

**TOWN OF FISHKILL, NEW YORK
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2008**

TOWN OF FISHKILL, NEW YORK
TABLE OF CONTENTS
DECEMBER 31, 2008

<u>DESCRIPTION</u>	<u>PAGE(S)</u>
Independent Auditors' Report	1-2
Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	3-4
Management's Discussion and Analysis (unaudited) For The Year Ended December 31, 2008	5-10
 BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets- December 31, 2008.....	11
Statement of Activities- For the Year Ended December 31, 2008	12-13
Fund Financial Statements:	
Balance Sheet – Governmental Funds- December 31, 2008.....	14-15
Reconciliation of Governmental Funds Balance Sheet To the Statement Of Net Assets- December 31, 2008	16
Statement of Revenues, Expenditures, and Changes In Fund Balances- Governmental Funds- For the Year Ended December 31, 2008	17-18
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, 2008.....	19
Statement of Net Assets Fiduciary Funds – December 31, 2008	20
Notes to the Basic Financial Statements	21-39
 REQUIRED SUPPLEMENTAL INFORMATION SECTION:	
Exhibit I	
Budgetary Comparison Schedule- General, Highway, Water and Sewer Funds- For the Year Ended December 31, 2008.....	40-43

INDEPENDENT AUDITORS' REPORT

To the Supervisor and
Members of the Town Board
Town of Fishkill, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the Town of Fishkill, New York as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the forgoing Table of Contents. These 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 *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining information for the Town of Fishkill, New York as of December 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and Exhibit I, budgetary comparison information, listed in the Table of Contents, are not a required part of the basic financial statements, but are

supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009 on our consideration of the Town of Fishkill, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants. The report on compliance with laws and regulations and internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* and, in considering the results of our audit, this report should be read in conjunction the auditor's report on the basic financial statements.

Sedaris & Company, CPAs

Poughkeepsie, New York
December 23, 2009

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Supervisor
and Members of the Town Board
Town of Fishkill
Fishkill, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fishkill, New York, as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Fishkill, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Fishkill, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Fishkill, New York's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a

combination of different control deficiencies, that adversely affects the Town of Fishkill, New York's ability to initiate, authorize, record, process, or report financial data in a reliably in accordance with generally accepted accounting principles such that it is more than a remote likelihood that a misstatement of the Town of Fishkill, New York's financial statements that is more than inconsequential will not be prevented or detected by the Town of Fishkill, New York's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Fishkill, New York's internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Fishkill, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, pertaining to continuing deficit fund balances and the Town not providing responses to prior year findings, which is further described in a separate letter dated December 23, 2009.

We noted others matter involving the internal control over financial reporting that we have reported to the management of the Town of Fishkill, New York in a separate letter dated December 23, 2009.

This report is intended for the information of the Supervisor, Town Board, Management, others within the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Sedau & Company, CPAs

Poughkeepsie, New York
December 23, 2009

TOWN OF FISHKILL, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
DECEMBER 31, 2008

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, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
(CONTINUED)
DECEMBER 31, 2008**

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

A summary of the fiscal year 2007 Statement of Net Assets with comparative information for 2006 follows:

**TABLE 1
STATEMENT OF NET ASSETS**

	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 9,313,787	\$ 5,982,604
Capital Assets	<u>26,730,923</u>	<u>19,660,612</u>
Total assets	<u>\$ 36,044,710</u>	<u>\$ 25,643,216</u>
Current liabilities	\$ 25,080,090	\$ 14,632,025
Non-current liabilities	<u>8,321,838</u>	<u>9,028,814</u>
Total liabilities	<u>33,401,928</u>	<u>23,660,839</u>
Net Assets	<u>2,642,782</u>	<u>1,982,377</u>
Total net assets	<u>2,642,782</u>	<u>1,982,377</u>
Total liabilities and net assets	<u>\$ 36,044,710</u>	<u>\$ 25,643,216</u>

Net assets may serve over time as a useful indicator of a government's financial position. At December 31, 2008, the Town's assets exceeded liabilities by \$2,642,782. Net assets increased by \$660,405 in 2008.

TOWN OF FISHKILL, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
(CONTINUED)
DECEMBER 31, 2008

3. 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 \$ 696,834 from the prior year to (\$1,760,451). There are three components that make up this fund, the Town Wide General Fund, the Town Outside Village General Fund, and the non-agency balances from the Trust and Agency Fund. We will discuss each fund separately.

The largest single event was the continued slowdown in the housing market which impacted both general funds. The slowdown in the housing market resulted in a decreases in both mortgage taxes of \$280,815 and building and permit fees of \$188,884.

Sales taxes also were below budget by \$110,158. The prior period adjustment also relates to the sales tax revenue account.

Another significant event was the settling of the police arbitration. The event occurred in January 2008 and retro-active payment contributed to the \$191,639 negative variance in police expenses.

All of the other departments completed the year within or below the Town's operational budget.

The remaining balance is non-agency trust items that are included in the overall total. These include Parkland Trust's balance at \$340,733 versus \$ 679,040 in 2007 and Housing Trust's balance of \$265,862 versus \$ 191,414 in 2007.

Some items that had "zero impact" on the fund balance include partial construction of the new recreation center, and all expenses for the housing department. These expenses of \$ 880,054 and \$ 227,788 were offset 100% with funds from Parkland and Housing Trust Funds respectively.

TOWN OF FISHKILL, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
(CONTINUED)
DECEMBER 31, 2008

HIGHWAY FUND

The Town Wide Highway fund ended the year with a negative fund balance of (\$49,221) versus \$ 2,172 in the prior year, a reduction in fund balance of \$51,393. This was fully expected as there had been a budgeted decrease in fund balance of \$75,000. Snow removal was only unfavorable by 1.9% or \$5,047. This was offset by favorability in other expense areas.

The Town Outside Village Highway Fund ended the year with a negative fund balance of \$ 480,404, an increase in the deficit of \$87,046 over 2007. A transfer of \$50,016 interfund revenue item could not be completed due to the poor performance in the Town Outside Village Fund.

Net Highway Fund balance is a negative \$529,624 at December 31, 2008.

CAPITAL PROJECTS FUND

New BAN's (Bond Anticipation Notes) for projects totaling \$9,709,393 were as follows:

- \$ 7,000,000 for the Rombout Sewer District (new plant)
- \$ 1,272,866 for reconstruction of Dutchess Park Sewer Building
- \$ 911,090 for the Snook Road Well Field
- \$ 221,237 for the Police Arbitration Award (2006-2008)
- \$ 204,200 for new Highway Equipment
- \$ 100,000 for the Master/Comprehensive Plan

Pay downs of existing debt in the amount of \$1,129,121 resulted in a year end balance of BAN's payable of \$18,536,752. It should be noted that the bulk of the Town's borrowings is exempt from the State's borrowing limitations. The Town is substantially below the limitations at 8.8% of its non-exempt borrowing limit.

TOWN OF FISHKILL, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
(CONTINUED)
DECEMBER 31, 2008

SEWER FUND

The Town operates eleven sewer districts. The combined districts are presented here. The fund balance increased by \$ 603,797. This favorability is primarily due to an influx in revenues from developer fees. Fund Balance at year end was \$ 1,088,080.

WATER FUND

The Town operates seven water districts. The fund balance decreased \$ 73,103 to a year end balance of \$639,918. This decrease is due to a budgeted rate increase that was postponed and the planned use of \$10,003 of fund balance.

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 \$ 109,801. As expected the Ambulance fund improved by \$ 60,462 due to a reduction in the prior year liability being reduced over a three year period.. Overall, the lighting districts improved by \$11,300. The debt service was favorable by \$ 38,038. The Fund Equity at year-end to \$275,125.

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.

4. Activities regarding capital assets and long-term debt

The Town Board issued six new debt issues (Bond Anticipation Notes) in 2008 for a total of \$ 9,709,393 as previously listed.

There was no new long-term debt issued in 2008; however, there was one Bond Anticipation Note converted into a Statutory Installment Bond in 2008. Payments of \$94,500 and \$710,000 was applied against Statutory Installment Bonds and Serial Bonds, respectively.

Our current debt rating is Aaa rating from Moody's.

TOWN OF FISHKILL, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS- UNAUDITED
(CONTINUED)
DECEMBER 31, 2008

5. Town Infrastructure

The Town continues to invest in its infrastructure in multiple ways. Investment continues in the Merritt and Rombout sewer districts. The bonding completed in 2007 for the Rombout District funded the soft costs for a new wastewater treatment plant. Construction on this plant began in August of 2008 and is operational as of November 2009. The old plant is scheduled for demolition in early 2010. Our recreation center is completed with new programs and events being added daily. Memorial Park has been completed as well as the reconstruction of the Dutchess Park Sewer building.

6. The Future

The Town continues to move forward and improve. The greatest challenge is the slowness in the housing market which impacts our revenues. 2008 was not as severe a problem as was seen in 2007. We have obtained a three year contract with our police officers union which will reduce our legal costs while still offering an attractive wage package. We continue to look at reducing expenses and explore shared services with other municipalities. No new bonding for equipment is planned in 2009, and all non-essential travel and training has been eliminated. In the 2010 budget we have not anticipated any new debt for equipment. We have reduced hours, several positions have been eliminated, no COLA raises or step increases are budgeted and we are instituting a payroll deferred plan or lag pay. All these options have been instituted with no loss of services.

TOWN OF FISHKILL, NEW YORK
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 7,827,715
Investments	128,775
Receivables (net)	1,317,680
Inventory	38,115
Prepaid expenses	1,502
Total current assets	<u>9,313,787</u>
Capital assets:	
Land	3,133,319
Infrastructure, net of depreciation	5,314,721
Buildings, machinery and equipment, net of depreciation	11,672,054
Construction-in-progress	6,610,829
Total capital assets	<u>26,730,923</u>
Total assets	<u>\$ 36,044,710</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 3,323,964
Accrued liabilities and retainage payable	1,010,434
Due to other governments	1,330,550
Deferred revenues	11,705
Bond anticipation notes	18,536,752
Current portion of long-term liabilities	
Landfill remediation liability	29,350
Bonds payable	837,335
Total current liabilities	<u>25,080,090</u>
Non-current liabilities:	
Compensated absence liabilities	444,753
Landfill remediation liability	508,250
Bonds payable	7,368,835
Total non-current liabilities	<u>8,321,838</u>
Total liabilities	33,401,928
NET ASSETS	
Invested in Capital Assets, net of related debt	(225,926)
Restricted for:	
Debt service	83,654
Unrestricted	2,785,054
Total net assets	<u>2,642,782</u>
Total liabilities and net assets	<u>\$ 36,044,710</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, 2008

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:			
General government support	\$ 2,910,931	\$ 19,656	\$ -
Public safety	2,360,280	8,061	76,626
Health	12,712	-	-
Transportation	2,354,080	-	-
Economic assistance & opportunity	19,398	-	-
Culture and recreation	991,249	225,803	607,865
Home and community services	3,271,282	2,935,066	227,788
Interest on long-term debt	852,005	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	12,771,937	3,188,586	912,279

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, as originally stated

Prior period adjustment

Net assets - beginning, as restated

Net assets - ending

NET (EXPENSE) REVENUE
AND CHANGES IN
NET ASSETS

	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>		<u>GOVERNMENTAL ACTIVITIES</u>
\$	-	\$	(2,891,275)
	-		(2,275,593)
	-		(12,712)
	-		(2,354,080)
	-		(19,398)
	-		(157,581)
	-		(108,428)
	-		(852,005)
	-		<u>(8,671,072)</u>

4,348,428

155,079

896,930

1,170,654

287,375

18,762

135,688

100,147

731,384

1,405,944

192,183

9,442,574

771,502

1,982,377

(111,097)

1,871,280

\$ 2,642,782

**TOWN OF FISHKILL, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	GENERAL FUND	HIGHWAY FUND	CAPITAL PROJECTS FUND
ASSETS			
Cash and cash equivalents	\$ 919,437	\$ 32,421	\$ 5,658,840
Investments	6,343	556	740
Receivables:			
Charges for services	-	-	-
Other	73,961	-	-
Due from other funds	2,150,443	1,265,585	2,932,089
State and federal receivable	214,508	-	-
Due from other governments	315,127	4,359	212
Prepaid expenses	1,502	-	-
	\$ 3,681,321	\$ 1,302,921	\$ 8,591,881
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 313,924	\$ 13,969	\$ 2,798,482
Accrued liabilities	84,318	26,477	-
Retainage payable	35,358	-	477,151
Due to other funds	4,393,445	1,744,647	1,430,842
Due to other governments	281,785	47,453	-
Deferred revenues	11,705	-	-
Bond anticipation notes payable	321,237	-	18,215,515
	5,441,772	1,832,546	22,921,990
 FUND BALANCE			
Fund balance (deficit):			
Reserved for:			
Encumbrances	-	-	67,214
Miscellaneous	22,737	-	-
Debt Service	-	-	-
Unreserved:			
Undesignated	(1,783,188)	(529,625)	(14,397,323)
	(1,760,451)	(529,625)	(14,330,109)
	Total fund balance	Total fund balance	Total fund balance
	\$ 3,681,321	\$ 1,302,921	\$ 8,591,881

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

<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>NON- MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 289,788	\$ 875,462	\$ 51,767	\$ 7,827,715
2,723	10,715	107,698	128,775
301,948	319,803	-	621,751
-	-	-	73,961
1,532,492	2,337,402	390,587	10,608,598
-	-	-	214,508
-	68,482	19,280	407,460
-	-	-	1,502
<u>\$ 2,126,951</u>	<u>\$ 3,611,864</u>	<u>\$ 569,332</u>	<u>\$ 19,884,270</u>
\$ 104,067	\$ 71,247	\$ 22,275	\$ 3,323,964
-	-	-	110,795
-	-	22,655	535,164
608,708	2,181,679	249,277	10,608,598
753,333	247,979	-	1,330,550
20,925	22,879	-	55,509
-	-	-	18,536,752
<u>1,487,033</u>	<u>2,523,784</u>	<u>294,207</u>	<u>34,501,332</u>
-	-	-	67,214
-	-	-	22,737
-	-	83,654	83,654
639,918	1,088,080	191,471	(14,790,667)
<u>639,918</u>	<u>1,088,080</u>	<u>275,125</u>	<u>(14,617,062)</u>
<u>\$ 2,126,951</u>	<u>\$ 3,611,864</u>	<u>\$ 569,332</u>	<u>\$ 19,884,270</u>

TOWN OF FISHKILL, NEW YORK
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Total fund equity for governmental funds \$ (14,617,062)

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. 26,730,923

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. (9,188,523)

Revenues earned in the current period, but not providing current financial resources are not reported in the funds. 43,804

Inventory is not reported in the funds 38,115

Accrued interest is not reported in the funds. (364,475)

Total net assets of governmental activities \$ 2,642,782

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, 2008

	<u>GENERAL FUND</u>	<u>HIGHWAY FUND</u>	<u>CAPITAL PROJECTS FUND</u>
REVENUES			
Real property taxes	\$ 1,461,459	\$ 1,930,525	\$ -
Real property taxes items	151,598	-	-
Non property taxes items	1,184,305	-	-
Departmental income	1,319,770	-	-
Intergovernmental charges	5,300	18,762	-
Use of money and property	12,906	5,306	543
Licenses and permits	493,577	-	-
Fines and forfeitures	116,841	-	-
Sale of property and compensation for loss	213,554	730	-
Miscellaneous local sources	616,347	11	-
State aid	1,387,211	-	-
Federal aid	-	-	-
Total revenues	<u>6,962,868</u>	<u>1,955,334</u>	<u>543</u>
EXPENDITURES			
General government support	2,357,481	-	504,254
Public safety	2,007,093	-	-
Health	-	-	-
Transportation	240,648	1,466,479	262,193
Economic assistance & opportunity	19,398	-	-
Culture and recreation	1,445,545	-	1,635,036
Home and community services	322,276	-	5,520,010
Employee benefits	61,619	40,003	-
Debt service	723,023	592,810	-
Total expenditures	<u>7,177,083</u>	<u>2,099,292</u>	<u>7,921,493</u>
Excess of revenues over expenditures	(214,215)	(143,958)	(7,920,950)
Other financing sources:			
Proceeds of debt	-	-	75,670
BANs redeemed from appropriations	-	-	1,129,121
Operating transfers in	259,042	14,123	7,641
Operating transfers out	(741,661)	(8,605)	-
Total other financing sources	<u>(482,619)</u>	<u>5,518</u>	<u>1,212,432</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	(696,834)	(138,440)	(6,708,518)
Fund Balance, December 31, 2007, as originally stated	(952,520)	(391,185)	(7,621,591)
Prior Period Adjustment	<u>(111,097)</u>	<u>-</u>	<u>-</u>
Fund Balance, December 31, 2007, as restated	(1,063,617)	(391,185)	(7,621,591)
Fund Balance, December 31, 2008	<u>\$ (1,760,451)</u>	<u>\$ (529,625)</u>	<u>\$ (14,330,109)</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
\$ 342,937	\$ 342,769	\$ 270,738	\$ 4,348,428
-	-	3,481	155,079
-	-	-	1,184,305
984,421	1,469,510	-	3,773,701
-	298,068	-	322,130
41,213	24,537	42,083	126,588
59,501	-	-	553,078
-	-	-	116,841
-	-	-	214,284
-	758,000	-	1,374,358
-	-	-	1,387,211
-	-	-	-
<u>1,428,072</u>	<u>2,892,884</u>	<u>316,302</u>	<u>13,556,003</u>
-	-	20,498	2,882,233
-	-	-	2,007,093
-	-	12,714	12,714
-	-	128,154	2,097,474
-	-	-	19,398
-	-	-	3,080,581
1,134,470	1,772,094	-	8,748,850
-	-	-	101,622
91,556	97,731	1,209,006	2,714,126
<u>1,226,026</u>	<u>1,869,825</u>	<u>1,370,372</u>	<u>21,664,091</u>
202,046	1,023,059	(1,054,070)	(8,108,088)
-	-	-	75,670
-	-	-	1,129,121
-	101,394	1,188,798	1,570,998
(275,149)	(520,656)	(24,927)	(1,570,998)
<u>(275,149)</u>	<u>(419,262)</u>	<u>1,163,871</u>	<u>1,129,121</u>
(73,103)	603,797	109,801	(6,903,297)
713,021	484,283	165,324	(7,602,668)
-	-	-	(111,097)
713,021	484,283	165,324	(7,713,765)
<u>\$ 639,918</u>	<u>\$ 1,088,080</u>	<u>\$ 275,125</u>	<u>\$ (14,617,062)</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, 2008

Net change in fund balance - total government funds \$ (6,903,297)

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. 7,070,311

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	(1,129,121)		
Statutory Installment Bond	(75,670)		
Repayments:			
Bond anticipation note principal	1,129,121		
Bond principal	<u>804,500</u>		
			728,830

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (71,500)

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. (12,563)

Inventory is reported as an expenditure in governmental funds 14,710

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. (54,989)

Net change in net assets of governmental activities \$ 771,502

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, 2008

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	\$ 608,871
Total assets	\$ 608,871
LIABILITIES	
Escrow funds returnable and other liabilities	\$ 608,871
Total liabilities	608,871
NET ASSETS	
Total liabilities and net assets	\$ 608,871

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, 2008

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 H - 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, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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, 2008 are as follows:

	<u>GENERAL</u> <u>FUND</u>	<u>HIGHWAY</u> <u>FUND</u>	<u>SEWER</u> <u>FUND</u>	<u>WATER</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>NON-</u> <u>MAJOR</u> <u>FUNDS</u>	<u>TOTAL</u>
Non-Interest							
Bearing Accounts	\$ 250	\$ 50	\$ 5,658,840	\$ -	\$ -	\$ -	\$ 5,659,140
Interest Bearing							
Accounts	919,187	32,371	-	289,788	875,462	51,767	2,168,575
Subtotal	919,437	32,421	5,658,840	289,788	875,462	51,767	7,827,715
CLASS Investment:	6,343	556	740	2,723	10,715	107,698	128,775
TOTALS	\$ 925,780	\$ 32,977	\$ 5,659,580	\$ 292,511	\$ 886,177	\$ 159,465	\$ 7,956,490

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, 2008

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 \$444,753 at December 31, 2008 for vacation time earned but not yet taken and those sick bank credits being carried forward to 2009 and equal to one-half of the unused sick time available at December 31, 2008.

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, 2008

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>
2008	<u>\$231,922</u>	<u>\$136,985</u>
2007	<u>\$264,501</u>	<u>\$100,463</u>
2006	<u>\$288,179</u>	<u>\$104,016</u>

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

H. Post Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors 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 \$21,486 was paid on behalf of eight retirees and recorded as expenditure in the General Fund.

**TOWN OF FISHKILL, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008**

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. Insurance

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. Judgements 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.

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, 2008</u>
A. GENERAL FUND		
Reserved for Miscellaneous	\$	22,737
B. CAPITAL PROJECTS FUND		
Reserved for Encumbrances		67,214
C. NON-MAJOR FUNDS		
Reserved for Debt Service		83,654
TOTAL FUND EQUITY RESERVES	\$	<u>173,605</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

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, 2008 consist of the following:

	<u>GENERAL FUND</u>	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
Accounts Receivable	\$ 73,961	\$ -	\$ -	\$ 73,961
Water Rents Receivable	-	-	301,948	301,948
Sewer Rents Receivable	-	319,803	-	319,803
TOTALS	\$ 73,961	\$ 319,803	\$ 301,948	\$ 695,712

NOTE C - Interfund Receivables and Payables

The following is a summary of amounts due from and due to other funds as of December 31, 2008. 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	\$	2,150,443	\$	4,393,445
Highway		1,265,585		1,744,647
Sewer		1,532,492		2,181,679
Water		2,337,402		608,708
Non-Major		390,587		249,277
Capital Projects Fund		2,932,089		1,430,842
Total	\$	10,608,598	\$	10,608,598
		<u>TRANSFERS IN</u>		<u>TRANSFERS OUT</u>
General	\$	259,042	\$	741,661
Highway		14,123		8,605
Sewer		101,394		520,656
Water		-		275,149
Capital Projects Fund		7,641		-
Non-Major		1,188,798		24,927
Total	\$	1,570,998	\$	1,570,998

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

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, 2008:

	<u>BALANCE</u> <u>JANUARY 1,</u>	<u>ADDITIONS</u>	<u>(DISPOSALS)</u>	<u>BALANCE</u> <u>DECEMBER 31,</u>
	<u>2008</u>			<u>2008</u>
Governmental activities:				
Land	\$ 3,099,463	\$ 33,856	\$ -	\$ 3,133,319
Land Improvements	550,812	130,049		680,861
Buildings	12,754,872	20,028		12,774,900
Infrastructure- water/sewer	3,934,577	882,026		4,816,603
Town Roads	847,309	-		847,309
Improvements other than buildings	132,893	-		132,893
Machinery & equipment	7,202,584	520,751		7,723,335
Construction-in-progress	-	6,610,829	-	6,610,829
Total	<u>28,522,510</u>	<u>8,197,539</u>	<u>-</u>	<u>36,720,049</u>
Less accumulated depreciation				
Land Improvements	21,184	30,792	-	51,976
Buildings	2,822,509	386,071	-	3,208,580
Infrastructure- water/sewer	92,080	114,836		206,916
Town Roads	99,910	42,365	-	142,275
Improvements other than buildings	71,352	6,190	-	77,542
Machinery & equipment	5,754,862	546,975	-	6,301,837
Total accumulated depreciation	<u>8,861,897</u>	<u>1,127,229</u>	<u>-</u>	<u>9,989,126</u>
Governmental activities				
capital assets, net	<u>\$ 19,660,613</u>	<u>\$ 7,070,310</u>	<u>\$ -</u>	<u>\$ 26,730,923</u>

*Depreciation was charged to governmental activities as follows:

General government support	\$ 146,540
Public Safety	326,896
Transportation	439,619
Home & community	101,451
Culture & recreation	112,723
Total depreciation expense	<u>\$ 1,127,229</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

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 changes in Bond Anticipation Notes in the Capital Projects Fund are as follows:

	<u>BALANCE</u> <u>JANUARY 1,</u> <u>2008</u>	<u>NEW</u> <u>ISSUES</u>	<u>(RE-</u> <u>FINANCED)</u>	<u>(PAYMENTS)</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2008</u>
Bond Anticipation Notes	\$ 10,032,150	\$ 9,709,393	\$ (75,670)	\$ (1,129,121)	\$ 18,536,752

The Bond Anticipation Notes recorded in the Capital Projects Fund are as follows:

<u>PURPOSE</u>	<u>ORIGINAL</u> <u>ISSUE</u> <u>DATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>INTEREST</u> <u>RATE</u>	<u>ORIGINAL</u> <u>AMOUNT</u> <u>OF ISSUE</u>	<u>AMOUNT</u> <u>OUTSTANDING</u> <u>AT</u> <u>DECEMBER 31,</u> <u>2008</u>
Rombout Sewer	02/25/99	02/13/09	1.75%	125,000	\$ 68,750
Rombout Sewer	07/09/99	09/25/09	3.25%	100,000	60,000
Rombout Sewer	10/08/96	09/25/09	3.25%	100,000	30,000

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

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

<u>PURPOSE</u>	<u>ORIGINAL</u>			<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>AMOUNT OUTSTANDING AT DECEMBER 31, 2008</u>
	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>		
Highway Equipment	04/15/04	04/09/09	1.85%	448,700	89,740
Roads	01/20/05	01/16/09	2.58%	500,000	350,000
Police Vehicles	02/18/05	02/13/09	1.75%	110,000	44,000
Revaluation	05/27/05	05/22/09	2.35%	450,000	180,000
Recreation Land	07/18/05	07/13/09	2.25%	450,000	180,000
Highway/Town Hall	12/21/05	12/17/09	3.28%	930,000	465,000
Computer Project	05/03/06	04/30/09	2.30%	200,000	120,000
Town Hall Equipment	09/21/06	09/17/09	3.50%	234,000	175,500
Jt. Landfill/Leachate	11/17/06	11/13/09	3.50%	100,000	75,000
Roads	02/16/07	02/13/09	1.75%	500,000	450,000
Rombout Sewer	02/16/07	02/13/09	1.75%	100,000	80,000
Merritt Sewer	04/25/07	04/23/09	2.15%	2,030,849	2,030,849
Highway Equipment	07/25/07	07/23/09	2.35%	249,400	199,720
Rombout Sewer	07/25/07	07/23/09	2.35%	650,000	637,000
Parks Equipment	08/15/07	08/13/09	2.50%	55,000	44,000
Rombout Lighting	08/15/07	08/13/09	2.50%	85,096	68,000
Recreation Building	08/15/07	08/13/09	2.71%	3,600,000	3,480,000
Master Plan	01/18/08	01/16/09	2.58%	100,000	100,000
Dutchess Park Sewer	01/18/08	01/16/09	2.58%	1,272,866	1,272,866
Sewer Plant	11/04/08	11/03/09	3.66%	7,000,000	7,000,000
Police Arbitration	04/14/08	04/13/09	2.05%	221,237	221,237
Highway Equipment	07/24/08	07/23/09	2.35%	204,000	204,000
Snook Road Water	08/14/08	08/13/09	2.45%	911,090	911,090
TOTALS				\$ 11,018,045	\$ 18,536,752

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

NOTE F - 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, 2008.

	<u>BALANCE</u> <u>JANUARY 1,</u> <u>2008</u>	<u>INCREASE</u>	<u>(DECREASE)</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2008</u>	<u>AMOUNT</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Statutory Installment Bonds	\$ 837,000	75,670	\$ (142,500)	\$ 770,170	\$ 180,335
Serial Bonds	8,098,000	-	(662,000)	7,436,000	657,000
Compensated Absences	356,833	87,920	-	444,753	-
Landfill Closure Costs	<u>570,531</u>	<u>-</u>	<u>(32,931)</u>	<u>537,600</u>	<u>29,350</u>
TOTALS	\$ <u>9,862,364</u>	\$ <u>163,590</u>	\$ <u>(837,431)</u>	\$ <u>9,188,523</u>	\$ <u>866,685</u>

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</u> <u>ISSUE</u> <u>DATE</u>	<u>FINAL</u> <u>MATURITY</u> <u>DATE</u>	<u>INTEREST</u> <u>RATE</u>	<u>ORIGINAL</u> <u>AMOUNT</u> <u>OF ISSUE</u>	<u>AMOUNT</u> <u>OUTSTANDING</u> <u>AT</u> <u>DECEMBER 31,</u> <u>2008</u>
Joint Landfill	10/27/93	10/27/13	5.75%	\$ 750,000	\$ 187,500
Wellfield	12/09/05	12/09/15	4.15%	480,000	336,000
Town Hall and Landfill	07/13/01	07/13/11	5.99%	680,000	171,000
Grinder	11/12/08	11/11/10	3.75%	<u>75,670</u>	<u>75,670</u>
TOTAL STATUTORY INSTALLMENT BONDS				<u>1,985,670</u>	<u>770,170</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

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

2. Bonds Payable (Cont'd.)

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, 2008</u>
Dutchess Park and Forgebrook Sewer	03/03/99	01/15/11	2.78%-4.33%	\$ 3,031,940	\$ 700,000
Public Improvement	02/15/91	02/15/11	6.55%	8,261,000	606,000
Rombout Water	03/14/02	04/15/21	1.21%-4.98%	1,368,232	940,000
Police Facility	05/15/04	04/15/29	4.75%	<u>5,635,000</u>	<u>5,190,000</u>
TOTAL SERIAL BONDS				<u>18,296,172</u>	<u>7,436,000</u>
TOTAL BONDS PAYABLE				<u>\$ 20,281,842</u>	<u>\$ 8,206,170</u>

3. Annual Amortization Requirements

The annual requirements to amortize bonded debt as of December 31, 2008, are as follows:

<u>YEAR ENDING DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	\$ 837,335	\$ 392,170	\$ 1,229,505
2010	847,335	348,242	1,195,577
2011	804,500	303,848	1,108,348
2012	330,500	271,959	602,459
2013	340,500	254,403	594,903
2014-2018	1,506,000	1,029,207	2,535,207
2019-2023	1,540,000	673,822	2,213,822
2024-2029	<u>2,000,000</u>	<u>313,750</u>	<u>2,313,750</u>
TOTALS	<u>\$ 8,206,170</u>	<u>\$ 3,587,401</u>	<u>\$ 11,793,571</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

NOTE F - General Long-Term Debt Account Group (Cont'd.)

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 \$892,000. The balance outstanding on the 1991 bonds not defeased is \$669,000. 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.

NOTE G - Compliance and Accountability

1. Deficit Fund Balances

The General Fund has incurred a deficit of (\$696,834) for the year, resulting in a deficit fund balance of (\$1,760,451). The Town plans to increase revenues in order to fund this deficit.

The Capital Projects Fund has a deficit fund balance of (\$14,330,109) 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 incurred a deficit of (\$138,439) for the year, resulting in a deficit fund balance of (\$529,624). The Town plans to increase revenues in order to fund this deficit.

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/ Public Safety	\$ 1,809,775	\$ 2,007,093	\$ (197,318)
Water Fund/ Home & Community Service	\$ 1,013,530	\$ 1,134,470	\$ (120,940)
Water Fund/ Debt Service	\$ -	\$ 91,556	\$ (91,556)
Sewer Fund/ Home & Community Service	\$ 1,675,900	\$ 1,772,094	\$ (96,194)
Sewer Fund/ Debt Service	\$ 71,000	\$ 97,731	\$ (26,731)

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

NOTE H - 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, 2008, which is included in the separate financial statements issued for this joint venture:

Total Assets (Excluding Fixed Assets)	\$28,632
Total Fixed Assets	<u>\$1,327,260</u>
Total Liabilities	<u>\$26,744</u>
Total Venture Equity	<u>\$1,329,148</u>
Total Revenues	<u>\$70,400</u>
Total Expenditures	<u>\$72,048</u>

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

During 2008, the Town paid \$35,200 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 in the Long-Term Debt Account Group (See Note F). The Town issued debt to partially fund these expenditures in 1995 (See Note E).

NOTE I - Landfill Closure and Post Closure Care Costs

As described in Note H 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 \$1,075,200. This amount is based on what it would cost to perform post closure care, for thirty years as required, in 2008 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 \$537,600 in Long-Term Debt (See Note F).

NOTE J - Prior Period Adjustments

The Town recorded two prior period adjustments in its General Fund for 2008. First, the Town recorded a prior period adjustment by changing its sales tax accrual period resulting in a decrease in opening fund balance of \$208,377 and decreasing the Town's end of year sales tax receivable. Secondly, the Town recorded a prior period adjustment to record a 2007 state grant for reimbursement of landfill costs of \$100,000 which reduced state aid revenue in 2008 and increased opening fund balance by \$100,000. The overall net effect of these two entries was a \$108,377 decrease in opening fund balance.

**TOWN OF FISHKILL, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008**

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.

NOTE L - Subsequent Events

1. The Town has issued and/or authorized the following new debt:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>AMOUNT</u>
Bond Anticipation Notes:		
Dutchess Sewer Plant	08/20/09	750,000
Dutchess Sewer Plant	10/01/09	<u>11,426,775</u>
Total		<u>\$ 12,176,775</u>
Revenue Anticipation Note:		
	10/08/09	<u>1,800,000</u>
Total		<u>\$ 1,800,000</u>

TOWN OF FISHKILL, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2008

NOTE M - New Reporting Standard

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 establishes certain new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require 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 year ending December 31, 2009. The Town is in the process of implementing the provisions of GASB Statement 45. The implementation of GASB Statement 45 will have a substantive effect on the Town's government wide financial position. However, the Town does not believe that it will have a significant effect on its governmental (fund) financial position, upon which the Town's budgets are based and taxes are raised.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF FISHKILL, NEW YORK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Real property taxes	\$ 1,500,910	\$ 1,461,459	\$ 1,461,459	\$ -
Real property tax items	133,538	172,989	151,598	(21,391)
Non property tax items	1,275,000	1,275,000	1,184,305	(90,695)
Departmental income	1,152,606	1,224,693	1,319,770	95,077
Intergovernmental charges	360,820	889,335	5,300	(884,035)
Use of money and property	20,255	20,255	12,906	(7,349)
Licenses and permits	685,950	685,950	493,577	(192,373)
Fines and forfeitures	135,600	135,600	116,841	(18,759)
Sale of property and compensation for loss	77,150	86,023	213,554	127,531
Miscellaneous local sources	236,388	245,388	616,347	370,959
State aid	1,636,622	1,673,602	1,387,211	(286,391)
Federal aid	500	500	-	(500)
Total revenues	7,215,339	7,870,794	6,962,868	(907,926)
Appropriation of prior year's fund balance	86,850	86,850	86,850	-
Total revenues and appropriation of prior year's fund balance	7,302,189	7,957,644	7,049,718	(907,926)
EXPENDITURES AND ENCUMBRANCES				
General Government Support	2,694,301	2,707,051	2,357,481	349,570
Public safety	1,782,122	1,809,775	2,007,093	(197,318)
Transportation	223,217	243,072	240,648	2,424
Economic assistance & opportunity	15,750	21,750	19,398	2,352
Culture and recreation	811,097	1,435,040	1,445,545	(10,505)
Home and community service	460,829	435,301	322,276	113,025
Employee benefits	76,799	76,799	61,619	15,180
Debt service	719,500	719,500	723,023	(3,523)
Total expenditures and encumbrances	6,783,615	7,448,288	7,177,083	271,205
Excess (deficiency) of revenues and appropriation of prior year's fund balance over (under) expenditures and encumbrances	518,574	509,356	(127,365)	(636,721)
Other financing sources (uses)				
Operating transfers in	259,042	282,383	259,042	(23,341)
Operating transfers out	(777,616)	(791,739)	(741,661)	50,078
Total other financing sources	(518,574)	(509,356)	(482,619)	26,737
Excess (deficiency) of revenues and appropriation of prior year's fund balance and other sources over (under) expenditures, encumbrances	\$ -	\$ -	\$ (609,984)	\$ (609,984)

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>
		\$ 1,930,525	\$ 1,930,525
1,930,525	1,930,525	-	(1,930,525)
-	-	-	-
-	-	-	-
15,000	15,000	18,762	3,762
4,000	4,000	5,306	1,306
-	-	-	-
-	-	-	-
-	-	730	730
-	-	11	11
70,000	70,000	-	(70,000)
-	-	-	-
2,019,525	2,019,525	1,955,334	(64,191)
75,000	75,000	75,000	-
2,094,525	2,094,525	2,030,334	(64,191)
-	-	-	-
-	-	-	-
-	-	-	-
1,478,763	1,469,545	1,466,479	3,066
-	-	-	-
-	-	-	-
-	-	-	-
58,878	58,878	40,003	18,875
598,200	598,200	592,810	5,390
2,135,841	2,126,623	2,099,292	27,331
(41,316)	(32,098)	(68,958)	(36,860)
50,016	64,139	14,123	(50,016)
(8,700)	(32,041)	(8,605)	23,436
41,316	32,098	5,518	(26,580)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,440)</u>	<u>\$ (63,440)</u>

	WATER FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Real property taxes	\$ 342,937	\$ 342,937	\$ 342,937	\$ -
Real property tax items	-	-	-	-
Non property tax items	-	-	-	-
Departmental income	1,050,836	1,050,836	984,421	(66,415)
Intergovernmental charges	-	-	-	-
Use of money and property	21,473	21,473	41,213	19,740
Licenses and permits	-	-	59,501	59,501
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Miscellaneous local sources	-	-	-	-
State aid	-	-	-	-
Federal aid	-	-	-	-
Total revenues	1,415,246	1,415,246	1,428,072	12,826
Appropriation of prior's year's fund balance	10,002	10,002	10,002	-
Total revenues and appropriation of prior year's fund balance	1,425,248	1,425,248	1,438,074	12,826
EXPENDITURES AND ENCUMBRANCES				
General Government Support	3,450	3,650	-	3,650
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic assistance & opportunity	-	-	-	-
Culture and recreation	-	-	-	-
Home and community service	1,013,730	1,013,530	1,134,470	(120,940)
Employee benefits	-	-	-	-
Debt service	-	-	91,556	(91,556)
Total expenditures and encumbrances	1,017,180	1,017,180	1,226,026	(208,846)
Excess (deficiency) of revenues and appropriation of prior year's fund balance over (under) expenditures and encumbrances	408,068	408,068	212,048	(196,020)
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(408,068)	(408,068)	(275,149)	132,919
Total other financing sources	(408,068)	(408,068)	(275,149)	132,919
Excess (deficiency) of revenues and appropriation of prior year's fund balance and other sources over (under) expenditures, encumbrances	\$ -	\$ -	\$ (63,101)	\$ (63,101)

SEWER FUND

<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 342,769	\$ 342,769	\$ 342,769	\$ -
-	-	-	-
-	-	-	-
1,489,749	1,496,249	1,469,510	(26,739)
232,595	232,595	298,068	65,473
4,752	4,752	24,537	19,785
-	-	-	-
-	-	-	-
-	-	-	-
-	-	758,000	758,000
-	-	-	-
-	-	-	-
2,069,865	2,076,365	2,892,884	816,519
64,872	118,706	-	(118,706)
<u>2,134,737</u>	<u>2,195,071</u>	<u>2,892,884</u>	<u>697,813</u>
4,566	6,300	-	6,300
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,617,300	1,675,900	1,772,094	(96,194)
-	-	-	-
71,000	71,000	97,731	(26,731)
<u>1,692,866</u>	<u>1,753,200</u>	<u>1,869,825</u>	<u>(116,625)</u>
441,871	441,871	1,023,059	581,188
93,137	93,137	-	(93,137)
(535,008)	(535,008)	-	535,008
<u>(441,871)</u>	<u>(441,871)</u>	<u>-</u>	<u>441,871</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,023,059</u>	<u>\$ 1,023,059</u>