

TOWN OF FISHKILL, NEW YORK
Financial Statements and Supplementary Information
For the Year Ended December 31, 2017
With Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)	3 - 9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements -	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements -	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Statement of Fiduciary Assets and Liabilities	16
Notes to Financial Statements	17 - 39
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of Funding Progress – Other Post Employment Benefit Plan	40
Schedule of Proportionate Share of Net Pension Liability (Asset)	41
Schedule of Contributions – Pension Plans	42
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	43
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Town Outside Village Fund	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Special Districts Fund	45
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Highway Fund	46
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Special District Accounts	47
Combining Balance Sheet – Special Districts – Lighting District Accounts	48
Combining Balance Sheet – Special Districts – Sewer District Accounts	49
Combining Balance Sheet – Special Districts – Water District Accounts	50
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special District Accounts	51
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Districts – Lighting District Accounts	52
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Districts – Sewer District Accounts	53
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Districts – Water District Accounts	54
Combining Balance Sheet – Non Major Funds	55
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Non Major Funds	56

INDEPENDENT AUDITOR'S REPORT

May 14, 2018

The Honorable Supervisor and Town Board
of the Town of Fishkill, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fishkill, New York (the Town) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fishkill, New York, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress – other post employment benefit plan, schedules of proportionate share of the net pension liability(asset) and contributions – pension plans and the schedules of revenues, expenditures, and changes in fund balances – budget and actual as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information, on pages 47 to 56, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

TOWN OF FISHKILL, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2017

GENERAL OVERVIEW

The following discussion and analysis of the Town of Fishkill, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the year ended December 31, 2017. This should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,694,523. The unrestricted portion, which is available to meet ongoing obligations of the Town, reflected a net position of \$7,867,231, an increase in net position of \$1,649,417 from the prior fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,828,118 an increase of \$973,318 from the prior fiscal year. This increase results primarily from continuing to reduce short-term debt, a reduction in spending, and reducing inter-fund transfers
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,969,823 or 50% of total General Fund expenditures and other financing uses. This represents an increase of \$580,723 from the prior year.
- At the end of the 2017 year, the Town has \$1,885,000 in short-term capital obligations to finance the cost of capital improvement projects to its water and sewer plants, by redeeming \$120,000 of short-term debt obligations. During the year, the Town retired \$792,693 of long-term bonded debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, landfill closure costs and other post-employment benefit obligations).
- The *government-wide financial statements* present the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. The governmental activities of the Town include: general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains the following governmental funds: General Fund, Town Outside Village Fund, Highway Fund, Special Districts Fund (Ambulance District, Nine Lighting Districts, Twelve Sewer Districts and Seven Water Districts), Capital Projects Fund, Debt Service Fund and a Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Districts Fund, Capital Projects Fund and Highway Fund, since they are classified as major funds. Individual fund data for the Debt Service and Special Purpose Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual appropriated budgets for the General Fund, Town Outside Village Fund, Highway Fund, and Special Districts Funds. Budgetary comparison schedule has been provided for the General, Town Outside Village, Highway Fund and Special Districts Fund to demonstrate compliance with the respective budgets as required supplemental information.

- *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. Resources are held in these funds by the Town purely in a custodial capacity.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to Basic Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Town's OPEB obligations and net pension liabilities, the combining statements for the special districts and non-major governmental funds and schedules of budget to actual comparisons.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's net position at fiscal year-end December 31, 2017, was \$20,694,523. Of this amount, \$1,880,850 is restricted for various purposes and the net investment in capital assets account for \$10,945,788 of the total net position. The Town uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted balance of the net position is \$7,867,885.

Summary Statement of Net Position

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets	\$ 17,499,908	\$ 16,191,076
Capital assets	<u>31,079,379</u>	<u>29,706,685</u>
Total assets	<u>48,579,287</u>	<u>45,897,761</u>
Deferred outflows of resources	<u>1,252,888</u>	<u>2,285,399</u>
Liabilities:		
Current liabilities	3,772,404	3,478,368
Noncurrent liabilities -		
Due in one year	1,296,448	1,248,073
Due in more than one year	<u>23,815,588</u>	<u>24,098,376</u>
Total liabilities	<u>28,884,440</u>	<u>28,824,817</u>
Deferred inflows of resources	<u>253,212</u>	<u>313,237</u>
Net position:		
Net investment in capital assets	11,001,837	9,409,927
Restricted	1,880,850	1,964,166
Unrestricted	<u>7,811,836</u>	<u>7,671,013</u>
Total net position	<u>\$ 20,694,523</u>	<u>\$ 19,045,106</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary Statement of Change in Net Position

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues		
Charges for services	\$ 4,488,472	\$ 5,318,128
Operating grants and contributions	32,637	375,933
Capital grants and contributions	49,812	106,777
General Revenues		
Real Property taxes	8,107,715	8,272,480
Unrestricted state aid	895,592	654,613
Other	<u>2,685,689</u>	<u>2,156,127</u>
Total revenues	<u>16,259,917</u>	<u>16,884,058</u>
Expenses:		
General governmental support	3,428,350	2,877,773
Public safety	4,025,034	2,988,960
Public health	20,420	23,827
Transportation	1,577,620	2,023,868
Economic assistance and opportunity	17,480	17,940
Culture and recreation	1,274,903	1,394,691
Home and community services	3,914,056	3,351,182
Interest on long-term debt	<u>352,637</u>	<u>411,621</u>
Total expenses	<u>14,610,500</u>	<u>13,089,862</u>
Change in net position	1,649,417	3,794,196
Net position - beginning of year	<u>19,045,106</u>	<u>15,250,910</u>
Net position - end of year	<u>\$ 20,694,523</u>	<u>\$ 19,045,106</u>

Governmental activities increased the Town's net position by \$1,649,417. Last year, the increase in governmental activities net position was \$3,794,196

Change in Net Position (Continued)

For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$16,259,917. Tax revenues of \$8,107,715 represent the largest revenue source (50%). Last year, tax revenues accounted for \$8,272,480, or 49%, of the total revenue of \$16,884,058. The decrease of \$624,141 in total revenues is primarily the result of the following:

- Departmental Income revenue decreased by \$829,656 primarily due to a reduction of water and sewer rents based on a decrease of user rates in 2017.
- Real Property Tax Levy decreased in total by \$164,765 from 2016 to 2017.

For the fiscal year ended December 31, 2017, expenses from governmental activities totaled \$14,610,500. The largest components of governmental activities expenses are public safety of \$4,025,034 (28%), transportation of \$1,577,620 (11%), home and community services of \$3,914,056 (27%), and general government support of \$3,428,350 (23%). Overall expenses increased from the prior year by \$1,520,638 or 12% due in large part to an increase in the cost of employee health benefits and an increase in capital expenditures.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

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

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

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

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

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

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

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current year, the Town's governmental funds reported a combined ending fund balance of \$13,828,118, an increase of \$973,318 from the prior year. Total unassigned fund balance is \$1,612,128 (this includes a deficit fund balance in the capital fund of \$357,695). The remaining fund balance is non-spendable, restricted, committed, or assigned to indicate that the funds have already been earmarked for the 2018 budget, unemployment insurance reserves, capital projects, debt service and special purposes.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$2,429,986.

Actual results of operations resulted in an increase of \$655,637 in the General Fund. The increase in fund balance was a result of the actual personnel expenditures being \$415,000 under budget and fines & forfeited bail revenue exceeding budget by over \$160,000

In the Town Outside Village Fund, the fund balance increased by \$149,516, which resulted in a positive position of fund balance of \$2,807,752. Revenues overall came in higher than budgeted by approximately \$95,900 and expenditures were lower than budgeted by approximately \$620,000.

In the combined Highway Funds, the fund balance increased by \$442,998 in the current fiscal year. Ending the year with a total fund balance of \$2,480,373 compared to the balance at the beginning of the year of \$2,037,375. Revenues and expenditures remained fairly on budget except for transportation expenditures which were \$659,878 under budget due primarily to actual paving costs being \$330,000 less than anticipated and snow removal expenses were \$110,000 below budget.

Capital Assets

The Town's net investment in capital assets for its governmental activities as of December 31, 2017, amounted to \$31,079,379. The net investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction-in-progress.

<u>Class</u>	<u>2017</u>	<u>2016</u>
Land	\$ 3,133,319	\$ 3,133,319
Buildings and Improvements	19,689,867	19,568,626
Infrastructure	5,180,020	4,706,801
Machinery and equipment	2,853,484	1,664,146
Construction in progress	<u>222,689</u>	<u>633,793</u>
	<u>\$ 31,079,379</u>	<u>\$ 29,706,685</u>

Long-Term Liabilities

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$16,434,134. All bonds issued by the Town are general obligation bonds backed by the full faith and credit of the Town. The Town has other long-term liabilities summarized below that make up for the remaining long-term liability balance.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property. The Town's current constitutional debt limitation is \$170,374,293 and the Town has consumed only 3.41% of the debt contracting capacity.

	<u>2017</u>	<u>2016</u>
Bonds payable	\$ 16,434,134	\$ 17,226,827
Compensated absences	136,297	130,530
Landfill post-closure costs	283,950	315,000
Capital lease	1,814,457	1,064,931
Net pension liability	1,084,883	1,892,552
Other postemployment benefits	<u>5,358,315</u>	<u>4,716,609</u>
	<u>\$ 25,112,036</u>	<u>\$ 25,346,449</u>

FACTORS BEARING ON THE TOWN'S FUTURE

According to the United States Bureau of Labor Statistics, the unemployment rate for the Town was 4.1% as of December 31, 2017, which compares favorably to the 4.4% rate for New York State. The 1.7% increase in the 2017 Consumer Price Index for the Northeast Urban area was lower than the 2016 increase of 1.9%

The effects of the 2008 financial market collapse are still being felt but the NYS pension fund, of which the Town is a member, remains well-funded. Recent years have seen solid investment performances and decreases in the average contribution rate. New York State calculates contribution amounts based upon a five-year rolling average and as a result, pension contribution rates are expected to remain lower than the minimum contribution rates set by past legislation. Additionally, the costs of employee health insurance premiums have been escalating at double digit rates over the last few years. As a result, and in order to manage the increases in health insurance premiums, the Town went to a high-deductible medical plan and partially funded the health reimbursement accounts for benefits eligible employees with the annual plan renewal date of December 1.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and mandate relief provisions, which includes a 2% property tax cap for municipalities. Beginning in 2012, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less). However, local governments may exceed the tax levy limit by a 60% vote of the governing board and annually adopting a local law. In 2017, the allowable levy increase was 1.39%. With continued efforts of stricter fiscal oversight, cost-cutting initiatives and proper capital planning, the Town was able to remain well under the tax cap in the 2017 budget.

The Town will continue to closely monitor current economic conditions and make adjustments as necessary.

Requests for Information

This financial report is designed to provide a general overview of the Town of Fishkill, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to:

Robert LaColla, Town Supervisor
Town of Fishkill, 807 Route 52
Fishkill, New York 12524.

TOWN OF FISHKILL, NEW YORK

**STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 15,103,162
Receivables:	
Accounts receivable	160,717
Water and sewer rents	1,405,748
Due from other governments	649,911
Due from fiduciary funds	<u>31,762</u>
Total receivables	<u>2,248,138</u>
Prepaid expenses	148,608
Capital assets	<u>31,079,379</u>
Total assets	<u>48,579,287</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,252,888</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	982,060
Accrued payroll and benefits	413,159
Bond anticipation notes payable	1,885,000
Unearned revenues	1,408
Accrued interest payable	100,614
Due to other governments	390,163
Non-current liabilities:	
Due within one year	1,296,448
Due in more than one year	<u>23,815,588</u>
Total liabilities	<u>28,884,440</u>
DEFERRED INFLOWS OF RESOURCES	<u>253,212</u>
NET POSITION	
Net investment in capital assets	11,001,837
Restricted	1,880,850
Unrestricted	<u>7,811,836</u>
Total net position	<u>\$ 20,694,523</u>

The accompanying notes are an integral part of these statements.

TOWN OF FISHKILL, NEW YORK

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General governmental support	\$ 3,428,350	\$ 207,097	\$ -	\$ -	\$ (3,221,253)
Public safety	4,025,034	300,846	4,501	-	(3,719,687)
Public health	20,420	-	-	-	(20,420)
Transportation	1,577,620	-	-	49,812	(1,527,808)
Economic assistance and opportunity	17,480	-	-	-	(17,480)
Culture and recreation	1,274,903	528,208	28,136	-	(718,559)
Home and community services	3,914,056	3,452,321	-	-	(461,735)
Interest	352,637	-	-	-	(352,637)
Total governmental activities	<u>\$ 14,610,500</u>	<u>\$ 4,488,472</u>	<u>\$ 32,637</u>	<u>\$ 49,812</u>	<u>(10,039,579)</u>
General Revenues:					
Real property taxes					8,107,715
Other tax items:					
Payment in lieu of taxes					231,520
Interest and penalties on real property taxes					59,461
Franchise fees					437,746
Non-property taxes - sales tax distribution from County					1,054,339
Unrestricted use of money and property					223,982
Fines and forfeitures					361,815
Sale of property and compensation for loss					12,187
Unrestricted State aid					895,592
Miscellaneous					304,639
Total general revenues					<u>11,688,996</u>
Change in net position					<u>1,649,417</u>
Net position - beginning of year					<u>19,045,106</u>
Net position - end of year					<u>\$ 20,694,523</u>

The accompanying notes are an integral part of these statements.

TOWN OF FISHKILL, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General	Town Outside Village	Special Districts	Capital Projects	Highway	Non-Major Governmental	Total Governmental Funds
ASSETS:							
Cash and cash equivalents	\$ 1,914,469	\$ 2,378,645	\$ 4,966,685	\$ 1,851,392	\$ 2,672,278	\$ 1,319,693	\$ 15,103,162
Receivables							
Accounts receivable	110,905	-	-	-	49,812	-	160,717
Water and sewer	-	-	1,405,748	-	-	-	1,405,748
Due from other governments	167,571	230,980	92,157	159,203	-	-	649,911
Due from other funds	851,132	408,477	113,428	122,260	22,827	-	1,518,124
Total receivables	1,129,608	639,457	1,611,333	281,463	72,639	-	3,734,500
Prepaid expenditures	54,037	65,532	-	-	29,039	-	148,608
Total assets	\$ 3,098,114	\$ 3,083,634	\$ 6,578,018	\$ 2,132,855	\$ 2,773,956	\$ 1,319,693	\$ 18,986,270
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 200,927	\$ 55,839	\$ 411,958	\$ 170,859	\$ 142,477	\$ -	\$ 982,060
Accrued payroll and benefits	61,533	200,520	-	-	151,106	-	413,159
Bond anticipation notes payable	-	-	-	1,885,000	-	-	1,885,000
Due to other funds	404,260	19,523	619,612	434,691	-	8,276	1,486,362
Due to other governments	-	-	390,163	-	-	-	390,163
Unearned revenue	1,408	-	-	-	-	-	1,408
Total liabilities	668,128	275,882	1,421,733	2,490,550	293,583	8,276	5,158,152
FUND BALANCES:							
Fund balance							
Nonspendable	54,037	65,532	-	-	29,039	-	148,608
Restricted	6,126	-	759,830	-	-	1,114,894	1,880,850
Committed	400,000	450,000	1,346,820	-	378,286	-	2,575,106
Assigned	-	2,292,220	3,049,635	-	2,073,048	196,523	7,611,426
Unassigned	1,969,823	-	-	(357,695)	-	-	1,612,128
Total Fund Balance	2,429,986	2,807,752	5,156,285	(357,695)	2,480,373	1,311,417	13,828,118
Total Liabilities and Fund Balance	\$ 3,098,114	\$ 3,083,634	\$ 6,578,018	\$ 2,132,855	\$ 2,773,956	\$ 1,319,693	\$ 18,986,270

The accompanying notes are an integral part of these statements.

TOWN OF FISHKILL, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2017

Total fund balance - governmental funds \$ 13,828,118

Total net assets reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds. 31,079,379

Governmental funds do not reflect the effect of losses on refunding bonds and deferred amounts related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities

Deferred outflows of resources - pensions	1,196,839
Deferred inflows of resources - pensions	(253,212)
Deferred amounts on refunding bonds	56,049

Long-term liabilities that are not due and payable in current periods are not reported in the funds

Accrued interest payable	(100,614)
Bonds payable	(16,434,134)
Capital lease payable	(1,814,457)
Other post employment benefit obligation	(5,358,315)
Net pension liability	(1,084,883)
Compensated absences	(136,297)
Landfill closure obligation	<u>(283,950)</u>

Total net position of governmental activities \$ 20,694,523

TOWN OF FISHKILL, NEW YORK

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Town Outside Village	Special Districts	Capital Projects	Highway	Non-Major Governmental	Total Governmental Funds
REVENUES:							
Real property taxes and tax items	\$ 2,202,969	\$ 1,812,542	\$ 770,922	\$ -	\$ 3,321,282	\$ -	\$ 8,107,715
Other tax items	554,149	174,578	-	-	-	-	728,727
Nonproperty tax items	-	1,054,339	-	-	-	-	1,054,339
Departmental income	657,195	137,773	3,381,409	-	-	2,650	4,179,027
Use of money and property	26,593	8,926	75,447	989	131,692	2,103	245,750
Licenses and permits	24,464	223,644	2,100	-	-	-	250,208
Fines and forfeitures	361,815	-	-	-	-	-	361,815
Sale of property and compensation for loss	14,691	37,068	-	-	3,089	-	54,848
State aid	614,139	70,002	-	240,351	-	-	924,492
Intergovernmental revenues	-	-	-	-	49,812	-	49,812
Miscellaneous	10,834	3,737	68,658	-	225,147	-	308,376
Total revenues	<u>4,466,849</u>	<u>3,522,609</u>	<u>4,298,536</u>	<u>241,340</u>	<u>3,731,022</u>	<u>4,753</u>	<u>16,265,109</u>
EXPENDITURES:							
General governmental support	2,254,110	337,005	105,861	-	45,286	-	2,742,262
Public safety	9,905	2,475,146	-	-	-	-	2,485,051
Public health	-	-	20,420	-	-	-	20,420
Transportation	250,754	-	-	-	3,168,473	-	3,419,227
Economic assistance	17,480	-	-	-	-	-	17,480
Culture and recreation	973,806	-	-	-	-	6,127	979,933
Home and community services	52,856	101,885	3,715,213	-	-	-	3,869,954
Employee benefits	175,484	100,744	-	-	22,290	-	298,518
Capital outlay	-	-	-	1,576,622	-	-	1,576,622
Debt service:							
Principal	130,000	260,000	472,693	-	50,000	-	912,693
Interest	90,750	98,313	198,593	-	1,975	-	389,631
Total expenditures	<u>3,955,145</u>	<u>3,373,093</u>	<u>4,512,780</u>	<u>1,576,622</u>	<u>3,288,024</u>	<u>6,127</u>	<u>16,711,791</u>
Excess (deficiency) of revenues over expenditures	<u>511,704</u>	<u>149,516</u>	<u>(214,244)</u>	<u>(1,335,282)</u>	<u>442,998</u>	<u>(1,374)</u>	<u>(446,682)</u>
OTHER FINANCING SOURCES (USES):							
Capital lease issued	-	-	-	1,300,000	-	-	1,300,000
BANs redeemed from appropriations	-	-	-	120,000	-	-	120,000
Operating transfers - in	143,933	-	58,741	411,287	-	-	613,961
Operating transfers - out	-	-	(555,220)	(58,741)	-	-	(613,961)
Total other financing sources (uses)	<u>143,933</u>	<u>-</u>	<u>(496,479)</u>	<u>1,772,546</u>	<u>-</u>	<u>-</u>	<u>1,420,000</u>
Change in fund balance	655,637	149,516	(710,723)	437,264	442,998	(1,374)	973,318
FUND BALANCE - beginning of year	<u>1,774,349</u>	<u>2,658,236</u>	<u>5,867,008</u>	<u>(794,959)</u>	<u>2,037,375</u>	<u>1,312,791</u>	<u>12,854,800</u>
FUND BALANCE - end of year	<u>\$ 2,429,986</u>	<u>\$ 2,807,752</u>	<u>\$ 5,156,285</u>	<u>\$ (357,695)</u>	<u>\$ 2,480,373</u>	<u>\$ 1,311,417</u>	<u>\$ 13,828,118</u>

The accompanying notes are an integral part of these statements.

TOWN OF FISHKILL, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances - governmental funds \$ 973,318

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report outlays for capital assets as expenditures
because such outlays use current financial resources. In contrast, the
statement of activities reports only a portion of the outlay as expense.

Capital outlay expenditures	2,731,158
Capital asset adjustments	225,155
Loss on disposal of capital assets	(5,184)
Depreciation expense	(1,578,435)

Long-term debt proceeds provide current financial resources to governmental
funds, but issuing debt increases long-term liabilities in the statement of net
position. Repayment of long-term debt principal is an expenditure in the
governmental funds, but the repayment reduces long term liabilities in the
statement of net position.

Capital lease issued	(1,300,000)
Principal paid on bonds	792,693
Principal paid on capital lease	550,474
Amortization of loss on refunding bonds	(4,484)

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

Accrued interest	41,478
Pension obligations	(160,333)
Compensated absences	(5,767)
Landfill closure obligation	31,050
Other post employment benefit obligation	(641,706)

Change in net position of governmental activities \$ 1,649,417

TOWN OF FISHKILL, NEW YORK

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2017**

	<u>Agency Fund</u>
ASSETS:	
Cash and equivalents	\$ 519,228
Due from other funds	<u>1,758</u>
 Total assets	 <u>\$ 520,986</u>
 LIABILITIES:	
Employee payroll deductions	\$ 43
Due to other funds	33,520
Due to other governments	24,903
Deposits	<u>462,520</u>
 Total liabilities	 <u>\$ 520,986</u>

The accompanying notes are an integral part of these statements.

TOWN OF FISHKILL, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Basis of Presentation

Government-Wide Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if applicable, which rely, to a significant extent, on fees and charges for support.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Town Outside Village Fund - The Town Outside Village Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the Village located within the Town. The major revenues of this fund are real property taxes and non-property taxes.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's ambulance, lighting, sewer and water districts. The major revenues of this fund are real property taxes and departmental income.

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Fund - Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of certain agreements.

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

Fiduciary Funds (not included on government-wide financial statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is used to account for various deposits that are payable to other jurisdictions or individuals.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State sources are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability, landfill closure costs, and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town's investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements, and obligations of New York State or its political subdivisions, and accordingly, the Town's policy provides for no credit risk on investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution, or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2017.

Taxes Receivable – Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway, and special district taxes which are due February 1st and payable without penalty to February 28th. The Town retains the total amount of town, highway, and special district levies from the total collections and returns the balance plus the uncollected items to the County, which assumes collection responsibility.

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

Due From/To Other Funds – During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services, and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2017, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	10-40
Infrastructure	20-40
Machinery and Equipment	3-20

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Town has reported deferred outflows of resources of \$56,049 for governmental activities for a deferred amount on refunding bonds in the government-wide Statement of Net Position. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 6.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond issuance costs are expensed as incurred.

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

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

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

Net Position – Net position represent the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include, net investment in capital assets, and amounts restricted for unemployment benefits, special purposes and future capital projects. The remaining balance is classified as unrestricted. It is the Town's policy to first use restricted amounts first and then unrestricted amounts as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Committed fund balance - is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes appropriated fund balance for the 2018 budget which has been approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Supervisor for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted, or committed fund balance amounts.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

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

- a) Prior to September 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before September 30th.
- c) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- d) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board then files the preliminary budget with the Town Clerk, where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- e) At the public hearing, taxpayers may comment on the preliminary budget.
- f) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- g) Formal budgetary integration is employed during the year as a management control device for General, Town Outside Village, Special Districts, and Highway funds.
- h) Budgets for General, Town Outside Village, Special Districts, and Highway funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted by the Town Board for the Debt Service and Special Purpose funds.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

- i) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- j) Appropriations in General, Town Outside Village, Special Districts and Highway funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

Property Tax Limitations

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

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

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof. The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however, that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$357,695 primarily arises as a result of amounts due to the General Fund, loaned in previous years that does not currently have an identified funding source to pay such amounts back. The Town is currently assessing the availability of funding and will make repayment to the general fund as funds are identified.

Special Districts Fund – Budget Deficit

The Special Districts Fund's Home and Community expenditures exceed final budgeted amounts by \$177,173. The budget overage was due to unexpected needs for additional funding that were approved by the Town Board, however, official budget modifications were not completed by the Town Board.

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 3,133,319	\$ -	\$ -	\$ 3,133,319
Construction in progress	<u>633,793</u>	<u>222,689</u>	<u>633,793</u>	<u>222,689</u>
Total capital assets not being depreciated	<u>3,767,112</u>	<u>222,689</u>	<u>633,793</u>	<u>3,356,008</u>
Capital assets being depreciated:				
Buildings and improvements	28,250,625	505,912	-	28,756,537
Infrastructure	6,312,347	650,687	-	6,963,034
Machinery and equipment	<u>9,998,168</u>	<u>1,858,542</u>	<u>1,058,732</u>	<u>10,797,978</u>
Total capital assets being depreciated	<u>44,561,140</u>	<u>3,015,141</u>	<u>1,058,732</u>	<u>46,517,549</u>
Less Accumulated Depreciation for:				
Buildings and improvements	8,681,999	798,113	413,442	9,066,670
Infrastructure	1,605,546	208,098	30,630	1,783,014
Machinery and equipment	<u>8,334,022</u>	<u>572,224</u>	<u>961,752</u>	<u>7,944,494</u>
Total accumulated depreciation	<u>18,621,567</u>	<u>1,578,435</u>	<u>1,405,824</u>	<u>18,794,178</u>
Total capital assets, net	<u>\$ 29,706,685</u>	<u>\$ 1,659,395</u>	<u>\$ 286,701</u>	<u>\$ 31,079,379</u>

Depreciation expense was charged to the Town's functions and programs in the government-wide financial statements as follows:

General government support	\$ 126,275
Public safety	836,571
Transportation	236,765
Culture and recreation	205,197
Home and community services	<u>173,626</u>
Total depreciation expense	<u>\$ 1,578,435</u>

4. DUE FROM/TO OTHER FUNDS

The balances reflected as due from/to other funds at December 31, 2017, were as follows:

Fund	Due From	Due To
General fund	\$ 851,132	\$ 404,260
Town Outside Villages	408,477	19,523
Special Districts	113,428	619,612
Capital Projects	122,260	434,691
Highway	22,827	-
Non Major Funds	-	8,276
Agency fund	<u>1,758</u>	<u>33,520</u>
	<u>\$ 1,519,882</u>	<u>\$ 1,519,882</u>

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

5. SHORT-TERM DEBT

The schedule below details the changes in short-term debt.

	Original Issue	Year of Maturity Date	Rate of Interest	Balance 1/1/2017	New Issues	Redemptions	Balance 12/31/2017
Governmental Type Activities -							
Capital Projects Fund							
Bond Anticipation Notes:							
Rombout Sewer	2016	7/15/2017	2.00%	\$ 385,000	\$ -	\$ 385,000	\$ -
Meritt Sewer	2016	7/15/2017	2.00%	1,620,000	-	1,620,000	-
Rombout Sewer	2017	7/13/2018	1.42%	-	335,000	-	335,000
Meritt Sewer	2017	7/13/2018	1.42%	<u>-</u>	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>
				<u>\$ 2,005,000</u>	<u>\$ 1,885,000</u>	<u>\$ 2,005,000</u>	<u>\$ 1,885,000</u>

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

Interest expenditures of \$40,100 were recorded in the Special Districts Fund financial statements. Interest expense of \$33,990 was recorded in the government-wide financial statements for governmental activities.

6. LONG-TERM LIABILITIES

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2017:

<u>Description</u>	<u>Balance 12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2017</u>	<u>Due Within One Year</u>
Bonds payable	\$ 17,226,827	\$ -	\$ 792,693	\$ 16,434,134	\$ 747,693
Compensated absences	130,530	5,767	-	136,297	-
Landfill post-closure costs	315,000	-	31,050	283,950	31,950
Capital lease	1,064,931	1,300,000	550,474	1,814,457	516,805
Net pension liability	1,892,552	-	807,669	1,084,883	-
Other postemployment benefits	<u>4,716,609</u>	<u>770,240</u>	<u>128,534</u>	<u>5,358,315</u>	<u>-</u>
	<u>\$ 25,346,449</u>	<u>\$ 2,076,007</u>	<u>\$ 2,310,420</u>	<u>\$ 25,112,036</u>	<u>\$ 1,296,448</u>

Each governmental fund's liability for bonds, compensated absences, net pension liability, landfill closure costs, capital leases, retirement incentives and other pension obligations, and other post-employment benefit obligations are liquidated by the respective fund, primarily the General, Town Outside Village, Special Districts, and Highway funds.

Bonds Payable

Bonds payable at December 31, 2017, are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Rombout Water	2002	April 2021	\$ 1,368,232	4.132-4.982%	\$ 259,134
EFC Water	2012	May 2042	11,602,939	2.390-4.098%	10,165,000
Recreation Building	2014	July 2034	2,785,000	3.00-4.00%	2,415,000
Police Facility-refunding	2015	April 2029	4,145,000	1.75-3.25%	3,595,000
					<u>\$ 16,434,134</u>

Interest expenditures for long-term bonds were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 90,750
Town Outside Villages	98,313
Special Districts	158,493
Highway - Town Outside Villages	<u>1,975</u>
	<u>\$ 349,531</u>

Interest expense of \$314,473 was recorded in the government-wide financial statements for governmental activities.

6. LONG-TERM LIABILITIES (Continued)

Capital Leases

During 2015, the Town entered into a lease purchase agreement in the amount of \$101,658 to purchase equipment. The agreement provides for annual payments of \$21,547 including interest at 2.99%, through October 2019. The principal balance outstanding at December 31, 2017, was \$41,235.

During 2015, the Town entered into a lease purchase agreement in the amount of \$109,811 to purchase equipment. The agreement provides for annual payments of \$38,665, including interest at 3.59%, through February 2018. The principal balance outstanding at December 31, 2017, was \$6,415.

During 2016, the Town entered into a lease purchase agreement in the amount of \$1,200,000 to purchase vehicles and equipment. The agreement provides for annual payments of \$250,796, including interest at 1.98%, through April 2020. The principal balance outstanding at December 31, 2017, was \$726,951.

During 2017, the Town entered into a lease purchase agreement in the amount of \$1,300,000 to purchase vehicles and equipment. The agreement provides for annual payments of \$271,377, including interest at 1.93%, through April 2021. The principal balance outstanding at December 31, 2017, was \$1,039,856.

Interest expenditures of \$31,910 was recorded in the Town Outside Village Fund. Interest expense of \$31,071 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt and capital leases outstanding as of December 31, 2017, including interest payments of \$6,451,554 are as follows:

Year Ending December 31,	Bonds		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	747,694	\$ 500,269	\$ 516,805	\$ 33,359	\$ 1,264,499	533,628
2019	757,694	484,316	520,627	23,093	1,278,321	507,409
2020	776,873	467,987	509,526	12,647	1,286,399	480,634
2021	786,873	449,696	267,500	3,877	1,054,373	453,573
2022	735,000	431,773	-	-	735,000	431,773
2023-2027	3,915,000	1,850,627	-	-	3,915,000	1,850,627
2028-2032	3,330,000	1,222,958	-	-	3,330,000	1,222,958
2033-2037	2,595,000	709,038	-	-	2,595,000	709,038
2038-2042	2,790,000	261,914	-	-	2,790,000	261,914
	<u>\$ 16,434,134</u>	<u>\$ 6,378,578</u>	<u>\$ 1,814,457</u>	<u>\$ 72,976</u>	<u>\$ 18,248,592</u>	<u>\$ 6,451,554</u>

The above general obligation bonds are direct obligations of the Town, for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

6. LONG-TERM LIABILITIES (Continued)

Compensated Absences

Employees represented by the Town of Fishkill Police Fraternity, Inc. agreement do not receive vacation or sick time. Employees represented by the Town's employee handbook earn vacation during the fiscal year which can be carried over to the succeeding year, subject to limitations as provided in the employee handbook. Employees represented by the employee handbook are entitled to accumulate sick leave up to a maximum amount stipulated in the handbook. Upon retirement or separation of service, employees may be compensated for half of their accumulated unused sick time. The value of all compensated absences has been reflected in the government-wide financial statements.

Pension Plans

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

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

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

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75G41J	18.9 %
	3 A1441J	16.0
	4 A1541J	16.0
	5 A1541J	13.1
	6 A1541J1	9.3
PFRS	2 375G	17.2
	2 384D	24.6
	6 384D	14.8

6. LONG-TERM LIABILITIES (Continued)

At December 31, 2017, the Town reported a liability of \$732,347 for its proportionate share of the net pension liability of ERS and a liability of \$352,536 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2017, and 2016, the Town's proportion was .0170089% and .0084049% for ERS, respectively, and .0779410% and .0183578% for PFRS, respectively.

For the year ended December 31, 2017, the Town recognized pension expense in the government-wide financial statements of \$423,906 for ERS and \$197,106 for PFRS. Pension expenditures of \$323,901 for ERS and \$142,460 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	ERS	PFRS
General Fund	\$ 163,565	\$ -
Town Outside Villages	70,989	142,460
Highway	89,347	-
	<u>\$ 323,901</u>	<u>\$ 142,460</u>

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,352	\$ 111,211	\$ 46,247	\$ 60,910
Changes of Assumptions	250,197	-	173,679	-
Net difference between projected and actual earnings on pension plan investments	146,279	-	52,651	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	37,574	30,271	11,182	50,820
Contributions subsequent to the measurement date	316,273	-	144,405	-
	<u>\$ 768,675</u>	<u>\$ 141,482</u>	<u>\$ 428,164</u>	<u>\$ 111,730</u>

\$316,273 and \$144,405 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

6. LONG-TERM LIABILITIES (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

	ERS	PFRS
Plan's Year Ended March 31:		
2018	\$ 143,019	\$ 59,646
2019	143,019	59,646
2020	126,177	55,717
2021	(101,295)	(12,785)
2022	-	9,805
	\$ 310,920	\$ 172,029

The total pension liability for ERS and PFRS for the March 31, 2017, measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016, valuation were as follows:

Actuarial cost method	Entry Age normal
Inflation	2.50%
Salary Scale	3.8% in ERS, 4.5% in PFRS, indexed by service
Investment rate of return	7.0% Compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Decrements were developed from a 2015 experience study of the period April 1, 2010, through March 31, 2015. Mortality improvements are based on the Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2016, valuation are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

6. LONG-TERM LIABILITIES (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 for both ERS and PFRS are summarized below.

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36	4.55
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return	2	4.00
Opportunistic Portfolio	3	5.89
Real Asset	3	5.54
Bonds & Mortgages	17	1.31
Cash	1	(0.25)
Inflation-Indexed Bonds	4	1.50
	<u>100%</u>	

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

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

	1 % Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate Share of ERS net pension liability (asset)	\$ 2,338,971	\$ 732,347	\$ (626,051)
Proportionate Share of PFRS net pension liability (asset)	\$ 999,418	\$ 352,536	\$ (190,040)

The components of the collective net pension liability as of March 31, 2017 measurement date were as follows (amounts in thousands):

	ERS	PFRS	Total
Total Pension Liability	\$ 177,400,586	\$ 31,670,483	\$ 209,071,069
Plan fiduciary net position	(168,004,363)	(29,597,831)	(197,602,194)
Employers' net pension liability	<u>\$ 9,396,223</u>	<u>\$ 2,072,652</u>	<u>\$ 11,468,875</u>

Plan fiduciary net position as a percentage of total pension liability	94.7%	93.5%	94.5%
---	-------	-------	-------

6. LONG-TERM LIABILITIES (Continued)

Voluntary Defined Contribution Plan

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

Joint Venture/Landfill Closure Costs

The Town entered into an agreement with the Town of East Fishkill in 1980 to operate the Fishkill/East Fishkill Joint Landfill for a period of twenty years. All costs of operations and maintenance were shared equally by each municipality. The Joint Landfill was ordered closed under a consent order signed with the New York State Department of Environmental Conservation, last modified in 1993. The landfill has not accepted waste since 1986 and was completely closed and capped by July 1997.

The following is a summary of financial information included in the unaudited financial document of this joint venture:

Total assets	\$ 1,329,859
Net position	1,329,859
Total operating revenues	24,000
Total operating expenses	27,793

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Joint Landfill estimates the total future post-closure care costs to be \$913,900. The amount of \$283,950 reported as a landfill closure costs liability in the government-wide financial statements, at December 31, 2017, represents the Town's 50% share of the estimated remaining liability. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Other Post Employment Benefit Obligations

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

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

6. LONG-TERM LIABILITIES (Continued)

Other Post Employment Benefit Obligations (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

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

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>
2017	9.0%	9.0%
2018-2024	8.5% to 5.5%	8.5% to 5.5%
2025+	5.0%	5.0%

The amortization basis is the level dollar method with an open amortization approach with 18 years remaining in the amortization period. The actuarial assumptions include a 4% discount rate of return. The Town currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2017 was as follows:

Active Employees	45
Retired Employees	<u>15</u>
	60

Amortization Component:

Actuarial Accrued Liability as of January 1, 2017	\$ 6,549,500
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 6,549,500</u>
Funded Ratio	0.00%
Covered Payroll (Active plan members)	\$ 1,986,200
UAAL as a Percentage of Covered Payroll	330%
Annual Required Contribution	\$ 714,844
Interest on Net OPEB Obligation	188,664
Adjustment to Annual Required Contribution	<u>(133,268)</u>
Annual OPEB Cost	770,240
Contributions Made	<u>(128,534)</u>
Increase in Net OPEB Obligation	641,706
Net OPEB Obligation - Beginning of Year	<u>4,716,609</u>
Net OPEB Obligation - End of Year	<u>\$ 5,358,315</u>

6. LONG-TERM LIABILITIES (Continued)

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

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
2017	770,240	16.69%
2016	707,801	16.56%
2015	649,222	16.99%

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

7. INTERFUND TRANSFER

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Districts Fund</u>	<u>Capital Projects Fund</u>	
Special Districts	\$ 143,933	\$ -	\$ 411,287	\$ 555,220
Capital Project	-	58,741	-	58,741
	<u>\$ 143,933</u>	<u>\$ 58,741</u>	<u>\$ 411,287</u>	<u>\$ 613,961</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for General, Special Districts and Capital Projects funds expenditures

8. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law, and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The Town has three real property tax abatement agreements that are entered into by either the Town or by the Dutchess County Industrial Development Agency. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the Town's Tax Exemption Policy. PILOT's are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, or the improvement or expansion of an existing facility. There are also policies for recapture of PILOTS should the applicant not meet certain criteria.

The following are the PILOT agreements and the percentage of real property tax that has been abated for the year ended December 31, 2017.

Agreement Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Amount of Tax Abated
By the Dutchess Industrial Development Agency:					
GPSDC (New York), Inc. - Economic Development	\$ 169,163,100	4.06	\$ 686,802	\$ 174,578	\$ (512,224)
By the Town of Fishkill:					
Horizons at Dogwood Lane, LLC - Affordable Housing	2,250,000	4.06	9,135	23,855	14,720
Rocky Glen, LLC - Affordable Housing	4,250,000	4.06	17,255	33,087	15,832
Total			<u>\$ 713,192</u>	<u>\$ 231,520</u>	<u>\$ (481,672)</u>

9. COMMITMENTS AND CONTINGENCIES

Litigation

The Town, in 2009, entered into a developer's agreement with a Trust Company, under which, this Trust Company may, at some future point, become entitled to a refund of a portion of an application fee that was paid to the Town. The amount of the fee was \$324,120. The maximum exposure of the Town, should it be found obligated to a refund, is two-thirds of the special permit fee. A notice of claim was filed with the Town on March 27, 2013. The Town believes that the filing of this notice of claim was untimely. No action has been commenced against the Town and the time to do so has now expired. The Town therefore believes they have both substantive and procedural defenses to this claim.

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, malicious prosecution, false imprisonment, or personal injury. Of the claims pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

Risk Management

The Town purchases various conventional insurance coverages to reduce its exposure to loss. The public officials and law enforcement liability policies provide coverage up to \$2 million for each policy. The general liability policy provides coverage up to \$3 million. In addition, the Town maintains an umbrella policy with a limit of \$14 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town also purchases conventional medical and workers' compensation coverage.

Contingencies

The Town participates in various State and Federal grant programs. These programs may be subject to program compliance audits pursuant to the laws and regulations. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

The Town is also defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. The amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

10. RELEVANT PENDING ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – a replacement of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of this Statement is to establish standards for recognizing and measuring liabilities, expenditures and deferred inflows of resources related to other postemployment benefit plans (OPEB). In regards to defined benefit OPEB plans, this statement defines the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employment service. This Statement also details recognition and disclosure requirements for employers with payables to defined benefit OPEB plans administered through trusts and for employers whose employees are provided with defined contribution OPEB plans. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2018, with early adoption encouraged.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. The Town has not evaluated the effect of GASB 83 on its financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town has not evaluated the effect of GASB 84 on its financial statements. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2019.

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). GASB 87 establishes accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town is required to adopt the provisions of GASB 87 for the year ending December 31, 2020, but early implementation is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLAN (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Covered payroll</u>	<u>((b-a)/c) UAAL as a percentage of covered payroll</u>
January 1, 2017	\$ -	\$ 6,549,500	\$ 6,549,500	0%	\$ 1,986,200	330%
January 1, 2016	\$ -	\$ 6,101,819	\$ 6,101,819	0%	\$ 1,986,200	307%
January 1, 2015 (1)	\$ -	\$ 5,676,548	\$ 5,676,548	0%	\$ 1,986,200	286%

(1) The decrease in the accrued liability is due to a reduction in actual claim costs and trends in the plans' premium rates. The Town changed the pre-65 retirement plan and added a plan for the post-65 retirees, which were less expensive than the previous plan rates.

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Last 10 Fiscal Years*		
	2017	2016	2015
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN			
Proportion of the net pension liability (asset)	0.0170089%	0.0084049%	0.0069803%
Proportionate share of the net pension liability (asset)	\$ 732,347	\$ 1,349,017	\$ 235,813
Covered-employee payroll	\$ 2,253,817	\$ 2,182,590	\$ 1,958,570
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.49%	61.81%	12.04%
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.70%	90.70%	97.70%
	Last 10 Fiscal Years*		
	2017	2016	2015
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN			
Proportion of the net pension liability (asset)	0.0779410%	0.0183578%	0.0198249%
Proportionate share of the net pension liability (asset)	\$ 352,536	\$ 543,535	\$ 54,570
Covered-employee payroll	\$ 614,694	\$ 677,439	\$ 654,289
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.35%	80.23%	8.34%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.50%	90.20%	99.00%

* These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Last 10 Fiscal Years*		
	2017	2016	2015
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN			
Contractually required contribution	\$ 316,273	\$ 317,884	\$ 402,898
Contributions in relation to the contractually required contribution	316,273	317,884	402,898
Contribution excess (deficiency)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,253,817	\$ 2,182,590	\$ 1,958,570
Contributions as a percentage of covered-employee payroll	14.03%	14.56%	20.57%
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN			
	2016	2016	2015
Contractually required contribution	\$ 144,405	\$ 155,826	\$ 80,052
Contributions in relation to the contractually required contribution	144,405	155,826	80,052
Contribution excess (deficiency)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 614,694	\$ 677,439	\$ 654,289
Contributions as a percentage of covered-employee payroll	23.49%	23.00%	12.23%

* These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUE:				
Real property taxes and tax items	\$ 2,202,969	\$ 2,202,969	\$ 2,202,969	\$ -
Other tax items	457,255	457,255	554,149	96,894
Departmental income	681,715	728,715	657,195	(71,520)
Use of money and property	15,823	18,790	26,593	7,803
Licenses and permits	22,000	22,000	24,464	2,464
Fines and forfeitures	200,000	200,000	361,815	161,815
Sale of property and compensation for loss	2,000	16,000	14,691	(1,309)
State aid	518,000	522,700	614,139	91,439
Miscellaneous local sources	8,220	15,720	10,834	(4,886)
Total revenue	4,107,982	4,184,149	4,466,849	282,700
EXPENDITURES:				
General governmental support	2,595,324	2,675,146	2,254,110	421,036
Public safety	19,960	20,725	9,905	10,820
Transportation	291,512	291,051	250,754	40,297
Economic assistance and opportunity	17,940	17,940	17,480	460
Culture and recreation	1,236,190	1,273,729	973,806	299,923
Home and community services	70,000	70,000	52,856	17,144
Employee benefits	131,571	190,105	175,484	14,621
Debt service - principal	130,000	130,000	130,000	-
Debt service - interest	90,750	90,750	90,750	-
Total expenditures	4,583,247	4,759,446	3,955,145	804,301
Excess (deficiency) of revenues over expenditures	(475,265)	(575,297)	511,704	1,087,001
Other Financing Sources (uses):				
Transfer in	154,430	154,430	143,933	(10,497)
Transfer out	-	(72,684)	-	72,684
Total other financing Sources (uses)	154,430	81,746	143,933	62,187
NET CHANGE IN FUND BALANCES	(320,835)	(493,551)	655,637	1,149,188
FUND BALANCE - beginning of year	1,774,349	1,774,349	1,774,349	-
FUND BALANCE - end of year	\$ 1,453,514	\$ 1,280,798	\$ 2,429,986	\$ 1,149,188

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
TOWN OUTSIDE VILLAGE FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Town Outside Village Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUE:				
Real property taxes and tax items	\$ 1,812,542	\$ 1,812,542	\$ 1,812,542	\$ -
Other tax items	172,700	172,700	174,578	1,878
Nonproperty tax items	969,000	969,000	1,054,339	85,339
Departmental income	134,800	134,800	137,773	2,973
Use of money and property	1,200	1,200	8,926	7,726
Licenses and permits	230,000	230,000	223,644	(6,356)
Sale of property and compensation for loss	-	33,528	37,068	3,540
State aid	72,938	72,938	70,002	(2,936)
Miscellaneous local sources	-	-	3,737	3,737
Total revenue	3,393,180	3,426,708	3,522,609	95,901
EXPENDITURES:				
General governmental support	530,673	578,356	337,005	241,351
Public safety	2,785,628	2,843,728	2,475,146	368,582
Home and community services	110,000	109,945	101,885	8,060
Employee benefits	89,328	102,583	100,744	1,839
Debt service - principal	260,000	260,000	260,000	-
Debt service - interest	98,313	98,313	98,313	-
Total expenditures	3,873,942	3,992,925	3,373,093	619,832
Excess (deficiency) of revenues over expenditures	(480,762)	(566,217)	149,516	715,733
Other Financing Sources (uses):				
Transfer out	-	-	-	-
Total other financing Sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(480,762)	(566,217)	149,516	715,733
FUND BALANCE - beginning of year	2,658,236	2,658,236	2,658,236	-
FUND BALANCE - end of year	\$ 2,177,474	\$ 2,092,019	\$ 2,807,752	\$ 715,733

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SPECIAL DISTRICTS FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUE:				
Real property taxes and tax items	\$ 770,922	\$ 770,922	\$ 770,922	\$ -
Departmental income	3,621,868	3,621,868	3,381,409	(240,459)
Use of money and property	20,639	20,639	75,447	54,808
Licenses and permits	1,500	1,500	2,100	600
Miscellaneous local sources	41,397	41,397	68,658	27,261
Total revenue	4,456,326	4,456,326	4,298,536	(157,790)
EXPENDITURES:				
General governmental support	135,219	138,219	105,861	32,358
Public health	33,000	33,000	20,420	12,580
Home and community services	3,541,040	3,538,040	3,715,213	(177,173)
Debt service - principal	472,693	472,693	472,693	-
Debt service - interest	207,640	207,640	198,593	9,047
Total expenditures	4,389,592	4,389,592	4,512,780	(123,188)
Excess (deficiency) of revenues over expenditures	66,734	66,734	(214,244)	(280,978)
Other Financing Sources (uses):				
Transfer in	168,000	168,000	58,741	(109,259)
Transfer out	(322,431)	(819,942)	(555,220)	264,722
Total other financing Sources (uses)	(154,431)	(651,942)	(496,479)	155,463
NET CHANGE IN FUND BALANCES	(87,697)	(585,208)	(710,723)	(125,515)
FUND BALANCE - beginning of year	5,867,008	5,867,008	5,867,008	-
FUND BALANCE - end of year	\$ 5,779,311	\$ 5,281,800	\$ 5,156,285	\$ (125,515)

TOWN OF FISHKILL NEW YORK

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
HIGHWAY FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Highway Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUE:				
Real property taxes and tax items	\$ 3,321,282	\$ 3,321,282	\$ 3,321,282	\$ -
Use of money and property	-	121,885	131,692	9,807
Sale of property and compensation for loss	-	2,977	3,089	112
Miscellaneous local sources	210,000	210,000	225,147	15,147
Intergovernmental Revenues	-	-	49,812	49,812
State Aid	80,000	80,000	-	(80,000)
Total revenue	<u>3,611,282</u>	<u>3,736,144</u>	<u>3,731,022</u>	<u>(5,122)</u>
EXPENDITURES:				
General government support	46,205	48,760	45,286	3,474
Transportation	3,667,471	3,828,351	3,168,473	659,878
Employee benefits	23,326	27,626	22,290	5,336
Debt service - principal	50,000	50,000	50,000	-
Debt service - interest	1,975	1,975	1,975	-
Total expenditures	<u>3,788,977</u>	<u>3,956,712</u>	<u>3,288,024</u>	<u>668,688</u>
NET CHANGE IN FUND BALANCES	(177,695)	(220,568)	442,998	663,566
FUND BALANCE - beginning of year	<u>2,037,375</u>	<u>2,037,375</u>	<u>2,037,375</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,859,680</u>	<u>\$ 1,816,807</u>	<u>\$ 2,480,373</u>	<u>\$ 663,566</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FISHKILL, NEW YORK

**COMBINING BALANCE SHEET - SPECIAL DISTRICT ACCOUNTS
DECEMBER 31, 2017**

	Ambulance District	Lighting Districts	Sewer Districts	Water Districts	Total
ASSETS:					
Cash and cash equivalents	\$ 121,385	\$ 209,304	\$ 2,014,934	\$ 2,621,062	\$ 4,966,685
Receivables					
Water and Sewer rents	-	-	824,640	581,108	1,405,748
Due from other funds	-	-	59,180	54,248	113,428
Due from other governments	-	-	92,157	-	92,157
Total receivables	-	-	975,977	635,356	1,611,333
Total assets	\$ 121,385	\$ 209,304	\$ 2,990,911	\$ 3,256,418	\$ 6,578,018
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,907	\$ 18,224	\$ 313,451	\$ 78,376	\$ 411,958
Due to other funds	385	3,026	55,087	561,114	619,612
Due to other governments	-	-	240,629	149,534	390,163
Total liabilities	2,292	21,250	609,167	789,024	1,421,733
FUND BALANCES:					
Restricted	-	-	758,000	1,830	759,830
Committed	33,460	58,559	908,460	346,341	1,346,820
Assigned	85,633	129,495	715,284	2,119,223	3,049,635
Total Fund Balance	119,093	188,054	2,381,744	2,467,394	5,156,285
Total Liabilities and Fund Balance	\$ 121,385	\$ 209,304	\$ 2,990,911	\$ 3,256,418	\$ 6,578,018

TOWN OF FISHKILL, NEW YORK

COMBINING BALANCE SHEET - SPECIAL DISTRICTS - LIGHTING DISTRICT ACCOUNTS
DECEMBER 31, 2017

	Lighting District Accounts									
	Rivercrest	Glenham	Merritt	Round Hill	Route 9 Sidewalk	Rombout Village	Waterfront	Overlook	Fishkill Woods	Total
ASSETS:										
Cash and cash equivalents	\$ 15,219	\$ 41,609	\$ 21,879	\$ 18,174	\$ 3,624	\$ 8,955	\$ 94,543	\$ -	\$ 5,301	\$ 209,304
Total assets	\$ 15,219	\$ 41,609	\$ 21,879	\$ 18,174	\$ 3,624	\$ 8,955	\$ 94,543	\$ -	\$ 5,301	\$ 209,304
LIABILITIES AND FUND BALANCES										
LIABILITIES:										
Accounts payable	\$ 958	\$ 3,908	\$ 3,594	\$ 1,125	\$ 485	\$ 604	\$ 4,062	\$ 2,950	\$ 538	\$ 18,224
Due to other funds	343	715	615	186	172	100	644	172	79	3,026
Total liabilities	1,301	4,623	4,209	1,311	657	704	4,706	3,122	617	21,250
FUND BALANCES (DEFICIT):										
Committed	1,416	3,000	1,500	2,473	1,000	-	49,170	-	-	58,559
Assigned	12,502	33,986	16,170	14,390	1,967	8,251	40,667	(3,122)	4,684	129,495
Total Fund Balance (Deficit)	13,918	36,986	17,670	16,863	2,967	8,251	89,837	(3,122)	4,684	188,054
Total Liabilities and Fund Balance	\$ 15,219	\$ 41,609	\$ 21,879	\$ 18,174	\$ 3,624	\$ 8,955	\$ 94,543	\$ -	\$ 5,301	\$ 209,304

TOWN OF FISHKILL, NEW YORK

COMBINING BALANCE SHEET - SPECIAL DISTRICTS - SEWER DISTRICT ACCOUNTS
DECEMBER 31, 2017

	Sewer District Accounts											Total	
	Dutchess Park	Forgebrook	Fishkill Glen	Blodgett	Cedar Knolls	Deer Crossing	Summit Corp Park	Rombout	Aveonis	White Birch	Merritt		Rocky Glen
ASSETS:													
Cash and cash equivalents	\$ 1,523,316	\$ 51,900	\$ 10,571	\$ 20,115	\$ 3,176	\$ 2,944	\$ 3,501	\$ 357,616	\$ 2,415	\$ 685	\$ 34,418	\$ 4,277	\$ 2,014,934
Receivables													
Water and sewer charges	606,016	-	-	-	-	-	-	218,624	-	-	-	-	824,640
Due from other funds	58,748	-	-	-	-	-	-	432	-	-	-	-	59,180
Due from other governments	92,157	-	-	-	-	-	-	-	-	-	-	-	92,157
Total receivables	756,921	-	-	-	-	-	-	219,056	-	-	-	-	975,977
Total assets	\$ 2,280,237	\$ 51,900	\$ 10,571	\$ 20,115	\$ 3,176	\$ 2,944	\$ 3,501	\$ 576,672	\$ 2,415	\$ 685	\$ 34,418	\$ 4,277	\$ 2,990,911
LIABILITIES AND FUND BALANCES													
LIABILITIES:													
Accounts payable	\$ 281,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,586	\$ -	\$ -	\$ -	\$ -	\$ 313,451
Due to other funds	35,597	-	-	-	-	-	-	19,490	-	-	-	-	55,087
Due to other governments	240,629	-	-	-	-	-	-	-	-	-	-	-	240,629
Total liabilities	558,091	-	-	-	-	-	-	51,076	-	-	-	-	609,167
FUND BALANCES:													
Restricted	758,000	-	-	-	-	-	-	-	-	-	-	-	758,000
Committed	627,445	-	-	-	-	-	-	281,015	-	-	-	-	908,460
Assigned	336,701	51,900	10,571	20,115	3,176	2,944	3,501	244,581	2,415	685	34,418	4,277	715,284
Total Fund Balance	1,722,146	51,900	10,571	20,115	3,176	2,944	3,501	525,596	2,415	685	34,418	4,277	2,381,744
Total Liabilities and Fund Balance	\$ 2,280,237	\$ 51,900	\$ 10,571	\$ 20,115	\$ 3,176	\$ 2,944	\$ 3,501	\$ 576,672	\$ 2,415	\$ 685	\$ 34,418	\$ 4,277	\$ 2,990,911

TOWN OF FISHKILL, NEW YORK

**COMBINING BALANCE SHEET - SPECIAL DISTRICTS - WATER DISTRICT ACCOUNTS
DECEMBER 31, 2017**

	Water District Accounts							Total
	Blodgett	Beacon Hills	Glenham	Brinkerhoff	Rombout	Merritt	Snook Road	
ASSETS:								
Cash and cash equivalents	\$ 608,171	\$ 13,234	\$ 958,306	\$ 7,601	\$ 232,935	\$ 800,010	\$ 805	\$ 2,621,062
Receivables								
Water and sewer charges	27,681	75,734	108,644	88,699	205,830	69,556	4,964	581,108
Due from other funds	-	-	-	-	50	-	54,198	54,248
Total receivables	27,681	75,734	108,644	88,699	205,880	69,556	59,162	635,356
Total assets	\$ 635,852	\$ 88,968	\$ 1,066,950	\$ 96,300	\$ 438,815	\$ 869,566	\$ 59,967	\$ 3,256,418
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	\$ 5,851	\$ 16,331	\$ 9,085	\$ 17,950	\$ 6,734	\$ 7,057	\$ 15,368	\$ 78,376
Due to other funds	1,744	23,266	16,848	18,953	20,953	478,212	1,138	561,114
Due to other governments	11,680	5,732	26,377	-	105,745	-	-	149,534
Total liabilities	19,275	45,329	52,310	36,903	133,432	485,269	16,506	789,024
FUND BALANCES:								
Restricted	-	-	-	-	1,830	-	-	1,830
Committed	22,562	43,639	101,115	-	120,435	58,590	-	346,341
Assigned	594,015	-	913,525	59,397	183,118	325,707	43,461	2,119,223
Total Fund Balance	616,577	43,639	1,014,640	59,397	305,383	384,297	43,461	2,467,394
Total Liabilities and Fund Balance	\$ 635,852	\$ 88,968	\$ 1,066,950	\$ 96,300	\$ 438,815	\$ 869,566	\$ 59,967	\$ 3,256,418

TOWN OF FISHKILL, NEW YORK

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
SPECIAL DISTRICT ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Ambulance District	Lighting Districts	Sewer Districts	Water Districts	Total
REVENUES:					
Real property taxes and tax items	\$ -	\$ 140,879	\$ 459,595	\$ 170,448	\$ 770,922
Departmental income	-	-	2,105,740	1,275,669	3,381,409
Use of money and property	81	646	10,733	63,987	75,447
Licenses and permits	-	-	-	2,100	2,100
Miscellaneous	-	-	68,659	-	68,659
Total revenues	81	141,525	2,644,727	1,512,204	4,298,537
EXPENDITURES:					
General governmental support	-	11,837	25,412	68,612	105,861
Public health	20,420	-	-	-	20,420
Home and community services	-	179,087	1,940,038	1,596,088	3,715,213
Debt service:					
Principal	-	-	340,000	132,693	472,693
Interest	-	-	160,992	37,601	198,593
Total expenditures	20,420	190,924	2,466,442	1,834,994	4,512,780
Excess (deficiency) of revenues over expenditures	(20,339)	(49,399)	178,285	(322,790)	(214,243)
OTHER FINANCING SOURCES (USES):					
Operating transfers - in	-	-	58,741	-	58,741
Operating transfers - out	(385)	(3,026)	(54,452)	(497,358)	(555,221)
Total other financing uses	(385)	(3,026)	4,289	(497,358)	(496,480)
CHANGE IN FUND BALANCE	(20,724)	(52,425)	182,574	(820,148)	(710,723)
FUND BALANCE - beginning of year	139,817	240,479	2,199,170	3,287,542	5,867,008
FUND BALANCE - end of year	\$ 119,093	\$ 188,054	\$ 2,381,744	\$ 2,467,394	\$ 5,156,285

TOWN OF FISHKILL, NEW YORK

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL DISTRICTS - LIGHTING DISTRICT ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Lighting District Accounts									
	Rivercrest	Glenham	Merritt	Round Hill	Route 9 Sidewalk	Rombout Village	Waterfront	Overlook	Fishkill Woods	Total
REVENUES:										
Real property taxes and tax items	\$ 12,208	\$ 45,715	\$ 38,563	\$ 11,570	\$ 5,672	\$ 6,900	\$ -	\$ 13,572	\$ 6,679	\$ 140,879
Use of money and property	-	-	-	-	-	646	-	-	-	646
Total revenues	<u>12,208</u>	<u>45,715</u>	<u>38,563</u>	<u>11,570</u>	<u>5,672</u>	<u>7,546</u>	<u>-</u>	<u>13,572</u>	<u>6,679</u>	<u>141,525</u>
EXPENDITURES:										
General governmental support	-	-	-	-	5,591	-	-	-	6,246	11,837
Home and community services	<u>11,067</u>	<u>45,228</u>	<u>41,231</u>	<u>12,883</u>	<u>-</u>	<u>6,856</u>	<u>46,939</u>	<u>14,883</u>	<u>-</u>	<u>179,087</u>
Total expenditures	<u>11,067</u>	<u>45,228</u>	<u>41,231</u>	<u>12,883</u>	<u>5,591</u>	<u>6,856</u>	<u>46,939</u>	<u>14,883</u>	<u>6,246</u>	<u>190,924</u>
Excess (deficiency) of revenues over expenditures	<u>1,141</u>	<u>487</u>	<u>(2,668)</u>	<u>(1,313)</u>	<u>81</u>	<u>690</u>	<u>(46,939)</u>	<u>(1,311)</u>	<u>433</u>	<u>(49,399)</u>
OTHER FINANCING SOURCES (USES):										
Operating transfers - out	<u>(343)</u>	<u>(715)</u>	<u>(615)</u>	<u>(186)</u>	<u>(172)</u>	<u>(100)</u>	<u>(644)</u>	<u>(172)</u>	<u>(79)</u>	<u>(3,026)</u>
Total other financing uses	<u>(343)</u>	<u>(715)</u>	<u>(615)</u>	<u>(186)</u>	<u>(172)</u>	<u>(100)</u>	<u>(644)</u>	<u>(172)</u>	<u>(79)</u>	<u>(3,026)</u>
CHANGE IN FUND BALANCE	798	(228)	(3,283)	(1,499)	(91)	590	(47,583)	(1,483)	354	(52,425)
FUND BALANCE (DEFICIT) - beginning of year	<u>13,120</u>	<u>37,214</u>	<u>20,953</u>	<u>18,362</u>	<u>3,058</u>	<u>7,661</u>	<u>137,420</u>	<u>(1,639)</u>	<u>4,330</u>	<u>240,479</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 13,918</u>	<u>\$ 36,986</u>	<u>\$ 17,670</u>	<u>\$ 16,863</u>	<u>\$ 2,967</u>	<u>\$ 8,251</u>	<u>\$ 89,837</u>	<u>\$ (3,122)</u>	<u>\$ 4,684</u>	<u>\$ 188,054</u>

TOWN OF FISHKILL, NEW YORK

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL DISTRICTS - SEWER DISTRICT ACCOUNTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Sewer District Accounts											Total	
	Dutchess Park	Forgebrook	Fishkill Glen	Blodgett	Cedar Knolls	Deer Crossing	Summit Corp Park	Rombout	Aveonis	White Birch	Merritt		Rocky Glen
REVENUES:													
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,595	\$ -	\$ -	\$ -	\$ -	\$ 459,595
Departmental income	1,798,781	-	-	-	-	-	-	306,959	-	-	-	-	2,105,740
Use of money and property	10,644	-	-	-	-	-	-	89	-	-	-	-	10,733
Miscellaneous	8,301	-	-	-	-	-	-	60,358	-	-	-	-	68,659
Total revenues	1,817,726	-	-	-	-	-	-	827,001	-	-	-	-	2,644,727
EXPENDITURES:													
General governmental support	-	-	-	-	-	-	-	25,412	-	-	-	-	25,412
Home and community services	1,547,572	-	-	-	-	-	-	392,466	-	-	-	-	1,940,038
Debt service:													
Principal	-	-	-	-	-	-	-	340,000	-	-	-	-	340,000
Interest	-	-	-	-	-	-	-	160,992	-	-	-	-	160,992
Total expenditures	1,547,572	-	-	-	-	-	-	918,870	-	-	-	-	2,466,442
Excess of revenues over expenditures	270,154	-	-	-	-	-	-	(91,869)	-	-	-	-	178,285
OTHER FINANCING SOURCES (USES):													
Operating transfers - in	58,741	-	-	-	-	-	-	-	-	-	-	-	58,741
Operating transfers - out	(35,597)	-	-	-	-	-	-	(18,855)	-	-	-	-	(54,452)
Total other financing uses	23,144	-	-	-	-	-	-	(18,855)	-	-	-	-	4,289
CHANGE IN FUND BALANCE	293,298	-	-	-	-	-	-	(110,724)	-	-	-	-	182,574
FUND BALANCE (DEFICIT) - beginning of year	1,428,848	51,900	10,571	20,115	3,176	2,944	3,501	636,320	2,415	685	34,418	4,277	2,199,170
FUND BALANCE - end of year	\$ 1,722,146	\$ 51,900	\$ 10,571	\$ 20,115	\$ 3,176	\$ 2,944	\$ 3,501	\$ 525,596	\$ 2,415	\$ 685	\$ 34,418	\$ 4,277	\$ 2,381,744

TOWN OF FISHKILL, NEW YORK

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL DISTRICTS - WATER DISTRICT ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Water District Accounts								Total
	Blodgett	Beacon Hills	Glenham	Brinkerhoff	Rombout	Merritt	Snook Road	Eliminations	
REVENUES:									
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ 68,048	\$ 102,400	\$ -	\$ -	\$ 170,448
Departmental income	54,921	121,825	286,250	168,758	492,157	151,758	-	-	1,275,669
Use of money and property	-	3,854	11,034	21,345	19,555	8,199	-	-	63,987
Licenses and permits	-	-	1,650	-	450	-	-	-	2,100
Total revenues	54,921	125,679	298,934	190,103	580,210	262,357	-	-	1,512,204
EXPENDITURES:									
General governmental support	-	13,121	10,142	22,646	-	484	22,219	-	68,612
Home and community services	66,530	156,312	204,328	114,533	897,641	74,765	81,979	-	1,596,088
Debt service:									
Principal	-	-	-	-	62,693	70,000	-	-	132,693
Interest	-	-	-	-	5,201	32,400	-	-	37,601
Total expenditures	66,530	169,433	214,470	137,179	965,535	177,649	104,198	-	1,834,994
Excess (deficiency) of revenues over expenditures	(11,609)	(43,754)	84,464	52,924	(385,325)	84,708	(104,198)	-	(322,790)
OTHER FINANCING USES:									
Operating transfers - in	-	-	-	-	-	-	104,198	(104,198)	-
Operating transfers - out	(246)	(21,901)	(16,848)	(18,010)	(19,383)	(525,168)	-	104,198	(497,358)
Total other financing uses	(246)	(21,901)	(16,848)	(18,010)	(19,383)	(525,168)	104,198	-	(497,358)
CHANGE IN FUND BALANCE	(11,855)	(65,655)	67,616	34,914	(404,708)	(440,460)	-	-	(820,148)
FUND BALANCE - beginning of year	628,432	109,294	947,024	24,483	710,091	824,757	43,461	-	3,287,542
FUND BALANCE - end of year	\$ 616,577	\$ 43,639	\$ 1,014,640	\$ 59,397	\$ 305,383	\$ 384,297	\$ 43,461	\$ -	\$ 2,467,394

TOWN OF FISHKILL, NEW YORK

**COMBINING BALANCE SHEET - NON MAJOR FUNDS
DECEMBER 31, 2017**

	<u>Debt Service</u>	<u>Special Purpose</u>	<u>Total Non Major</u>
ASSETS:			
Cash and cash equivalents	\$ 196,523	\$ 1,123,170	\$ 1,319,693
Total Assets	<u>\$ 196,523</u>	<u>\$ 1,123,170</u>	<u>\$ 1,319,693</u>
LIABILITIES:			
Due to other funds	\$ -	\$ 8,276	\$ 8,276
Total Liabilities	<u>-</u>	<u>8,276</u>	<u>8,276</u>
FUND BALANCES:			
Restricted	-	1,114,894	1,114,894
Assigned	<u>196,523</u>	<u>-</u>	<u>196,523</u>
Total Fund Balance	<u>196,523</u>	<u>1,114,894</u>	<u>1,311,417</u>
Total Liabilities and Fund Balance	<u>\$ 196,523</u>	<u>\$ 1,123,170</u>	<u>\$ 1,319,693</u>

TOWN OF FISHKILL, NEW YORK

**COMBINING SCHEUDLE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NON MAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Debt Service</u>	<u>Special Purpose</u>	<u>Total Non Major</u>
REVENUES:			
Departmental income	\$ -	\$ 2,650	\$ 2,650
Use of money and property	<u>118</u>	<u>1,985</u>	<u>2,103</u>
 Total revenues	 <u>118</u>	 <u>4,635</u>	 <u>4,753</u>
EXPENDITURES:			
Culture and recreation	<u>-</u>	<u>6,127</u>	<u>6,127</u>
 Total expenditures	 <u>-</u>	 <u>6,127</u>	 <u>6,127</u>
 Excess (deficiencies) of revenues over expenditures	 <u>118</u>	 <u>(1,492)</u>	 <u>(1,374)</u>
 CHANGE IN FUND BALANCE	 118	 (1,492)	 (1,374)
 FUND BALANCE - beginning of year	 <u>196,405</u>	 <u>1,116,386</u>	 <u>1,312,791</u>
 FUND BALANCE - end of year	 <u>\$ 196,523</u>	 <u>\$ 1,114,894</u>	 <u>\$ 1,311,417</u>