/10	3.00%	125,000	\$ 56,250
Rombout Sewer	10/08/96	09/24/10	3.00%	100,000	70,000
Roads	01/20/05	01/15/10	4.07%	500,000	310,000
Town Hall Equipment	09/21/06	09/16/10	2.75%	234,000	58,500
Roads	02/16/07	02/12/10	2.90%	500,000	350,000
Rombout Sewer	02/16/07	02/12/10	3.00%	100,000	40,000
Merritt Sewer	04/25/07	04/22/10	3.00%	2,030,849	1,947,957
Highway Equipment	07/25/07	07/22/10	2.25%	249,400	131,170
Rombout Sewer	07/25/07	07/22/10	2.35%	650,000	611,000
Parks Equipment	08/15/07	08/12/10	2.50%	55,000	22,000
Rombout Lighting	08/15/07	08/12/10	2.50%	85,096	34,000
Recreation Building	08/15/07	08/12/10	2.35%	3,600,000	3,240,000
Dutchess Park Sewer	01/18/08	01/15/10	4.07%	1,272,866	1,145,580
Sewer Plant	11/04/08	04/30/10	2.00%	11,426,775	12,086,775
Highway Equipment	07/24/08	07/22/10	2.25%	204,000	153,150
Snook Road Water	08/14/08	08/12/10	2.45%	911,090	711,090
Sewer Plant	08/20/09	08/19/10	3.25%	750,000	725,000
Total Capital Projects Fund				<u>\$22,794,076</u>	<u>\$ 21,692,472</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE E – Bond Anticipation Notes Payable (Cont'd)

<u>PURPOSE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>AMOUNT OUTSTANDING AT DECEMBER 31, 2010</u>
<u>General Fund:</u>					
Computer Project	05/03/06	04/29/10	3.15%	200,000	40,000
Police Arbitration	04/14/08	04/11/11	2.25%	<u>221,237</u>	<u>132,700</u>
Total General Fund				<u>\$ 421,237</u>	<u>\$ 172,700</u>
Total Bond Anticipation Notes Payable				<u>\$23,215,313</u>	<u>\$ 21,865,172</u>

NOTE F – Revenue Anticipation Note Payable

Revenue anticipation notes are issued in anticipation of the collection of revenues for periods up to one year and may be renewed. Proceeds can be used for payment of expenditures which are legally payable from the respective revenues. The Revenue Anticipation Note Payable was issued in December 2010 and the outstanding balance as of December 31, 2010 is \$3,200,000 which was borrowed at an interest rate of 3.52%.

NOTE G - Long-Term Debt

Long-Term Debt consists of Compensated Absences, Statutory Installment Bonds, Serial Bonds Payable, and an estimated liability - Landfill Closure and Post-Closure Costs, which are backed by the full faith and credit of the Town.

1. Changes

The following is a summary of changes in Long-Term Debt for the year ended December 31, 2010.

	<u>BALANCE JANUARY 1, 2010</u>	<u>INCREASE</u>	<u>(DECREASE)</u>	<u>BALANCE DECEMBER 31, 2010</u>	<u>AMOUNT DUE WITHIN ONE YEAR</u>
Statutory Installment Bonds	\$ 589,835	\$ -	\$ (180,335)	\$ 409,500	\$ 142,500
Serial Bonds	6,779,000	-	(667,000)	6,112,000	662,000
Compensated Absences	503,819	-	(41,985)	461,834	-
Landfill Closure Costs	<u>508,250</u>	-	<u>(22,183)</u>	<u>486,067</u>	<u>26,127</u>
TOTALS	<u>\$ 8,380,904</u>	<u>\$ -</u>	<u>\$ (911,503)</u>	<u>\$ 7,469,401</u>	<u>\$ 830,627</u>

**TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010**

NOTE G - Long-Term Debt (Cont'd.)

2. Bonds Payable

The Town borrows money in order to acquire or construct buildings and public improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Town, are recorded as Long-Term Debt. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

a. Statutory Installment Bonds Payable

The Town may borrow an amount in the form of a statutory bond not to exceed \$1,000,000 for any purpose, which has a period of probable usefulness. These long-term liabilities are recorded as follows:

<u>PURPOSE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>AMOUNT OUTSTANDING AT DECEMBER 31, 2010</u>
Joint Landfill	10/27/93	10/27/13	5.75%	\$ 750,000	\$ 112,500
Wellfield	12/09/05	12/09/15	4.15%	480,000	240,000
Town Hall and Landfill	07/13/01	07/13/11	5.99%	<u>680,000</u>	<u>57,000</u>
TOTAL STATUTORY INSTALLMENT BONDS				<u>1,910,000</u>	<u>409,500</u>

b. Serial Bonds Payable

Serial bonds may be issued for any object or purpose for which a period of probable usefulness has been established.

<u>PURPOSE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>AMOUNT OUTSTANDING AT DECEMBER 31, 2010</u>
Dutchess Park and Forgebrook Sewer	03/03/99	01/15/11	2.78%-4.33%	3,031,940	225,000
Public Improvement	02/15/91	02/15/11	6.55%	8,261,000	202,000
Rombout Water	03/14/02	04/15/21	1.21%-4.98%	1,368,232	805,000
Police Facility	05/15/04	04/15/29	4.75%	<u>5,635,000</u>	<u>4,880,000</u>
TOTAL SERIAL BONDS				<u>18,296,172</u>	<u>6,112,000</u>
TOTAL BONDS PAYABLE				<u>\$ 20,206,172</u>	<u>\$ 6,521,500</u>

**TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010**

NOTE G - Long-Term Debt (Cont'd.)

3. Annual Amortization Requirements

The annual requirements to amortize bonded debt as of December 31, 2010, are as follows:

YEAR ENDING <u>DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$ 804,500	\$ 303,848	\$ 1,108,348
2012	330,500	271,959	602,459
2013	340,500	254,403	594,903
2014	308,000	236,393	544,393
2015	318,000	220,064	538,064
2016-2020	1,525,000	886,204	2,411,204
2021-2025	1,500,000	530,493	2,030,493
2026-2030	<u>1,395,000</u>	<u>143,625</u>	<u>1,538,625</u>
TOTALS	<u>\$ 6,521,500</u>	<u>\$ 2,846,989</u>	<u>\$ 9,368,489</u>

4. Advance Refunding of Sewer Fund Debt

As of January 1, 1999 the Town issued \$3,031,940 in debt with an effective interest rate of 3.89% through the New York State Environmental Facilities Corporation. The proceeds were used to pay off a bond anticipation note in the amount of \$82,000 and advance refund a portion of the 1991 serial bonds amounting to \$2,552,000, which bore an interest rate of 6.55%. The net proceeds of the refunding portion, \$2,877,296, after payment of \$72,644, in underwriting and other issuance costs, were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of 1991 Series bonds being refunded. Consequently, that portion of the 1991 Series bonds are considered to be defeased and the liability for those bonds has been removed from Long-Term Debt. At year-end the balance defeased amounted to \$390,000. The balance outstanding on the 1991 bonds not defeased is \$460,000. These bonds will be fully paid in 2011.

The Town advance refunded the 1991 Series bonds to reduce its total debt service payments over the following twelve years by approximately \$106,150 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$93,250.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE H - Compliance and Accountability

1. Deficit Fund Balances

The General Fund has incurred a deficit of (\$799,641) for the year, resulting in a deficit fund balance of (\$2,906,264). The Town plans to increase revenues in order to fund this deficit.

The Capital Projects Fund has a deficit fund balance of (\$20,148,637) resulting from the issuance of Bond Anticipation Notes for certain capital projects. This deficit will be funded from appropriations when the notes are paid.

The Highway Fund has a net loss of (\$97,288) for the year, resulting in a reduced deficit fund balance of (\$570,199). The Town plans to increase revenues in order to fund this deficit.

<u>FUND/DISTRICT</u>	<u>DEFICIT</u>
General Fund/ Town Outside Village	<u>\$ 37,127</u>
General Fund/ Town-Wide	<u>\$ 2,869,137</u>
Highway Fund/ Town Outside Village	<u>\$ 582,606</u>
Water Fund/ Beacon Hills District	<u>\$ 68,698</u>
Water Fund/ Glenham District	<u>\$ 1,093</u>
Water Fund/ Brinkerhoff District	<u>\$ 101,835</u>
Sewer Fund/ Dutchess Park	<u>\$ 496,450</u>

2. Overdrawn Appropriations

Expenditures in the following fund/categories materially exceeded appropriations:

<u>FUND/CATEGORY</u>	<u>APPROPRIATION</u>	<u>EXPENDITURE</u>	<u>VARIANCE (UNFAVORABLE)</u>
General Fund/ General Government Support	<u>\$ 2,089,199</u>	<u>\$ 2,579,899</u>	<u>\$ (490,700)</u>
General Fund/ Culture and Recreation	<u>\$ 597,671</u>	<u>\$ 680,874</u>	<u>\$ (83,203)</u>
General Fund/ Employee Benefits	<u>\$ 80,190</u>	<u>\$ 110,308</u>	<u>\$ (30,118)</u>
General Fund/ Debt Service	<u>\$ 788,940</u>	<u>\$ 826,397</u>	<u>\$ (37,457)</u>

**TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010**

NOTE H - Compliance and Accountability

2. Overdrawn Appropriations

<u>FUND/CATEGORY</u>	<u>APPROPRIATION</u>	<u>EXPENDITURE</u>	<u>VARIANCE (UNFAVORABLE)</u>
Highway Fund/ Transportation	\$ 1,177,908	\$ 1,296,455	\$ (118,547)
Highway Fund/ Employee Benefits	\$ 45,900	\$ 59,412	\$ (13,512)
Highway Fund/ Debt Service	\$ 480,400	\$ 483,439	\$ (3,039)
Water Fund/ Debt Service	\$ 221,500	\$ 231,659	\$ (10,159)
Sewer Fund/ Home & Community Service	\$ 1,743,400	\$ 1,974,794	\$ (231,394)
Sewer Fund/ Debt Service	\$ 624,203	\$ 827,467	\$ (203,264)

NOTE I - Joint Venture

The following activity is undertaken by the Town jointly with another municipality. This activity is excluded from the financial statements of the Town. However, it is considered a related party. Separate financial statements are issued for joint ventures.

The Town of Fishkill, New York entered into an agreement with the Town of East Fishkill, New York, dated May 27, 1980, to operate the Fishkill/East Fishkill Joint Landfill for a period of twenty years. All costs of operations and maintenance were borne equally by each municipality.

The Joint Landfill was ordered closed under a consent order signed with the N.Y.S. Department of Environmental Conservation, the latest modification dated April 1993. The landfill has not accepted waste since 1986 and was completely closed and capped by July 1997.

The following is a summary of unaudited financial information at December 31, 2010, which is included in the separate financial statements issued for this joint venture:

Total Assets (Excluding Fixed Assets)	\$1,092
Total Fixed Assets	\$1,327,260
Total Liabilities	\$2,593
Total Venture Equity	\$1,325,759
Total Revenues	\$48,000
Total Expenditures	\$49,805

These financial statements are available from the Joint Landfill, Town Hall, Fishkill, New York 12524.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE I - Joint Venture (Cont'd.)

During 2010, the Town paid \$25,000 to the Joint Venture as its share of current monitoring expenditures. The Town's liability for its future share of closure and post-closure monitoring costs are recorded as Long-Term Debt (See Note G). The Town issued debt to partially fund these expenditures in 1995 (See Note E).

NOTE J - Landfill Closure and Post Closure Care Costs

As described in Note I above, the Fishkill/East Fishkill Joint Landfill has been required to close and to cap, i.e. place a final cover on, the landfill site, as well as perform certain maintenance and monitoring functions at the site for thirty years after closure.

The Joint Landfill estimates total future post closure care costs to be \$972,134. This amount is based on what it would cost to perform post closure care, for thirty years as required, in 2010 assuming a 3% rate of inflation. Actual costs may be higher due to changes in inflation rates, in technology or in regulations. The Town recorded its share of the Joint Landfill postclosure care cost, amounting to \$486,067 in Long-Term Debt (See Note G).

NOTE K - Commitments and Contingencies

1. Authorized Debt

The Town has authorized certain debt, however, not all of which has been issued, as follows:

<u>PURPOSE</u>	<u>DATE</u>	<u>AUTHORIZED</u>	<u>UNISSUED</u>
Rombout Water District	09/04/96	\$ 2,043,000	\$ 494,768
Rombout Sewer District	09/04/96	1,320,000	1,005,000
Various Building Improvements	02/27/98	151,750	10,300
Highway Department Equipment	02/27/98	320,000	10,000
Various Purposes	02/15/06	<u>132,000</u>	<u>132,000</u>
TOTALS		<u>\$ 3,966,750</u>	<u>\$ 1,652,068</u>

2. Litigation

The Town is a defendant in various lawsuits and tax certiorari cases. The outcome of these cases and lawsuits are not presently determinable, however, the Town does not believe that any future settlements will materially affect the financial position of the Town.

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2010

NOTE L – Subsequent Events

1. Issued Debt

The Town has issued the following bond anticipation notes subsequent to December 31, 2010.

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>AMOUNT</u>
Bond Anticipation Notes:		
Various Capital Items	07/20/11	\$ 3,597,079
Judgments and Claims	11/10/11	<u>175,000</u>
	Total	<u><u>\$ 3,772,079</u></u>

NOTE M – New Reporting Standard

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes certain new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require the reporting of fund balance in five new classifications: nonspendable, restricted, committed, assigned and unassigned. The Town is required to implement this standard for the year ended December 31, 2011. The Town is in the process of implementing the provisions of GASB Statement 54. The implementation of GASB Statement 54 will not have a substantive effect on the Town's government wide financial position.

REQUIRED SUPPLEMENTAL INFORMATION

**TOWN OF FISHKILL, NEW YORK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real property taxes	\$ 1,943,986	\$ 1,943,986	\$ 1,943,993	\$ 7
Real property tax items	153,503	163,361	199,959	36,598
Non property tax items	2,188,668	2,184,316	1,265,885	(918,431)
Departmental income	1,371,036	1,228,379	1,328,474	100,095
Intergovernmental charges	-	-	-	-
Use of money and property	32,598	50,598	11,172	(39,426)
Licenses and permits	436,750	436,750	311,789	(124,961)
Fines and forfeitures	135,500	135,500	134,640	(860)
Sale of property and compensation for loss	1,000	15,241	21,471	6,230
Miscellaneous local sources	8,200	15,263	12,891	(2,372)
Federal aid	-	-	771	771
State aid	113,800	125,516	741,973	616,457
Total revenues	6,385,041	6,298,910	5,973,018	(325,892)
Appropriation of prior year's fund balance	-	-	-	-
Total revenues and appropriation of prior year's fund balance	6,385,041	6,298,910	5,973,018	(325,892)
EXPENDITURES AND ENCUMBRANCES				
General Government Support	2,089,149	2,089,199	2,579,899	(490,700)
Public safety	1,948,676	1,884,616	1,853,053	31,563
Transportation	212,570	218,190	210,769	7,421
Economic assistance & opportunity	16,627	16,627	16,675	(48)
Culture and recreation	625,452	597,671	680,874	(83,203)
Home and community service	280,405	280,445	268,731	11,714
Employee benefits	80,190	80,190	110,308	(30,118)
Debt service	788,940	788,940	826,397	(37,457)
Total expenditures and encumbrances	6,042,009	5,955,878	6,546,706	(590,828)
Excess (deficiency) of revenues and appropriation of prior year's fund balance over (under) expenditures and encumbrances	343,032	343,032	(573,688)	(916,720)
Other financing sources (uses)				
BAN's redeemed from appropriation	-	-	84,290	84,290
Operating transfers in	-	417,416	348,769	(68,647)
Operating transfers out	(691,900)	(691,900)	(659,012)	32,888
Total other financing sources	(691,900)	(274,484)	(225,953)	48,531
Excess (deficiency) of revenues and appropriation of prior year's fund balance and other sources over (under) expenditures, encumbrances	\$ (348,868)	\$ 68,548	\$ (799,641)	\$ (868,189)

The accompanying Notes to the Financial Statements
should be read in conjunction with these Financial Statements.

HIGHWAY FUND

<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 1,734,367	\$ 1,734,367	\$ 1,733,667	\$ (700)
-	-	-	-
-	-	-	-
-	-	-	-
15,000	15,000	16,896	1,896
1,461	1,461	1,011	(450)
-	-	-	-
-	-	-	-
-	415	415	-
-	-	-	-
-	-	41,071	41,071
-	-	-	-
<u>1,750,828</u>	<u>1,751,243</u>	<u>1,793,060</u>	<u>41,817</u>
-	-	-	-
<u>1,750,828</u>	<u>1,751,243</u>	<u>1,793,060</u>	<u>41,817</u>
-	-	-	-
-	-	-	-
1,177,493	1,177,908	1,296,455	(118,547)
-	-	-	-
-	-	-	-
-	-	-	-
45,900	45,900	59,412	(13,512)
480,400	480,400	483,439	(3,039)
<u>1,703,793</u>	<u>1,704,208</u>	<u>1,839,306</u>	<u>(135,098)</u>
47,035	47,035	(46,246)	(93,281)
-	-	-	-
-	-	-	-
<u>(47,035)</u>	<u>(47,035)</u>	<u>(51,042)</u>	<u>(4,007)</u>
<u>(47,035)</u>	<u>(47,035)</u>	<u>(51,042)</u>	<u>(4,007)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,288)</u>	<u>\$ (97,288)</u>

WATER FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real property taxes	\$ 606,771	\$ 606,771	\$ 607,227	\$ 456
Real property tax items	-	-	-	-
Non property tax items	-	-	-	-
Departmental income	1,188,254	1,188,254	1,456,114	267,860
Intergovernmental charges	-	-	-	-
Use of money and property	22,087	22,087	29,318	7,231
Licenses and permits	-	-	6,081	6,081
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	3,660	3,660
Miscellaneous local sources	-	-	277	277
State aid	-	-	-	-
Total revenues	1,817,112	1,817,112	2,102,677	285,565
Appropriation of prior's year's fund balance	-	-	-	-
Total revenues and appropriation of prior year's fund balance	1,817,112	1,817,112	2,102,677	285,565
EXPENDITURES AND ENCUMBRANCES				
General Government Support	110,725	110,725	-	110,725
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic assistance & opportunity	-	-	-	-
Culture and recreation	-	-	-	-
Home and community service	1,164,989	1,164,989	1,056,507	108,482
Employee benefits	-	-	-	-
Debt service	221,500	221,500	231,659	(10,159)
Total expenditures and encumbrances	1,497,214	1,497,214	1,288,166	209,048
Excess (deficiency) of revenues and appropriation of prior year's fund balance over (under) expenditures and encumbrances	319,898	319,898	814,511	494,613
Other financing sources (uses)				
BAN's redeemed from appropriation	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(319,898)	(319,898)	(309,253)	10,645
Total other financing sources	(319,898)	(319,898)	(309,253)	10,645
Excess (deficiency) of revenues and appropriation of prior year's fund balance and other sources over (under) expenditures, encumbrances	\$ -	\$ -	\$ 505,258	\$ 505,258

SEWER FUND

<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 904,480	\$ 904,480	\$ 904,853	\$ 373
-	-	-	-
-	-	-	-
1,725,254	1,725,254	1,155,702	(569,552)
280,060	280,060	301,573	21,513
3,100	3,100	6,062	2,962
-	-	-	-
-	-	-	-
-	-	-	-
-	-	6,480	6,480
-	-	-	-
<u>2,912,894</u>	<u>2,912,894</u>	<u>2,374,670</u>	<u>(538,224)</u>
-	-	-	-
<u>2,912,894</u>	<u>2,912,894</u>	<u>2,374,670</u>	<u>(538,224)</u>
91,489	91,489	-	91,489
-	-	-	-
-	-	-	-
-	-	-	-
1,743,400	1,743,400	1,974,794	(231,394)
-	-	-	-
<u>624,203</u>	<u>624,203</u>	<u>827,467</u>	<u>(203,264)</u>
<u>2,459,092</u>	<u>2,459,092</u>	<u>2,802,261</u>	<u>(343,169)</u>
453,802	453,802	(427,591)	(881,393)
-	-	-	-
166,653	166,653	166,653	-
<u>(620,455)</u>	<u>(620,455)</u>	<u>(613,574)</u>	<u>6,881</u>
<u>(453,802)</u>	<u>(453,802)</u>	<u>(446,921)</u>	<u>6,881</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (874,512)</u>	<u>\$ (874,512)</u>