

**ROSLYN WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

# ROSLYN WATER DISTRICT

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# JOHNSON & MEYER, CPAs, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Roslyn Water District  
Roslyn, NY

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Roslyn Water District, a component unit of the Town of North Hempstead, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Roslyn Water District management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the Roslyn Water District as of December 31, 2008, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1M and Note 3F, the Roslyn Water District adopted the provisions of Governmental Accounting Standards Board Statements No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions as of January 1, 2008*.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Roslyn Water District basic financial statements. The combining and fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

JOHNSON & MEYER, CPAs, LLP

March 31, 2009

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the Roslyn Water District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2008. Please review it in conjunction with the District's basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- The District's net assets increased by \$620,358 or 12% from \$5,102,362 to \$5,722,720.
- The General Fund had an excess of Revenues over Expenditures of \$262,121.
- \$673,183 was transferred to the Capital Reserve Fund during 2008.
- The total General Fund Fund Balance increased from \$3,629,303 to \$3,891,424.
- Included in the General Fund Fund Balance is \$2,966,763 for Capital Reserve.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short term as well as that remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

#### **Reporting the District as a Whole**

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets, the difference between assets, what the District owns, and liabilities, what the District owes, as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as the availability of capital projects, and continuing local government support to assess the *overall health* of the District.

### **Reporting the District's Most Significant Funds**

#### Fund Financial Statements

The fund financial statements provide detailed information about the funds – not the District as a whole. Some funds are required to be established by State law. However, the Board of Commissioners establishes funds to help control and manage money for particular purposes (ex. various capital projects funds).

*Governmental Funds:* The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

*Notes to Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

*Other Information:* In addition to the basic financial statements and accompanying notes, this report also presents individual fund statements and schedules.

**THE DISTRICT AS A WHOLE**

The District's total net assets changed from a year ago, increasing from \$5,102,362 to \$5,722,720. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

	Table 1 Net Assets	
	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 4,762,351	\$ 4,492,060
Capital assets	<u>3,651,896</u>	<u>3,177,810</u>
Total Assets	<u>8,414,247</u>	<u>7,669,870</u>
Long-term obligations	2,008,827	1,919,788
Other liabilities	<u>682,700</u>	<u>647,720</u>
Total Liabilities	<u>2,691,527</u>	<u>2,567,508</u>
Net assets:		
Invested in capital assets, net of related debt	2,167,682	1,557,020
Restricted	3,054,850	2,764,354
Unrestricted	<u>500,188</u>	<u>780,988</u>
Total Net Assets	<u>\$ 5,722,720</u>	<u>\$ 5,102,362</u>

Net assets of the District's activities increased \$620,358. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements – decreased from \$780,988 to \$500,188. Capital assets, net of depreciation, increased \$474,086 and long-term liabilities increased \$89,039. Also, included in capital assets was \$13,795 of infrastructure property built and paid for by developers in 2008, which was turned over to the District. The largest increase was in the restricted net assets, which increased \$290,496. Included in the restricted net assets is \$2,966,763 Capital Reserve.

Roslyn Water District  
 Management's Discussion and Analysis  
 December 31, 2008

Table 2 compares the 2008 change in net assets to the 2007 change in net assets.

Table 2  
 Changes in Net Assets for 2008  
 Compared with 2007 activity

	<u>2008</u>	<u>2007</u>
Revenues		
Departmental Income		
Metered Water Sales	\$ 1,690,030	\$ 1,745,914
Other Departmental Income	<u>152,165</u>	<u>181,159</u>
Total Departmental Income	<u>1,842,195</u>	<u>1,927,073</u>
General Revenues		
Real Property Tax Items	1,929,430	1,946,302
Interest	97,342	149,009
Donated Property	13,795	22,702
Other Income	<u>219,690</u>	<u>48,863</u>
Total General Revenue	<u>2,260,257</u>	<u>2,166,876</u>
Total Revenue	<u>4,102,452</u>	<u>4,093,949</u>
Expenditures		
Administration	483,021	482,612
Source of Supply, Power & Pump	967,354	938,602
Purification	149,705	139,134
Transmission and Distribution	754,533	680,423
Unallocated Insurance	99,216	109,701
Employee Benefits	658,793	440,671
Debt Service Charges	78,390	79,759
Depreciation	<u>291,082</u>	<u>271,735</u>
Total Expenditures	<u>3,482,094</u>	<u>3,142,637</u>
Change in Net Assets	620,358	951,312
Net Assets Beginning of Year	<u>5,102,362</u>	<u>4,151,050</u>
Net Assets End of Year	<u>\$ 5,722,720</u>	<u>\$ 5,102,362</u>

**THE DISTRICT'S FUND**

As the District completed the year, its governmental funds (as presented in the balance sheet) reported a combined fund balance of \$3,895,173. This represents an increase of \$252,474 for 2008. The largest increase was the Capital Reserve Fund which increased a total of \$427,390 including \$673,183 transferred from the General Fund.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2008, the District had \$3,651,896 invested in capital assets (net of depreciation). Capital assets include all of the District's major capital assets, including infrastructure assets, water treatment facilities, water mains, valves and hydrants, land, District headquarters and other structures, as well as vehicles and other equipment. A comparison of the District's capital assets is presented in Table 3 below.

Table 3  
 Capital Assets at Year-End

	<u>2008</u>	<u>2007</u>
Land	\$ 6,562	\$ 6,562
Buildings	998,436	894,782
Tanks and Improvements	881,912	881,912
Site Improvements	224,348	224,348
Machinery and Equipment	4,067,281	3,997,630
Infrastructure	<u>1,239,172</u>	<u>666,249</u>
	7,417,711	6,671,483
Accumulated Depreciation	<u>(3,765,815)</u>	<u>(3,493,673)</u>
Total Capital Assets, Net	<u>\$3,651,896</u>	<u>\$3,177,810</u>

## **Debt**

At year-end, the District had \$1,484,214 in outstanding serial bonds payable versus \$1,620,790 a year ago. There were no new or refunded serial bonds during 2008. The fiscal year 2008 interest rate averaged 5.05%. For a breakdown of the interest payment schedule refer to Note 3D of the basic financial statements.

## **ECONOMIC FACTORS**

The district considered many factors when setting the 2009 budget, tax rates, and water rates. The District's revenue source is split between sales of water and related items and real property taxes. The District is very conscious of the economic environment and rising property taxes and has maintained no increase in Property Tax Revenue for 2009. A product of an ongoing examination of how the District does business, the budget emphasizes outcomes or results for the community and allows for longer-term financial planning decisions.

In considering the district budget for the year 2009 the Board of Commissioners and management used the following estimates:

- No increase in water revenue over 2008.
- No increase in the amount to be raised by taxes for 2009.
- A total of .6% increase in the overall budget.

## **REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Roslyn Water District, 24 West Shore Drive, Roslyn, NY 11576.

**FINANCIAL STATEMENTS**

**ROSLYN WATER DISTRICT**  
**Statements of Net Assets**  
**December 31, 2008**

	General Fund	Other Funds	Total	Adjustments	Statement of Net Assets
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 1,159,481	\$ 41,845	\$ 1,201,326	\$ -	\$ 1,201,326
Accounts Receivable - Water	235,864	-	235,864	107,895	343,759
Interfund Receivables	171	783	954	(954)	-
Due From Town of North Hempstead	61,502	3,749	65,251	-	65,251
Restricted Cash	2,966,763	-	2,966,763	-	2,966,763
Inventory	88,870	-	88,870	-	88,870
Prepaid Expenses	-	-	-	96,382	96,382
<b>Total Current Assets</b>	<b>4,512,651</b>	<b>46,377</b>	<b>4,559,028</b>	<b>203,323</b>	<b>4,762,351</b>
<b>Capital Assets</b>					
<b>Nondepreciable Capital Assets</b>					
Land	-	-	-	6,562	6,562
<b>Depreciable Capital Assets</b>					
Buildings	-	-	-	998,436	998,436
Improvements Other Than Buildings	-	-	-	1,106,260	1,106,260
Machinery and Equipment	-	-	-	4,067,281	4,067,281
Infrastructure - Mains, Valves & Hydrants	-	-	-	1,239,172	1,239,172
Accumulated Depreciation	-	-	-	(3,765,815)	(3,765,815)
<b>Capital Assets, Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,651,896</b>	<b>3,651,896</b>
<b>Total Assets</b>	<b>4,512,651</b>	<b>46,377</b>	<b>4,559,028</b>	<b>3,855,219</b>	<b>8,414,247</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	621,227	-	621,227	-	621,227
Accrued Expenses	-	-	-	19,799	19,799
Interfund Payables	-	954	954	(954)	-
Contractor and Customer Deposits	-	41,674	41,674	-	41,674
<b>Total Current Liabilities</b>	<b>621,227</b>	<b>42,628</b>	<b>663,855</b>	<b>18,845</b>	<b>682,700</b>

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

**ROSLYN WATER DISTRICT**  
 Statements of Net Assets  
 December 31, 2008

	General Fund	Other Funds	Total	Adjustments	Statement of Net Assets
<b>Liabilities</b>					
Non-current Liabilities					
Due Within One Year					
Current Portion of Bonds Payable	-	-	-	145,267	145,267
Due in More Than One Year					
Serial Bonds Payable	-	-	-	1,338,947	1,338,947
Accrued Compensated Absences	-	-	-	322,313	322,313
Other Postemployment Benefits	-	-	-	202,300	202,300
Total Non-current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,008,827</u>	<u>2,008,827</u>
<b>Total Liabilities</b>	<u>621,227</u>	<u>42,628</u>	<u>663,855</u>	<u>2,027,672</u>	<u>2,691,527</u>
<b>Fund Balances/Net Assets</b>					
Fund Balances					
Reserved for:					
Encumbrances	-		-	-	-
Capital Reserve	2,966,763		2,966,763	(2,966,763)	-
Inventory	88,870		88,870	(88,870)	-
Debt Service	-	783	783	(783)	-
Designated for Ensuing Year's Budget	398,265		398,265	(398,265)	-
Unreserved	437,526	2,966	440,492	(440,492)	-
Total Fund Balances	<u>3,891,424</u>	<u>3,749</u>	<u>3,895,173</u>	<u>(3,895,173)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,512,651</u>	<u>\$ 46,377</u>	<u>\$ 4,559,028</u>		
Net Assets					
Invested in Capital Assets, net of related debt				2,167,682	2,167,682
Restricted				3,054,850	3,054,850
Unrestricted				500,188	500,188
<b>Total Net Assets</b>				<u>\$ 5,722,720</u>	<u>\$ 5,722,720</u>

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

**ROSLYN WATER DISTRICT**  
Statement of Activities  
For the Year Ended December 31, 2008

	Expenses	Charges for Services	Net (Expenses) Revenue and Changes in Net Assets		Total
			Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>					
General Government					
Administration	\$ 483,021		\$ (483,021)		\$ (483,021)
Unallocated Insurance	99,216		(99,216)		(99,216)
Employee Benefits	658,793		(658,793)		(658,793)
Debt Service					
Interest and Other Charges	78,390		(78,390)		(78,390)
Total Governmental Activities	1,319,420	-	(1,319,420)	-	(1,319,420)
<b>Business-Type Activities</b>					
Water Services					
Source of Supply ,Power & Pumping	967,354	1,013,207		45,853	45,853
Purification	149,705	184,220		34,515	34,515
Transmission and Distribution	754,533	644,768		(109,765)	(109,765)
Depreciation	291,082	-		(291,082)	(291,082)
Total Business-Type Activities	2,162,674	1,842,195	-	(320,479)	(320,479)
 Totals	\$ 3,482,094	\$ 1,842,195	(1,319,420)	(320,479)	(1,639,899)
<b>General Revenue</b>					
Real Property Taxes			1,929,430	-	1,929,430
Other Payments in Lieu of Taxes			-	-	-
Interest			97,342	-	97,342
Other Revenue			233,485	-	233,485
Total General Revenue			2,260,257	-	2,260,257
 Change in Net Assets			\$ 940,837	\$ (320,479)	620,358
 Net Assets Beginning of Year					5,102,362
 Net Assets End of Year					\$ 5,722,720

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

**ROSLYN WATER DISTRICT**

Balance Sheet  
Governmental Funds  
December 31, 2008

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,159,481	\$ -	\$ -	\$ 1,159,481
Accounts Receivable - Water	235,864			235,864
Due From Other Funds	171	783		954
Due From Town of North Hempstead	61,502		3,749	65,251
Restricted Cash	2,966,763			2,966,763
Inventory	88,870			88,870
<b>TOTAL ASSETS</b>	<b>\$ 4,512,651</b>	<b>\$ 783</b>	<b>\$ 3,749</b>	<b>\$ 4,517,183</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ 621,227	\$ -	\$ -	\$ 621,227
Due to Other Funds	-		783	783
<b>TOTAL LIABILITIES</b>	<b>621,227</b>	<b>-</b>	<b>783</b>	<b>622,010</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances	-			-
Capital Reserve	2,966,763			2,966,763
Inventory	88,870			88,870
Debt Service	-	783	-	783
Designated for Ensuing Year's Budget	398,265			398,265
Unreserved	437,526		2,966	440,492
<b>TOTAL FUND BALANCES</b>	<b>3,891,424</b>	<b>783</b>	<b>2,966</b>	<b>3,895,173</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,512,651</b>	<b>\$ 783</b>	<b>\$ 3,749</b>	<b>\$ 4,517,183</b>

**RECONCILIATION TO STATEMENT OF NET ASSETS**

Total fund balance reported above				\$ 3,895,173
Add assets not reported above:				
Receivables			\$ 107,895	
Prepaid Expenses			96,382	
Capital Assets	\$ 7,417,711			
Less Accumulated Depreciation	(3,765,815)		3,651,896	3,856,173
Less liabilities not reported above:				
Accrued Expenses			(19,799)	
Accrued Compensated Absences			(322,313)	
Other Postemployment Benefits			(202,300)	
Serial Bonds Payable			(1,484,214)	(2,028,626)
<b>Total Net Assets</b>				<b>\$ 5,722,720</b>

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

**ROSLYN WATER DISTRICT**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended December 31, 2008

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Real Property Taxes	\$ 1,929,430			\$ 1,929,430
Other Payments in Lieu of Taxes	-			-
Departmental Income	1,841,851			1,841,851
Interest	97,084	258		97,342
Other Revenue	219,690			219,690
<b>TOTAL REVENUES</b>	<b>4,088,055</b>	<b>258</b>	<b>-</b>	<b>4,088,313</b>
<b>EXPENDITURES</b>				
Administration	483,021			483,021
Source of Supply, Power & Pumping	1,361,816			1,361,816
Purification	149,705			149,705
Transmission and Distribution	799,487			799,487
Unallocated Insurance	77,938			77,938
Employee Benefits	435,029			435,029
Debt Service:				
Principal Retirement - Serial Bonds		136,576		136,576
Interest Charges - Serial Bonds		74,660		74,660
Fiscal Agent Fees		5,650		5,650
Capital Outlay:				
Current Expenditures - Capital Reserve	311,957	-	-	311,957
<b>TOTAL EXPENDITURES</b>	<b>3,618,953</b>	<b>216,886</b>	<b>-</b>	<b>3,835,839</b>
Excess (Deficiency) of Revenues over Expenditures	469,102	(216,628)	-	252,474
Other Financing Sources (Uses):				
Interfund Transfers	(216,886)	216,886		-
Interfund Transfers	9,905	(9,855)	(50)	-
<b>Net Increase (Decrease)</b>	<b>262,121</b>	<b>(9,597)</b>	<b>(50)</b>	<b>252,474</b>
Fund Balance January 1,	3,629,303	10,380	3,016	3,642,699
Fund Balance December 31,	<u>\$ 3,891,424</u>	<u>\$ 783</u>	<u>\$ 2,966</u>	<u>\$ 3,895,173</u>

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

**ROSLYN WATER DISTRICT**  
 Reconciliation of the  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2008

Excess of revenues over expenditures as reported in the governmental funds statement		\$ 252,474
Revenues reported in the government funds statement not included in the Statement of Activity:		
Increase in Water Sales Receivables	\$ 344	344
Expenses on the Statement of Activity not included in governmental funds statements:		
Depreciation Expense	(291,082)	
Decrease in Prepaid Insurance Expense	(19,427)	
Decrease in Accrued Bond Interest	1,920	
Increase in Accrued Compensated Absences	(23,315)	
Increase in Other Postemployment Benefits	(202,300)	(534,204)
Expenditures reported in the governmental funds statement not included in the Statement of Activity:		
Capital Outlays (Including donated property from developers)	765,168	
Principal Payment on Serial Bonds	136,576	901,744
Change in net assets reported on the Statement of Activities		\$ 620,358

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

**ROSLYN WATER DISTRICT**  
**Statements of Fiduciary Net Assets**  
**December 31, 2008 and 2007**

	2008	2007
<b>Assets</b>		
Cash and Cash Equivalents	\$ 41,845	\$ 90,723
<b>Total Assets</b>	<b>\$ 41,845</b>	<b>\$ 90,723</b>
 <b>Liabilities</b>		
Contractor and customer deposits	\$ 41,674	\$ 90,723
Due to Other Funds	171	-
<b>Total Liabilities</b>	<b>\$ 41,845</b>	<b>\$ 90,723</b>

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

**ROSLYN WATER DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
For the Years Ended December 31, 2008 and 2007

	2008	2007
<b>ADDITIONS</b>		
Receipts from Contractors	\$ 11,900	\$ -
Interest	154	571
	12,054	571
<b>TOTAL ADDITIONS</b>		
 <b>DEDUCTIONS</b>		
Expenditures	13,741	60,351
Return on Completion of Project	47,362	5,169
	61,103	65,520
<b>TOTAL DEDUCTIONS</b>		
Change in Net Assets	(49,049)	(64,949)
Net Assets Beginning of Year	90,723	155,672
Net Assets End of Year	\$ 41,674	\$ 90,723

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

## ROSLYN WATER DISTRICT

Notes to Financial Statements  
December 31, 2008

### **Note 1 – Summary of Significant Accounting Policies**

The Roslyn Water District, (which was established in 1910), is governed by its Charter, the local law and other general laws of the State of New York. The Board of Commissioners are the legislative body responsible for overall operations, the Chairman serves as chief executive officer and the Treasurer serves as chief fiscal officer. Major services provided by the District include water sales and meter and tap sales and services.

#### **A. Reporting Entity**

All governmental activities and functions performed for the property owners of the District are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the District, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town of North Hempstead reporting entity.

##### 1. Included in the Reporting Entity

The Roslyn Water District is a public water service established in 1910 and operated under provisions of Article 6 of the General Municipal Law. The Board of Commissioners, of which there are three, are elected by the residents of the District. The District acquires real property used by the District, approves all expenditures for new buildings or alterations, and retains general oversight responsibility for the district.

The Board of Commissioners are required to make a detailed annual report of the operations of the District to the Town of North Hempstead including any matters the legislature board may require.

The Town of North Hempstead raises taxes for District purposes; has title to real property used by the District; and all indebtedness is issued and supported by the full faith and credit of the Town of North Hempstead. The District is a component unit, part of the primary government, and is reported in the special revenue fund types.

Complete financial statements of the individual component units can be obtained from their respective administrative offices or from the Town of North Hempstead at:

Town of North Hempstead  
Town Hall  
Manhasset, NY 11030

### **B. Basis of Presentation – Fund Accounting**

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America applicable to governmental units. Generally accepted accounting principles are defined as those principles prescribed by the Governmental Accounting Standards Board (GASB). The District had adopted GASB Statement Number 34, which mandates Government-wide financial statements of net assets and activities, which are presented on the measurement and accrual basis of accounting. It also requires that certain assets be recorded at cost less accumulated depreciation.

The District also presents fund financial statements for all funds relevant to the operations of the District.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized in the financial statements. The following funds are used by the District.

**Governmental Funds** – Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the governmental funds.

*General Fund* – the principal operating fund and includes all operations not required to be recorded in other funds.

*Debt Service Fund* - the Debt Service Fund is used to account for the accumulation of resources for the payment of bond principal, interest and

related costs. Generally, the Town administers the resources of this fund on behalf of the District.

*Capital Projects Fund* - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the enterprise, or internal service funds. Resources provided by bonded debt are administered by the Town on behalf of the District.

**Fiduciary Funds** – used to account for assets held by the local government in a trustee or custodial capacity.

*Trust and Agency Funds* – used to account for money (and/or property) as received and disbursed and held in the capacity of trustee, custodian or agent. These include expendable trusts, non-expendable trusts and agency funds.

### **C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental funds and the agency fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on long-term debt is recognized when due.

### **D. Property Taxes**

Property taxes are levied by the Town of North Hempstead on behalf of the District. Revenues from property taxes are recorded when received from the Town of North Hempstead.

**E. Revenue**

Revenue from metered water sales are recognized when billed. Delinquent water sales in excess of one year old are submitted to the Town of North Hempstead annually and become a lien on the property owner's tax bill. The Town of North Hempstead subsequently collects the water arrears and submits them to the District.

**F. Fund Balances**

Fund balance reserves represent amounts that are not appropriable or that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The fiduciary funds' contributed capital represents equity acquired through capital contributions from developers and customers.

**G. Investments**

Investments are stated at cost, which approximates market.

**H. Inventory**

Inventory type items including materials and supplies are recorded as expenditures when purchased.

**I. Capital Assets**

Capital outlays are recorded as expenditures in the General and Capital Projects Funds and as assets in the government-wide financial statements. In accordance with GASB Statement Number 34, infrastructure has been capitalized retroactively. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Building & Improvements	20 – 50 years
Water System	20 – 25 years
Machinery and Equipment	5 – 15 years
Improvements	10 – 25 years
Infrastructure	25 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available.

**J. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These amounts are not reported as expenditures in the governmental funds because they are not expected to be paid with available financial

resources. Instead, the liability is reported in the general long-term debt account group as accrued liabilities, and represents a reconciling item between the fund and government-wide statements.

#### **K. Post Employment Benefits**

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits and survivors benefits are provided through the New York State Employee Health Insurance whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

#### **L. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure or moneys are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, and capital projects fund. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

#### **M. Adoption of New Accounting Pronouncements**

During the fiscal year ended December 31, 2008, the District adopted GASB No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial statements of governmental employers. The effects of applying this standard are disclosed in Note 3F.

### **Note 2 – Stewardship, Compliance, and Accountability**

#### **A. Budgets and Budgetary Accounting**

An operating budget is adopted each year for the general fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. No later than September 30, the budget officer submits a tentative budget to the Town of North Hempstead for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds as approved by the Board of Commissioners.

2. All modifications of the budget must be approved by the governing board. (However, the Board of Commissioners are authorized to transfer between budget codes).
3. Budgets are adopted on a basis consistent with GAAP.

Budgeted amounts reported in the financial statements are as originally adopted.

### **3. Detailed Notes**

#### **A. Cash and Investments**

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the District's Investment Policy and General Municipal Law. The depository bank deposits for safekeeping and trust with the District's third party agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Under the Investment Policy, the District at its own discretion, invests funds in time deposits and certificates of deposit provided by the depository bank.

At December 31, 2008 the carrying amount of the District's deposits (cash and certificates of deposit) was \$4,167,859 and the bank balance was \$4,289,024. The entire bank balance throughout the year was covered by federal depository insurance or by collateral by the District's agent in the District's name. The deposits were deemed collateralized under New York State Law during the year.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 – Deposits insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 – Deposits collateralized with securities by the pledging financial institutions trust department or agent in the District's name.
- Category 3 – Deposits not collateralized or insured.

Based on these three levels of risk, all of the District's cash deposits are classified as Category 1 or 2.

Roslyn Water District  
Notes to Financial Statement  
December 31, 2008

The District's bank balances and collateral held in the name of the District at December 31, 2008 are categorized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
First Nat'l Bank Of Long Island	\$4,167,859	\$4,289,024	\$4,289,024		
	<u>\$4,167,859</u>	<u>\$4,289,024</u>	<u>\$4,289,024</u>		

A reconciliation of cash and cash equivalents as shown on the balance sheet and the deposits disclosed in this note are as follows:

Carrying Amounts of Deposit	\$ 4,167,859
Cash on Hand	230
	<u>\$ 4,168,089</u>

**B. Interfund Receivables and Payables**

The following is a summary of interfund receivables and payables at December 31, 2008:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 171	
Capital Project Fund	783	\$ 783
Trust Fund		171
Total	<u>\$ 954</u>	<u>\$ 954</u>

**C. General Fixed Assets**

A summary of changes in general fixed assets for the year ended is as follows:

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2008</u>
Land	\$ 6,562			\$ 6,562
Buildings	894,782	103,654		998,436
Tanks & Improvements	881,912			881,912
Site Improvements	224,348			224,348
Machinery & Equipment	3,997,630	89,536	19,885	4,067,281
Infrastructure	<u>666,249</u>	<u>572,923</u>		<u>1,239,172</u>
	<u>6,671,483</u>	<u>766,113</u>	<u>19,885</u>	<u>7,417,711</u>
Less Accumulated Depreciation				
Buildings	381,105	24,819	455	405,469
Tanks & Improvements	467,584	35,235		502,819
Site Improvements	88,143	11,222		99,365
Machinery & Equipment	2,425,325	179,363	18,485	2,586,203
Infrastructure	<u>131,516</u>	<u>40,443</u>		<u>171,959</u>
	<u>3,493,673</u>	<u>291,082</u>	<u>18,940</u>	<u>3,765,815</u>
Capital Assets, Net	<u>\$ 3,177,810</u>	<u>\$ 475,031</u>	<u>\$ 945</u>	<u>\$ 3,651,896</u>

**D. General Long Term Debt**

Bonded indebtedness of the District is reflected as non-current liabilities in the Statement of Net Assets. Current requirements for principal and interest expenditures are provided for in the budget of the General Fund.

Outstanding serial bonds payable at December 31, 2008 is as follows:

Description	Issue Date	Maturity Date	Interest Rate	Principal Balance	Interest Payable In Future Periods
#447	4/1/92	2014	6.30%	\$ 147,000	\$ 29,086
#446	4/1/92	2014	6.30%	295,000	87,132
#505 HS-10	5/15/93	2018	5.125%	16,000	6,228
R99-21 HS-10	4/15/99	2012	4.25%	9,000	842
02-21 826	5/01/02	2022	4.25%	115,930	43,112
R03-41 HS-08	12/18/03	2019	4.75%	336,299	89,558
R05-61	7/13/05	2018	5.00%	60,710	14,652
RO5-63	7/13/05	2018	5.00%	61,719	14,980
RO5-69	7/13/05	2014	5.00%	45,295	6,475
RO5-70	7/13/05	2014	5.00%	47,260	6,780
98-35 HS-14	3/26/98	2017	4.60%	350,000	64,266
				<u>\$ 1,484,213</u>	<u>\$ 363,111</u>

The annual debt service requirements on the above bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 145,267	\$ 67,776	\$ 213,043
2010	152,284	60,823	213,107
2011	151,732	53,757	205,489
2012	155,685	46,550	202,235
2013	162,947	38,909	201,856
Thereafter	<u>716,298</u>	<u>95,296</u>	<u>811,594</u>
	<u>\$1,484,213</u>	<u>\$363,111</u>	<u>\$1,847,324</u>

A summary of changes in long-term debt is as follows:

	<u>Balance at 1/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/2008</u>
Serial Bonds Payable	\$1,620,790		\$ 136,576	\$1,484,214
Compensated Absences	298,998	23,315		322,313
Other Postemployment Absences		442,700	240,400	202,300
	<u>\$1,919,788</u>	<u>\$ 466,015</u>	<u>\$ 376,976</u>	<u>\$2,008,827</u>

## **E. Retirement Plan**

### Plan Description

The District participates in the New York State and Local Employee's Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees Group Life Insurance Plan (GLIP), collectively referred to as the "Systems". These are cost sharing, multiple employer public employee retirement systems. All assets of the Systems are held in the Common Retirement Fund which was established to hold all assets and income allocated to the Systems. The Comptroller of the State of New York serves as sole trustee and administrative head of the Systems. The Systems issues a publicly available financial report that can be obtained by writing to the New York State and Local Retirement Systems, Gov. Smith State Office Building, Albany, NY 12244.

The System provides retirement benefits as well as death and disability benefits. System benefits are provided under the provisions of 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 System cannot be terminated and plan benefits cannot be diminished or impaired. Benefits can be reduced for future members only by an act of legislature.

The District provides retirement benefits for substantially all its regular full time employees through contributions to the System. The System provides various plans and options, some of which require employee contributions. Members with five years or more of service are 100% vested.

### Funding Policy and Status

Participating employers are required under NYSRSSL to contribute annually to the Systems. The funding of the System is accomplished through member and employer contributions and investment earnings on these contributions. The Comptroller shall certify annually the rates expressed as proportions of payroll members, which shall be used in computing the contributions required to be made by employers to the pension fund.

The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, regular and supplemental retirement benefits. Employers may make other contributions due to legislation, such as retirement incentives, and the 17 year amortization and deficiency payments.

The State Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension fund. The District's required contributions for 2008 were \$72,999. For 2007 and 2006 they were \$79,763 and \$102,976 respectively.

The District's contributions made to the System were equal to 100 percent of the contributions required for each year.

**F. Post Employment Benefits**

**Plan Description**

Medical and Prescription Drug benefits are provided through the New York State Health Insurance (NYSHIP) which was established by State Legislature to provide health insurance to New York State employees, retirees, and their eligible dependents. Local government units may choose to participate in the plan as Participating Agencies. Active and retired employees of the District have the Empire PPO plan.

The district also reimburses retirees for Medicare Part B premiums. Medicare reimbursements totaled \$8,387.

**Funding Policy**

The district is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended December 31, 2008 the District paid \$240,400 on behalf of the plan.

**Annual OPEB Cost and Net OPEB Obligation**

The annual required contribution (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 (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated as part of the Net OPEB obligation. The District's annual OPEB cost for the year, the amount actually paid on behalf of the plan, and the change in the District's net OPEB obligation to the plan for the year are as follows:

Annual required contribution and annual OPEB cost	\$ 442,700
Benefits paid during the year	<u>240,400</u>
Increase in OPEB obligations	202,300
Net obligation at beginning of year	<u>-</u>
Net obligation at end of year	<u>\$ 202,300</u>
Actuarial accrued liability (AAL) January 1, 2008	\$ 4,460,300
Funded OPEB plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL) December 31, 2008	<u>\$ 4,460,300</u>

Funded ratio	0%
Covered payroll	\$ 960,217
UAAL as percentage of covered payroll	464.5%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The actuarial valuation was performed as of January 1, 2008. The District’s annual required contribution (ARC) was determined using the present value of benefits accrued to date, as well as the present value of projected benefits payable at death, disability, retirement, or termination. Allocations of costs are calculated on a level basis. The District’s unfunded actuarial accrued liability (UAAL), as of January 1, 2008 transition date, is amortized over a period of 30 years using the level percentage of projected payroll amortization method.

The actuarial assumptions utilized a 4 percent discount rate; an annual healthcare cost trend rate range of 9.5 to 10.5 percent for medical and 5 percent for Medicare Part B, including inflation declining each year to an ultimate trend rate of 5 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumption about probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trend. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**G. Reserved Fund Equity – General Fund**

In 1992, the District established a Reserve Fund under Section 6c of the New York State General Municipal Law. The purpose of the fund is to pay for the cost of capital projects. The funds are segregated and are reported as Restricted Cash of the general fund and a reservation of fund equity.

The following schedule summarizes the 2008 changes in the Capital Reserve Account:

Balance at January 1, 2008	\$ 2,539,373
Use by General Fund	(311,957)
Expenditure by General Fund to Capital Reserve	673,183
Interest Income	66,164
Balance at December 31, 2008	<u>\$ 2,966,763</u>

**H. Expendable Trust Fund**

The expendable trust fund represents deposits received from developers for work to be completed by the District, on behalf of the developers.

Total deposits of \$11,900 were received from developers in 2008. Total expenditures were \$61,103 for 2008. Funds on hand as of December 31, 2008 were \$41,674.

**I. Accrued Compensated Absences**

Pursuant to the terms of the District's collective bargaining agreement, employees are permitted to accumulate earned but unused sick leave. Unused sick days at year's end may be accumulated up to a maximum of 185 days of which the equivalent of 175 days may be paid in cash. Sick leave is payable upon retirement or termination. Vacation and personal days shall not be accumulated from year to year. As of December 31, 2008 Accrued Compensated Absences totaled \$322,313.

**J. Contingent Liabilities**

The District is a party to legal proceedings and disputes that arose in the ordinary course of operations. In the current opinions of the District's legal counsels, it is unlikely that the liabilities, if any, rising from these legal proceedings and disputes will have a material adverse effect on the District or its operations.

**SUPPLEMENTAL SCHEDULES**

**ROSLYN WATER DISTRICT**  
Schedule of Cash Balances  
All Fund Types  
For the Years Ended December 31, 2008 and 2007

	December 31, 2008	December 31, 2007
<b>GENERAL FUND</b>		
Unrestricted:		
Checking Accounts:		
First Nat'l Bank of Long Island	\$ 38,561	\$ 38,561
First Nat'l Bank of Long Island - Payroll Account	7,498	7,504
First Nat'l Bank of Long Island - Deposit Account	48,554	49,305
Money Market Accounts:		
First Nat'l Bank of Long Island	45,911	85,991
Certificates of Deposit:		
First Nat'l Bank of Long Island	1,018,727	1,085,343
Petty Cash	230	230
Total General Fund Cash Balances - Unrestricted	1,159,481	1,266,934
Restricted:		
Checking Accounts:		
First Nat'l Bank of Long Island	13	13
Money Market Accounts:		
First Nat'l Bank of Long Island	675,074	11,379
Certificates of Deposit:		
First Nat'l Bank of Long Island	2,291,676	-
North Fork Bank	-	2,527,981
Total General Fund Cash Balances - Restricted	2,966,763	2,539,373
Total General Fund Cash Balances	4,126,244	3,806,307
<b>TRUST &amp; AGENCY FUND</b>		
Savings Accounts:		
First Nat'l Bank of Long Island	41,845	90,723
Total Trust & Agency Fund Cash Balances	41,845	90,723
<b>TOTAL CASH BALANCES</b>	<b>\$ 4,168,089</b>	<b>\$ 3,897,030</b>

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

**ROSLYN WATER DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2008

	Adopted Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real Property Taxes	\$ 1,929,430	\$ 1,929,430	\$ 1,929,430	\$ -
Other Payments in Lieu of Taxes	-	-	-	-
Departmental Income	1,660,933	1,815,933	1,841,851	25,918
Interest	35,000	30,000	97,084	67,084
Other Revenue	30,000	203,183	219,690	16,507
<b>TOTAL REVENUES</b>	<u>3,655,363</u>	<u>3,978,546</u>	<u>4,088,055</u>	<u>109,509</u>
<b>EXPENDITURES</b>				
Administration	533,482	543,482	483,021	60,461
Source of Supply, Power & Pump.	1,635,956	1,395,956	1,361,816	34,140
Purification	162,000	162,000	149,705	12,295
Transmission and Distribution	772,074	772,074	799,487	(27,413)
Unallocated Insurance	150,000	95,000	77,938	17,062
Employee Benefits	550,341	485,341	435,029	50,312
Interfund Transfers				
Debt Service				
Principal - Serial Bonds	136,576	136,576	136,576	-
Interest - Serial Bonds	74,663	74,663	74,660	3
Fiscal Agent Fees	4,671	4,671	5,650	(979)
	<u>215,910</u>	<u>215,910</u>	<u>216,886</u>	<u>(976)</u>
Capital Reserve Fund	-	673,183	311,957	361,226
<b>TOTAL EXPENDITURES</b>	<u>4,019,763</u>	<u>4,342,946</u>	<u>3,835,839</u>	<u>507,107</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(364,400)</u>	<u>(364,400)</u>	<u>252,216</u>	<u>616,616</u>
Other Financing Sources (Uses):				
Interfund Transfers	-	-	9,905	(9,905)
Allocation of Fund Balance	364,400	364,400	-	(364,400)
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>262,121</u>	<u>\$ 252,216</u>
Fund Balance January 1,			<u>3,629,303</u>	
Fund Balance December 31,			<u>\$ 3,891,424</u>	

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

**ROSLYN WATER DISTRICT**  
Schedule of Revenues - Budget and Actual  
General Fund  
For the Year Ended December 31, 2008

	Adopted Budget	Adjusted Budget	Actual Revenues	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real Property Taxes	\$ 1,929,430	\$ 1,929,430	\$ 1,929,430	\$ -
Other Payments in Lieu of Taxes	-	-	-	-
Departmental Income				
Metered Water Sales	1,490,000	1,675,000	1,689,686	14,686
Unmetered Water Sales	92,933	92,933	93,782	849
Water Service Charges	65,000	35,000	41,196	6,196
Penalty Charges	13,000	13,000	17,187	4,187
Total Departmental Income	<u>1,660,933</u>	<u>1,815,933</u>	<u>1,841,851</u>	<u>25,918</u>
Interest Earnings	35,000	30,000	30,920	920
Interest Earnings - Restricted Reserve	-	-	66,164	66,164
Other Revenue				
Sale of Equipment	-	-	-	-
Insurance Recoveries	-	173,183	179,596	6,413
Refund of Prior Year Expenditures	-	12,000	15,766	3,766
Grants	-	-	-	-
Miscellaneous Income	30,000	18,000	24,328	6,328
Total Other Revenues	<u>30,000</u>	<u>203,183</u>	<u>219,690</u>	<u>16,507</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 3,655,363</u></u>	<u><u>\$ 3,978,546</u></u>	<u><u>\$ 4,088,055</u></u>	<u><u>\$ 109,509</u></u>

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

**ROSLYN WATER DISTRICT**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended December 31, 2008

	Adopted Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration</b>				
Personal Services				
Salaries	\$ 279,632	\$ 280,632	\$ 279,557	\$ 1,075
Commissioners' Fees	21,000	13,000	12,720	280
Attorney	19,500	4,500	5,125	(625)
Subtotal Personal Services	<u>320,132</u>	<u>298,132</u>	<u>297,402</u>	<u>730</u>
Equipment & Capital Outlay				
Office Equipment	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Contractual Expenditures				
Postage	28,000	28,000	17,999	10,001
Computer Expense	18,000	18,000	7,766	10,234
Printin/Public Relations Expense	17,500	17,500	15,510	1,990
Office Supplies & Expense	12,000	12,000	8,239	3,761
Telephone & Communications	20,000	20,000	15,595	4,405
Light & Power	8,400	8,400	8,400	-
Heating	16,000	16,000	7,537	8,463
Bonds - Commissioner & Treasurer	-	-	-	-
Legal Notices	5,000	10,000	5,725	4,275
Conferences & Meetings	10,000	10,000	9,617	383
Election Expense	2,000	2,000	750	1,250
Architectural and Engineering	10,000	10,000	2,104	7,896
Auditing & Accounting	9,450	9,450	9,500	(50)
Legal	13,000	30,000	29,700	300
Other Professional Services	24,000	24,000	23,000	1,000
Repairs & Maintenance				
Operating Equipment	3,000	3,000	4,853	(1,853)
Other Operating Expenses	7,000	17,000	19,324	(2,324)
Improvements	-	-	-	-
Subtotal Contractual	<u>203,350</u>	<u>235,350</u>	<u>185,619</u>	<u>49,731</u>
Total Administration	<u>\$ 533,482</u>	<u>\$ 543,482</u>	<u>\$ 483,021</u>	<u>\$ 60,461</u>

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

**ROSLYN WATER DISTRICT**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended December 31, 2008

	Adopted Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>Source of Supply, Power and Pumping</b>				
Personal Services	\$ 290,956	\$ 240,956	\$ 229,320	\$ 11,636
Equipment & Capital Outlay				
Operating Equipment	-	-	-	-
Contractual Expenditures				
Telephone & Communications	6,000	6,000	3,323	2,677
Light & Power	600,000	600,000	532,479	67,521
Heating	30,000	30,000	26,679	3,321
Architectural and Engineering	87,000	87,000	92,130	(5,130)
Tools, Parts & Supplies	9,000	9,000	15,792	(6,792)
Repairs & Maintenance				
Operating Equipment	567,000	377,000	357,078	19,922
Plant & Grounds	40,000	40,000	101,002	(61,002)
Other Operating Expenses	6,000	6,000	4,013	1,987
Subtotal Contractual	<u>1,345,000</u>	<u>1,155,000</u>	<u>1,132,496</u>	<u>22,504</u>
Total Source of Supply, Power and Pump.	<u>\$ 1,635,956</u>	<u>\$ 1,395,956</u>	<u>\$ 1,361,816</u>	<u>\$ 34,140</u>
<b>Purification</b>				
Contractual Expenditures				
Water Analysis & Treatment	\$ 45,000	\$ 45,000	\$ 41,394	\$ 3,606
Water Treatment	115,000	115,000	106,320	8,680
Other Operating Expenses	2,000	2,000	1,991	9
Total Purification	<u>\$ 162,000</u>	<u>\$ 162,000</u>	<u>\$ 149,705</u>	<u>\$ 12,295</u>

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

**ROSLYN WATER DISTRICT**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended December 31, 2008

	Adopted Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>Transmission &amp; Distribution</b>				
Personal Services	\$ 539,074	\$ 439,074	\$ 433,495	\$ 5,579
Equipment & Capital Outlay				
Operating Equipment	45,000	45,000	44,954	46
Meters	15,000	15,000	11,108	3,892
Mains, Valves & Hydrants	15,000	65,000	81,241	(16,241)
Subtotal Equipment & Capital Outlay	<u>75,000</u>	<u>125,000</u>	<u>137,303</u>	<u>(12,303)</u>
Contractual Expenditures				
Architectural and Engineering	10,000	15,000	47,630	(32,630)
Uniforms & Laundry	7,000	7,000	4,881	2,119
Gas & Oil	22,000	22,000	17,236	4,764
Tools, Parts & Supplies	20,000	30,000	27,613	2,387
Repairs & Maintenance;				
Operating Equipment	20,000	20,000	14,399	5,601
Mains, Valves & Hydrants	30,000	65,000	64,316	684
Meters	1,000	1,000	2,413	(1,413)
Road Repairs	40,000	40,000	42,216	(2,216)
Other Operating Expenses	8,000	8,000	7,985	15
Subtotal Contractual	<u>158,000</u>	<u>208,000</u>	<u>228,689</u>	<u>(20,689)</u>
Total Transmission & Distribution	<u>\$ 772,074</u>	<u>\$ 772,074</u>	<u>\$ 799,487</u>	<u>\$ (27,413)</u>
<b>Unallocated Insurance</b>				
Unallocated Insurance	<u>\$ 150,000</u>	<u>\$ 95,000</u>	<u>\$ 77,938</u>	<u>\$ 17,062</u>
<b>Employee Benefits</b>				
State Retirement	\$ 110,354	\$ 80,354	\$ 72,999	\$ 7,355
Social Security	87,987	74,987	72,136	2,851
Workers' Compensation	33,500	33,500	32,043	1,457
Unemployment Insurance	3,500	3,500	1,622	1,878
Hospital Insurance	280,000	258,000	240,371	17,629
Dental & Optical Insurance	35,000	35,000	15,858	19,142
Total Employee Benefits	<u>\$ 550,341</u>	<u>\$ 485,341</u>	<u>\$ 435,029</u>	<u>\$ 50,312</u>

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