a. *Special Districts Funds*

The Special District Funds are used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole town.

1. Water Districts
2. Lighting Districts
3. Sewer Districts

b. *Capital Projects Fund*

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following fund type:

a. *Fiduciary Fund*

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements, because their resources do not belong to the Town, and are not available to be used.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The Town-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. PROPERTY TAXES

Property taxes attach as an enforceable lien and are levied on January 1. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 31st. The Town guarantees the full payment of the county and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and foreclosure proceedings.

E. BUDGETARY DATA

1. BUDGET POLICIES-The Budget policies are as follows:

   a. Not later than October 30th, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds and is presented to the Town Board by the Town Clerk no later than November 10th.
   b. Public hearings are conducted by December 10th to obtain public comments. The budget must be adopted by the Town Board by December 20th.
   c. The Town Board must approve any budget modifications.

2. BUDGET BASIS OF ACCOUNTING

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances, if any, carried forward from the prior year.

F. CAPITAL ASSETS

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is $5,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

ASSET CLASS	ESTIMATED USEFUL LIVES
Buildings	50
Site Improvements	20
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. INTERFUND TRANSFERS

The operations for the Town gives rise to certain transactions between funds, including transfers of expenditures and revenues to provide services and construct assets.

NOTE II-STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. APPROPRIATIONS

A number of line items of appropriations in various operating funds were over-expended due to increased but unanticipated offsetting revenues.

NOTE III-EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS VS. NET ASSETS OF GOVERNMENTAL ACTIVITIES:

Total fund balances of the Town's governmental funds differs from "net assets" of governmental activities reported in the Statement of Net Assets. The difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the governmental fund balance sheet.

B. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VS. STATEMENT OF ACTIVITIES:

Differences between the governmental funds Statement of Revenues, Expenditures and changes in fund Balance and the Statement of Activities fall into one of three broad categories:

1. LONG-TERM REVENUE DIFFERENCES:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

3. CAPITAL RELATED DIFFERENCES:

Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording on expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

4. LONG-TERM DEBT TRANSACTION DIFFERENCES:

   Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of New Assets.

NOTE IV-CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2004, the Town implemented GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB 34 creates a new set of basic financial statements, and requires governments to include government-wide financial statements that are prepared on an accrual basis of accounting using the economic resources measurement focus. The previous requirement for fund financial statements is modified to present information for individual major funds rather than by fund type.

The implementation of GASB 34 resulted in the need to restate prior year ending balances. Financial statements for the year ended December 31, 2003 were issued in conformity with GAAP. GASB Statement 34 requires certain amounts to be restated. The reconciliation of restated amounts to the December 31, 2003 year-end balance is:

Total Fund Equity of Governmental Funds at December 31, 2003	$ 5,995,104
Plus:	
Capital Assets reported at December 31, 2003	5,194,053
Adjustment to Capital Assets at December 31, 2003	887,259
Deferred Property Taxes Receivable adjusted to full accrual At December 31, 2003	1,028,694
Less:	
Accumulated Depreciation at December 31, 2003	(2,661,902)

Long-Term Obligations at December 31, 2003	(2,586,600)
Accrued Interest on Long-Term Obligations At December 31, 2003	(28,453)
Accrued Interest on Short-Term Obligations at December 31, 2003	0
Beginning Net Assets on Statement of Activities For Governmental Activities-January 1, 2004	$7,828,155

NOTE V-DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. CASH AND CASH EQUIVALENTS

The Town's investment policies are governed by state statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State.

Collateral is required for demand deposits and other cash deposits at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

A summary of cash and cash equivalents at December 31, 2008 is as follows:

Demand Deposits	$ 3,600,939
Time Deposits/Money Markets	3,180,531
Petty Cash	700
Total	$ 6,782,170

The written investment policy is on file in the Town offices for specific details.

Deposits at year end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

2. PROPERTY TAXES

At December 31, 2008, the total real property taxes assets include current year property taxes and school taxes and tax liens. The school district taxes will be paid to the school districts no later than April 1, 2009, regardless of whether the Town collects it.

Any current year school taxes not expected to be collected before the following lien date are classified as deferred revenues. The Town also provides a one hundred percent (100%) reserve for uncollectible taxes against year end town tax and past due balances.

This policy to reserve the uncollected taxes at one hundred percent was adopted to present the fund balance under an "available resource" concept. Since unpaid property taxes are not readily available in the ensuing budget year, based upon historical analysis, the reserve of one hundred percent will prevent fund balance from including these taxes until such time that they are available for operating use.

Property acquired for taxes is at the cost of unpaid taxes prior to the Town taking title to such properties.

A summary of the property taxes is as follows:

Town Taxes-Current Year, Past Due	$ 108,049
School District Taxes-Current Year	22,737,716
Tax Past Due	313,128
	$23,158,893
Deferred Taxes:	
Town	$ 461,825
School	511,599
	$ 973,424

Net Property Tax Receivable	$22,185,469

B. LIABILITIES

1. PENSION PLANS

The Town of Lewisboro, New York participates in the New York State and local Employees' Retirement System and the New York State policemen's and Firemen's Retirement System. These are cost sharing multiple public employer retirement systems. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the system. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

The retirement systems provide that all participants in each system are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the systems. The systems are noncontributory except for employees who joined he employees' retirement system after July 27, 1976 and contribute 3% of their salary. Employee contributions are deducted by employers from employees' paychecks and are sent currently to the employees' retirement system.

Contributions payable to the systems are billed on the basis of salaries paid during the systems fiscal year ending March 31 and are made in accordance with funding requirements determined by the actuary of the systems. The payments are due the prior December 15th.

The New York State Comptroller has available reports on the Retirement System. These reports may be obtained, by sending a written request to the New York State and Local Retirement System, Governor A.E. Smith Office Building, Albany, New York 12244.

2. LONG-TERM DEBT

At December 31, 2008 the Town had outstanding indebtedness for the following items.

a. Serial Bonds-The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Town, are recorded in the schedule of indebtedness on page 51 of the audit report.. A provision must be made in future budgets for the remaining maturities plus interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities. The Town has issued Bond Anticipation Notes. In past periods, the Town has elected to record these short-term obligations as long-term debt as it was the intention of management at that time to liquidate these obligations by issuing serial bonds and thus, amortizing the debt over the long-term. Therefore, the financial statements of past years recognized revenue upon issuance of the bond anticipation notes. However, in conjunction with the Town's long term capital asset plan, management has elected to record all bond anticipation notes currently outstanding as short term obligations and the fund balances have been restated as is appropriate.

b. Other Long-Term Debt-The Town had non current liabilities for compensated absences. This represents accrued sick time earned by Town employees.

3. RETIREE BENEFITS

The Town has computed the actuarial value, and made any contingency within these financial statements, for amounts of health insurance that are to be paid by the Town for retired personnel. See Note IX.

NOTE VI-CONTINGENCIES

The Town has received grants, which are subject to audit by agencies of New York State. Such audits may result in disallowances and a request for a return of funds to the federal

and state governments. The Town administration believes disallowances, if any, will be immaterial.

The Town assesses its real property under prescribed laws of the State of New York. These assessments may be challenged in court by the taxpayers. Any effect of tax refunds, from changes of assessments, are not feasible to calculate at this time.

The Town is a defendant in a number of personal injury actions. The outcome of these suits cannot be determined at this time. The Town is also subject to audits for insurance coverages of past periods. No effect can be calculated, at present, if such audits will give rise to any liabilities. If such liabilities are eventually determined they will be recognized in the year that such audit is completed.

NOTE VII-TREATMENT OF BOND ANTICIPATION NOTES

In past periods, Town management had elected to record bond anticipation as long term obligations rather than short term as it was the intention of management to refinance the BANs as serial bonds within the normal operating cycle of the Town's activity. However, in conjunction with the Town's long term capital projects plan, management has elected to treat the short term obligations as such for the currently outstanding obligations. Therefore, the BANs are now reflected within the balance sheet of the Capital Projects Fund as short term liabilities. Therefore, revenues are not recognizable until BANs are liquidated. This results in a temporary deficit within the Capital Projects Fund and required, in some cases, restatement of beginning fund balances. Bond Anticipation Notes Payable at December 31, 2008 amounted to $9,979,600.

NOTE VIII-FUND BALANCE DEFICITS

The Capital Projects Fund has a temporary deficit due to timing differences. Upon re-classification of the outstanding Bond Anticipation Notes Payable and formation of the Capital Projects Fund, the beginning fund balances of the General, Sewer, Lighting, Water and Capital Projects Funds were required to be restated. Items previously recorded within the operations of these funds which were integral components of Capital Projects as approved by the Town Board, have been reclassified into the appropriate Capital Projects. Therefore, the Capital Projects Fund has a temporary deficit due to the reclassification of the BANs and project expenditures amounting to $8,784,424. This is temporary in nature as the liquidation of the BANs totaling $9,979,600 and the issuance of a serial bonds 2009 will eliminate the temporary deficit.

TOWN OF LEWISBORO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

NOTE IX-OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Annual OPEB Cost and Net OPEB Obligation		**FY 2008**
Annual Required Contribution	$	1,648,999
Interest on Net OPEB Obligation		-
Adjustment to Annual Required Contribution		-
Annual OPEB Cost		1,648,999
Contributions Made		(276,544)
Increase in Net OPEB Obligation		1,372,455
Net OPEB Obligation-Beginning of Year		-
Net OPEB Obligation-End of Year	$	1,372,455
Annual OPEB Cost	$	1,648,999
Percentage of Annual OPEB Cost Contributed		16.77%
Net OPEB Obligation at End of Year	$	1,372,455

Funded Status		**12/31/08**
Actuarial Accrued Liability (AAL)	$	14,963,957
Actuarial Value of Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		14,963,957
Funded Ratio (Assets as a percentage of AAL)		0.00%
Annual Covered Payroll		Not Available
UAAL as a Percentage of Covered Payroll		Not Available

Actuarial Methods and Assumptions	
Measurement Date	12/31/07
Investment Rate of Return	4.00%
Expected Return on Plan Assets	N/A
Expected Return on Employer's Assets	4.00%
Rate of Compensation Increase	N/A
Inflation Rate	3.00%

Assumed Pre-65 Medical Trend Rates at December 31	
Health Care Cost Trend Rate Assumed for Next Fiscal Year	9.50%
Rate to which the Cost Trend Rate is Assumed to Decline (the ultimate trend rate)	5.00%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2016

TOWN OF LEWISBORO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

Assumed Post-65 Medical Trend Rates at December 31

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.50%
Rate to which the Cost Trend Rate is Assumed to Decline (the ultimate trend rate)	5.00%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2016

Assumed Prescription Drug Trend Rates at December 31

Health Care Cost Trend Rate Assumed for Next Fiscal Year	12.00%
Rate to which the Cost Trend Rate is Assumed to Decline (the ultimate trend rate)	5.00%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2016

Additional Information

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Amortization Period	Single Amortization Period
Amortization Period in Years	30.00
Amortization Period Status	Open
Method Used to Determine Actuarial Value of Assets	N/A

TOWN OF LEWISBORO
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
BUDGET & ACTUAL-GENERAL FUND
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUALS FOR 2007)

		ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2007 ACTUAL
Real Property Taxes	$	1,409,742	1,675,093	1,358,308	(316,785)	1,047,913
Other Real Property Tax Items		160,000	160,000	212,530	52,530	183,054
Sales Tax		1,750,000	1,750,000	1,835,209	85,209	1,689,115
Departmental Income		1,663,887	1,663,887	1,430,082	(233,805)	1,567,705
Licenses & Permits		12,175	12,175	9,819	(2,356)	9,680
Use Of Money & Property		368,300	368,300	156,255	(212,045)	417,136
Fines & Forfeitures		65,000	65,000	97,698	32,698	66,927
Refund Over Prior Years Expenditures		15,000	15,000	(6,490)	(21,490)	31,762
Miscellaneous		793,700	802,124	513,012	(289,112)	496,140
State Aid		1,358,500	1,358,500	1,077,937	(280,563)	1,479,046
Services to Water and Sewer		-	-	-	-	-
Total Revenues		7,596,304	7,870,079	6,684,360	(1,185,719)	6,988,478
General Government Support		2,744,826	2,842,794	2,698,539	144,255	2,562,165
Public Safety		1,250,980	1,182,357	1,170,425	11,932	1,079,934
Health		205,200	199,957	199,952	5	198,302
Transportation		147,502	146,661	146,636	25	149,660
Culture & Recreation		2,264,755	2,249,827	2,221,155	28,672	2,092,263
Home & Community Services		248,013	302,578	224,596	77,982	212,613
Employee Benefits		1,356,700	1,404,361	1,377,331	27,030	1,387,079
Debt Service		368,328	368,328	361,668	6,660	278,846
Interfund Transfers		-	-	-	-	863,960
Total Expenditures		8,586,304	8,696,863	8,400,302	296,561	8,824,822
Excess (Deficiency) Of Revenues Over Expenditures		(990,000)	(826,784)	(1,715,942)	(889,158)	(1,836,344)
Other Sources (Uses):						
Transfer In-Close Out Of Risk Retention Fund		-	-	-	-	-
Excess (Deficiency) Of Revenues & Other 'Sources Over Expenditures & Other Uses		(990,000)	(826,784)	(1,715,942)	(889,158)	(1,836,344)
Fund Balance-Beginning Of Year (As Restated)		990,000	826,784	2,454,210	1,627,426	4,290,554
Fund Balance-End Of Year	$	-	-	738,268	738,268	2,454,210

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
BUDGET & ACTUAL-HIGHWAY FUND
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUALS FOR 2007)

		ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2007 ACTUAL
Revenues:						
Property Taxes	$	2,772,874	2,617,527	2,617,527	-	2,754,771
Departmental Income		-	-	-	-	2,898
Services To Other Governments		-	-	-	-	-
Use Of Money & Property		40,000	40,000	12,475	(27,525)	35,117
Prior Year Refund		-	1,405	1,797	392	(31,039)
Sale of Equip. & Loss Comp.		3,000	22,578	21,628	(950)	-
Federal & State Aid		122,000	128,635	125,018	(3,617)	197,681
Total Revenues:		2,937,874	2,810,145	2,778,445	(31,700)	2,959,428
Expenditures:						
Current:						
Transportation		2,151,624	2,158,210	2,157,092	1,118	2,278,694
Home & Community Serv.		-	-	-	-	-
Employee Benefits		751,200	669,337	669,337	-	702,290
Interfund Transfers		-	23,846	23,846		150,000
Debt Service						
Principal		80,000	80,000	80,000	-	-
Interest		55,050	55,050	55,050	-	-
Total Expenditures		3,037,874	2,986,443	2,985,325	1,118	3,130,984
Excess (Deficiency) Of Revenues Over Expenditures		(100,000)	(176,298)	(206,880)	(30,582)	(171,556)
Prior Period Adjustment				-	-	85,040
Fund Balance-Beginning Of Year		100,000	176,298	456,156	279,858	542,672
Fund Balance-End Of Year	$	-	-	249,276	249,276	456,156

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINING
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2008

		SEWER DISTRICT	LIGHTING DISTRICT	WATER DISTRICT	CAPITAL PROJECTS	TOTAL 2008
Assets:						
Cash	$	5,948	11,179	89,275	1,666,562	1,772,964
Accounts Receivable		15,200	-	-	-	15,200
Due From Other Funds		170,661	328	7,819	204,394	383,202
Total Assets:		191,809	11,507	97,094	1,870,956	2,171,366
Liabilities & Fund Balance:						
Liabilities:						
Due To Other Funds		179,889	-	300,000	202,495	682,384
Retainers Payable		-	-	-	449,073	449,073
BANS Payable		-	-	-	9,979,600	9,979,600
Deferred Revenues		-	-	-	1,568	1,568
Accounts Payable		10,799	-	27,090	22,644	60,533
Total Liabilities		190,688	-	327,090	10,655,380	11,173,158
Fund Balance						
Reserves		-	-	-	-	-
Designated For Next Year's Budget		-	-	-	-	-
Undesignated & Restated		1,121	11,507	(229,996)	(8,784,424)	(9,001,792)
Total Fund Balance		1,121	11,507	(229,996)	(8,784,424)	(9,001,792)
Total Liabilities & Fund Balance	$	191,809	11,507	97,094	1,870,956	2,171,366

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINING
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2008

		SEWER DISTRICT	LIGHTING DISTRICT	WATER DISTRICT	CAPITAL PROJECTS	TOTAL 2008
Revenues:						
Property Taxes	$	177,703	12,000	165,545	-	355,248
Easement-Bell Property		-	-	-	-	-
Departmental Income		15,200	-	188,111	-	203,311
Interfund Transfers		-	-	-	23,846	23,846
Other		-	-		260,000	260,000
Use Of Money & Property		975	-	4,060	20,083	25,118
Prior Year Refund		-	-	533	-	533
Proceeds of Long-Term Debt		-	-	-	3,085,000	3,085,000
State Aid		85,906	-	-	-	85,906
Total Revenues:		279,784	12,000	358,249	3,388,929	4,038,962
Expenditures:						
Current:						
Government Support		7,837	-	24,336.00	-	32,173
Transportation		-	8,763	-	-	8,763
Home & Community Service		236,893	-	327,493	4,691,633	5,256,019
Interfund Transfers		-	-	-	-	-
Employee Benefits		445	-	-	-	445
Debt Service		-	-	-	-	-
Principal		27,000	-	80,000	-	107,000
Interest		12,015	-	57,945	-	69,960
Total Expenditures		284,190	8,763	489,774	4,691,633	5,474,360
Excess (Deficiency) Of Revenues Over Expenditures		(4,406)	3,237	(131,525)	(1,302,704)	(1,435,398)
Fund Balance-Beginning of Year-Restated		5,527	8,270	(98,471)	(7,481,720)	(7,566,394)
Fund Balance-End Of Year	$	1,121	11,507	(229,996)	(8,784,424)	(9,001,792)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
GENERAL FUND
COMPARATIVE BALANCE SHEET

DECEMBER 31,

		2008	2007
Assets:			
	$		
Cash & Cash Equivalents		4,740,834	8,079,220
Property Tax Receivable		23,325,173	22,582,099
Accounts Receivable		209,183	9,797
Due From Other Funds		299,028	801,914
Due From Other Governments		426,155	313,260
Prepaid Expenses		73,405	-
Amount To Provide For Long Term Debt		-	-
General Fixed Assets		-	-
Total Assets:		29,073,778	31,786,290
Liability & Fund Balance:			
Liabilities:			
Accounts Payable		315,609	347,703
Due To Other Funds		22,940	-
Due To Other Governments		27,023,537	27,881,538
Deferred Tax Revenue		973,424	923,718
Bonds Payable		-	-
Compensated Absences		-	-
Security Deposits		-	179,121.00
Total Liabilities		28,335,510	29,332,080
Fund Equity:			
'Investment In General Fixed Assets		-	-
Fund Balances			
Trust & Agency Restricted funds		-	-
Reserves		23,571	102,295
Designated For Next Year's Budget		562,325	990,000
Designated - Other		-	-
Undesignated		152,372	1,361,915
Total Fund Equity		738,268	2,454,210
Total Liabilities & Fund Balance	$	29,073,778	31,786,290

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINING
BALANCE SHEET
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

		HIGHWAY FUND	SEWER DISTRICT	LIGHTING DISTRICT	WATER DISTRICT	TOTAL 2008	TOTAL 2007
Assets:							
Cash	$	268,372	5,948	11,179	89,275	374,774	(429,175)
Accounts Receivable		34	15,200	-	-	15,234	-
Prepaid Expenses		26,938					
Due From Other Funds		330,279	170,661	328	7,819	509,087	1,068,682
Total Assets:		625,623	191,809	11,507	97,094	899,095	639,507
Liabilities & Fund Balance:							
Liabilities:							
Due To Other Funds		308,896	179,889	-	300,000	788,785	1,527
Accounts Payable		67,451	10,799	-	27,090	105,340	266,498
Total Liabilities		376,347	190,688	-	327,090	894,125	268,025
Fund Balance							
Reserves		-	-		-	-	94,939
Designated For Next Year's Budget		-	-	-	-	-	100,000
Undesignated		249,276	1,121	11,507	(229,996)	31,908	176,543
Total Fund Balance		249,276	1,121	11,507	(229,996)	31,908	371,482
Total Liabilities & Fund Balance	$	625,623	191,809	11,507	97,094	926,033	639,507

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINED
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
BUDGET & ACTUAL-SPECIAL REVENUE FUNDS
(HIGHWAY, SEWER, WATER & LIGHTING)
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUALS FOR 2007)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2007 ACTUAL
Real Property Taxes $	3,128,122	2,972,775	2,972,775	-	3,068,369
Departmental Income	222,000	222,000	203,311	(18,689)	198,337
Service To Other Governments	-	-	-	-	-
Use Of Money & Property	92,300	92,300	17,510	(74,790)	59,809
Prior Year Refund	-	1,405	2,330	925	(31,039)
Sale of Equip. & Loss Comp.	3,000	22,578	21,628	(950)	-
Proceeds of Long-Term Debt	3,175,000	3,175,000	-	(3,175,000)	-
State Aid	122,000	128,635	210,924	82,289	197,681
Total Revenues	6,742,422	6,614,693	3,428,478	(3,186,215)	3,493,157
Transportation	2,163,624	2,170,210	2,165,855	4,355	2,289,142
Government Support	-	-	32,173	(32,173)	-
Home & Community Services	3,694,600	3,731,830	564,386	3,167,444	439,768
Interfund Transfers	-	23,846	23,846	-	152,644
Employee Benefits	751,200	669,782	669,782	-	702,290
Debt Service	307,298	312,010	312,010	-	185,139
Total Expenditures	6,916,722	6,907,678	3,768,052	3,139,626	3,768,983
Excess (Deficiency) Of Revenues Over Expenditures	(174,300)	(292,985)	(339,574)	(46,589)	(275,826)
Prior Period Adjustment	-	-	-	-	85,040
Fund Balance-Beginning Of Year (As Restated)	174,300	292,985	371,482	78,497	562,268
Fund Balance-End Of Year $	-	-	31,908	31,908	371,482

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
HIGHWAY FUND
COMPARATIVE BALANCE

DECEMBER 31,

		2008	2007
Assets:			
Cash	$	268,372	342,079
Accounts Receivable		34	-
Prepaid Expenses		26,938	-
Due From Other Funds		330,279	292,168
Total Assets:		625,623	634,247
Liabilities & Fund Balance:			
Liabilities:			
Due To Other Funds		308,896	-
Accounts Payable		67,451	178,091
Total Liabilities		376,347	178,091
Fund Balance			
Reserves		-	52,452
Designated For Next Year's Budget		-	100,000
Undesignated & Restated		249,276	303,704
Total Fund Balance		249,276	456,156
Total Liabilities & Fund Balance	$	625,623	634,247

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINING
BALANCE SHEETS
SPECIAL DISTRICTS
December 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

		SEWER DISTRICT	LIGHTING DISTRICT	WATER DISTRICT	TOTAL 2008	TOTAL 2007
Assets:						
Cash	$	5,948	11,179	89,275	106,402	(771,254)
Accounts Receivable		15,200	-	-	15,200	-
Due From Other Funds		170,661	328	7,819	178,808	776,514
Total Assets:		191,809	11,507	97,094	300,410	5,260
Liabilities & Fund Balance:						
Liabilities:						
Due To Other Funds		179,889	-	300,000	479,889	1,527
Accounts Payable		10,799	-	27,090	37,889	88,407
Total Liabilities		190,688	-	327,090	517,778	89,934
Fund Balance						
Reserves		-	-	-	-	42,487
Designated For Next Year's Budget		-	-	-	-	-
Undesignated		1,121	11,507	(229,996)	(217,368)	(127,161)
Total Fund Balance		1,121	11,507	(229,996)	(217,368)	(84,674)
Total Liabilities & Fund Balance	$	191,809	11,507	97,094	300,410	5,260

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF LEWISBORO
COMBINING
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
SPECIAL DISTRICTS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

		SEWER DISTRICT	LIGHTING DISTRICT	WATER DISTRICT	TOTAL 2008	TOTAL 2007
Revenues:						
Property Taxes	$	177,703	12,000	165,545	355,248	313,598
Departmental Income		15,200	-	188,111	203,311	195,439
Services To Other Governments		-	-	-	-	-
Use Of Money & Property		975	-	4,060	5,035	24,692
Prior Year Refund		-	-	533	533	-
Proceeds of Long-Term Debt		-	-	-	-	-
State Aid		85,906	-	-	85,906	-
Total Revenues:		279,784	12,000	358,249	650,033	533,729
Expenditures:						
Current:						
Transportation		-	8,763	-	8,763	10,448
Government Support		7,837	-	24,336	32,173	-
Home & Community Serv.		236,893	-	327,493	564,386	439,768
Interfund Transfers		-	-	-	-	2,644
Employee Benefits		445	-	-	445	-
Debt Service					-	-
Principal		27,000	-	80,000	107,000	106,000
Interest		12,015	-	57,945	69,960	79,139
Total Expenditures		284,190	8,763	489,774	782,727	637,999
Excess (Deficiency) Of Revenues Over Expenditures		(4,406)	3,237	(131,525)	(132,694)	(104,270)
Fund Balance-Beginning of Year-Restated		5,527	8,270	(98,471)	(84,674)	19,596
Fund Balance-End Of Year	$	1,121	11,507	(229,996)	(217,368)	(84,674)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION