

TOWN OF NORTH CASTLE, NEW YORK

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2010**

Prepared by

**Dawn T. Donovan
Town Comptroller**

**Diane L. Jacobson
Town Comptroller**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2010
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<p>STATISTICAL SECTION (Unaudited)</p>
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This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the Town's overall financial health.

This section includes the following schedules:

Financial Trends:

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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**INTRODUCTORY
SECTION**

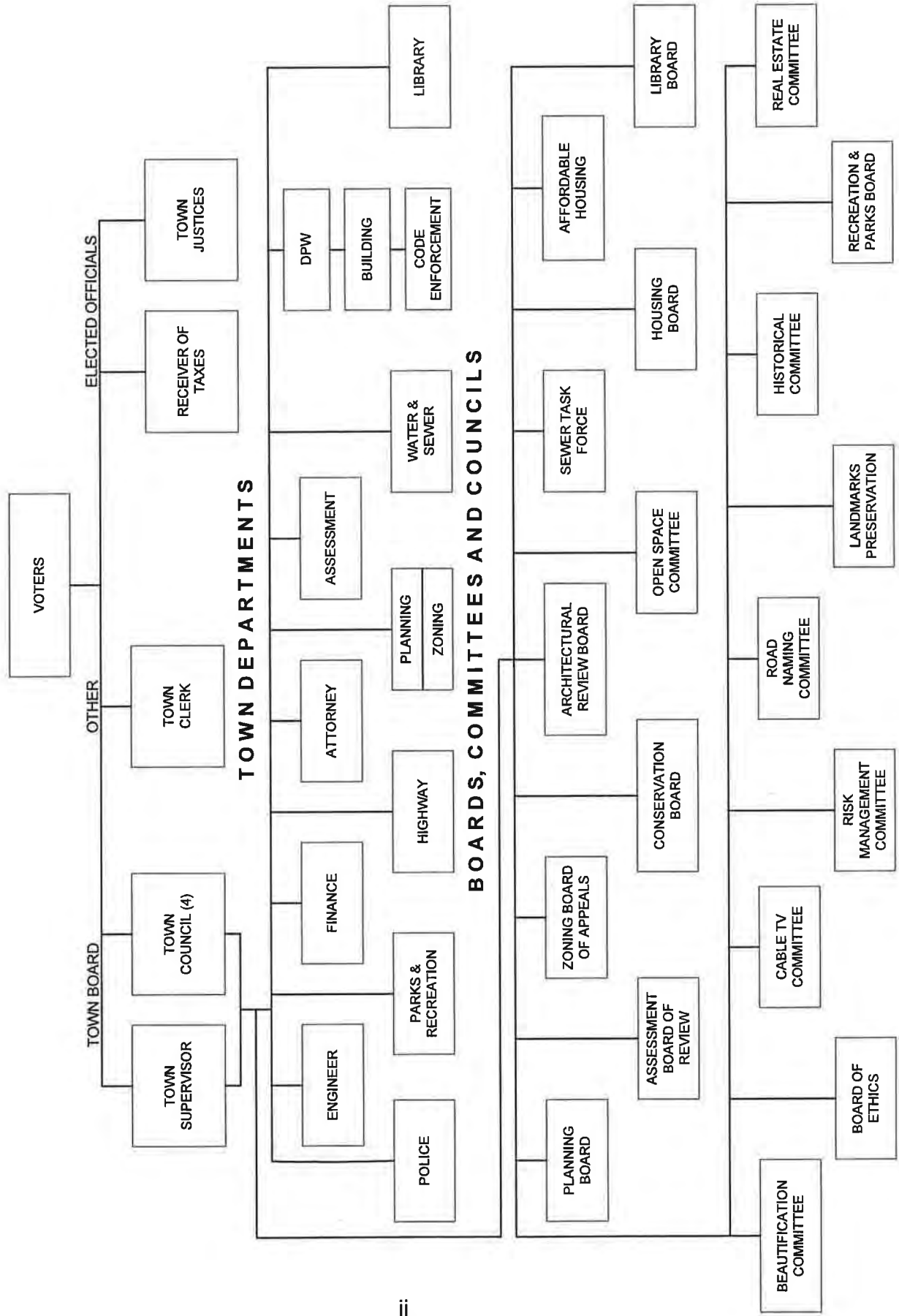
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TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL OFFICIALS

		<u>Term Ends</u>
SUPERVISOR:	William R Weaver	12/31/11
TOWN BOARD:	Rebecca A. Kittredge	12/31/11
	Michael Schiliro	12/31/11
	Diane Roth	12/31/13
	John Cronin	12/31/13
TOWN CLERK:	Anne Curran	12/31/10
RECEIVER OF TAXES:	Patricia A. Colombo	12/31/13
TOWN COMPTROLLER:	Dawn T. Donovan	12/15/10
	Diane L. Jacobson	4/15/11

STRUCTURE OF TOWN OF NORTH CASTLE GOVERNMENT





Dawn T. Donovan
Town Comptroller

TOWN OF NORTH CASTLE
15 BEDFORD ROAD
ARMONK, NEW YORK 10504
Established 1736

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Finance Department
Town Hall
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March 22, 2011

To the Honorable Supervisor and Town Board of the
Town of North Castle, New York:

The Comprehensive Annual Financial Report ("CAFR") for the Town of North Castle, New York ("Town") for the fiscal year ended December 31, 2010 is herewith submitted. The New York State Comptroller's Office requires the Town to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP"). The Town has elected to have these statements audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to this requirement and Town Board policy.

This report consists of management's responsibilities concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by O'Connor Davis Murins & Dobbins, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2010 are free of

material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the Town's basic financial statements, for the year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The financial section also includes a narrative introduction, overview and analysis of the December 31, 2010 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town was established in 1788 by New York State as a separate political entity vested with independent taxing and debt authority. There are no incorporated villages situated within the Town's borders. The Town has portions of five independently governed school districts, which rely on the taxing powers granted by New York State to raise revenues for school district purposes. The school districts use the Town's assessment roll as the basis for taxation of property within the Town.

The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four councilpersons, elected at large to serve a four-year term, plus the Supervisor. Councilpersons may serve an unlimited number of terms. It is the responsibility of the Town Board to enact, by resolution, all legislation including ordinances and local laws. Annual budgets for the Town must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board on the recommendation of the Supervisor.

The Supervisor is the chief executive and financial officer of the Town and is elected for a two-year term of office. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include the administration of the Town's daily functions, budget preparation and control, and debt issuance.

The Town provides a wide range of governmental services to its residents. Highway construction and maintenance of roads is a Town function. Recreation is provided and parks are maintained through the Town government. Water, sewer, lighting, fire protection and ambulance services are furnished by various special districts, which have been formed within the Town. Other services performed at the

Town level include property assessment, police protection, zoning administration and planning. The Town provides refuse collection services to residential properties and pays the cost thereof from the General Fund. Refuse collection is not provided to commercial establishments, who must contract with private carters for this service.

The annual budget serves as the foundation for the Town's financial planning and control. All departments are required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before October 20th. Estimates for each fire district situated within the Town must also be filed with the budget officer by this date (the Town has no authority to amend the budget submitted by the fire districts). After reviewing these estimates, the budget officer prepares a tentative budget which includes his/her recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk no later than October 30th. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing, which must be held on or before November 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are consistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Town Board and becomes the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is required to be held no later than December 10th. At the hearing, any person may express their opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than December 20th, at which time the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Supervisor. However, any changes or modifications to the annual budget, including the transfer of appropriations among line items, must be approved by resolution of the Town Board. Budget to actual comparisons are provided in this report for each individual fund for which an annual budget has been adopted. For the General, Highway, Public Library and Special Districts funds, these comparisons are presented as part of the basic financial statements. For other governmental funds with annual budgets, the comparisons are presented in the governmental fund subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local Economy

The Town is situated in the central portion of Westchester County, which continues to rank among the most affluent counties in the United States. The Town encompasses approximately 24 square miles and is primarily suburban residential in nature. However, the Town has a significant commercial base, which includes the world headquarters for International Business Machine ("IBM") and several other large corporations. The population of the Town, according to the estimated 2009 census, is 12,162, which represents an increase of 12% since the 2000 official census report. The 2000 per capita money income for residents of the Town is approximately 62% above the County level and more than twice the New York State average. Unemployment statistics are not maintained for the Town; however, the Town believes that unemployment in the Town is less than the County's overall rate.

Completed Projects

The following projects were completed:

- Upgrades and additions to the Town's water and sewer distribution systems
- Creation of a Budget and Financial Advisory Task Force

Long-Term Financial Planning

The Town's future projects include the following:

- Develop Comprehensive Financial Policy Document
- Long range facilities needs

Relevant Financial Policies

During 2010, the Town Board adopted a fund balance policy. The goal of this policy is to maintain the fund balance in the General Fund in a range of 10-15% of the General Fund operating budget. We have taken this policy into consideration while preparing our 2011 budget. We have not used any of our general fund balance reserves and have a structurally balanced budget for 2011. We have succeeded in replenishing our fund balance from 6% to 12% in 2010 and have improved the Town's bond rating to Aa1 with a stable outlook. An investment policy and purchasing policy was adopted and both are reviewed annually. The Town will also continue to work on our multi-year financial plan, which will be relevant in planning and adopting the annual operating budget. This multi-year plan

was drafted in 2010 and was used in preparing our 2011 budget. Our goal is to keep revising the three to five year plan with current developments

Awards and Acknowledgments

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the fiscal year ended December 31, 2009. This was the eleventh consecutive year that the Town received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Preparation of this report could not be accomplished without the efficient and dedicated services of the members of the Finance Department, Town Assessor, Receiver of Taxes, Town Clerk, Police Department and Building Department, as well as our independent auditor, who assisted in its preparation. I would also like to thank the Town Supervisor and the members of the Town Board for their interest and support in the financial operations of the Town.

Respectfully submitted,

A handwritten signature in cursive script that reads "Diane Jacobson".

Diane L. Jacobson
Town Comptroller
Term beginning 1/17/2011

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of North Castle
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Supervisor and Town Board of
the Town of North Castle, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Castle, New York ("Town") as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, each major fund and the aggregate remaining fund information of the Town as of December 31, 2010 and the respective changes in financial position and the respective budgetary comparison for the General, Highway, Public Library and Special Districts funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress - Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
February 28, 2011

Town of North Castle, New York
Management's Discussion and Analysis (MD&A)
December 31, 2010

Introduction

The following discussion and analysis of the Town of North Castle, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the fiscal year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- On the government-wide financial statements, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$19,137,212. Of this amount, the unrestricted portion is a deficit of \$4,207,861. The deficit results primarily from the accrual of the annual other post employment benefit obligations cost in accordance with the provisions of Government Accounting Standards Board ("GASB") Statement No. 45.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,173,283, an increase of \$1,454,439. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$8,706,071. Of this latter amount, the unreserved and undesignated fund balance was \$6,094,531 or 70%. This amount is available for spending at the Town's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,091,073 or 12.8% of total General Fund expenditures and other financing uses.
- The Town issued \$2,385,000 in serial bonds and refunding bonds and used the proceeds to advance refund 1994 series and 2001 series serial bonds with higher interest rates totaling \$1,740,000 and to pay off bond anticipation notes of \$645,000 in 2010.
- The Town retired \$1,397,842 of short-term obligations during the year ended December 31, 2010.

Overview of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information reflecting how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and other post employment benefit obligations ("OPEB")).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements

focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Public Library Fund, Special Districts Fund and Capital Projects Fund, which are considered to be major funds. Data for the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund, Highway Fund, Public Library Fund and Special Districts Fund. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town maintains only one type of fiduciary fund that is known as an Agency Fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

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

Notes to Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

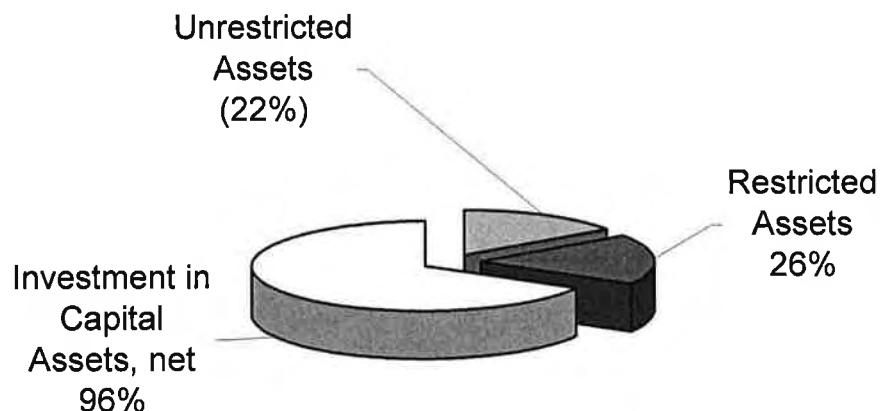
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets exceeded liabilities by \$19,137,212 at the close of the current fiscal year.

Net Assets

	December 31,	
	2010	2009
Current Assets	\$ 46,967,860	\$ 37,997,485
Capital Assets, net	32,933,821	32,730,675
Total Assets	79,901,681	70,728,160
Current Liabilities	36,793,078	29,521,078
Long-term Liabilities	23,971,391	21,856,660
Total Liabilities	60,764,469	51,377,738
Net Assets:		
Invested in capital assets, net of related debt	18,307,276	17,628,645
Restricted	5,037,797	4,942,924
Unrestricted	(4,207,861)	(3,221,147)
Total Net Assets	\$ 19,137,212	\$ 19,350,422

**Net Assets Distribution
December 31, 2010**



By far, the largest component of the Town's net assets is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding (96%). The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets of \$5,037,797, or 26%, represent resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	2010	2009
Capital Projects	\$ 625,152	\$ 362,541
Parklands	394,856	341,571
Trusts	989,398	952,263
Workers' Compensation Benefits	1,692	1,692
D.A.R.E	1,847	1,712
Special Districts	3,023,886	3,282,179
Debt Service	966	966
Total	\$ 5,037,797	\$ 4,942,924

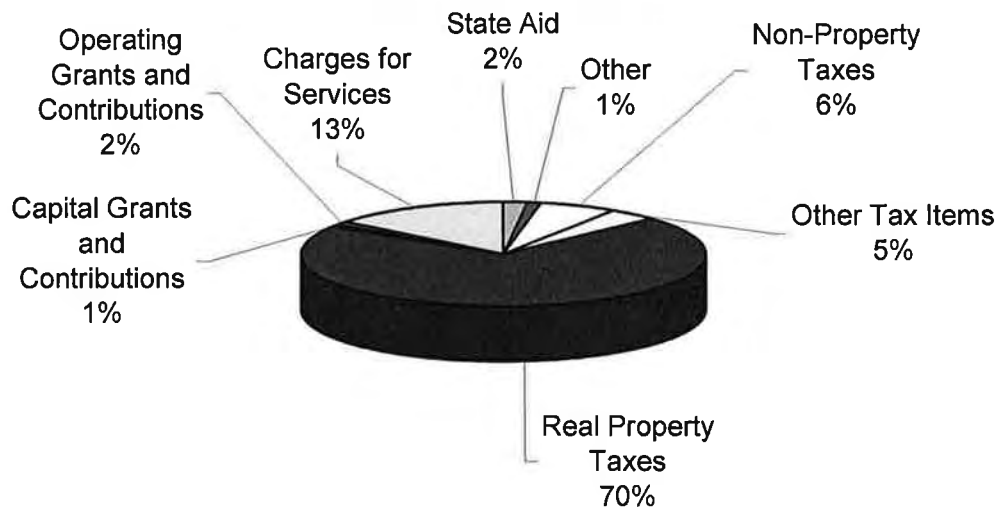
Those assets subject to external restrictions are \$23.3 million. The remaining balance of unrestricted net assets, which is a deficit of \$4.2 million, must be financed from future obligations. This deficit does not mean that the Town does not have resources available to meet its obligations in the ensuing years. Rather, it is the result of having long-term commitments of other post employment benefit obligations (\$6.3 million) that

are greater than currently available resources. Payment for these liabilities will be budgeted in the year that actual payment will be made.

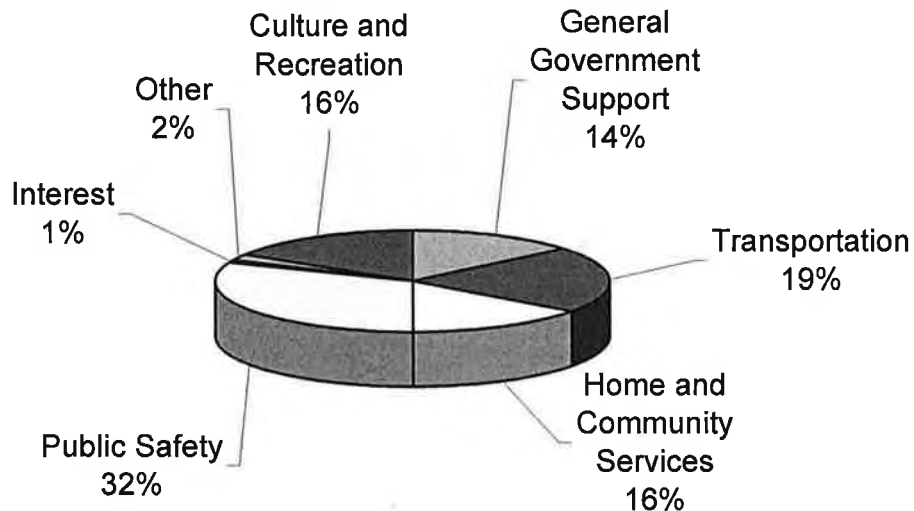
Change in Net Assets

	December 31,	
	2010	2009
Program Revenues:		
Charges for Services	\$ 3,849,803	\$ 3,720,125
Operating Grants and Contributions	639,773	347,363
Capital Grants and Contributions	152,800	445,050
General Revenues:		
Real Property Taxes	20,354,370	19,224,451
Other Tax Items	1,414,904	1,013,986
Non-Property Taxes	1,648,859	1,526,691
Unrestricted Use of Money and Property	70,509	112,782
Unrestricted Sale of Property and Compensation for Loss	13,593	-
Unrestricted State Aid	739,217	579,654
Miscellaneous	57,803	102,818
Gain on Sale of Property	49,699	122,055
Total Revenues	28,991,330	27,194,975
Program Expenses:		
General Government Support	4,166,045	3,890,067
Public Safety	9,345,182	8,873,203
Health	261,169	244,683
Transportation	5,607,814	5,861,894
Economic Opportunity and Development	102,376	122,141
Culture and Recreation	4,673,102	4,603,292
Home and Community Services	4,546,129	4,293,741
Interest	502,723	461,259
Total Expenses	29,204,540	28,350,280
Change in Net Assets	(213,210)	(1,155,305)
Net Assets - Beginning	19,350,422	20,505,727
Net Assets - Ending	\$ 19,137,212	\$ 19,350,422

**Sources of Revenue for Fiscal Year 2010
Governmental Activities**



**Expenses for Fiscal Year 2010
Governmental Activities**



Governmental activities decreased the Town's net assets by \$213,210. For the fiscal year ended December 31, 2010, revenues from governmental activities totaled \$29.0 million. Tax revenues (\$23.4 million), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue sources (81%). Collection of the current tax levy remains very strong at 98.8%, while averaging 99% over the last 10 years. Governmental activities expenses of the Town for the year ended December 31, 2010 totaled \$29.2 million. The largest components of these expenses are in the areas

of public safety (32%), transportation (19%), culture and recreation (16%) and home and community services (16%).

The major changes compared to 2009 are as follows:

Revenues:

- Real property taxes increased by \$1,129,919, or 5.9%, primarily as a result of an increase in the tax rate. Collections of prior year's taxes contributed to additional interest and penalties for the Town.
- Operating Grants and Contributions increased by \$292,410, primarily due to grants for transportation.
- Capital Grants and Contributions decreased by \$292,250, primarily due to the completion of the Quarry Heights sewer project.
- Unrestricted State Aid increased by \$159,563. This is primarily due to the reimbursement from the State for several state emergencies and road repairs.

Expenses:

- General Government Support increased by \$275,978. This was the result of additional expenditures associated with employee related costs including health insurance and retirement expenses.
- Public Safety increased by \$471,979. This was the result of additional employment expenses and safety inspections.
- Transportation decreased by \$254,080. This was primarily the result of decreased costs for overtime, sand and salt, heat and fuel costs and road repaving.
- Home and Community increased \$252,388. This was primarily the result of additional refuse fees paid by the Town.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unreserved fund balance*

may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$9.2 million, an increase of approximately \$1.5 million from the prior year. Exclusive of the Capital Projects Fund, the combined fund balances total \$8.7 million. Of this amount, approximately \$6.8 million constitutes unreserved fund balance. The remainder of the fund balance is reserved (\$1.9 million, exclusive of the Capital Projects Fund) to indicate that it is not available for new spending because it has already been committed to 1) liquidate contracts and purchase orders of the prior period (\$384,314), 2) a reserve for parklands (\$394,856), 3) trusts (\$989,398) and 4) a variety of other purposes (\$94,228).

The **General Fund** is the primary operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$2,081,373 representing 89% of the total General Fund balance of \$2,338,633. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance and total fund balance to total fund expenditures and other financing uses. Unreserved and undesignated fund balance represents 13% of total General Fund expenditures and other financing uses, while total fund balance represents 14% of that same amount. This is a favorable increase as compared with the results from the prior fiscal year (6.4% and 7.8%, respectively).

The fund balance of the General Fund increased by \$1,118,696 during the fiscal year ended December 31, 2010. Actual expenditures and other financing uses were \$1,120,578 less than the amount contained in the final budget, representing a savings of 6% of the total budget. Overall, General Fund expenditures increased by 4.7%, due primarily to an increase in Public Safety (employment and safety inspections). Actual revenues and other financing sources were more than the final budget by \$56,495, or .3% of the total revenue budget. The main revenue categories that reflected a positive variance as compared to the budget were other tax items (\$408,279), non-property taxes (\$258,859) and state aid (\$184,503).

The budget variances noted above (\$1,120,578 for expenditures and \$56,495 for revenues) aggregate \$1,177,073. This provided a positive impact in fund balance allowing the Town to meet their fund balance goals as set in the fund balance policy approved by the Town Board. The Town has designated \$0 of the fund balance to be used for real property tax relief in the 2011 fiscal year.

The **Highway Fund's** total fund balance at the end of the fiscal year was \$984,479, an increase of \$144,578 from the previous year. This resulted primarily from the increase in revenues for state and federal aid. The Town has designated that \$150,000 of the fund balance be used for real property tax relief in the 2011 fiscal year

The **Library Fund's** total fund balance at the end of the current fiscal year was \$196,343, a decrease of \$47,258 from the previous year. This was the result of an increase of employment related expenses including health insurance and NYS

Retirement costs. Of the total fund balance, \$50,000 has been designated to be used in the 2011 fiscal year.

The **Special Districts Fund** total fund balance at the end of the current fiscal year was \$3,801,396, a decrease of \$157,996 from the previous year. This was the result of transfers out for other Financing Uses for debt service and capital projects. Of the total fund balance, \$539,044 has been designated to be used in the 2011 fiscal year.

The **Capital Projects Fund** reflects a fund balance of \$467,212 at the end of the current fiscal year. This represents an increase of \$305,999 from the prior year. Total revenues and other financing sources aggregated \$1,833,500. This revenue was primarily derived from \$1,035,700 from transfers in and the issuance of serial bonds for \$645,000. Capital outlay expenditures totaled \$1,527,501. These costs were primarily related to the upgrade of the Sewer No. 2 Treatment Plant as well as the Windmill Tank Project and Water 1 Painting of the water tanks.

General Fund Budgetary Highlights

The difference between the original budget and the final amended General Fund budget was \$204,349 for 2010, was primarily due to reimbursements for police side jobs for Verizon. Actual revenues were \$31,796 more than budgetary expectations in 2010. Actual expenditures were \$1,091,641 less than budget in 2010. These variances were explained in the previous discussion.

Capital Assets

The Town's investment in capital assets for its governmental activities as of December 31, 2010, amounted to \$32.9 million (net of accumulated depreciation) as compared to \$32.7 million in 2009. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Capital Assets (Net of Accumulated Depreciation)

	December 31,	
	2010	2009
Land	\$ 3,036,047	\$ 3,036,047
Land Improvements	823,520	911,492
Buildings and Improvements	12,405,698	12,746,754
Infrastructure	5,824,507	6,219,461
Machinery and Equipment	2,839,425	3,142,026
Construction-in-Progress	8,004,624	6,674,895
Total	<u>\$ 32,933,821</u>	<u>\$ 32,730,675</u>

The following highlights the amounts expended during the current fiscal year on major capital assets:

- New vehicles
- Upgrades and additions to the Town's water and sewer distribution systems

Additional information on the Town's capital assets can be found in Note 3,B in the notes to financial statements.

Long-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$15,065,000. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

During the 2010 fiscal year the Town issued \$2,385,000 in serial bonds, consisting of \$1.74 million of refunding bonds and \$645,000 of new bonds. The refunding bonds were used to advance refund \$295,00 of 1994 bonds and \$1.54 million of 2001 bonds for a net and present value savings of \$224,666 and \$201,276, respectively. The serial bond interest rates for the 2010 issue ranged from 2%-5%, depending on maturity.

A recent review of the Town by Moody's Investors Services had changed the Town's rating from Aa1 with a negative outlook to Aa1 with a stable outlook. This is still a favorable rating for the Town as compared to its surrounding areas. The Town has taken steps to restore the rating by increasing our fund balance and has adopted a fund balance policy.

Additional information on the Town's long-term debt can be found in Note 3,F in the notes to financial statements.

Economic Factors and Next Year's Budget

According to the United States Bureau of Labor Statistics, the unemployment rate for Westchester County (unemployment information for the Town is unavailable) was 6.9% as of December 2010. This compares favorably with the rate of 8.2% for New York State and the 9.4% national unemployment rate. The 1.5% increase in the Consumer Price Index for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2009 to 2010 was comparable to the 1.6% increase recorded for the U.S. city average for the same period. Interest rates have been declining, contributing to decreased interest revenue. Town management was also aware that in 2010 there would most likely be significant increases in insurance and employee benefits (particularly medical insurance and retirement contributions). All of these factors were taken into consideration in developing the 2011 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Town Comptroller, Town of North Castle, 15 Bedford Road, Armonk, New York 10504.

**BASIC
FINANCIAL STATEMENTS**

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 17,226,331
Investments	338,486
Restricted investments	933,918
Receivables:	
Taxes, net	27,396,351
Accounts	123,730
Water rents	91,301
State and Federal aid	320,729
Due from other governments	397,605
Prepaid expenses	89,723
Deferred charges, net	49,686
Capital assets (net of accumulated depreciation):	
Land	3,036,047
Land improvements	823,520
Buildings and improvements	12,405,698
Infrastructure	5,824,507
Machinery and equipment	2,839,425
Construction-in-progress	8,004,624
Total Assets	79,901,681
LIABILITIES	
Accounts payable	433,745
Accrued liabilities	597,949
Retainages payable	264,006
Bond interest and matured bonds payable	575
Due to other governments	27,260
Due to school districts	34,319,321
Unearned revenues	36,458
Bond anticipation notes payable	1,010,061
Accrued interest payable	103,703
Non-current liabilities:	
Due within one year:	
Bonds payable	758,000
Compensated absences	247,000
Due in more than one year:	
Bonds payable	14,449,167
Compensated absences	2,224,180
Other post employment benefit obligations payable	6,293,044
Total Liabilities	60,764,469
NET ASSETS	
Invested in capital assets, net of related debt	18,307,276
Restricted for:	
Capital projects	625,152
Parklands	394,856
Trusts	989,398
Workers' compensation benefits	1,692
D.A.R.E.	1,847
Special districts	3,023,886
Debt service	966
Unrestricted	(4,207,861)
Total Net Assets	\$ 19,137,212

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

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government support	\$ 4,166,045	\$ 40,131	\$ 7,500	\$ -	\$ (4,118,414)
Public safety	9,345,182	983,252	58,916	-	(8,303,014)
Health	261,169	-	-	-	(261,169)
Transportation	5,607,814	269,271	277,336	143,047	(4,918,160)
Economic opportunity and development	102,376	-	-	-	(102,376)
Culture and recreation	4,673,102	1,029,766	119,400	-	(3,523,936)
Home and community services	4,546,129	1,527,383	176,621	9,753	(2,832,372)
Interest	502,723	-	-	-	(502,723)
Total Governmental Activities	<u>\$ 29,204,540</u>	<u>\$ 3,849,803</u>	<u>\$ 639,773</u>	<u>\$ 152,800</u>	<u>(24,562,164)</u>
General Revenues:					
Real property taxes					20,354,370
Other tax items:					
Payments in lieu of taxes					777,300
Interest and penalties on real property taxes					637,604
Non-property taxes:					
Non-property tax distribution from County					1,428,861
Franchise fees - Cable TV					219,998
Unrestricted use of money and property					70,509
Unrestricted sale of property and compensation for loss					13,593
Unrestricted State aid					739,217
Miscellaneous					57,803
Gain on Sale of Real Property					49,699
Total General Revenues					<u>24,348,954</u>
Change in Net Assets					(213,210)
Net Assets - Beginning					<u>19,350,422</u>
Net Assets - Ending					<u>\$ 19,137,212</u>

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

TOWN OF NORTH CASTLE, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Highway	Public Library	Special Districts
ASSETS				
Cash and Equivalents	\$ 9,912,645	\$ 969,579	\$ 198,331	\$ 3,833,352
Investments	338,486	-	-	-
Restricted Investments	-	-	-	-
Taxes Receivable, net of allowance for uncollectible taxes	27,396,351	-	-	-
Other Receivables:				
Accounts	119,595	4,135	-	-
Water rents	-	-	-	91,301
State and Federal aid	-	143,115	-	12,776
Due from other governments	397,605	-	-	-
	517,200	147,250	-	104,077
Prepaid Expenditures	89,723	-	-	-
Total Assets	<u>\$ 38,254,405</u>	<u>\$ 1,116,829</u>	<u>\$ 198,331</u>	<u>\$ 3,937,429</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 35,227	\$ 2,552	\$ 1,988	\$ 122,731
Accrued liabilities	88,626	129,798	-	4,525
Retainages payable	14,822	-	-	2,319
Bond interest and matured bonds payable	-	-	-	-
Due to other governments	27,260	-	-	-
Due to school districts	34,319,321	-	-	-
Deferred revenues	-	-	-	6,458
Deferred tax revenues	1,430,516	-	-	-
Bond anticipation notes payable	-	-	-	-
Total Liabilities	<u>35,915,772</u>	<u>132,350</u>	<u>1,988</u>	<u>136,033</u>
Fund Balances:				
Reserved for encumbrances	154,298	10,172	-	219,844
Reserved for prepaid expenditures	89,723	-	-	-
Reserved for parklands	-	-	-	-
Reserved for trusts	-	-	-	-
Reserved for workers' compensation benefits	1,692	-	-	-
Reserved for D.A.R.E.	1,847	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
General Fund	2,091,073	-	-	-
Special Revenue Funds	-	974,307	196,343	3,581,552
Capital Projects Fund	-	-	-	-
Total Fund Balances	<u>2,338,633</u>	<u>984,479</u>	<u>196,343</u>	<u>3,801,396</u>
Total Liabilities and Fund Balances	<u>\$ 38,254,405</u>	<u>\$ 1,116,829</u>	<u>\$ 198,331</u>	<u>\$ 3,937,429</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 926,629	\$ 1,385,795	\$ 17,226,331
-	-	338,486
933,918	-	933,918
-	-	27,396,351
-	-	123,730
-	-	91,301
164,838	-	320,729
-	-	397,605
164,838	-	933,365
-	-	89,723
\$ 2,025,385	\$ 1,385,795	\$ 46,918,174
\$ 271,247	\$ -	\$ 433,745
-	-	222,949
246,865	-	264,006
-	575	575
-	-	27,260
-	-	34,319,321
30,000	-	36,458
-	-	1,430,516
1,010,061	-	1,010,061
1,558,173	575	37,744,891
-	-	384,314
-	-	89,723
-	394,856	394,856
-	989,398	989,398
-	-	1,692
-	-	1,847
-	966	966
-	-	2,091,073
-	-	4,752,202
467,212	-	467,212
467,212	1,385,220	9,173,283
\$ 2,025,385	\$ 1,385,795	\$ 46,918,174

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TOWN OF NORTH CASTLE, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Fund Balances - Total Governmental Funds	\$ 9,173,283
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,933,821
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	1,430,516
Governmental funds report the effect of issuance costs, premiums discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	49,686
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued liabilities	(375,000)
Accrued interest payable	(103,703)
Bonds payable	(15,207,167)
Compensated absences	(2,471,180)
Other post employment benefit obligations payable	(6,293,044)
	(24,450,094)
Net Assets of Governmental Activities	\$ 19,137,212

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

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2010

	General	Highway	Public Library	Special Districts
REVENUES				
Real property taxes	\$ 11,252,920	\$ 4,241,299	\$ 1,391,121	\$ 2,929,649
Other tax items	1,414,904	-	-	-
Non-property taxes	1,648,859	-	-	-
Departmental income	1,519,830	-	21,334	1,248,340
Intergovernmental charges	-	195,849	-	-
Use of money and property	86,056	7,058	21,272	251,486
Licenses and permits	411,450	-	-	-
Fines and forfeitures	207,824	-	-	-
Sale of property and compensation for loss	13,593	27,163	1,380	-
Interfund revenues	-	3,381	-	-
State aid	782,003	120,445	12,526	1,825
Federal aid	21,158	122,670	-	10,950
Miscellaneous	68,178	-	2,487	121,309
Total Revenues	<u>17,426,775</u>	<u>4,717,865</u>	<u>1,450,120</u>	<u>4,563,559</u>
EXPENDITURES				
Current:				
General government support	3,404,131	5,141	-	3,379
Public safety	8,063,353	-	-	429,243
Health	5,358	-	-	255,811
Transportation	322,580	4,267,647	-	120,463
Economic opportunity and development	96,002	-	-	-
Culture and recreation	2,577,637	-	1,497,378	-
Home and community services	1,496,526	-	-	2,319,622
Debt service:				
Principal	-	-	-	-
Interest	18,960	18,902	-	15,118
Refunding bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>15,984,547</u>	<u>4,291,690</u>	<u>1,497,378</u>	<u>3,143,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,442,228</u>	<u>426,175</u>	<u>(47,258)</u>	<u>1,419,923</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of real property	49,699	-	-	-
Transfers in	-	-	-	-
Transfers out	(373,231)	(281,597)	-	(1,577,919)
Total Other Financing Sources (Uses)	<u>(323,532)</u>	<u>(281,597)</u>	<u>-</u>	<u>(1,577,919)</u>
Net Change in Fund Balances	1,118,696	144,578	(47,258)	(157,996)
Fund Balances - Beginning of Year	<u>1,219,937</u>	<u>839,901</u>	<u>243,601</u>	<u>3,959,392</u>
Fund Balances - End of Year	<u>\$ 2,338,633</u>	<u>\$ 984,479</u>	<u>\$ 196,343</u>	<u>\$ 3,801,396</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 19,814,989
-	-	1,414,904
-	-	1,648,859
-	-	2,789,504
-	-	195,849
-	2,653	368,525
-	-	411,450
-	-	207,824
-	-	42,136
-	-	3,381
143,047	-	1,059,846
8,253	-	163,031
1,500	91,859	285,333
152,800	94,512	28,405,631
-	-	3,412,651
-	-	8,492,596
-	-	261,169
-	-	4,710,690
-	-	96,002
-	4,092	4,079,107
-	-	3,816,148
-	713,563	713,563
-	483,484	536,464
-	51,039	51,039
1,527,501	-	1,527,501
1,527,501	1,252,178	27,696,930
(1,374,701)	(1,157,666)	708,701
645,000	-	645,000
-	1,740,000	1,740,000
-	161,390	161,390
-	(1,850,351)	(1,850,351)
-	-	49,699
1,035,700	1,197,047	2,232,747
-	-	(2,232,747)
1,680,700	1,248,086	745,738
305,999	90,420	1,454,439
161,213	1,294,800	7,718,844
\$ 467,212	\$ 1,385,220	\$ 9,173,283

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TOWN OF NORTH CASTLE, NEW YORK

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 1,454,439
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold and, therefore, were not capitalized.

Capital outlay expenditures	1,514,362
Depreciation expense	<u>(1,311,216)</u>
	<u>203,146</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>539,381</u>
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Issuance of long-term debt provides current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities.

Bonds issued	(645,000)
Refunding bonds issued	(1,740,000)
Payment to refunded bond escrow agent	1,850,351
Refunding bond issuance costs	51,039
Issuance premium	(161,390)
Principal paid on bonds	713,563
Amortization of issuance costs and loss on refunding	(1,760)
Amortization of premium on bonds	<u>4,279</u>
	<u>71,082</u>

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

Accrued liabilities	(375,000)
Accrued interest	29,869
Compensated absences	28,164
Other post employment benefit obligations	<u>(2,164,291)</u>
	<u>(2,481,258)</u>

Change in Net Assets of Governmental Activities	<u>\$ (213,210)</u>
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The notes to financial statements are an integral part of this statement.

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL, HIGHWAY, PUBLIC LIBRARY AND SPECIAL DISTRICTS FUNDS
 YEAR ENDED DECEMBER 31, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,865,253	\$ 11,865,253	\$ 11,252,920	\$ (612,333)
Other tax items	1,006,625	1,006,625	1,414,904	408,279
Non-property taxes	1,390,000	1,390,000	1,648,859	258,859
Departmental income	1,369,560	1,574,560	1,519,830	(54,730)
Intergovernmental charges	-	-	-	-
Use of money and property	135,800	135,800	86,056	(49,744)
Licenses and permits	565,210	565,210	411,450	(153,760)
Fines and forfeitures	181,000	188,556	207,824	19,268
Sale of property and compensation for loss	23,600	23,600	13,593	(10,007)
Interfund revenues	-	-	-	-
State aid	597,500	597,500	782,003	184,503
Federal aid	-	-	21,158	21,158
Miscellaneous	45,000	47,875	68,178	20,303
Total Revenues	17,179,548	17,394,979	17,426,775	31,796
Expenditures:				
Current:				
General government support	4,102,029	3,910,813	3,404,131	506,682
Public safety	7,911,157	8,306,599	8,063,353	243,246
Health	6,862	6,862	5,358	1,504
Transportation	333,560	326,960	322,580	4,380
Economic opportunity and development	132,500	118,770	96,002	22,768
Culture and recreation	2,726,103	2,729,874	2,577,637	152,237
Home and community services	1,640,668	1,655,141	1,496,526	158,615
Debt service - Interest	18,960	21,169	18,960	2,209
Total Expenditures	16,871,839	17,076,188	15,984,547	1,091,641
Excess (Deficiency) of Rev- enues Over Expenditures	307,709	318,791	1,442,228	1,123,437
Other Financing Sources (Uses):				
Sale of real property	25,000	25,000	49,699	24,699
Transfers out	(388,376)	(402,168)	(373,231)	28,937
Total Other Financing Uses	(363,376)	(377,168)	(323,532)	53,636
Net Change in Fund Balances	(55,667)	(58,377)	1,118,696	1,177,073
Fund Balances - Beginning of Year	55,667	58,377	1,219,937	1,161,560
Fund Balances - End of Year	\$ -	\$ -	\$ 2,338,633	\$ 2,338,633

Highway Fund				Public Library Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,241,299	\$ 4,241,299	\$ 4,241,299	\$ -	\$ 1,391,121	\$ 1,391,121	\$ 1,391,121	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	30,500	30,500	21,334	(9,166)
80,500	80,500	195,849	115,349	-	-	-	-
15,000	15,000	7,058	(7,942)	23,000	23,000	21,272	(1,728)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,200	23,200	27,163	3,963	1,100	1,100	1,380	280
2,200	2,200	3,381	1,181	-	-	-	-
-	-	120,445	120,445	3,200	15,562	12,526	(3,036)
-	-	122,670	122,670	-	-	-	-
-	-	-	-	575	575	2,487	1,912
4,362,199	4,362,199	4,717,865	355,666	1,449,496	1,461,858	1,450,120	(11,738)
-	6,800	5,141	1,659	-	-	-	-
-	-	-	-	-	-	-	-
4,336,002	4,365,000	4,267,647	97,353	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,535,476	1,547,838	1,497,378	50,460
-	-	-	-	-	-	-	-
17,700	18,902	18,902	-	-	-	-	-
4,353,702	4,390,702	4,291,690	99,012	1,535,476	1,547,838	1,497,378	50,460
8,497	(28,503)	426,175	454,678	(85,980)	(85,980)	(47,258)	38,722
-	-	-	-	-	-	-	-
(291,597)	(291,597)	(281,597)	10,000	-	-	-	-
(291,597)	(291,597)	(281,597)	10,000	-	-	-	-
(283,100)	(320,100)	144,578	464,678	(85,980)	(85,980)	(47,258)	38,722
283,100	320,100	839,901	519,801	85,980	85,980	243,601	157,621
\$ -	\$ -	\$ 984,479	\$ 984,479	\$ -	\$ -	\$ 196,343	\$ 196,343

(Continued)

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
 GENERAL, HIGHWAY, PUBLIC LIBRARY AND SPECIAL DISTRICTS FUNDS
 YEAR ENDED DECEMBER 31, 2010

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,934,711	\$ 2,934,711	\$ 2,929,649	\$ (5,062)
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	1,245,816	1,245,816	1,248,340	2,524
Intergovernmental charges	-	-	-	-
Use of money and property	275,841	275,841	251,486	(24,355)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	-	-	1,825	1,825
Federal aid	-	-	10,950	10,950
Miscellaneous	-	-	121,309	121,309
Total Revenues	4,456,368	4,456,368	4,563,559	107,191
Expenditures:				
Current:				
General government support	19,740	21,945	3,379	18,566
Public safety	429,243	429,243	429,243	-
Health	238,536	256,536	255,811	725
Transportation	147,235	147,235	120,463	26,772
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	3,380,214	3,485,945	2,319,622	1,166,323
Debt service - Interest	13,820	15,123	15,118	5
Total Expenditures	4,228,788	4,356,027	3,143,636	1,212,391
Excess (Deficiency) of Revenues Over Expenditures	227,580	100,341	1,419,923	1,319,582
Other Financing Sources (Uses):				
Sale of real property	-	-	-	-
Transfers out	(1,317,910)	(1,577,921)	(1,577,919)	2
Total Other Financing Uses	(1,317,910)	(1,577,921)	(1,577,919)	2
Net Change in Fund Balances	(1,090,330)	(1,477,580)	(157,996)	1,319,584
Fund Balances - Beginning of Year	1,090,330	1,477,580	3,959,392	2,481,812
Fund Balances - End of Year	\$ -	\$ -	\$ 3,801,396	\$ 3,801,396

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

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2010

ASSETS

	<u>Agency</u>
Cash - Demand deposits	\$ 382,940
Accounts Receivable	<u>72,205</u>
Total Assets	<u><u>\$ 455,145</u></u>

LIABILITIES

Accounts Payable	\$ 20,784
Deposits	<u>434,361</u>
Total Liabilities	<u><u>\$ 455,145</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The major special revenue funds of the Town are as follows:

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

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, street lighting, fire protection, parking and ambulance districts.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Special Revenue Fund -

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Town's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

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

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

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

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2010.

Investments - The Town participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated Cutwater Asset Management, a wholly owned subsidiary of MBIA, Inc. as its registered investment advisor. MBIA, Inc. is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The Town's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the

Note 1 - Summary of Significant Accounting Policies (Continued)

annual report of CLASS, which may be obtained from MBIA Municipal Investors Service Corporation, 113 King Street, Armonk, NY 10504.

CLASS is rated AAA/V1+ by Fitch Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The Town was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk.

Restricted Investments - Restricted investments of the Capital Projects Fund consist of bond proceeds held by a State agency. These funds are to be used for the Town's Sewer Nitrogen Removal capital project.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school district taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deferred Charges – Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	20-50
Infrastructure	30-50
Machinery and equipment	5-20

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported deferred revenues of \$1,430,516 for real property taxes in the General Fund, \$6,458 for fees received in advance in the Special Districts Fund and \$30,000 for funds received in advance in the Capital Projects Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, parklands, trusts, workers' compensation benefits, D.A.R.E., special districts and debt service. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, parklands, trusts, workers' compensation benefits, D.A.R.E. and debt service represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designations of unreserved fund balance in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation By Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 28, 2011.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications, as approved by the Town Board, shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Public Library, Special Districts and Debt Service funds.
- i) Budgets for General, Highway, Public Library, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in General, Highway, Public Library, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised.

C. Capital Projects Fund Individual Project Deficits

Deficits in certain capital projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source." Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other capital project deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficits, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 2 - Stewardship, Compliance and Accountability (Continued)**D. Expenditures in Excess of Budget**

The following capital projects exceeded their budgetary provisions by the amounts indicated:

<u>Project</u>	<u>Amount</u>
IBM Park	\$ 35,372
Firehouse Acquisition/Recreation Center	66,465
Highway Garage	69,974
Highway Equipment – 2007	3,118

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at December 31, 2010 consisted of the following:

	<u>Town and County Taxes</u>	<u>School Districts Taxes</u>	<u>Total</u>
Current year	\$ 486,583	\$ 25,886,837	\$ 26,373,420
Overdue	284,213	783,579	1,067,792
Property acquired for taxes	<u>43,027</u>	<u>-</u>	<u>43,027</u>
	<u>\$ 813,823</u>	<u>\$ 26,670,416</u>	<u>27,484,239</u>
Allowance for uncollectible taxes			<u>(87,888)</u>
			<u>\$ 27,396,351</u>

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2011. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,430,516, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

B. Capital Assets

Changes in the Town's capital assets are as follows:

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Balance December 31, 2010</u>
Capital Assets, not being depreciated:			
Land	\$ 3,036,047	\$ -	\$ 3,036,047
Construction-in-progress	<u>6,674,895</u>	<u>1,329,729</u>	<u>8,004,624</u>
Total Capital Assets, not being depreciated	<u>\$ 9,710,942</u>	<u>\$ 1,329,729</u>	<u>\$ 11,040,671</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance January 1, 2010	Additions	Balance December 31, 2010
Capital Assets, being depreciated:			
Land improvements	\$ 1,993,510	\$ -	\$ 1,993,510
Buildings and improvements	17,355,453	-	17,355,453
Infrastructure	24,901,673	99,875	25,001,548
Machinery and equipment	7,995,796	84,758	8,080,554
Total Capital Assets, being depreciated	52,246,432	184,633	52,431,065
Less Accumulated Depreciation for:			
Land improvements	1,082,018	87,972	1,169,990
Buildings and improvements	4,608,699	341,056	4,949,755
Infrastructure	18,682,212	494,829	19,177,041
Machinery and equipment	4,853,770	387,359	5,241,129
Total Accumulated Depreciation	29,226,699	1,311,216	30,537,915
Total Capital Assets, being depreciated	\$ 23,019,733	\$ (1,126,583)	\$ 21,893,150
Capital Assets, net	\$ 32,730,675	\$ 203,146	\$ 32,933,821

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	\$ 70,394
Public Safety	68,926
Transportation	393,831
Economic Opportunity and Development	6,374
Culture and Recreation	244,582
Home and Community Services	527,109
Total Depreciation Expense	\$ 1,311,216

C. Accrued Liabilities

Accrued liabilities at December 31, 2010 were as follows:

	Governmental Activities
Payroll and Employee Benefits	\$ 222,949
Other	375,000
	\$ 597,949

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)**D. Pension Plans**

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2011 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	15.3%
	2 75I	14.0
	3 A14	11.3
	4 A15	11.3
	5 A15	9.1
PFRS	1 384D	21.9
	2 384D	16.8

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2010	\$ 774,421	\$ 693,576
2009	553,481	564,288
2008	632,343	601,903

The ERS and PFRS contributions were equal to 100% of the actuarially required contribution for each respective fiscal year.

The current ERS contribution for the Town was charged to various departments within the funds identified below. The current PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 275,558
Highway	331,542
Public Library	80,968
Special Districts	86,353
	<u>\$ 774,421</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)**E. Short-Term Capital Borrowings**

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2010	Redemptions	Balance December 31, 2010
Bond Anticipation Notes Payable:						
Sewer No. 2 Odor Control	1998	1/11	1.99 %	\$ 78,750	\$ 8,750	\$ 70,000
Water District No. 4 Extension	2003	-	-	269,500	269,500	-
Sewer No. 2 Sand Filter	2003	4/11	1.32	259,000	255,500	3,500
Highway Equipment - 2004	2004	-	-	15,600	15,600	-
Highway Equipment - 2006	2006	4/11	1.15	199,320	99,660	99,660
Technology - 2007	2007	4/11	1.15	186,000	62,000	124,000
Highway Equipment - 2007	2007	4/11	1.15	150,780	50,260	100,520
Vehicles - 2007	2007	4/11	1.15	96,705	32,235	64,470
Highway Equipment - 2008/2009	2008	4/11	1.15	442,248	104,337	337,911
Lombardi Park	2008	4/11	1.15	280,000	70,000	210,000
Open Space Acquisition	2008	-	-	430,000	430,000	-
				<u>\$ 2,407,903</u>	<u>\$ 1,397,842</u>	<u>\$ 1,010,061</u>

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

Interest expenditures were recorded in the fund financial statements identified below. Interest expense of \$29,923 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
General	\$ 18,960
Highway	18,902
Special Districts	<u>15,118</u>
	<u>\$ 52,980</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010**Note 3 - Detailed Notes on All Funds (Continued)****F. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2010:

	Balance January 1, 2010	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2010	Due Within One Year
Bonds Payable	\$ 15,228,563	\$ 2,385,000	\$ 2,548,563	\$ 15,065,000	\$ 758,000
Less - Deferred amounts	-	146,039	3,872	142,167	-
	<u>15,228,563</u>	<u>2,531,039</u>	<u>2,552,435</u>	<u>15,207,167</u>	<u>758,000</u>
Other Non-Current Liabilities:					
Compensated Absences	2,499,344	221,770	249,934	2,471,180	247,000
Other Post Employment Benefit Obligations Payable	<u>4,128,753</u>	<u>3,007,345</u>	<u>843,054</u>	<u>6,293,044</u>	<u>-</u>
Total Other Non-Current Liabilities	<u>6,628,097</u>	<u>3,229,115</u>	<u>1,092,988</u>	<u>8,764,224</u>	<u>247,000</u>
Long-term Liabilities	<u>\$ 21,856,660</u>	<u>\$ 5,760,154</u>	<u>\$ 3,645,423</u>	<u>\$ 23,971,391</u>	<u>\$ 1,005,000</u>

The liability for compensated absences and other post employment benefit obligations are liquidated primarily by the General, Highway, Public Library and Special Districts funds. The Town's indebtedness for bonds is satisfied by the Debt Service Fund, which is primarily funded by the General, Highway and Special Districts funds.

Bonds Payable

Bonds payable at December 31, 2010 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2010
Firehouse Acquisition	2004	\$ 1,100,000	December, 2024	3.500 - 4.250 %	\$ 800,000
Firehouse Acquisition	2006	1,100,000	November, 2026	3.500 - 4.125	915,000
Public Improvements	2007	2,380,000	December, 2022	3.625 - 3.875	2,020,000
Sewer No. 2 Treatment Plant Upgrade	2007	4,223,563	March, 2037	3.870 - 4.789	3,905,000
Sewer Nitrogen Removal - Environmental Facilities Corporation	2009	5,245,000	October, 2033	4.270	5,040,000
Refunding Bonds	2010	1,740,000	April, 2021	2.000 - 5.000	1,740,000
Public Improvements	2010	645,000	April, 2026	1.250 - 5.000	645,000
					<u>\$ 15,065,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$483,484 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$472,800 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2010 including interest payments of \$7,096,443 are as follows:

Year Ended December 31,	Principal	Interest	Total
2011	\$ 758,000	\$ 610,985	\$ 1,368,985
2012	774,000	583,252	1,357,252
2013	784,000	555,885	1,339,885
2014	794,000	527,846	1,321,846
2015	739,000	500,066	1,239,066
2016-2020	3,980,000	2,049,115	6,029,115
2021-2025	3,110,000	1,254,032	4,364,032
2026-2030	2,016,000	727,980	2,743,980
2031-2035	1,735,000	269,583	2,004,583
2036-2037	375,000	17,699	392,699
	<u>\$ 15,065,000</u>	<u>\$ 7,096,443</u>	<u>\$ 22,161,443</u>

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

Advance Refunding

During the 2010 fiscal year, the Town issued \$1,740,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$295,000 of 1994 public improvement serial bonds, and \$1,540,000 of 2001 water system improvement serial bonds bearing interest at rates ranging from 4.5% to 6.0%. The net proceeds of \$1,850,351 (net of a \$161,390 re-offering premium and after payment of \$51,039 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 public improvement serial bonds and the 2001 water system improvement serial bonds. As a result, the 1994 public improvement serial bonds and the 2001 water system improvement serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Assets. The reacquisition price exceeded the net carrying amount of the old debt by \$15,351 and the premium received was \$161,390. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

The Town advance refunded the 1994 public improvement serial bonds and the 2001 water system improvement serial bonds to obtain a net present value economic gain of \$201,276.

As of December 31, 2010, the defeased bonds have been called and are no longer outstanding.

Compensated Absences

In accordance with the Town's collective bargaining agreements, all employees may accumulate sick leave based upon length of service. Upon retirement, employees are compensated for accumulated sick leave pursuant to contract provisions. Vacation time earned during the year is generally taken in the year earned, however, with permission, certain employees may carryover vacation leave to the following year. Police employees may accumulate compensatory time up to a maximum of 96 hours. The value of compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements. The Town has recognized revenues and expenditures of \$34,891 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010**Note 3 - Detailed Notes on All Funds (Continued)**

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

<u>Year Ended December 31,</u>	<u>Medical</u>	<u>Dental and Vision</u>
2011	8.0 %	5.0 %
2012	7.5	5.0
2013	7.0	5.0
2014+	6.5	5.0

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 4.0% investment rate of return and a 2.5% annual payroll growth rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age normal cost method.

The number of participants as of December 31, 2010 was as follows:

Active Employees	122
Retired Employees	<u>77</u>
Total	<u>199</u>

Amortization Component:

Actuarial Accrued Liability as of January 1, 2010	\$ 37,289,643
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 37,289,643</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 9,800,660</u>
UAAL as a Percentage of Covered Payroll	<u>380.48%</u>
Annual Required Contribution	\$ 3,019,949
Interest on Net OPEB Obligation	165,151
Adjustment to Annual Required Contribution	<u>(177,755)</u>
Annual OPEB Cost	3,007,345
Contributions Made	<u>(843,054)</u>
Increase in Net OPEB Obligation	2,164,291
Net OPEB Obligation - Beginning of Year	<u>4,128,753</u>
Net OPEB Obligation - End of Year	<u>\$ 6,293,044</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010**Note 3 - Detailed Notes on All Funds (Continued)**

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

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 3,007,345	28.03 %	\$ 6,293,044
2009	3,036,359	32.00	4,128,753
2008	2,951,698	30.08	2,064,846

G. Revenues and Expenditures**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ 202,350	\$ 170,881	\$ 373,231
Highway Fund	281,597	-	281,597
Special Districts Fund	551,753	1,026,166	1,577,919
	<u>\$ 1,035,700</u>	<u>\$ 1,197,047</u>	<u>\$ 2,232,747</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due and 2) to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

H. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Parklands - the component of net assets that has been established pursuant to New York State Law. This amount represents funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

Restricted for Trusts - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Restricted for Workers' Compensation Benefits - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for D.A.R.E. - the component of net assets that has been established pursuant to State authorization for unexpended gifts and donations restricted to use for the Town's drug awareness program.

Restricted for Special Districts - the component of net assets that represents funds restricted for water, sewer, street lighting, fire protection, parking and ambulance purposes under New York State Law or by external parties and/or statutes.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

I. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Reserved

Encumbrances outstanding have been reserved as it is the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

The Reserve for Prepaid Expenditures has been established to account for employee retirement and other costs paid in advance. The reserve indicates that these funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Note 3 - Detailed Notes on All Funds (Continued)**Unreserved - Designations**

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. The Town's designations are detailed below.

	Fund			
	General	Highway	Public Library	Special Districts
Designated for Subsequent Year's Expenditures	\$ -	\$ 150,000	\$ 50,000	\$ 539,044
Designated for Open Space	9,700	-	-	-
	<u>\$ 9,700</u>	<u>\$ 150,000</u>	<u>\$ 50,000</u>	<u>\$ 539,044</u>

Designated for Subsequent Year's Expenditures - This designation represents funds that the Town Board has appropriated for the ensuing year's budget.

Designated for Open Space - This designation represents funds which the Town will use, as approved by the Town Board, to acquire and/or develop recreational facilities and open space.

Note 4 - Summary Disclosure of Significant Contingencies**A. Litigation**

The Town is a defendant in various actions, all of which are within the limits of the Town's insurance coverage. Counsel for the insurance carrier is defending these claims. Consequently, an unfavorable decision in any of the actions will not have an adverse effect on the Town's financial condition.

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

B. Risk Management

The Town maintains various conventional liability insurance policies to protect against potential losses. The general liability policy provides coverage of \$3 million. The Town's public officials and law enforcement liability policies provide coverage of \$1 million each. In addition, the umbrella policy provides coverage up to \$10 million. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

In addition, the Town purchases conventional insurance for workers' compensation benefits and purchases conventional health insurance from various providers.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Contingencies

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

TOWN OF NORTH CASTLE, NEW YORK

OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2008	\$ -	\$ 35,601,176	\$ 35,601,176	- %	\$ 10,991,828	323.89 %
January 1, 2009	-	35,601,176	35,601,176	-	9,834,780	361.99
January 1, 2010	-	37,289,643	37,289,643	-	9,800,660	380.48

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

- The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

SPECIAL REVENUE FUNDS

- **Highway Fund** - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.
- **Public Library Fund** - The Public Library Fund is used to account for the activities of the Town's Public Library.
- **Special Districts Fund** - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, lighting, fire protection, parking and ambulance districts.

CAPITAL PROJECTS FUND

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

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TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 9,912,045	\$ 2,584,882
Petty cash	600	600
	<u>9,912,645</u>	<u>2,585,482</u>
Investments	<u>338,486</u>	<u>337,843</u>
Taxes Receivable, net of allowance for uncollectible taxes of \$87,888 in 2010 and \$82,658 in 2009	<u>27,396,351</u>	<u>24,787,857</u>
Other Receivables:		
Accounts	119,595	104,525
Due from other governments	<u>397,605</u>	<u>366,565</u>
	<u>517,200</u>	<u>471,090</u>
Prepaid Expenditures	<u>89,723</u>	<u>153,241</u>
Total Assets	<u>\$ 38,254,405</u>	<u>\$ 28,335,513</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 35,227	\$ 41,120
Accrued liabilities	88,626	75,621
Retainages payable	14,822	14,240
Due to other governments	27,260	25,746
Due to school districts	34,319,321	26,067,714
Deferred tax revenues	<u>1,430,516</u>	<u>891,135</u>
Total Liabilities	<u>35,915,772</u>	<u>27,115,576</u>
Fund Balance:		
Reserved for encumbrances	154,298	55,667
Reserved for prepaid expenditures	89,723	153,241
Reserved for workers' compensation benefits	1,692	1,692
Reserved for D.A.R.E.	1,847	1,712
Unreserved:		
Designated for open space	9,700	9,700
Undesignated	<u>2,081,373</u>	<u>997,925</u>
Total Fund Balance	<u>2,338,633</u>	<u>1,219,937</u>
Total Liabilities and Fund Balance	<u>\$ 38,254,405</u>	<u>\$ 28,335,513</u>

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,865,253	\$ 11,865,253	\$ 11,252,920	\$ (612,333)
Other tax items	1,006,625	1,006,625	1,414,904	408,279
Non-property taxes	1,390,000	1,390,000	1,648,859	258,859
Departmental income	1,369,560	1,574,560	1,519,830	(54,730)
Use of money and property	135,800	135,800	86,056	(49,744)
Licenses and permits	565,210	565,210	411,450	(153,760)
Fines and forfeitures	181,000	188,556	207,824	19,268
Sale of property and compensation for loss	23,600	23,600	13,593	(10,007)
State aid	597,500	597,500	782,003	184,503
Federal aid	-	-	21,158	21,158
Miscellaneous	45,000	47,875	68,178	20,303
Total Revenues	17,179,548	17,394,979	17,426,775	31,796
Expenditures:				
Current:				
General government support	4,102,029	3,910,813	3,404,131	506,682
Public safety	7,911,157	8,306,599	8,063,353	243,246
Health	6,862	6,862	5,358	1,504
Transportation	333,560	326,960	322,580	4,380
Economic opportunity and development	132,500	118,770	96,002	22,768
Culture and recreation	2,726,103	2,729,874	2,577,637	152,237
Home and community services	1,640,668	1,655,141	1,496,526	158,615
Debt service - Interest	18,960	21,169	18,960	2,209
Total Expenditures	16,871,839	17,076,188	15,984,547	1,091,641
Excess (Deficiency) of Revenues Over Expenditures	307,709	318,791	1,442,228	1,123,437
Other Financing Sources (Uses):				
Sale of real property	25,000	25,000	49,699	24,699
Transfers out	(388,376)	(402,168)	(373,231)	28,937
Total Other Financing Uses	(363,376)	(377,168)	(323,532)	53,636
Net Change in Fund Balance	(55,667)	(58,377)	1,118,696	1,177,073
Fund Balance - Beginning of Year	55,667	58,377	1,219,937	1,161,560
Fund Balance - End of Year	\$ -	\$ -	\$ 2,338,633	\$ 2,338,633

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,377,298	\$ 10,473,669	\$ 9,878,105	\$ (595,564)
929,116	929,116	1,013,986	84,870
1,540,000	1,540,000	1,526,691	(13,309)
1,494,470	1,494,470	1,391,990	(102,480)
210,800	210,800	125,058	(85,742)
671,110	671,110	578,110	(93,000)
177,000	177,000	213,835	36,835
23,600	23,600	32,519	8,919
977,400	887,420	619,973	(267,447)
-	41,400	41,400	-
35,000	37,565	102,818	65,253
16,435,794	16,486,150	15,524,485	(961,665)
4,207,252	4,300,907	3,451,418	849,489
7,845,677	7,809,965	7,439,652	370,313
6,862	6,862	6,357	505
311,460	311,460	286,646	24,814
169,461	153,996	115,401	38,595
2,769,004	2,772,323	2,518,542	253,781
1,596,731	1,599,426	1,452,662	146,764
18,975	23,111	23,110	1
16,925,422	16,978,050	15,293,788	1,684,262
(489,628)	(491,900)	230,697	722,597
-	-	124,042	124,042
(392,385)	(392,385)	(327,376)	65,009
(392,385)	(392,385)	(203,334)	189,051
(882,013)	(884,285)	27,363	911,648
882,013	884,285	1,192,574	308,289
\$ -	\$ -	\$ 1,219,937	\$ 1,219,937

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
REAL PROPERTY TAXES	\$ 11,865,253	\$ 11,865,253	\$ 11,252,920	\$ (612,333)	\$ 9,878,105
OTHER TAX ITEMS					
Payments in lieu of taxes	731,625	731,625	777,300	45,675	745,533
Interest and penalties on real property taxes	275,000	275,000	637,604	362,604	268,453
	1,006,625	1,006,625	1,414,904	408,279	1,013,986
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,200,000	1,200,000	1,428,861	228,861	1,328,143
Franchise fees - Cable TV	190,000	190,000	219,998	29,998	198,548
	1,390,000	1,390,000	1,648,859	258,859	1,526,691
DEPARTMENTAL INCOME					
Charges for tax redemption	1,050	1,050	1,513	463	1,305
Assessor's fees	2,000	2,000	1,455	(545)	1,508
Town Clerk fees	9,000	9,000	18,698	9,698	8,809
Housing Board fees	500	500	1,200	700	750
Inspection fees	50,000	50,000	57,286	7,286	68,612
Police fees	26,000	231,000	274,750	43,750	34,816
Dog control fines	100	100	35	(65)	-
Planning Board fees	25,000	25,000	19,440	(5,560)	22,355
Park and recreation charges	978,000	978,000	884,949	(93,051)	1,009,598
Recreation concessions	107,500	107,500	105,678	(1,822)	131,604
Parking lot fees	73,410	73,410	73,422	12	59,840
Zoning fees	72,000	72,000	46,579	(25,421)	27,343
False alarm fees	25,000	25,000	34,825	9,825	25,450
	1,369,560	1,574,560	1,519,830	(54,730)	1,391,990

USE OF MONEY AND PROPERTY

Earnings on investments	125,000	125,000	70,509	(54,491)	112,782
Rents	10,800	10,800	15,547	4,747	12,276

LICENSES AND PERMITS

Business and occupational licenses	1,600	1,600	2,125	525	1,700
Dog licenses	3,600	3,600	2,898	(702)	3,090
Building and alteration permits	560,000	560,000	406,407	(153,593)	573,310
Games of chance	10	10	20	10	10

FINES AND FORFEITURES

Fines and forfeited bail	180,000	180,000	200,268	20,268	213,835
Fines and penalties - dog cases	1,000	1,000	-	(1,000)	-

	181,000	188,556	207,824	19,268	213,835
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	3,000	3,000	2,761	(239)	2,052
Sale of equipment	600	600	-	(600)	-
Insurance recoveries	20,000	20,000	10,832	(9,168)	30,467

	23,600	23,600	13,593	(10,007)	32,519
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STATE AID

Per capita	55,000	55,000	53,441	(1,559)	56,879
Mortgage tax	510,000	510,000	685,776	175,776	522,775
Police - Stop DWI and D.A.R.E programs	30,000	30,000	37,758	7,758	31,037
STAR Program	2,000	2,000	-	(2,000)	-
Youth Programs	-	-	5,028	5,028	2,891
Other	500	500	-	(500)	6,391

	597,500	597,500	782,003	184,503	619,973
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TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)

YEAR ENDED DECEMBER 31, 2010

(With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
FEDERAL AID					
Public safety grant	\$ -	\$ -	\$ 21,158	\$ 21,158	\$ 41,400
MISCELLANEOUS					
Refund of prior year's expenditures	2,000	2,000	-	(2,000)	1,674
Medicare Part D reimbursement	35,000	35,000	34,891	(109)	48,703
Gifts and donations	2,000	4,875	10,375	5,500	2,585
Other	6,000	6,000	22,912	16,912	49,856
	45,000	47,875	68,178	20,303	102,818
TOTAL REVENUES	17,179,548	17,394,979	17,426,775	31,796	15,524,485
OTHER FINANCING SOURCES					
Sale of real property	25,000	25,000	49,699	24,699	124,042
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 17,204,548	\$ 17,419,979	\$ 17,476,474	\$ 56,495	\$ 15,648,527

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2010
(With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 147,404	\$ 138,304	\$ 135,808	\$ 2,496	\$ 168,069
Town Justice	423,134	421,979	407,704	14,275	385,403
Supervisor	252,655	252,655	245,489	7,166	257,191
Finance	392,594	392,606	380,563	12,043	385,293
Independent audit	68,700	68,700	68,700	-	77,750
Receiver of Taxes	244,795	244,770	240,671	4,099	279,016
Assessor	437,285	437,298	393,041	44,257	374,872
Fiscal agent fees	5,000	5,000	4,581	419	17,617
Town Clerk	426,364	458,395	451,683	6,712	467,291
Town Attorney	352,333	372,333	297,497	74,836	283,375
Engineer	170,235	159,235	159,125	110	165,136
Elections	21,720	22,870	22,870	-	22,213
Records management	1,454	1,454	183	1,271	2,747
Town Clerk - Public information	53,065	53,065	41,490	11,575	42,181
Central communications	69,905	67,734	45,754	21,980	43,332
Central printing	56,582	56,582	41,559	15,023	39,835
Central data processing	40,546	46,446	41,646	4,800	40,948
Buildings	282,283	276,512	248,533	27,979	264,649
Special items:					
Unallocated insurance	28,250	25,350	25,087	263	22,515
Municipal association dues	4,200	5,100	5,100	-	3,000
Taxes on Town property	26,250	32,250	32,222	28	23,574
Judgments and claims	300,000	98,500	46,963	51,537	26,729
Miscellaneous - Consultants	97,275	73,675	67,862	5,813	58,682
Contingency	200,000	200,000	-	200,000	-
	4,102,029	3,910,813	3,404,131	506,682	3,451,418

PUBLIC SAFETY

Police	6,928,178	7,324,171	7,160,249	163,922	6,543,116
Jail	250	250	17	233	28
Traffic control	15,500	17,500	15,505	1,995	17,187
Safety inspection	834,370	827,469	757,628	69,841	764,597
Control of animals	62,216	62,431	59,959	2,472	54,974
E-911	44,595	43,643	43,166	477	40,882
Emergency operations	25,113	25,115	23,930	1,185	16,614
D.A.R.E	-	5,585	2,740	2,845	2,127
Civil defense	935	435	159	276	127
	7,911,157	8,306,599	8,063,353	243,246	7,439,652

HEALTH

Nursing services	500	500	-	500	1,000
Registrar of Vital Statistics	6,362	6,362	5,358	1,004	5,357

TRANSPORTATION

Off-street parking	40,105	33,505	31,018	2,487	28,617
Transportation administration	277,905	277,073	275,213	1,860	246,180
Sidewalks	15,550	16,382	16,349	33	11,849
	333,560	326,960	322,580	4,380	286,646

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Social services - Home meals	15,000	15,000	11,446	3,554	12,699
Programs for the aging	117,500	103,770	84,556	19,214	102,702
	132,500	118,770	96,002	22,768	115,401

CULTURE AND RECREATION

Recreation administration	1,126,744	1,156,613	1,110,737	45,876	1,032,088
Parks	805,089	830,020	804,366	25,654	764,569
Camps	613,385	563,804	504,555	59,249	560,739
North Castle Community Park	76,725	74,734	72,688	2,046	72,137
Community center	96,410	96,953	78,256	18,697	81,989
Joint recreation Banksville Community Center	5,500	5,500	5,500	-	5,500
Town historian	250	250	35	215	20
Historical property	500	500	-	500	-
Celebrations	1,500	1,500	1,500	-	1,500
	2,726,103	2,729,874	2,577,637	152,237	2,518,542

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TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED DECEMBER 31, 2010
(With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
HOME AND COMMUNITY SERVICES					
Zoning Board of Appeals	\$ 14,590	\$ 14,590	\$ 3,313	\$ 11,277	\$ 4,678
Planning Board	317,851	314,851	287,431	27,420	277,998
Storm sewers	30,000	33,614	23,614	10,000	17,090
Refuse and garbage	1,123,441	1,139,288	1,085,636	53,652	1,068,538
Community beautification	24,600	24,600	14,470	10,130	12,901
Municipal housing	17,400	17,413	10,767	6,646	16,680
Pest control	4,500	4,500	1,740	2,760	1,485
Drainage	20,000	20,000	11,500	8,500	8,772
Shade trees	35,000	33,000	21,261	11,739	11,265
Conservation	50,786	50,785	36,794	13,991	33,255
Open space acquisition	2,000	2,000	-	2,000	-
Composting	500	500	-	500	-
	1,640,668	1,655,141	1,496,526	158,615	1,452,662
DEBT SERVICE					
Interest - Bond anticipation notes	18,960	21,169	18,960	2,209	23,110
TOTAL EXPENDITURES	16,871,839	17,076,188	15,984,547	1,091,641	15,293,788
OTHER FINANCING USES					
Transfers out:					
Debt Service Fund	170,881	170,881	170,881	-	174,881
Capital Projects Fund	217,495	231,287	202,350	28,937	152,495
	388,376	402,168	373,231	28,937	327,376
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 17,260,215	\$ 17,478,356	\$ 16,357,778	\$ 1,120,578	\$ 15,621,164

TOWN OF NORTH CASTLE, NEW YORK

HIGHWAY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Cash - Demand deposits	\$ 969,579	\$ 848,469
Receivables:		
Accounts	4,135	11,513
State and Federal aid	143,115	-
	147,250	11,513
Total Assets	\$ 1,116,829	\$ 859,982
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,552	\$ 1,664
Accrued liabilities	129,798	18,417
Total Liabilities	132,350	20,081
Fund Balance:		
Reserved for encumbrances	10,172	8,100
Unreserved:		
Designated for subsequent year's expenditures	150,000	275,000
Undesignated	824,307	556,801
Total Fund Balance	984,479	839,901
Total Liabilities and Fund Balance	\$ 1,116,829	\$ 859,982

TOWN OF NORTH CASTLE, NEW YORK

HIGHWAY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,241,299	\$ 4,241,299	\$ 4,241,299	\$ -
Intergovernmental charges	80,500	80,500	195,849	115,349
Use of money and property	15,000	15,000	7,058	(7,942)
Sale of property and compensation for loss	23,200	23,200	27,163	3,963
Interfund revenues	2,200	2,200	3,381	1,181
State aid	-	-	120,445	120,445
Federal aid	-	-	122,670	122,670
Total Revenues	4,362,199	4,362,199	4,717,865	355,666
Expenditures:				
Current:				
General government support	-	6,800	5,141	1,659
Transportation	4,336,002	4,365,000	4,267,647	97,353
Debt service - Interest	17,700	18,902	18,902	-
Total Expenditures	4,353,702	4,390,702	4,291,690	99,012
Excess (Deficiency) of Revenues Over Expenditures	8,497	(28,503)	426,175	454,678
Other Financing Uses - Transfers out	(291,597)	(291,597)	(281,597)	10,000
Net Change in Fund Balance	(283,100)	(320,100)	144,578	464,678
Fund Balance - Beginning of Year	283,100	320,100	839,901	519,801
Fund Balance - End of Year	\$ -	\$ -	\$ 984,479	\$ 984,479

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,694,231	\$ 4,597,860	\$ 4,597,860	\$ -
80,500	80,500	213,612	133,112
40,000	40,000	38	(39,962)
23,200	23,200	83,896	60,696
2,200	2,200	3,207	1,007
-	-	-	-
-	-	-	-
4,840,131	4,743,760	4,898,613	154,853
-	-	-	-
4,545,528	4,605,649	4,280,755	324,894
28,660	28,668	28,668	-
4,574,188	4,634,317	4,309,423	324,894
265,943	109,443	589,190	479,747
(318,500)	(318,500)	(318,497)	3
(52,557)	(209,057)	270,693	479,750
52,557	209,057	569,208	360,151
\$ -	\$ -	\$ 839,901	\$ 839,901

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TOWN OF NORTH CASTLE, NEW YORK

PUBLIC LIBRARY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 198,153	\$ 247,293
Petty cash	178	178
	<u> </u>	<u> </u>
Total Assets	<u>\$ 198,331</u>	<u>\$ 247,471</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Accounts payable	<u>\$ 1,988</u>	<u>\$ 3,870</u>
Fund Balance:		
Reserved for encumbrances	-	980
Unreserved:		
Designated for subsequent year's expenditures	50,000	85,000
Undesignated	<u>146,343</u>	<u>157,621</u>
	<u> </u>	<u> </u>
Total Fund Balance	<u>196,343</u>	<u>243,601</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 198,331</u>	<u>\$ 247,471</u>

TOWN OF NORTH CASTLE, NEW YORK

PUBLIC LIBRARY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 1,391,121	\$ 1,391,121	\$ 1,391,121	\$ -
Departmental income	30,500	30,500	21,334	(9,166)
Use of money and property	23,000	23,000	21,272	(1,728)
Sale of property and compensation for loss	1,100	1,100	1,380	280
State aid	3,200	15,562	12,526	(3,036)
Miscellaneous	575	575	2,487	1,912
Total Revenues	1,449,496	1,461,858	1,450,120	(11,738)
Expenditures -				
Current -				
Culture and recreation	1,535,476	1,547,838	1,497,378	50,460
Excess (Deficiency) of Revenues Over Expenditures	(85,980)	(85,980)	(47,258)	38,722
Fund Balance - Beginning of Year	85,980	85,980	243,601	157,621
Fund Balance - End of Year	\$ -	\$ -	\$ 196,343	\$ 196,343

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,461,507	\$ 1,461,507	\$ 1,461,507	\$ -
30,500	30,500	23,994	(6,506)
33,000	33,000	18,222	(14,778)
1,100	1,100	1,258	158
3,200	3,200	3,036	(164)
575	575	7,755	7,180
1,529,882	1,529,882	1,515,772	(14,110)
1,562,582	1,562,582	1,462,389	100,193
(32,700)	(32,700)	53,383	86,083
32,700	32,700	190,218	157,518
\$ -	\$ -	\$ 243,601	\$ 243,601

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND
 COMBINING BALANCE SHEET - SUB FUNDS
 DECEMBER 31, 2010
 (With Comparative Totals for 2009)

	Water Districts				
	No. 1	No. 2	No. 4	No. 5	No. 7
<u>ASSETS</u>					
Cash - Demand deposits	\$ 157,363	\$ 264,504	\$ 826,545	\$ 139,286	\$ 62,337
Receivables:					
Accounts	-	-	-	-	-
Water rents	45,266	24,331	16,492	4,816	396
State and Federal aid	-	-	-	-	-
	45,266	24,331	16,492	4,816	396
Total Assets	\$ 202,629	\$ 288,835	\$ 843,037	\$ 144,102	\$ 62,733
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 84,944	\$ 4,686	\$ 6,941	\$ 740	\$ 26
Accrued liabilities	2,473	-	2,052	-	-
Retainages payable	-	1,651	-	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	87,417	6,337	8,993	740	26
Fund Balances:					
Reserved for encumbrances	101,906	16,581	81,394	1,940	119
Unreserved:					
Designated for subsequent year's expenditures	-	3,826	159,397	9,713	1,296
Undesignated	13,306	262,091	593,253	131,709	61,292
Total Fund Balances	115,212	282,498	834,044	143,362	62,707
Total Liabilities and Fund Balances	\$ 202,629	\$ 288,835	\$ 843,037	\$ 144,102	\$ 62,733

Sewer Districts					Street Lighting Districts		
No. 1	No. 2	No. 3	No. 4	Quarry Heights	No. 1	No. 2	No. 3
\$ 325,643	\$ 1,483,715	\$ 300,493	\$ 101,166	\$ 10,440	\$ 44,445	\$ 69,856	\$ 14,443
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,776	-	-	-	-	-	-
-	12,776	-	-	-	-	-	-
\$ 325,643	\$ 1,496,491	\$ 300,493	\$ 101,166	\$ 10,440	\$ 44,445	\$ 69,856	\$ 14,443
\$ 456	\$ 13,852	\$ 1,658	\$ 585	\$ 124	\$ 3,519	\$ 5,107	\$ 93
-	-	-	-	-	-	-	-
-	-	-	-	-	267	267	134
-	6,458	-	-	-	-	-	-
456	20,310	1,658	585	124	3,786	5,374	227
1,425	14,143	1,425	515	396	-	-	-
-	311,185	-	15,565	-	15,000	18,000	2,000
323,762	1,150,853	297,410	84,501	9,920	25,659	46,482	12,216
325,187	1,476,181	298,835	100,581	10,316	40,659	64,482	14,216
\$ 325,643	\$ 1,496,491	\$ 300,493	\$ 101,166	\$ 10,440	\$ 44,445	\$ 69,856	\$ 14,443

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TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND

COMBINING BALANCE SHEET - SUB FUNDS (Continued)

DECEMBER 31, 2010

(With Comparative Totals for 2009)

			Ambulance Districts		Totals	
	Fire Protection District No. 1	Parking District No. 1	No. 1	No. 2	2010	2009
<u>ASSETS</u>						
Cash - Demand deposits	\$ 15,394	\$ 3,062	\$ 10,178	\$ 4,482	\$ 3,833,352	\$ 3,972,031
Receivables:						
Accounts	-	-	-	-	-	114
Water rents	-	-	-	-	91,301	77,726
State and Federal aid	-	-	-	-	12,776	-
	-	-	-	-	104,077	77,840
Total Assets	\$ 15,394	\$ 3,062	\$ 10,178	\$ 4,482	\$ 3,937,429	\$ 4,049,871
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 122,731	\$ 81,703
Accrued liabilities	-	-	-	-	4,525	-
Retainages payable	-	-	-	-	2,319	2,318
Deferred revenues	-	-	-	-	6,458	6,458
Total Liabilities	-	-	-	-	136,033	90,479
Fund Balances:						
Reserved for encumbrances	-	-	-	-	219,844	144,268
Unreserved:						
Designated for subsequent year's expenditures	-	3,062	-	-	539,044	946,062
Undesignated	15,394	-	10,178	4,482	3,042,508	2,869,062
Total Fund Balances	15,394	3,062	10,178	4,482	3,801,396	3,959,392
Total Liabilities and Fund Balances	\$ 15,394	\$ 3,062	\$ 10,178	\$ 4,482	\$ 3,937,429	\$ 4,049,871

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - SUB FUNDS

YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Water Districts				
	No. 1	No. 2	No. 4	No. 5	No. 7
Revenues:					
Real property taxes	\$ 165,324	\$ 304,599	\$ 24,536	\$ 27,000	\$ 35,248
Departmental income	441,964	302,739	366,468	118,740	18,354
Use of money and property	10,387	7,683	5,164	2,271	-
State aid	-	-	-	-	-
Federal aid	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	617,675	615,021	396,168	148,011	53,602
Expenditures:					
Current:					
General government support	580	344	-	-	6
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	-	-	-	-	-
Home and community services	673,346	301,072	368,920	100,523	9,371
Debt service - Interest	-	-	5,336	-	-
Total Expenditures	673,926	301,416	374,256	100,523	9,377
Excess (Deficiency) of Revenues Over Expenditures	(56,251)	313,605	21,912	47,488	44,225
Other Financing Uses -					
Transfers out	(184,410)	(231,088)	(324,657)	(54,034)	(37,997)
Net Change in Fund Balances	(240,661)	82,517	(302,745)	(6,546)	6,228
Fund Balances -					
Beginning of Year	355,873	199,981	1,136,789	149,908	56,479
Fund Balances -					
End of Year	\$ 115,212	\$ 282,498	\$ 834,044	\$ 143,362	\$ 62,707

Sewer Districts					Street Lighting Districts		
No. 1	No. 2	No. 3	No. 4	Quarry Heights	No. 1	No. 2	No. 3
\$ 121,596	\$ 1,270,358	\$ 108,951	\$ 32,115	\$ 42,604	\$ 48,297	\$ 67,224	\$ 2,488
25	50	-	-	-	-	-	-
1,137	222,193	1,593	1,058	-	-	-	-
-	1,825	-	-	-	-	-	-
-	10,950	-	-	-	-	-	-
121,309	-	-	-	-	-	-	-
244,067	1,505,376	110,544	33,173	42,604	48,297	67,224	2,488
75	974	75	26	21	-	784	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	48,751	69,747	1,965
54,666	676,656	79,531	23,270	32,267	-	-	-
-	9,782	-	-	-	-	-	-
54,741	687,412	79,606	23,296	32,288	48,751	70,531	1,965
189,326	817,964	30,938	9,877	10,316	(454)	(3,307)	523
(29,250)	(702,419)	(8,270)	(5,794)	-	-	-	-
160,076	115,545	22,668	4,083	10,316	(454)	(3,307)	523
165,111	1,360,636	276,167	96,498	-	41,113	67,789	13,693
<u>\$ 325,187</u>	<u>\$ 1,476,181</u>	<u>\$ 298,835</u>	<u>\$ 100,581</u>	<u>\$ 10,316</u>	<u>\$ 40,659</u>	<u>\$ 64,482</u>	<u>\$ 14,216</u>

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TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - SUB FUNDS (Continued)

YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for 2009)

	Fire Protection District No. 1	Parking District No. 1	Ambulance Districts		Totals	
			No. 1	No. 2	2010	2009
Revenues:						
Real property taxes	\$ 437,763	\$ -	\$ 52,821	\$ 188,725	\$ 2,929,649	\$ 2,724,127
Departmental income	-	-	-	-	1,248,340	1,055,599
Use of money and property	-	-	-	-	251,486	273,159
State aid	-	-	-	-	1,825	-
Federal aid	-	-	-	-	10,950	-
Miscellaneous	-	-	-	-	121,309	12,422
Total Revenues	437,763	-	52,821	188,725	4,563,559	4,065,307
Expenditures:						
Current:						
General government support	-	-	-	494	3,379	2,636
Public safety	429,243	-	-	-	429,243	429,243
Health	-	-	69,675	186,136	255,811	238,326
Transportation	-	-	-	-	120,463	112,559
Home and community services	-	-	-	-	2,319,622	2,214,603
Debt service - Interest	-	-	-	-	15,118	18,400
Total Expenditures	429,243	-	69,675	186,630	3,143,636	3,015,767
Excess (Deficiency) of Revenues Over Expenditures	8,520	-	(16,854)	2,095	1,419,923	1,049,540
Other Financing Uses - Transfers out	-	-	-	-	(1,577,919)	(792,170)
Net Change in Fund Balances	8,520	-	(16,854)	2,095	(157,996)	257,370
Fund Balances - Beginning of Year	6,874	3,062	27,032	2,387	3,959,392	3,702,022
Fund Balances - End of Year	\$ 15,394	\$ 3,062	\$ 10,178	\$ 4,482	\$ 3,801,396	\$ 3,959,392

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT NO. 1
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 165,633	\$ 165,633	\$ 165,324	\$ (309)
Departmental income	482,206	482,206	441,964	(40,242)
Use of money and property	12,152	12,152	10,387	(1,765)
Miscellaneous	-	-	-	-
Total Revenues	659,991	659,991	617,675	(42,316)
Expenditures -				
Current:				
General government support	1,000	1,550	580	970
Home and community services	633,734	752,184	673,346	78,838
Total Expenditures	634,734	753,734	673,926	79,808
Excess (Deficiency) of Revenues Over Expenditures	25,257	(93,743)	(56,251)	37,492
Other Financing Uses -				
Transfers out	(184,410)	(184,410)	(184,410)	-
Net Change in Fund Balance	(159,153)	(278,153)	(240,661)	37,492
Fund Balance - Beginning of Year	159,153	278,153	355,873	77,720
Fund Balance - End of Year	\$ -	\$ -	\$ 115,212	\$ 115,212

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 169,242	\$ 169,242	\$ 168,884	\$ (358)
482,206	482,206	428,739	(53,467)
15,000	15,000	11,411	(3,589)
-	-	3,035	3,035
666,448	666,448	612,069	(54,379)
300	800	797	3
694,359	693,859	511,922	181,937
694,659	694,659	512,719	181,940
(28,211)	(28,211)	99,350	127,561
(133,665)	(133,665)	(133,657)	8
(161,876)	(161,876)	(34,307)	127,569
161,876	161,876	390,180	228,304
\$ -	\$ -	\$ 355,873	\$ 355,873

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT NO. 2
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 304,605	\$ 304,605	\$ 304,599	\$ (6)
Departmental income	267,831	267,831	302,739	34,908
Use of money and property	16,135	16,135	7,683	(8,452)
Miscellaneous	-	-	-	-
Total Revenues	588,571	588,571	615,021	26,450
Expenditures -				
Current:				
General government support	150	600	344	256
Home and community services	417,586	417,136	301,072	116,064
Total Expenditures	417,736	417,736	301,416	116,320
Excess of Revenues Over Expenditures	170,835	170,835	313,605	142,770
Other Financing Uses -				
Transfers out	(231,088)	(231,088)	(231,088)	-
Net Change in Fund Balance	(60,253)	(60,253)	82,517	142,770
Fund Balance - Beginning of Year	60,253	60,253	199,981	139,728
Fund Balance - End of Year	\$ -	\$ -	\$ 282,498	\$ 282,498

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 256,442	\$ 256,442	\$ 256,442	\$ -
262,831	262,831	218,599	(44,232)
18,500	18,500	4,628	(13,872)
-	-	2,017	2,017
537,773	537,773	481,686	(56,087)
150	150	-	150
500,407	500,407	282,320	218,087
500,557	500,557	282,320	218,237
37,216	37,216	199,366	162,150
(170,615)	(170,615)	(170,615)	-
(133,399)	(133,399)	28,751	162,150
133,399	133,399	171,230	37,831
\$ -	\$ -	\$ 199,981	\$ 199,981

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT NO. 4

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 24,590	\$ 24,590	\$ 24,536	\$ (54)
Departmental income	370,348	370,348	366,468	(3,880)
Use of money and property	9,635	9,635	5,164	(4,471)
Miscellaneous	-	-	-	-
Total Revenues	404,573	404,573	396,168	(8,405)
Expenditures:				
Current -				
Home and community services	688,298	688,298	368,920	319,378
Debt service - Interest	5,340	5,340	5,336	4
Total Expenditures	693,638	693,638	374,256	319,382
Excess (Deficiency) of Revenues Over Expenditures	(289,065)	(289,065)	21,912	310,977
Other Financing Uses -				
Transfers out	(74,407)	(324,657)	(324,657)	-
Net Change in Fund Balance	(363,472)	(613,722)	(302,745)	310,977
Fund Balance - Beginning of Year	363,472	613,722	1,136,789	523,067
Fund Balance - End of Year	\$ -	\$ -	\$ 834,044	\$ 834,044

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 27,310	\$ 27,310	\$ 27,201	\$ (109)
370,148	370,148	311,729	(58,419)
12,000	12,000	15,462	3,462
-	-	1,583	1,583
409,458	409,458	355,975	(53,483)
596,645	596,645	280,250	316,395
8,060	8,060	8,056	4
604,705	604,705	288,306	316,399
(195,247)	(195,247)	67,669	262,916
(40,945)	(40,945)	(40,944)	1
(236,192)	(236,192)	26,725	262,917
236,192	236,192	1,110,064	873,872
\$ -	\$ -	\$ 1,136,789	\$ 1,136,789

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT NO. 5

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Departmental income	105,307	105,307	118,740	13,433
Use of money and property	4,829	4,829	2,271	(2,558)
Miscellaneous	-	-	-	-
Total Revenues	137,136	137,136	148,011	10,875
Expenditures -				
Current -				
Home and community services	148,172	148,172	100,523	47,649
Excess (Deficiency) of Revenues Over Expenditures	(11,036)	(11,036)	47,488	58,524
Other Financing Uses -				
Transfers out	(54,034)	(54,034)	(54,034)	-
Net Change in Fund Balance	(65,070)	(65,070)	(6,546)	58,524
Fund Balance - Beginning of Year	65,070	65,070	149,908	84,838
Fund Balance - End of Year	\$ -	\$ -	\$ 143,362	\$ 143,362

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 24,000	\$ 24,000	\$ 24,000	\$ -
110,307	110,307	75,454	(34,853)
6,000	6,000	2,568	(3,432)
-	-	463	463
140,307	140,307	102,485	(37,822)
140,755	140,755	70,451	70,304
(448)	(448)	32,034	32,482
(45,305)	(45,305)	(45,300)	5
(45,753)	(45,753)	(13,266)	32,487
45,753	45,753	163,174	117,421
\$ -	\$ -	\$ 149,908	\$ 149,908

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - WATER DISTRICT NO. 7
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 35,248	\$ 35,248	\$ 35,248	\$ -
Departmental income	18,824	18,824	18,354	(470)
Use of money and property	50	50	-	(50)
Total Revenues	54,122	54,122	53,602	(520)
Expenditures -				
Current:				
General government support	90	105	6	99
Home and community services	16,050	16,035	9,371	6,664
Total Expenditures	16,140	16,140	9,377	6,763
Excess of Revenues Over Expenditures	37,982	37,982	44,225	6,243
Other Financing Uses -				
Transfers out	(37,999)	(37,999)	(37,997)	2
Net Change in Fund Balance	(17)	(17)	6,228	6,245
Fund Balance - Beginning of Year	17	17	56,479	56,462
Fund Balance - End of Year	\$ -	\$ -	\$ 62,707	\$ 62,707

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 37,030	\$ 37,030	\$ 37,030	\$ -
13,820	13,820	19,803	5,983
50	50	58	8
50,900	50,900	56,891	5,991
90	90	-	90
17,499	17,499	10,922	6,577
17,589	17,589	10,922	6,667
33,311	33,311	45,969	12,658
(37,030)	(37,030)	(37,024)	6
(3,719)	(3,719)	8,945	12,664
3,719	3,719	47,534	43,815
\$ -	\$ -	\$ 56,479	\$ 56,479

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - SEWER DISTRICT NO. 1
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 121,682	\$ 121,682	\$ 121,596	\$ (86)
Departmental income	100	100	25	(75)
Use of money and property	2,488	2,488	1,137	(1,351)
Miscellaneous	-	-	121,309	121,309
Total Revenues	124,270	124,270	244,067	119,797
Expenditures -				
Current:				
General government support	1,500	1,610	75	1,535
Home and community services	94,745	94,635	54,666	39,969
Total Expenditures	96,245	96,245	54,741	41,504
Excess (Deficiency) of Revenues Over Expenditures	28,025	28,025	189,326	161,301
Other Financing Uses -				
Transfers out	(29,250)	(29,250)	(29,250)	-
Net Change in Fund Balance	(1,225)	(1,225)	160,076	161,301
Fund Balance - Beginning of Year	1,225	1,225	165,111	163,886
Fund Balance - End of Year	\$ -	\$ -	\$ 325,187	\$ 325,187

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 160,909	\$ 160,909	\$ 132,819	\$ (28,090)
100	100	1,225	1,125
3,000	3,000	3,165	165
-	-	554	554
164,009	164,009	137,763	(26,246)
1,500	1,500	695	805
216,303	216,303	147,757	68,546
217,803	217,803	148,452	69,351
(53,794)	(53,794)	(10,689)	43,105
-	-	-	-
(53,794)	(53,794)	(10,689)	43,105
53,794	53,794	175,800	122,006
\$ -	\$ -	\$ 165,111	\$ 165,111

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - SEWER DISTRICT NO. 2
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 1,271,831	\$ 1,271,831	\$ 1,270,358	\$ (1,473)
Departmental income	1,000	1,000	50	(950)
Use of money and property	224,750	224,750	222,193	(2,557)
State aid	-	-	1,825	1,825
Federal aid	-	-	10,950	10,950
Miscellaneous	-	-	-	-
Total Revenues	1,497,581	1,497,581	1,505,376	7,795
Expenditures:				
Current:				
General government support	1,100	2,000	974	1,026
Home and community services	1,164,421	1,152,457	676,656	475,801
Debt service - Interest	8,480	9,783	9,782	1
Total Expenditures	1,174,001	1,164,240	687,412	476,828
Excess of Revenues Over Expenditures	323,580	333,341	817,964	484,623
Other Financing Uses - Transfers out	(692,658)	(702,419)	(702,419)	-
Net Change in Fund Balance	(369,078)	(369,078)	115,545	484,623
Fund Balance - Beginning of Year	369,078	369,078	1,360,636	991,558
Fund Balance - End of Year	\$ -	\$ -	\$ 1,476,181	\$ 1,476,181

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,082,059	\$ 1,082,059	\$ 1,081,367	\$ (692)
1,000	1,000	50	(950)
209,000	209,000	229,887	20,887
-	-	-	-
-	-	-	-
-	-	4,285	4,285
1,292,059	1,292,059	1,315,589	23,530
1,100	1,100	228	872
1,234,410	1,234,410	819,556	414,854
10,360	10,360	10,344	16
1,245,870	1,245,870	830,128	415,742
46,189	46,189	485,461	439,272
(309,635)	(364,635)	(364,630)	5
(263,446)	(318,446)	120,831	439,277
263,446	318,446	1,239,805	921,359
\$ -	\$ -	\$ 1,360,636	\$ 1,360,636

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - SEWER DISTRICT NO. 3
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 108,951	\$ 108,951	\$ 108,951	\$ -
Use of money and property	3,487	3,487	1,593	(1,894)
Miscellaneous	-	-	-	-
Total Revenues	112,438	112,438	110,544	(1,894)
Expenditures -				
Current:				
General government support	200	310	75	235
Home and community services	120,968	120,858	79,531	41,327
Total Expenditures	121,168	121,168	79,606	41,562
Excess (Deficiency) of Revenues Over Expenditures	(8,730)	(8,730)	30,938	39,668
Other Financing Uses -				
Transfers out	(8,270)	(8,270)	(8,270)	-
Net Change in Fund Balance	(17,000)	(17,000)	22,668	39,668
Fund Balance - Beginning of Year	17,000	17,000	276,167	259,167
Fund Balance - End of Year	\$ -	\$ -	\$ 298,835	\$ 298,835

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 114,554 4,000 -	\$ 114,554 4,000 -	\$ 114,554 5,131 361	\$ - 1,131 361
118,554	118,554	120,046	1,492
200 133,338	200 133,338	- 62,951	200 70,387
133,538	133,538	62,951	70,587
(14,984)	(14,984)	57,095	72,079
-	-	-	-
(14,984)	(14,984)	57,095	72,079
14,984	14,984	219,072	204,088
\$ -	\$ -	\$ 276,167	\$ 276,167

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - SEWER DISTRICT NO. 4
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 32,115	\$ 32,115	\$ 32,115	\$ -
Use of money and property	2,315	2,315	1,058	(1,257)
Miscellaneous	-	-	-	-
Total Revenues	34,430	34,430	33,173	(1,257)
Expenditures -				
Current:				
General government support	200	240	26	214
Home and community services	53,436	53,396	23,270	30,126
Total Expenditures	53,636	53,636	23,296	30,340
Excess (Deficiency) of Revenues Over Expenditures	(19,206)	(19,206)	9,877	29,083
Other Financing Uses -				
Transfers out	(5,794)	(5,794)	(5,794)	-
Net Change in Fund Balance	(25,000)	(25,000)	4,083	29,083
Fund Balance - Beginning of Year	25,000	25,000	96,498	71,498
Fund Balance - End of Year	\$ -	\$ -	\$ 100,581	\$ 100,581

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 34,810	\$ 34,810	\$ 34,810	\$ -
2,500	2,500	849	(1,651)
-	-	124	124
37,310	37,310	35,783	(1,527)
200	200	-	200
64,660	64,660	28,474	36,186
64,860	64,860	28,474	36,386
(27,550)	(27,550)	7,309	34,859
-	-	-	-
(27,550)	(27,550)	7,309	34,859
27,550	27,550	89,189	61,639
\$ -	\$ -	\$ 96,498	\$ 96,498

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TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - QUARRY HEIGHTS SEWER DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 42,604	\$ 42,604	\$ 42,604	\$ -
Departmental income	200	200	-	(200)
Total Revenues	42,804	42,804	42,604	(200)
Expenditures -				
Current:				
General government support	-	30	21	9
Home and community services	42,804	42,774	32,267	10,507
Total Expenditures	42,804	42,804	32,288	10,516
Excess of Revenues Over Expenditures	-	-	10,316	10,316
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 10,316	\$ 10,316

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - STREET LIGHTING DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 48,330	\$ 48,330	\$ 48,297	\$ (33)
Expenditures -				
Current:				
General government support	400	400	-	400
Transportation	57,930	57,930	48,751	9,179
Total Expenditures	58,330	58,330	48,751	9,579
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(10,000)	(454)	9,546
Fund Balance - Beginning of Year	10,000	10,000	41,113	31,113
Fund Balance - End of Year	\$ -	\$ -	\$ 40,659	\$ 40,659

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 59,306	\$ 59,306	\$ 59,287	\$ (19)
400	400	177	223
63,906	63,906	45,000	18,906
64,306	64,306	45,177	19,129
(5,000)	(5,000)	14,110	19,110
5,000	5,000	27,003	22,003
\$ -	\$ -	\$ 41,113	\$ 41,113

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - STREET LIGHTING DISTRICT NO. 2
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 67,855	\$ 67,855	\$ 67,224	\$ (631)
Expenditures -				
Current:				
General government support	1,000	1,000	784	216
Transportation	81,855	81,855	69,747	12,108
Total Expenditures	82,855	82,855	70,531	12,324
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	(3,307)	11,693
Fund Balance - Beginning of Year	15,000	15,000	67,789	52,789
Fund Balance - End of Year	\$ -	\$ -	\$ 64,482	\$ 64,482

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 85,453	\$ 85,453	\$ 85,120	\$ (333)
1,000	1,000	284	716
94,453	94,453	65,762	28,691
95,453	95,453	66,046	29,407
(10,000)	(10,000)	19,074	29,074
10,000	10,000	48,715	38,715
\$ -	\$ -	\$ 67,789	\$ 67,789

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - STREET LIGHTING DISTRICT NO. 3
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 2,488	\$ 2,488	\$ 2,488	\$ -
Expenditures -				
Current:				
General government support	100	100	-	100
Transportation	4,388	4,388	1,965	2,423
Total Expenditures	4,488	4,488	1,965	2,523
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	523	2,523
Fund Balance - Beginning of Year	2,000	2,000	13,693	11,693
Fund Balance - End of Year	\$ -	\$ -	\$ 14,216	\$ 14,216

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,812	\$ 5,812	\$ 5,812	\$ -
100	100	-	100
6,112	6,112	1,797	4,315
6,212	6,212	1,797	4,415
(400)	(400)	4,015	4,415
400	400	9,678	9,278
\$ -	\$ -	\$ 13,693	\$ 13,693

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - FIRE PROTECTION DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 439,243	\$ 439,243	\$ 437,763	\$ (1,480)
Expenditures -				
Current:				
General government support	10,000	10,000	-	10,000
Public safety	429,243	429,243	429,243	-
Total Expenditures	439,243	439,243	429,243	10,000
Excess of Revenues Over Expenditures	-	-	8,520	8,520
Fund Balance (Deficit) - Beginning of Year	-	-	6,874	6,874
Fund Balance - End of Year	\$ -	\$ -	\$ 15,394	\$ 15,394

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>\$ 439,243</u>	<u>\$ 439,243</u>	<u>\$ 438,745</u>	<u>\$ (498)</u>
10,000	10,000	-	10,000
<u>429,243</u>	<u>429,243</u>	<u>429,243</u>	<u>-</u>
<u>439,243</u>	<u>439,243</u>	<u>429,243</u>	<u>10,000</u>
-	-	9,502	9,502
<u>-</u>	<u>-</u>	<u>(2,628)</u>	<u>(2,628)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,874</u>	<u>\$ 6,874</u>

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - PARKING DISTRICT NO. 1
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures - Current - Transportation	3,062	3,062	-	3,062
Deficiency of Revenues Over Expenditures	(3,062)	(3,062)	-	3,062
Fund Balance - Beginning of Year	3,062	3,062	3,062	-
Fund Balance - End of Year	\$ -	\$ -	\$ 3,062	\$ 3,062

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
3,062	3,062	-	3,062
(3,062)	(3,062)	-	3,062
3,062	3,062	3,062	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,062</u>	<u>\$ 3,062</u>

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - AMBULANCE DISTRICT NO. 1
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 52,885	\$ 52,885	\$ 52,821	\$ (64)
Expenditures -				
Current:				
General government support	1,000	1,000	-	1,000
Health	51,885	69,885	69,675	210
Total Expenditures	52,885	70,885	69,675	1,210
Excess (Deficiency) of Revenues Over Expenditures	-	(18,000)	(16,854)	1,146
Fund Balance - Beginning of Year	-	18,000	27,032	9,032
Fund Balance - End of Year	\$ -	\$ -	\$ 10,178	\$ 10,178

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>\$ 70,775</u>	<u>\$ 70,775</u>	<u>\$ 70,689</u>	<u>\$ (86)</u>
1,000	1,000	233	767
<u>69,775</u>	<u>69,775</u>	<u>51,674</u>	<u>18,101</u>
<u>70,775</u>	<u>70,775</u>	<u>51,907</u>	<u>18,868</u>
-	-	18,782	18,782
<u>-</u>	<u>-</u>	<u>8,250</u>	<u>8,250</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,032</u>	<u>\$ 27,032</u>

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND - AMBULANCE DISTRICT NO. 2
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Real property taxes	\$ 189,651	\$ 189,651	\$ 188,725	\$ (926)
Expenditures -				
Current:				
General government support	3,000	3,000	494	2,506
Health	186,651	186,651	186,136	515
Total Expenditures	189,651	189,651	186,630	3,021
Excess of Revenues Over Expenditures	-	-	2,095	2,095
Fund Balance - Beginning of Year	-	-	2,387	2,387
Fund Balance - End of Year	\$ -	\$ -	\$ 4,482	\$ 4,482

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 187,651	\$ 187,651	\$ 187,367	\$ (284)
1,000	999	222	777
186,651	186,652	186,652	-
187,651	187,651	186,874	777
-	-	493	493
-	-	1,894	1,894
\$ -	\$ -	\$ 2,387	\$ 2,387

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Cash - Demand deposits	\$ 926,629	\$ 1,332,110
Restricted Investments	933,918	1,712,611
State and Federal Aid Receivable	164,838	164,552
Total Assets	<u>\$ 2,025,385</u>	<u>\$ 3,209,273</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 271,247	\$ 279,424
Retainages payable	246,865	209,424
Deferred revenues	30,000	151,309
Bond anticipation notes payable	1,010,061	2,407,903
Total Liabilities	1,558,173	3,048,060
Fund Balance -		
Unreserved and undesignated	467,212	161,213
Total Liabilities and Fund Balance	<u>\$ 2,025,385</u>	<u>\$ 3,209,273</u>

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Revenues:		
State aid	\$ 143,047	\$ 291,972
Federal aid	8,253	148,578
Miscellaneous	1,500	4,500
Total Revenues	152,800	445,050
Expenditures - Capital outlay	1,527,501	4,323,113
Deficiency of Revenues Over Expenditures	(1,374,701)	(3,878,063)
Other Financing Sources:		
Bonds issued	645,000	5,245,000
Transfers in	1,035,700	572,492
Total Other Financing Sources	1,680,700	5,817,492
Net Change in Fund Balance	305,999	1,939,429
Fund Balance (Deficit) - Beginning of Year	161,213	(1,778,216)
Fund Balance - End of Year	\$ 467,212	\$ 161,213

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH DECEMBER 31, 2010

PROJECT	Project Number	Project Budget	Expenditures and Transfers	Unexpended Balance
CHIPS Capital	28c	\$ 143,048	\$ 143,048	\$ -
Chlorination Contract Water District No. 1	68	900,000	749,621	150,379
NYS Multi - Modal Sidewalk Improvements	81	128,740	56,638	72,102
IBM Park	82	1,306,520	1,341,892	(35,372)
Sewer No. 2 Odor Control	91	245,000	245,000	-
Route 128 Connect Road	93	108,321	46,292	62,029
Park Improvements	100	459,305	447,155	12,150
Water District No. 4 Extension	103	385,000	363,580	21,420
Wampus Brook Pathway	106	240,015	31,300	208,715
Sewer No. 2 Treatment Plant Upgrade	109	5,200,000	4,426,437	773,563
Sewer No. 2 Sand Filter	110	370,000	353,570	16,430
Highway Equipment - 2004	111	337,000	335,881	1,119
Highway Equipment - 2006	112	498,300	493,213	5,087
Firehouse Acquisition/Recreation Center	113	3,738,099	3,804,564	(66,465)
Highway Garage	114	20,000	89,974	(69,974)
Highway Equipment - 2007	115	310,000	313,118	(3,118)
Technology - 2007	115	251,300	216,250	35,050
Vehicles - 2007	115	161,175	115,266	45,909
Windmill Tank	115	2,080,000	1,509,377	570,623
NWP Painting	116	1,130,000	514,353	615,647
Sewer Nitrogen Removal	118	5,300,000	4,804,677	495,323
Highway Equipment - 2008/2009	119	521,685	516,530	5,155
Lombardi Park	120	440,719	439,418	1,301
Various Projects	121	151,195	143,860	7,335
Open Space Acquisition	122	430,000	417,001	12,999
Quarry Heights	123	1,188,499	951,095	237,404
Sewer and Water Building	124	655,003	-	655,003
Police License Plate Reader	125	151,195	17,285	133,910
Police ID Equipment	126	27,855	-	27,855
Totals		<u>\$ 26,877,974</u>	<u>\$ 22,886,395</u>	<u>\$ 3,991,579</u>

Methods of Financing					Fund Balance (Deficit) at December 31, 2010	Bond Anticipation Notes Outstanding at December 31, 2010
Interfund Transfers	Proceeds of Obligations	State and Federal Aid	Other	Totals		
\$ -	\$ -	\$ 143,048	\$ -	\$ 143,048	\$ -	\$ -
-	750,000	-	-	750,000	379	-
-	-	56,638	-	56,638	-	-
1,069,320	-	-	237,200	1,306,520	(35,372)	-
70,000	105,000	-	-	175,000	(70,000)	70,000
-	-	-	108,321	108,321	62,029	-
97,414	345,000	-	16,891	459,305	12,150	-
-	385,000	-	-	385,000	21,420	-
79,710	-	-	3,665	83,375	52,075	-
-	4,598,563	-	-	4,598,563	172,126	-
-	366,500	-	-	366,500	12,930	3,500
-	337,000	-	-	337,000	1,119	-
-	398,640	-	-	398,640	(94,573)	99,660
1,347,068	2,200,000	-	38,099	3,585,167	(219,397)	-
20,000	-	-	-	20,000	(69,974)	-
-	186,000	-	-	186,000	(127,118)	124,000
-	150,780	-	-	150,780	(65,470)	100,520
-	96,705	-	-	96,705	(18,561)	64,470
30,000	1,650,000	-	-	1,680,000	170,623	-
-	730,000	-	-	730,000	215,647	-
-	5,300,000	-	-	5,300,000	495,323	-
-	183,774	-	-	183,774	(332,756)	337,911
90,719	140,000	-	-	230,719	(208,699)	210,000
50,000	-	101,195	-	151,195	7,335	-
-	430,000	-	-	430,000	12,999	-
-	-	880,099	308,400	1,188,499	237,404	-
225,003	-	-	-	225,003	225,003	-
-	-	-	-	-	(17,285)	-
27,855	-	-	-	27,855	27,855	-
<u>\$ 3,107,089</u>	<u>\$ 18,352,962</u>	<u>\$ 1,180,980</u>	<u>\$ 712,576</u>	<u>\$ 23,353,607</u>	<u>\$ 467,212</u>	<u>\$ 1,010,061</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

DEBT SERVICE FUND

- The Debt Service is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

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TOWN OF NORTH CASTLE, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2010
 (With Comparative Totals for 2009)

			Total Non-Major Governmental Funds	
	Special Purpose	Debt Service	2010	2009
<u>ASSETS</u>				
Cash and Equivalents	\$ 1,384,254	\$ 1,541	\$ 1,385,795	\$ 1,295,375
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities-				
Bond interest and matured bonds payable	\$ -	\$ 575	\$ 575	\$ 575
Fund Balances:				
Reserved for parklands	394,856	-	394,856	341,571
Reserved for trusts	989,398	-	989,398	952,263
Reserved for debt service	-	966	966	966
Total Fund Balances	1,384,254	966	1,385,220	1,294,800
Total Liabilities and Fund Balances	\$ 1,384,254	\$ 1,541	\$ 1,385,795	\$ 1,295,375

TOWN OF NORTH CASTLE, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Totals for 2009)

	Special Purpose	Debt Service	Total Non-Major Governmental Funds	
			2010	2009
Revenues:				
Use of money and property	\$ 2,653	\$ -	\$ 2,653	\$ 3,228
Miscellaneous	91,859	-	91,859	60,820
Total Revenues	94,512	-	94,512	64,048
Expenditures:				
Current -				
Culture and recreation	4,092	-	4,092	40,375
Debt service:				
Principal	-	713,563	713,563	495,000
Interest	-	483,484	483,484	370,551
Refunding bond issuance costs	-	51,039	51,039	-
Total Expenditures	4,092	1,248,086	1,252,178	905,926
Excess (Deficiency) of Revenues Over Expenditures	90,420	(1,248,086)	(1,157,666)	(841,878)
Other Financing Sources (Uses):				
Refunding bonds issued	-	1,740,000	1,740,000	-
Issuance premium	-	161,390	161,390	-
Payment to refunding bond escrow agent	-	(1,850,351)	(1,850,351)	-
Transfers in	-	1,197,047	1,197,047	865,551
Total Other Financing Sources	-	1,248,086	1,248,086	865,551
Net Change in Fund Balances	90,420	-	90,420	23,673
Fund Balances - Beginning of Year	1,293,834	966	1,294,800	1,271,127
Fund Balances - End of Year	\$ 1,384,254	\$ 966	\$ 1,385,220	\$ 1,294,800

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash -		
Demand deposits	<u>\$ 1,384,254</u>	<u>\$ 1,293,834</u>
<u>FUND BALANCE</u>		
Reserved for Parklands	\$ 394,856	\$ 341,571
Reserved for Trusts	<u>989,398</u>	<u>952,263</u>
Total Fund Balance	<u>\$ 1,384,254</u>	<u>\$ 1,293,834</u>

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Use of money and property	\$ 2,653	\$ 3,228
Miscellaneous	<u>91,859</u>	<u>60,820</u>
Total Revenues	94,512	64,048
Expenditures - Current - Culture and recreation	<u>4,092</u>	<u>40,375</u>
Excess of Revenues Over Expenditures	90,420	23,673
Fund Balance - Beginning of Year	<u>1,293,834</u>	<u>1,270,161</u>
Fund Balance - End of Year	<u>\$ 1,384,254</u>	<u>\$ 1,293,834</u>

TOWN OF NORTH CASTLE, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 966	\$ 966
Cash with fiscal agent	<u>575</u>	<u>575</u>
Total Assets	<u>\$ 1,541</u>	<u>\$ 1,541</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Bond interest and matured bonds payable	\$ 575	\$ 575
Fund Balance - Reserved for debt service	<u>966</u>	<u>966</u>
Total Liabilities and Fund Balance	<u>\$ 1,541</u>	<u>\$ 1,541</u>

TOWN OF NORTH CASTLE, NEW YORK

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures -				
Debt service -				
Serial bonds:				
Principal	713,563	713,563	713,563	-
Interest	473,725	483,486	483,484	2
Refunding bond issuance costs	-	51,039	51,039	-
Total Expenditures	1,187,288	1,248,088	1,248,086	2
Deficiency of Revenues Over Expenditures	(1,187,288)	(1,248,088)	(1,248,086)	2
Other Financing Sources (Uses):				
Refunding bonds issued	-	1,740,000	1,740,000	-
Issuance premium	-	161,390	161,390	-
Payment to refunding bond escrow agent	-	(1,850,351)	(1,850,351)	-
Transfers in	1,187,288	1,197,049	1,197,047	(2)
Total Other Financing Sources	1,187,288	1,248,088	1,248,086	(2)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	966	966
Fund Balance - End of Year	\$ -	\$ -	\$ 966	\$ 966

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
495,010	495,010	495,000	10
370,575	370,575	370,551	24
-	-	-	-
865,585	865,585	865,551	34
(865,585)	(865,585)	(865,551)	34
-	-	-	-
-	-	-	-
-	-	-	-
865,585	865,585	865,551	(34)
865,585	865,585	865,551	(34)
-	-	-	-
-	-	966	966
\$ -	\$ -	\$ 966	\$ 966

TOWN OF NORTH CASTLE, NEW YORK

FIDUCIARY FUNDS - AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
<u>ASSETS</u>				
Cash - Demand deposits	\$ 310,122	\$ 12,265,313	\$ 12,192,495	\$ 382,940
Accounts Receivable	40,216	72,822	40,833	72,205
Total Assets	<u>\$ 350,338</u>	<u>\$ 12,338,135</u>	<u>\$ 12,233,328</u>	<u>\$ 455,145</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 5,184	\$ 220,218	\$ 204,618	\$ 20,784
Net Payroll	-	8,991,494	8,991,494	-
Employee Payroll Deductions	-	5,946,625	5,946,625	-
Deposits	345,154	181,291	92,084	434,361
Total Liabilities	<u>\$ 350,338</u>	<u>\$ 15,339,628</u>	<u>\$ 15,234,821</u>	<u>\$ 455,145</u>

**STATISTICAL
SECTION**

(Unaudited)

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Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well being have changed over time. These schedules include:

Net Assets by Component

Changes in Net Assets

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

TOWN OF NORTH CASTLE, NEW YORK

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS

	2004	2005	2006
Primary Government			
Invested in Capital Assets			
Net of Related Debt	\$ 15,901,724	\$ 16,336,338	\$ 16,240,323
Restricted	4,351,672	4,607,940	5,013,402
Unrestricted	1,388,206	1,175,414	935,831
Total Primary Government			
Net Assets	\$ 21,641,602	\$ 22,119,692	\$ 22,189,556

(1) Net assets reflect the initial implementation of the requirements of Governmental Accounting Standards Board Statement No. 45 regarding the recording of other post employment benefit obligations.

Note: Data not available prior to fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

2007	2008 (1)	2009	2010
\$ 18,080,605	\$ 17,894,852	\$ 17,628,645	\$ 18,307,276
4,760,947	4,697,246	4,942,924	5,037,797
218,968	(2,086,371)	(3,221,147)	(4,207,861)
<u>\$ 23,060,520</u>	<u>\$ 20,505,727</u>	<u>\$ 19,350,422</u>	<u>\$ 19,137,212</u>

TOWN OF NORTH CASTLE, NEW YORK

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS

	2004	2005	2006
Governmental Activities			
Expenses			
General government support	\$ 3,716,500	\$ 4,042,548	\$ 3,621,935
Public safety	6,784,455	7,263,641	7,549,646
Health	229,138	269,268	223,688
Transportation	5,178,384	6,087,402	4,919,039
Economic opportunity and development	114,026	122,915	134,444
Culture and recreation	3,754,327	4,060,072	4,154,578
Home and community services	3,420,268	3,657,852	4,235,059
Interest	203,248	254,414	284,595
Total Primary Government Expenses	23,400,346	25,758,112	25,122,984
Program Revenues			
Charges for Services			
General government support	31,188	24,413	28,887
Public safety	1,338,755	1,187,174	975,116
Transportation	123,961	211,864	166,765
Culture and recreation	1,030,372	1,050,697	1,054,398
Home and community services	1,259,014	1,277,475	1,404,400
Operating Grants and Contributions	251,984	959,910	942,652
Capital Grants and Contributions	1,028,418	1,506,041	215,403
Total Primary Government Program Revenues	5,063,692	6,217,574	4,787,621
Total Primary Government Net Expense	(18,336,654)	(19,540,538)	(20,335,363)
General Revenues			
Taxes			
Real Property Taxes	13,686,362	14,934,941	15,610,515
Other Tax Items	984,868	968,969	1,059,455
Non-property Taxes	1,370,110	1,471,777	1,507,662
Unrestricted Use of Money and Property	153,008	196,980	321,986
Unrestricted Sale of Property and Compensation for Loss	-	-	-
Unrestricted State aid	1,824,189	2,416,845	1,829,720
Gain on Sale of Real Property	-	-	-
Donated Assets	-	-	-
Miscellaneous	16,072	29,116	75,889
Total Primary Government	18,034,609	20,018,628	20,405,227
Change in Net Assets			
Total Primary Government	\$ (302,045)	\$ 478,090	\$ 69,864

(1) Net assets reflect the initial implementation of the requirements of Governmental Accounting Standards Board Statement No. 45 regarding the recording of other post employment benefit obligations.

Note: Data not available prior to fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

2007	2008 (1)	2009	2010
\$ 3,747,161	\$ 4,446,771	\$ 3,890,067	\$ 4,166,045
7,958,370	9,004,425	8,873,203	9,345,182
228,708	237,438	244,683	261,169
5,479,945	6,434,122	5,861,894	5,607,814
189,028	175,844	122,141	102,376
4,373,182	4,967,238	4,603,292	4,673,102
4,368,012	4,635,011	4,293,741	4,546,129
368,398	454,503	461,259	502,723
<u>26,712,804</u>	<u>30,355,352</u>	<u>28,350,280</u>	<u>29,204,540</u>
25,995	24,749	26,998	40,131
984,952	921,082	917,723	983,252
203,670	212,572	273,452	269,271
1,029,834	1,074,560	1,182,668	1,029,766
1,493,133	1,515,187	1,319,284	1,527,383
918,778	410,621	347,363	639,773
405,723	1,499,890	445,050	152,800
<u>5,062,085</u>	<u>5,658,661</u>	<u>4,512,538</u>	<u>4,642,376</u>
<u>(21,650,719)</u>	<u>(24,696,691)</u>	<u>(23,837,742)</u>	<u>(24,562,164)</u>
16,693,034	18,199,753	19,224,451	20,354,370
1,012,391	924,947	1,013,986	1,414,904
1,611,500	1,635,068	1,526,691	1,648,859
354,512	214,990	112,782	70,509
-	-	-	13,593
1,653,570	1,119,304	579,654	739,217
-	-	122,055	49,699
1,141,984	-	-	-
54,692	47,836	102,818	57,803
<u>22,521,683</u>	<u>22,141,898</u>	<u>22,682,437</u>	<u>24,348,954</u>
<u>\$ 870,964</u>	<u>\$ (2,554,793)</u>	<u>\$ (1,155,305)</u>	<u>\$ (213,210)</u>

TOWN OF NORTH CASTLE, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2001	2002	2003	2004
General Fund				
Reserved	\$ 174,756	\$ 174,963	\$ 325,742	\$ 442,355
Unreserved	<u>2,586,227</u>	<u>2,403,714</u>	<u>2,248,634</u>	<u>1,984,991</u>
Total General Fund	<u>\$ 2,760,983</u>	<u>\$ 2,578,677</u>	<u>\$ 2,574,376</u>	<u>\$ 2,427,346</u>
All Other Governmental Funds				
Reserved	\$ 2,141,171	\$ 2,162,440	\$ 2,844,723	\$ 1,984,565
Unreserved, Reported In				
Special Revenue Funds	2,224,297	2,574,077	2,733,024	2,924,057
Capital Projects Fund	<u>(1,474,585)</u>	<u>(2,778,863)</u>	<u>(3,471,054)</u>	<u>(1,764,312)</u>
Total All Other Governmental Funds	<u>\$ 2,890,883</u>	<u>\$ 1,957,654</u>	<u>\$ 2,106,693</u>	<u>\$ 3,144,310</u>
Total Governmental Funds	<u>\$ 5,651,866</u>	<u>\$ 4,536,331</u>	<u>\$ 4,681,069</u>	<u>\$ 5,571,656</u>

2005	2006	2007	2008	2009	2010
\$ 314,987	\$ 510,996	\$ 220,494	\$ 228,191	\$ 212,312	\$ 247,560
2,124,016	1,724,204	1,642,850	964,383	1,007,625	2,091,073
<u>\$ 2,439,003</u>	<u>\$ 2,235,200</u>	<u>\$ 1,863,344</u>	<u>\$ 1,192,574</u>	<u>\$ 1,219,937</u>	<u>\$ 2,338,633</u>
\$ 2,901,995	\$ 4,866,099	\$ 3,252,877	\$ 1,430,435	\$ 1,448,148	\$ 1,615,236
2,906,860	3,481,506	3,963,533	4,302,140	4,889,546	4,752,202
(3,005,047)	(7,495,572)	(2,520,701)	(1,778,216)	161,213	467,212
<u>\$ 2,803,808</u>	<u>\$ 852,033</u>	<u>\$ 4,695,709</u>	<u>\$ 3,954,359</u>	<u>\$ 6,498,907</u>	<u>\$ 6,834,650</u>
<u>\$ 5,242,811</u>	<u>\$ 3,087,233</u>	<u>\$ 6,559,053</u>	<u>\$ 5,146,933</u>	<u>\$ 7,718,844</u>	<u>\$ 9,173,283</u>

TOWN OF NORTH CASTLE, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2001	2002	2003	2004
Revenues				
Real property taxes	\$ 10,852,609	\$ 11,540,196	\$ 12,401,382	\$ 13,755,673
Other tax items	981,123	1,013,502	983,920	984,868
Non-property taxes	1,104,302	1,146,960	1,169,095	1,370,110
Departmental income	2,075,606	2,255,884	2,527,115	2,732,671
Intergovernmental charges	76,364	76,024	76,550	81,649
Use of money and property	640,725	412,396	367,428	376,051
Licenses and permits	401,107	351,680	492,361	606,747
Fines and forfeitures	68,063	142,174	215,286	157,546
Sale of property and compensation for loss	114,126	90,391	66,521	67,806
Interfund revenues	15,418	20,489	18,257	28,028
State aid	2,264,182	2,746,838	2,672,526	2,786,237
Federal aid	-	50,829	92,700	-
Miscellaneous	19,862	97,674	105,818	248,254
Total Revenues	18,613,487	19,945,037	21,188,959	23,195,640
Expenditures				
Current				
General government support	2,366,738	2,488,394	2,622,774	2,701,987
Public safety	3,887,251	4,275,299	4,665,996	5,152,762
Health	183,690	177,409	179,163	182,770
Transportation	2,503,677	2,372,612	2,638,091	2,638,820
Economic opportunity and development	98,752	103,700	98,551	114,026
Culture and recreation	2,659,678	2,795,418	2,977,781	3,079,465
Home and community services	2,657,536	3,014,860	2,854,902	3,091,870
Employee benefits (1)	2,137,073	2,394,559	2,957,783	4,084,671
Debt Service				
Principal	295,000	323,000	275,000	280,000
Interest	246,657	278,509	227,324	205,829
Refunding bond issuance costs	-	-	-	-
Capital Outlay	2,575,908	2,836,812	1,546,856	1,872,853
Total Expenditures	19,611,960	21,060,572	21,044,221	23,405,053
Excess (Deficiency) of Revenues Over Expenditures	(998,473)	(1,115,535)	144,738	(209,413)
Other Financing Sources (Uses)				
Sale of real property	-	-	-	-
Bonds issued	2,268,000	-	-	1,100,000
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,033,450	1,037,562	1,020,195	1,033,832
Transfers out	(1,033,450)	(1,037,562)	(1,020,195)	(1,033,832)
Total Other Financing Sources	2,268,000	-	-	1,100,000
Net Change in Fund Balances	\$ 1,269,527	\$ (1,115,535)	\$ 144,738	\$ 890,587
Debt Service as a Percentage of Non-Capital Expenditures	3.2%	3.3%	2.5%	2.2%

(1) Beginning in fiscal year 2007, the cost of employee benefits was distributed within the applicable department

2005	2006	2007	2008	2009	2010
\$ 14,771,418	\$ 15,622,212	\$ 16,791,769	\$ 18,083,022	\$ 18,661,599	\$ 19,814,989
968,969	1,059,455	1,012,391	924,947	1,013,986	1,414,904
1,471,777	1,507,662	1,611,500	1,635,068	1,526,691	1,648,859
2,451,325	2,423,280	2,511,669	2,544,908	2,471,583	2,789,504
169,377	123,872	152,908	156,667	213,612	195,849
594,870	824,690	947,730	569,362	419,705	368,525
751,458	684,164	660,460	613,132	578,110	411,450
173,054	172,140	194,258	185,497	213,835	207,824
133,194	67,369	49,969	56,179	117,673	42,136
3,174	2,466	1,723	2,822	3,207	3,381
3,891,950	2,095,975	2,108,902	1,639,294	914,981	1,059,846
-	-	70,675	718,252	189,978	163,031
695,287	623,726	428,288	557,500	188,315	285,333
26,075,853	25,207,011	26,542,242	27,686,650	26,513,275	28,405,631
2,923,428	2,871,813	3,626,721	3,543,513	3,454,054	3,412,651
5,252,436	5,434,016	7,801,024	8,174,825	7,868,895	8,492,596
268,893	223,314	228,708	237,438	244,683	261,169
3,117,793	2,958,213	4,408,191	4,780,947	4,679,960	4,710,690
122,915	128,070	182,299	175,844	115,401	96,002
3,276,217	3,312,893	4,177,619	4,047,050	4,021,306	4,079,107
3,272,861	3,493,233	3,879,994	4,069,299	3,667,265	3,816,148
4,387,169	4,598,400	-	-	-	-
335,000	335,000	280,000	480,000	495,000	713,563
233,248	239,078	363,153	457,581	440,729	536,464
-	-	-	-	-	51,039
3,214,738	4,868,559	4,726,276	3,132,273	4,323,113	1,527,501
26,404,698	28,462,589	29,673,985	29,098,770	29,310,406	27,696,930
(328,845)	(3,255,578)	(3,131,743)	(1,412,120)	(2,797,131)	708,701
-	-	-	-	124,042	49,699
-	1,100,000	6,603,563	-	5,245,000	645,000
-	-	-	-	-	1,740,000
-	-	-	-	-	161,390
-	-	-	-	-	(1,850,351)
1,468,793	1,759,832	1,924,314	1,423,115	1,438,043	2,232,747
(1,468,793)	(1,759,832)	(1,924,314)	(1,423,115)	(1,438,043)	(2,232,747)
-	1,100,000	6,603,563	-	5,369,042	745,738
\$ (328,845)	\$ (2,155,578)	\$ 3,471,820	\$ (1,412,120)	\$ 2,571,911	\$ 1,454,439
2.3%	2.4%	2.5%	3.5%	3.7%	4.8%

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Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

TOWN OF NORTH CASTLE, NEW YORK

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Residential Property	Commercial Property	Industrial Property	Special Franchise (1)	Total Taxable Assessed Value
2001	\$ 77,760,600	\$ 25,748,125	\$ 350,500	\$ 1,843,914	\$ 105,703,139
2002	80,754,110	25,325,680	350,500	1,828,808	108,259,098
2003	83,233,710	25,106,885	329,800	1,543,999	110,214,394
2004	85,481,460	25,420,785	329,800	1,567,382	112,799,427
2005	87,738,045	25,176,285	329,800	1,354,470	114,598,600
2006	89,302,215	24,496,505	321,100	1,474,520	115,594,340
2007	90,941,365	24,273,750	321,100	1,457,663	116,993,878
2008	90,287,065	24,238,250	315,500	1,373,095	116,213,910
2009	90,925,745	24,011,619	315,500	1,428,897	116,681,761
2010	90,909,470	23,255,625	315,500	1,417,165	115,897,760

(1) Assessed valuation of transmission lines of Consolidated Edison and Verizon

(2) Provided by the New York State Office of Real Property Services

(3) The Town has a complex rate structure that would make such a calculation extremely difficult, since its revenue base cannot be sufficiently segregated for each applicable rate. The Town substituted an effective tax rate instead.

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

State Special Equalization Rate (2)		Estimated Actual Taxable Value	Total Effective Tax Rate (3)
3.74 %	\$	2,826,287,139	\$ 91.29
3.41		3,174,753,607	91.51
2.81		3,922,220,427	99.62
2.81		4,014,214,484	108.00
2.31		4,960,978,355	114.41
2.26		5,114,793,805	118.51
1.94		6,030,612,268	124.45
1.91		6,084,497,906	133.10
1.91		6,108,992,723	139.25
2.13		5,441,209,390	147.36

TOWN OF NORTH CASTLE, NEW YORK

DIRECT AND OVERLAPPING PROPERTY TAX RATES,
PER \$1,000 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS

Year	Total Effective Tax Rate (1)	Overlapping Rates			
		Westchester County			
		Operating	Sewer Districts (Range)		School Districts (Range)
2001	\$ 91.29	\$ 96.70	\$ 12.58 - \$	18.21	\$ 260.64 - \$ 389.90
2002	91.51	99.04	13.61 -	17.93	288.13 - 469.50
2003	99.62	102.74	13.83 -	17.90	296.22 - 536.98
2004	108.00	116.42	14.32 -	17.90	295.74 - 573.13
2005	114.41	125.48	13.89 -	16.87	355.95 - 562.55
2006	118.51	138.97	17.67 -	19.98	402.52 - 654.75
2007	124.45	133.85	20.52 -	23.14	428.15 - 664.26
2008	133.10	142.85	22.69 -	24.29	475.30 - 748.06
2009	139.25	151.66	23.27 -	26.08	499.77 - 793.89
2010	147.36	157.86	21.80 -	26.83	492.53 - 793.89

Source: Town of North Castle Department of Finance

(1) - The Town has a complex rate structure that would make such a calculation extremely difficult, since its revenue base cannot be sufficiently disaggregated for each applicable rate. The Town substituted an effective tax rate instead.

TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2010				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	New York City	Watershed	\$ 8,206,100	7.08 %
2	Westchester County	Airport	1,837,200	1.59
3	Con Edison	Utility	1,445,717	1.25
4	MBIA	Commercial	1,352,500	1.17
5	IBM	Commercial	1,284,100	1.11
6	Citigroup, Inc.	Commercial	888,800	0.77
7	North White Plains Shopping Center	Commercial	672,600	0.58
8	Lashins	Commercial	547,000	0.47
9	NYNEX/Verizon	Utility	423,107	0.37
10	Frank Gillbride	Commercial	386,700	0.33
	Total		<u>\$ 17,043,824</u>	<u>14.72 %</u>

2001				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	New York City	Watershed	\$ 7,884,000	7.46 %
2	MBIA	Commercial	2,632,500	2.49
3	Westchester County	Airport	2,235,900	2.12
4	IBM	Commercial	2,009,300	1.90
5	Con Edison	Utility	1,644,321	1.56
6	Verizon	Utility	713,823	0.68
7	N. White Plains Shopping Center	Commercial	620,400	0.59
8	North Castle Leisure	Commercial	603,500	0.57
9	Ronald Targan	Hotel	356,000	0.34
10	Lashins	Commercial	306,500	0.29
	Total		<u>\$ 19,006,244</u>	<u>18.00 %</u>

Source: Town of North Castle's Assessor's Office.

TOWN OF NORTH CASTLE, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 22,328,256	\$ 22,204,054	99.44 %	\$ 75,372	\$ 22,279,426	99.78 %
2002	23,805,774	23,722,985	99.65	24,743	23,747,728	99.76
2003	26,985,992	26,824,328	99.40	92,760	26,917,088	99.74
2004	29,795,444	29,669,235	99.58	47,239	29,716,474	99.73
2005	32,769,587	32,560,560	99.36	33,730	32,594,290	99.47
2006	33,306,131	33,238,330	99.80	27,749	33,266,079	99.88
2007	34,247,231	34,120,366	99.63	71,652	34,192,018	99.84
2008	37,216,003	37,017,163	99.47	40,978	37,058,141	99.58
2009	39,291,251	38,843,930	98.86	244,956	39,088,886	99.48
2010	41,197,468	40,710,885	98.82	-	40,710,885	98.82

(1) Includes amounts for General, Highway, Library, Special Districts and the County of Westchester

Source: Town of North Castle Department of Finance

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

TOWN OF NORTH CASTLE, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (1)	Per Capita (1)
2001	\$ 3,983,000	\$ -	\$ 3,983,000	3.77 %	1.03 %	\$ 367
2002	3,660,000	-	3,660,000	3.38	0.95	337
2003	3,385,000	6,036	3,378,964	3.07	0.86	311
2004	4,205,000	-	4,205,000	3.73	1.01	388
2005	3,870,000	-	3,870,000	3.38	0.89	357
2006	4,635,000	-	4,635,000	4.01	1.01	427
2007	10,958,563	966	10,957,597	9.37	1.66	1,010
2008	10,478,563	966	10,477,597	9.02	1.51	966
2009	15,228,563	966	15,227,597	13.05	1.74	1,404
2010	15,065,000	966	15,064,034	13.00	1.72	1,389

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements

TOWN OF NORTH CASTLE, NEW YORK

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2010

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to North Castle (2)</u>	<u>Amount Applicable to North Castle</u>
County of Westchester	\$ 829,730,720	2.33 %	\$ 19,314,700
School Districts (as of June 30, 2010)			
Armonk	66,671,459	86.52	57,684,146
Bedford	70,790,000	2.30	1,628,170
Harrison	9,449,221	0.03	2,835
Mount Pleasant	35,905,594	1.39	499,088
Valhalla	23,846,422	32.25	7,690,471
			<u>86,819,410</u>
Net Direct Debt			<u>15,064,034</u>
Net Direct and Overlapping Debt			<u>\$ 101,883,444</u>

(1) Excludes the amount available for repayment in the Debt Service Fund.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the government's boundaries and dividing it by the Town's total taxable assessed value.

Source: Town of North Castle and County of Westchester Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

TOWN OF NORTH CASTLE, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2001	2002	2003	2004
Debt Limit	\$ 146,292,731	\$ 167,113,382	\$ 198,818,044	\$ 240,849,418
Total Net Debt Applicable to Limit	1,013,750	2,141,200	5,406,970	5,783,116
Legal Debt Margin	\$ 145,278,981	\$ 164,972,182	\$ 193,411,074	\$ 235,066,302
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.69%	1.28%	2.72%	2.40%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2009	2010	\$ 115,897,760	2.13 %	\$ 5,441,209,390
2008	2009	116,681,761	1.91	6,108,992,723
2007	2008	116,213,910	1.91	6,084,497,906
2006	2007	116,993,878	1.94	6,030,612,268
2005	2006	115,594,340	2.26	5,114,793,805
Total Five Year Full Valuation				\$ 28,780,106,092
Five Year Average Full Valuation of Taxable Real Property				5,756,021,218
Debt Limit - 7% of Five Year Average Full Valuation				402,921,485
Outstanding Town Debt:				
Serial Bonds				15,065,000
Bond Anticipation Notes				1,010,061
Less:				
Exclusion for Water and Sewer Districts				613,563
Appropriations in 2011 Budget, Exclusive of Water and Sewer Districts				235,000
Net Indebtedness Subject to Debt Limit				15,226,498
Net Debt Contracting Margin				\$ 387,694,987

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 301,516,595	\$ 296,617,449	\$ 336,599,471	\$ 368,819,521	\$ 396,198,251	\$ 402,921,485
<u>5,076,377</u>	<u>8,743,791</u>	<u>12,626,240</u>	<u>12,782,660</u>	<u>16,106,903</u>	<u>15,226,498</u>
<u>\$ 296,440,218</u>	<u>\$ 287,873,658</u>	<u>\$ 323,973,231</u>	<u>\$ 356,036,861</u>	<u>\$ 356,036,861</u>	<u>\$ 387,694,987</u>
1.68%	2.95%	3.75%	3.47%	4.07%	3.78%

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place. These schedules include:

Demographic Statistics

TOWN OF NORTH CASTLE, NEW YORK

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Population (1)	Personal Income	Per Capita Income (1)	Unemployment Rate (2)
2001	10,849 (3)	386,267,796	35,604	3.50 %
2002	10,849	383,533,848	35,352	4.20
2003	10,849	391,106,450	36,050	4.00
2004	10,849	417,393,577	38,473	3.80
2005	10,849	433,601,983	39,967	3.90
2006	10,849	459,910,808	42,392	3.10
2007	10,849	659,499,861	60,789	3.60
2008	10,849	695,518,541	64,109	5.70
2009	10,849	875,460,055	80,695	6.90
2010	10,849	875,460,055 (4)	80,695 (4)	6.90 (4)

Sources:

- (1) Source: U.S. Department of Commerce, Bureau of Census
- (2) New York State Department of Labor - Unemployment statistics are not available for the Town as such, the information reflected represents rates for the County.
- (3) 2000 U.S. Census
- (4) 2009 information - 2010 information was not available.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs. These schedules include:

Principal Employers

Full-Time Equivalent Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

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TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	2010	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Byram Hills School District	523	9.34 %
IBM	550	9.82
MBIA	547	9.77
Breezemont Day Camp	154	2.75
Swiss Re Life & Health America	665	11.88
Town of North Castle	166	2.96
Safe Flight	137	2.45
Car Quest Distributions	155	2.77
	<u>2,897</u>	<u>51.73 %</u>
<u>EMPLOYER</u>	2001	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
IBM	650	12.23 %
Swiss Re Life & Health America	500	9.41
Metro North Commuter Railroad	456	8.58
MBIA	400	7.52
Breezemont Day Camp	360	6.77
Byram Hills School District	325	6.11
J. F. Jelenko & Co	150	2.82
Car Quest Distributions	120	2.26
Safe Light Instrument	105	1.98
Semiconductor Packaging	100	1.88
	<u>3,166</u>	<u>59.56 %</u>

Sources: The Town Finance's Office and the New York State Department of Labor

Note: Based upon estimated Town employment of 5,600 in 2010 and 5,316 in 2001.

TOWN OF NORTH CASTLE, NEW YORK

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of December 31,			
	2001	2002	2003	2004
General Government	55	58	58	57
Public Safety	49	49	54	52
Culture and Recreation	78	73	63	63
Home and Community Services	12	12	11	12
Total	194	192	186	184

Source: Town's Finance Department

2005	2006	2007	2008	2009	2010
62	63	62	61	53	51
49	52	54	52	45	44
68	69	74	64	65	60
13	14	14	13	12	11
192	198	204	190	175	166

TOWN OF NORTH CASTLE, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2001	2002	2003	2004
General Government Support				
Building permits issued	472	508	642	548
Public Safety				
Police				
Physical arrests	218	329	298	278
Parking violations	873	1,388	1,241	1,320
Traffic violations	825	1,507	1,761	1,884
Culture and Recreation				
Recreation				
Adult programs	24	24	24	24
Children's programs	56	56	56	56
Camp	9	9	9	9
Senior citizen's programs	2	2	2	2
Pre-school classes	14	14	14	14
Special events	3	3	3	3
Library				
Volumes in collections	82,000	82,000	90,890	90,890
Circulation	184,229	204,303	208,341	205,399
Home and Community Services				
Water District No. 1				
Average daily consumption	347,244	366,796	408,746	421,970
Peak daily consumption	379,050	427,263	443,900	477,160
Water District No. 2				
Average daily consumption	153,568	147,508	137,020	147,279
Peak daily consumption	221,087	235,033	211,910	196,430
Water District No. 4				
Average daily consumption	354,748	303,433	297,553	281,198
Peak daily consumption	554,237	545,828	502,436	417,544
Water District No. 5				
Average daily consumption	66,897	72,289	69,261	59,792
Peak daily consumption	102,693	151,089	109,145	96,645

Source: Various Town departments

2005	2006	2007	2008	2009	2010
726	597	576	669	625	521
295	215	244	218	152	135
1,273	1,126	1,236	936	798	873
1,777	1,176	1,716	1,643	984	1085
24	24	28	30	30	26
56	56	65	70	70	60
9	9	10	10	9	10
2	2	3	3	7	2
14	14	17	17	17	15
3	3	4	4	3	3
85,488	81,859	87,578	82,266	87,000	86,661
196,731	196,902	186,000	203,370	205,000	198,000
348,473	370,819	366,025	364,348	394,240	467,738
424,293	440,170	418,760	532,679	487,750	552,976
157,125	137,260	166,314	161,750	129,384	159,290
256,690	195,543	273,157	333,080	248,672	368,000
317,522	355,971	377,677	363,235	311,309	362,259
520,532	605,999	580,051	607,480	511,872	707,444
70,173	68,421	95,824	76,812	57,487	82,232
125,225	122,183	153,709	163,400	133,350	235,240

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2001	2002	2003	2004
General Government Support				
Number of general government buildings	5	5	5	5
Public Safety				
Number of police stations	1	1	1	1
Patrol cars	20	20	20	20
Transportation				
Miles of streets	92	92	93	93
Number of street lights	1,276	1,276	602	605
Number of traffic signals	1	1	1	1
Culture and Recreation				
Number of community centers	2	2	2	2
Number of parks/playgrounds	8	8	8	8
Acres of parks	315	341	341	341
Baseball/softball diamonds	10	10	10	10
Outdoor tennis courts	9	9	9	9
Soccer fields	5	5	5	5
Nature trails	1	1	1	1
Picnic areas	2	2	2	2
Libraries	2	2	2	2
Home and Community Services				
Miles of water mains	31	31	31	31
Fire hydrants	262	264	264	270
Miles of sanitary sewers	21	21	21	21

N/A - Information not available
Source: Various Town departments

2005	2006	2007	2008	2009	2010
5	5	5	5	5	5
1	1	1	1	1	1
20	21	21	21	19	20
93	93	94	98	98	94
606	606	607	607	607	659
1	1	1	1	1	1
2	3	3	3	2	3
8	8	8	8	8	12
341	343	343	343	343	341
10	10	10	10	10	10
9	9	9	9	10	9
5	5	5	5	5	5
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
31	31	32	32	32	31
270	270	276	278	278	278
21	21	22	22	23	23