

**TOWN OF NORTH CASTLE,
NEW YORK**

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2011

Prepared by

Dawn H. Kertesz-Lee
Town Comptroller

TOWN OF NORTH CASTLE, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2011
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Principal Officials	i
Organization Chart	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	viii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Highway, Public Library and Special Districts Funds	24
Statement of Assets and Liabilities - Fiduciary Fund	27
Notes to Financial Statements	28
Required Supplementary Information - Other Post Employment Benefits - Schedule of Funding Progress - Last Three Fiscal Years	51
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds:	
General Fund:	
Comparative Balance Sheet	52
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	53
Schedule of Revenues and Other Financing Sources Compared to Budget	55
Schedule of Expenditures and Other Financing Uses Compared to Budget	58

TOWN OF NORTH CASTLE, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2011
TABLE OF CONTENTS (Continued)

	<u>Page</u>
Highway Fund:	
Comparative Balance Sheet	61
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	62
Public Library Fund:	
Comparative Balance Sheet	64
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	65
Special Districts Fund:	
Combining Balance Sheet - Sub Funds	67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub Funds	70
Capital Projects Fund:	
Comparative Balance Sheet	73
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance Project-Length Schedule	74 75
Non-Major Governmental Funds:	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78
Special Purpose Fund:	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	80
Debt Service Fund:	
Comparative Balance Sheet	81
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82
Statement of Changes in Assets and Liabilities - Agency Fund	84

TOWN OF NORTH CASTLE, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2011
TABLE OF CONTENTS (Concluded)

Page

<p>STATISTICAL SECTION (Unaudited)</p>

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:

Net Assets by Component - Last Eight Fiscal Years	85
Changes in Net Assets - Last Eight Fiscal Years	87
Fund Balances of Governmental Funds - Last Ten Fiscal Years	89
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	91

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	93
Direct and Overlapping Property Tax Rates, Per \$1,000 of Assessed Valuation - Last Ten Fiscal Years	95
Principal Taxpayers - Current Year and Nine Years Ago	96
Property Tax Levies and Collections - Last Ten Fiscal Years	97

Debt Capacity:

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	98
Direct and Overlapping Governmental Activities Debt	99
Legal Debt Margin Information - Last Ten Fiscal Years	100

Demographic and Economic Information:

Demographic Statistics - Last Ten Fiscal Years	102
Principal Employers - Current Year and Nine Years Ago	103

Operating Information:

Full-Time Equivalent Town Government Employees by Function - Last Ten Fiscal Years	104
Operating Indicators by Function/Program - Last Ten Fiscal Years	106
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	108

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

(This page intentionally left blank)

**INTRODUCTORY
SECTION**

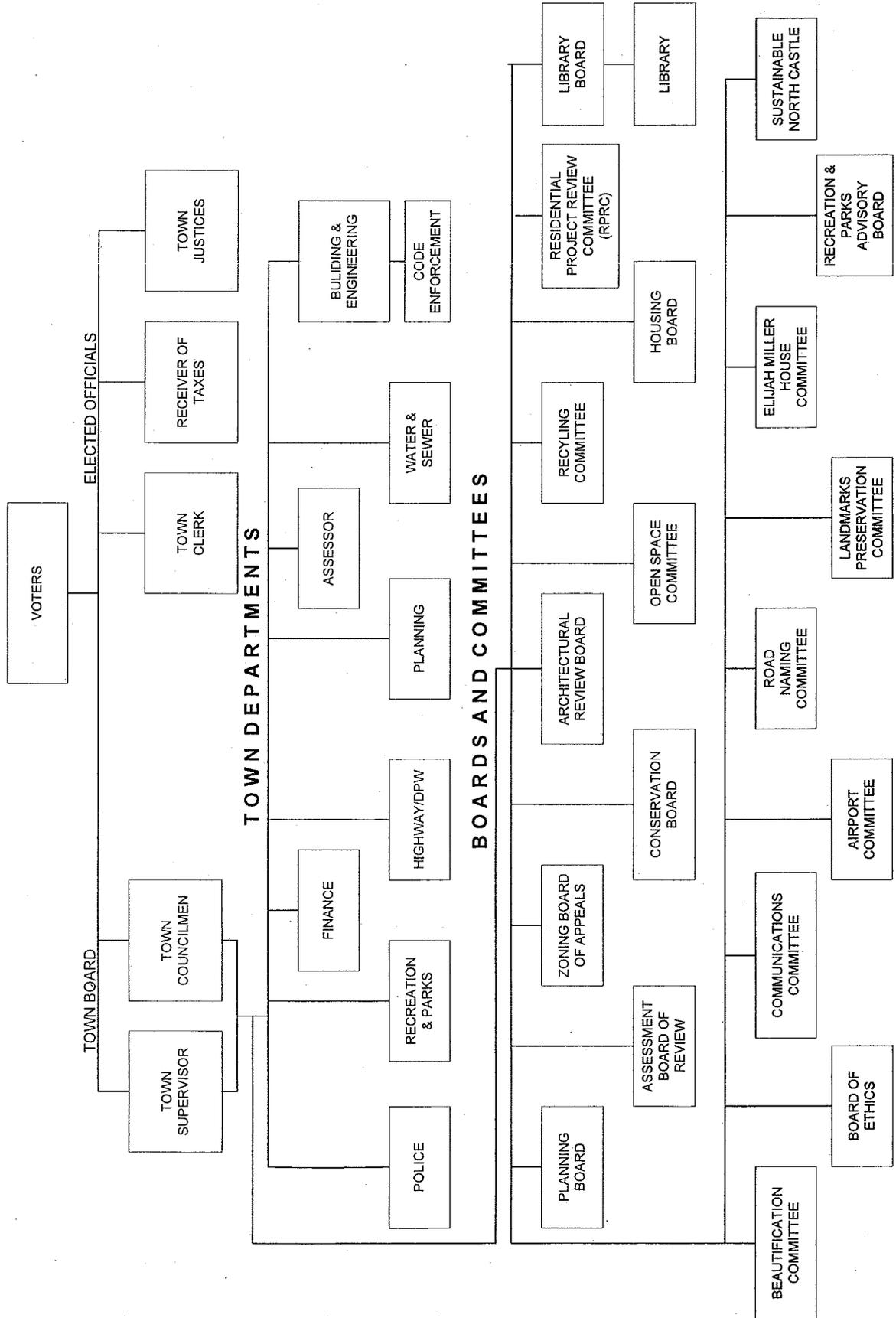
(This page intentionally left blank)

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:	Diane L. Jacobson	4/15/11
	Dawn H. Kertesz-Lee	12/31/11

STRUCTURE OF TOWN OF NORTH CASTLE GOVERNMENT





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

www.northcastleny.com

Finance Department
Town Hall
Telephone (914) 273-3322
FAX (914) 273-2433
finance@northcastleny.com
April 20, 2011

Dawn H. Kertesz-Lee
Town Comptroller

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, 2011 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, 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, 2011 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 and evaluating the overall financial statement presentation. 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, 2011, 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, 2011 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 MD&A can be found immediately following the report of the independent auditor.

Profile of the Town of North Castle, New York

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 comptroller on or before October 20th. Estimates for each fire district situated within the Town must also be filed with the comptroller by this date (the Town has no authority to amend the budget submitted by the fire districts). After reviewing these estimates, the comptroller 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 2010 census is 11,841, which represents a population increase of 9% since the 2000 official census report. The 2010 census per capita income for residents of the Town is \$80,695, 36.9% above the County per capita income of \$58,952 and 65.3% higher than the New York State per capita income of \$48,821. Unemployment statistics are not maintained for the Town; the 2011 unemployment rate for Westchester County is 6.5%. However, the Town believes that unemployment in the Town is less than the County's overall rate.

Completed Projects

The following projects were implemented and/or completed:

- Budget and Advisory Task Force
- Completed 28% of the Town Wide Road Improvement Projects
- Completed the Sewer Distribution Upgrade
- Partially completed the Water Tank Painting Project

Long-Term Financial Planning

The Town's future projects include the following:

- Develop Comprehensive Financial Policy Document
- Long range facilities needs

Relevant Financial Policies

In 2010 the Town Board adopted a formal fund balance policy, establishing an undesignated reserve target range of 10% to 20% of Operating Funds expenditures with a 5% minimum level required, unless unforeseen expenditures occur. If the Town's reserves fall below 10%, the policy requires the reserve balance to be restored within three to five years through financial operations. The Town continues to maintain reserves at adequate levels due to management's demonstrated commitment to being structurally balanced. The Town's investment policy and purchasing policy are adopted and

reviewed annually. The Town's multi-year financial plan and capital plan are reviewed and modified annually. In 2011, as a management tool, the town approved a resolution which would have allowed the board to raise the tax levy beyond the 2% cap; the town's 2012 budget did not exceed the 2% cap.

Awards 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, 2010. This was the twelfth 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.

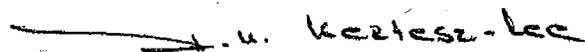
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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.

Acknowledgments

This report is the work of the efficient and dedicated staff of the Finance Department. I wish to express my appreciation to all the members of the department who assisted and contributed to the preparation of this report and to the entire Town Staff for their cooperation and assistance. I would like to thank the Town Supervisor and the Members of the Town Board for their continued interest and support in the financial operation of the Town of North Castle. Lastly, I would like to express my appreciation to the town's independent auditing firm, O'Conner Davies, LLP for their professionalism and assistance in these efforts.

Respectfully submitted,



Dawn H. Kertesz-Lee
Town Comptroller
Term beginning 05/09/2011

(This page intentionally left blank)

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, 2010

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.



Linda C. Davidson
President

Jeffrey L. Esser
Executive Director

(This page intentionally left blank)

**FINANCIAL
SECTION**

(This page intentionally left blank)

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, 2011, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town as of December 31, 2011 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 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 statement, 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.

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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, LLP

O'Connor Davies, LLP
Harrison, New York
April 20, 2012

**Town of North Castle, New York
Management's Discussion and Analysis (MD&A)
December 31, 2011**

Introduction

As management of the Town of North Castle, New York ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2011. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Town's financial performance.

Before getting into this discussion, it is important to note for this year's financial statement presentation that the Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for the Town's fiscal period ending December 31, 2011; therefore they are introduced in this report for the first time. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

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

Financial Highlights

Key financial highlights for fiscal year ended 2011 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 \$18,605,340. However, unrestricted net assets, which are available to meet the ongoing obligations of the Town, reflect a deficit of \$4,667,973 at December 31, 2011. The deficit results primary from 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 \$10,682,391, representing an increase in fund balance of \$1,509,108 from the prior year. This was primarily caused by better than expected collections of sales tax and mortgage tax revenues.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,994,260 or 17.83% of total General Fund expenditures and other financing uses for 2011; an increase of \$912,887 from the previous year.
- ❖ During the current fiscal year, the Town issued \$1,153,432 of bond anticipation notes for various purposes. These notes bear interest at .99%. The proceeds were used to finance water capital projects \$800,000 and the cost of legal settlement in the amount of \$345,000.
- ❖ In 2011, the Town issued \$2,500,000 of public improvement serial bonds which were used for the reconstruction of improvements to Town roads (\$2,100,000) and for the acquisition of machinery in the highway capital projects (\$400,000).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide 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 showing 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 only result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and other postemployment benefit obligations ("OPEB")).

The government-wide financial statements distinguish functions of the Town that are *governmental activities* (those principally supported by taxes and intergovernmental revenues). 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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental 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 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.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Fiduciary Funds

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 Town programs. The Town maintains only one type of fiduciary fund that is known as an Agency Fund. The Town holds resources in this fund 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 fiduciary fund financial statements 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.

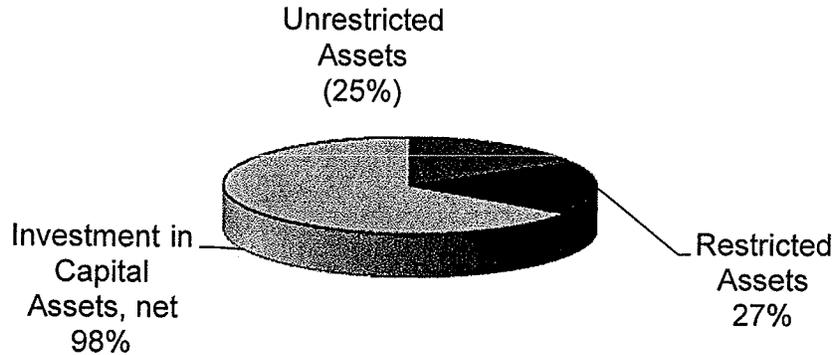
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Town, assets exceeded liabilities by \$18,605,340 at the close of 2011.

Net Assets

	December 31,	
	2011	2010
Current Assets	\$ 50,625,169	\$ 46,967,860
Capital Assets, net	33,796,054	32,933,821
Total Assets	84,421,223	79,901,681
Current Liabilities	38,354,962	36,793,078
Long-term Liabilities	27,460,921	23,971,391
Total Liabilities	65,815,883	60,764,469
Net Assets:		
Invested in capital assets, net of related debt	18,309,183	18,307,276
Restricted	4,964,130	5,037,797
Unrestricted	(4,667,973)	(4,207,861)
Total Net Assets	\$ 18,605,340	\$ 19,137,212

**Net Assets Distribution
December 31, 2011**



By far, the largest component of the Town's net assets is its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets (98%). The Town uses these capital assets to provide services to its citizens. Consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets of \$4,964,130, or 27%, represent resources that are subject to external restrictions on how they may be used. These restrictions are as follows:

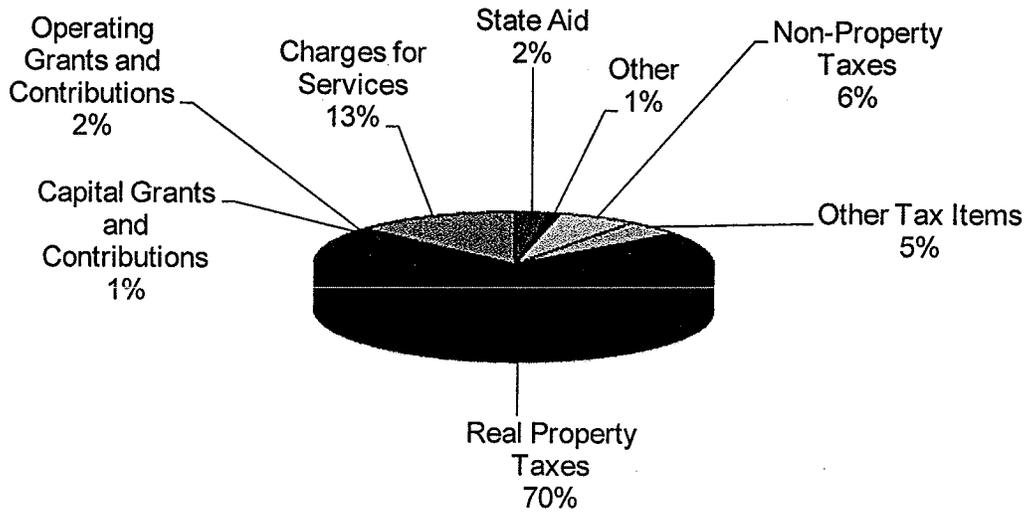
	2011	2010
Capital Projects	\$ 810,943	\$ 625,152
Parklands	231,264	394,856
Trusts	932,234	989,398
Workers' Compensation Benefits	1,692	1,692
D.A.R.E	-	1,847
Special Districts	2,984,346	3,023,886
Debt Service	3,651	966
Total	\$ 4,964,130	\$ 5,037,797

Those assets subject to external restrictions on how they may be used are \$23,273,313 the remaining balance of unrestricted net assets, which is a deficit of \$4,667,973, must be financed from future operations. This deficit does not mean that the Town does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments of other postemployment benefit obligations (\$8.5 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

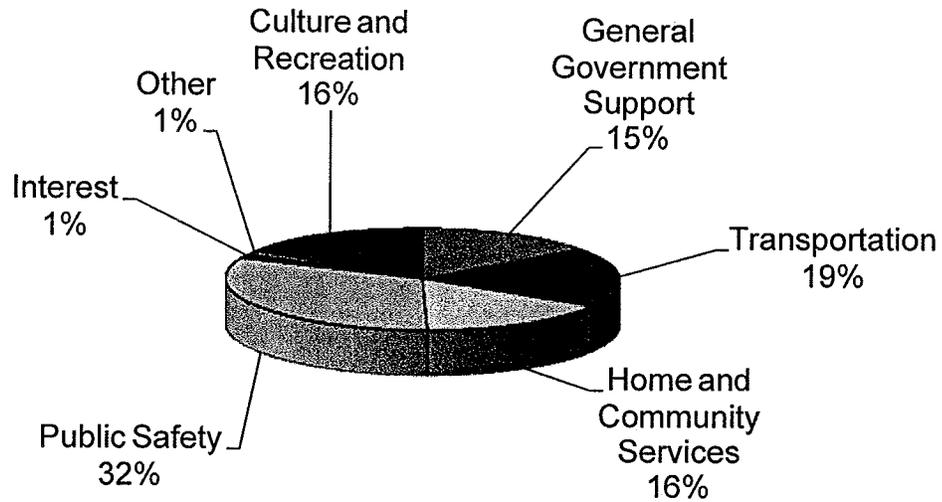
Change in Net Assets

	December 31,	
	2011	2010
Program Revenues:		
Charges for Services	\$ 3,872,190	\$ 3,849,803
Operating Grants and Contributions	297,626	639,773
Capital Grants and Contributions	160,372	152,800
General Revenues:		
Real Property Taxes	20,094,810	20,354,370
Other Tax Items	1,304,046	1,414,904
Non-Property Taxes	1,779,878	1,648,859
Unrestricted Use of Money and Property	94,968	70,509
Unrestricted Sale of Property and Compensation for Loss	3,011	13,593
Unrestricted State Aid	799,064	739,217
Miscellaneous	39,251	57,803
Insurance Recoveries	108,272	-
Gain on Sale of Property	-	49,699
Total Revenues	28,553,488	28,991,330
Program Expenses:		
General Government Support	4,252,016	4,166,045
Public Safety	9,256,357	9,345,182
Health	258,321	261,169
Transportation	5,579,877	5,607,814
Economic Opportunity and Development	111,048	102,376
Culture and Recreation	4,569,492	4,673,102
Home and Community Services	4,621,888	4,546,129
Interest	436,361	502,723
Total Expenses	29,085,360	29,204,540
Change in Net Assets	(531,872)	(213,210)
Net Assets - Beginning	19,137,212	19,350,422
Net Assets - Ending	\$ 18,605,340	\$ 19,137,212

**Sources of Revenue for Fiscal Year 2011
Governmental Activities**



**Expenses for Fiscal Year 2011
Governmental Activities**



Governmental Activities

For the fiscal year ended December 31, 2011, revenues from governmental activities totaled \$28,553,448. Tax revenues of \$23,178,734, comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (81%). The \$437,882 decrease in total governmental activities revenues from the prior year is the result of a combination of the following factors:

- Charges for services increased by \$22,387 primarily as a result of the increase in park and recreation charges.
- Operating grants and contributions decreased by \$342,147 primarily as a result of a decrease in transportation grants.
- Capital grants and contributions increased by \$7,572 as result of a state grant for the public library.
- Real property taxes decreased by \$259,560 as the result of the adjustment to the assessment values to reflect current market conditions.
- Non-property taxes increased by \$131,019 as the result of an increase in sales tax revenue collected.
- Unrestricted use of money and property increased by \$24,459 as the result of higher than anticipated return on investment in 2011.
- Unrestricted State aid increased by \$59,847, primarily from an increase in mortgage tax revenues due to the refinancing opportunities in the housing market.

For the fiscal year ended December 31, 2011, expenses from governmental activities totaled \$29,085,360. The largest components of governmental activities expenses are public safety \$9,256,357 (31.8%), transportation \$5,579,877 (19.2%), culture and recreation \$4,569,492 (15.7%), home and community services \$4,621,888 (15.9%) and general government support \$4,252,016 (14.6%). Expenses decreased from the prior year by \$119,180, or 0.4%, primarily as a result of a combination of the following factors:

- General government support increased by \$85,971 as a result of an increase in pension costs and health insurance, as well as the ongoing accrual of the Town's other post-employment benefit obligations.
- Public Safety decreased by \$88,825 as a result of additional employment expenses.
- Economic opportunity and development increased by \$8,672 due to the expansion of the town's senior program.
- Culture and recreation decreased by \$103,610, due to employment expenses and modification of program elements.
- Home and community services increased by \$75,759, the primary result of increases in refuse fees.

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, *unassigned 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 combined ending fund balances of \$10,682,391, an increase of \$1,509,108 compared to last years ending balance of \$9,173,283. This is now presented under the GASB Statement No. 54 fund balance classifications. The nonspendable fund balance component is \$135,633, consisting of amounts representing prepaid expenditures. Fund balance of \$3,220,984 is restricted for parkland, trusts, capital projects, workers' compensation benefits, special districts and debts service. The assigned fund balance classification aggregates \$4,321,814, consisting primarily of amounts reserved for encumbrances. The remaining fund balance is unassigned and represents the remaining positive fund balance in the General Fund of \$2,994,260 after amounts that have been restricted, committed or assigned for other purposes

The **General Fund** is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,994,260, representing 92.28% of the total General Fund balance of \$3,244,778. This is an increase from the prior year, when the total fund balance was \$2,338,633. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures. As a result of the above discussion, at the end of the current fiscal year, the General Fund showed an 17.8% unassigned fund balance as compared to total expenditures and other financing uses, up from 14.3% in the prior year. Total fund balance increased to 19.3% due to cost containment initiatives and slight improvements in revenues realized.

The fund balance of the General Fund increased by \$906,145 during the fiscal year ended December 31, 2011. Actual expenditures and other financing uses were \$650,651 less than the amount contained in the final budget, representing a savings of 3.73% of the total budget. Savings of \$422,556 were achieved in the general government support area due to tight control on expenditures. The other savings were spread over the entire budget in no one particular area. Actual revenues and other financing sources exceeded the final budget by \$375,615, or 2.2%, of the total revenue budget. The revenue categories that reflected positive variances as compared to the budget were non property taxes (\$214,878) due to increase in anticipated sales tax collection, other tax items (\$155,436) due to increase in PILOT rates and state aid (\$138,267) due to increases in mortgage taxes.

The budget variances noted above provided a positive impact in fund balance allowing the Town to meet its fund balance goals as set in the fund balance policy approved by the Town Board. The Town has designated \$0 of the general fund balance to be used for real property tax relief in the 2012 fiscal year.

The **Highway Fund's** total fund balance at the end of the current fiscal year was \$263,534, a decrease of \$720,945 from the previous year. The severe hurricane season, including Hurricane Irene and several winter storms resulted in a significant increases in overtime, clean up and supply costs.

The **Library Fund's** total fund balance at the end of the current fiscal year was \$175,101, a decrease of \$21,242 from the previous year. This was primarily the result of an increase in health insurance premiums and an increase in the retirement system contribution rate.

The **Special Districts Fund's** total fund balance at the end of the current fiscal year was \$3,779,686, a decrease of \$21,710 from the previous year. This was primarily the result of an increase in health insurance premiums and an increase in the retirement system contribution rate.

The **Capital Projects Fund** reflects a restricted fund balance of \$2,052,143 at the end of the current fiscal year, an increase of \$1,584,931 from the previous year. Total revenues and other financing sources aggregated \$3,459,314. This revenue was derived from transfers in \$798,942 and the issuance of serial bonds in the amount of \$2,500,000. Capital outlay expenditures totaled \$1,874,383. These costs were primarily related to Street Resurfacing, and Water and Sewer projects.

General Fund Budgetary Highlights

There was a positive variance between the original and final revenue budget versus the actual results for the General Fund, with the original budget at \$17,318,337 and the actual results at \$17,595,680 a positive variance of \$277,343. The largest components of this surplus was \$214,878, derived from Non Property Taxes, Sales Tax Revenue; \$138,267 State Aid , Mortgage Tax, exceeding the 2011 estimated amounts due to conservative budgeted estimates; and \$155,436 in other tax items, resulting from PILOT rate adjustments and interest and penalties on real property taxes.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2011, net of \$31,494,563 of accumulated depreciation, was \$33,796,054. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Major capital asset activity during the current fiscal year included the following:

Governmental Activities

- ❖ Purchase of Police ID Equipment – \$27,855
- ❖ Purchase of a Highway Department Equipment– \$107,346
- ❖ Investment in Town Wide Road Repairs – \$837,612

**Capital Assets
(Net of Accumulated Depreciation)**

	December 31,	
	2011	2010
Land	\$ 3,036,047	\$ 3,036,047
Land Improvements	736,454	823,520
Buildings and Improvements	12,074,727	12,405,698
Infrastructure	6,067,742	5,824,507
Machinery and Equipment	2,734,725	2,839,425
Construction-in-Progress	9,146,359	8,004,624
Total	\$ 33,796,054	\$ 32,933,821

In 2011, the Town saw an increase in its capital assets. Construction-in-progress increased by \$1,141,735 for the Windmill Tank (\$348,244), the Sewer Nitrogen Removal (\$541,893) and the Street Resurfacing (\$251,598) projects; these are expected to be completed in 2012.

Long-term Debt

On December 7th, 2011, Moody's Investors Service reviewed and assigned a rating of Aa1 to the Town. The Aa1 rating reflects the Town's substantial, diverse and wealthy tax base that includes Fortune 500 corporate headquarters, a low debt burden and adequate reserve levels. The stable outlook reflects Moody's belief that the Town continues to restore structure balance and its reserves.

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$16,807,000. 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. As a policy, principal and interest on debt issued by the enterprise fund must be repaid solely from revenues of that fund. Of the \$16,807,000 bonded debt outstanding at fiscal yearend, \$1,998,685 represents General Fund; \$2,500,000 Highway Fund and \$12,308,315 Special District debt; The Town has budgeted for 2012 \$774,000 in serial bond principal to be paid within that budget period. Of this amount, \$651,982 will be paid from by the Special District Funds.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2011, the Town had exhausted 4.27% of its constitutional debt limit, and had the authority to issue an additional \$384,368,327 of general obligation long-term debt.

The Town anticipates a modest capital budget for 2012. Only essential equipment will be considered to maintain the Town's long range equipment replacement plan.

Economic Factors and Next Year's Budget

According to the New York State Department of Labor, the unemployment rate for the Town was 6.5% as of December 2011. This compares favorably with the rate of 8.0% for New York State and with the 8.3% national unemployment rate. Real estate activity, particularly home financing and refinancing have started to show slight improvement in 2011, bringing the mortgage tax aid modestly up from the previous year. Town management was also aware that in 2012 there would be more increases in employee benefits (particularly medical insurance and retirement contributions). All of these factors were taken into consideration in developing the 2012 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 those finances. Questions and comments concerning any of the information provided in this report should be addressed to Dawn H. Kertesz-Lee Comptroller, Town of North Castle, and 15 Bedford Road, Armonk, New York 10504.

(This page intentionally left blank)

**BASIC
FINANCIAL STATEMENTS**

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 14,679,131
Investments	338,662
Restricted investments	631,881
Receivables:	
Taxes, net	33,870,927
Accounts	132,871
Water rents	151,197
State and Federal aid	236,259
Due from other governments	403,562
Prepaid expenses	135,633
Deferred charges, net	45,046
Capital assets:	
Not being depreciated	12,182,406
Being depreciated, net	21,613,648
	<hr/>
Total Assets	84,421,223
LIABILITIES	
Accounts payable	950,955
Accrued liabilities	267,825
Retainages payable	305,543
Bond interest and matured bonds payable	575
Due to other governments	28,316
Due to school districts	34,933,476
Unearned revenues	33,000
Bond anticipation notes payable - Capital construction	1,379,319
Bond anticipation notes payable - Other	353,432
Accrued interest payable	102,521
Non-current liabilities:	
Due within one year	975,000
Due in more than one year	26,485,921
	<hr/>
Total Liabilities	65,815,883
NET ASSETS	
Invested in capital assets, net of related debt	18,309,183
Restricted for:	
Capital projects	810,943
Parklands	231,264
Trusts	932,234
Workers' compensation benefits	1,692
Special districts:	
Water	1,097,457
Sewer	1,748,893
Street Lighting	94,259
Fire	22,149
Parking	3,062
Ambulance	18,526
Debt service	3,651
Unrestricted	(4,667,973)
	<hr/>
Total Net Assets	\$ 18,605,340

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, 2011

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	\$ 4,252,016	\$ 34,404	\$ 100	\$ -	\$ (4,217,512)
Public safety	9,256,357	857,614	24,703	-	(8,374,040)
Health	258,321	-	-	-	(258,321)
Transportation	5,579,877	204,523	110,713	143,087	(5,121,554)
Economic opportunity and development	111,048	-	-	-	(111,048)
Culture and recreation	4,569,492	1,077,690	111,011	-	(3,380,791)
Home and community services	4,621,888	1,697,959	51,099	17,285	(2,855,545)
Interest	436,361	-	-	-	(436,361)
Total Governmental Activities	\$ 29,085,360	\$ 3,872,190	\$ 297,626	\$ 160,372	(24,755,172)
General Revenues:					
Real property taxes					20,094,810
Other tax items:					
Payments in lieu of taxes					828,318
Interest and penalties on real property taxes					475,728
Non-property taxes:					
Non-property tax distribution from County					1,540,366
Franchise fees - Cable TV					239,512
Unrestricted use of money and property					94,968
Unrestricted sale of property and compensation for loss					3,011
Unrestricted State aid					799,064
Miscellaneous					39,251
Insurance recoveries					108,272
Total General Revenues					24,223,300
Change in Net Assets					(531,872)
Net Assets - Beginning					19,137,212
Net Assets - Ending					\$ 18,605,340

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

TOWN OF NORTH CASTLE, NEW YORK

BALANCE SHEET
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	General	Highway	Public Library	Special Districts
ASSETS				
Cash and Equivalents	\$ 5,071,683	\$ 791,135	\$ 176,979	\$ 4,617,469
Investments	338,662	-	-	-
Restricted Investments	-	-	-	-
Taxes Receivable, net of allowance for uncollectible taxes	33,870,927	-	-	-
Other Receivables:				
Accounts	128,800	4,071	-	-
Water rents	-	-	-	151,197
State and Federal aid	-	-	-	-
Due from other funds	344,971	353,432	-	3,500
Due from other governments	403,562	-	-	-
	877,333	357,503	-	154,697
Prepaid Expenditures	135,633	-	-	-
Total Assets	<u>\$ 40,294,238</u>	<u>\$ 1,148,638</u>	<u>\$ 176,979</u>	<u>\$ 4,772,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 156,228	\$ 195,672	\$ 1,878	\$ 156,453
Accrued liabilities	259,131	-	-	8,694
Retainages payable	16,448	-	-	2,319
Bond interest and matured bonds payable	-	-	-	-
Due to other funds	10,570	336,000	-	822,014
Due to other governments	28,316	-	-	-
Due to school districts	34,933,476	-	-	-
Deferred revenues	-	-	-	3,000
Deferred tax revenues	1,645,291	-	-	-
Bond anticipation notes payable	-	353,432	-	-
Total Liabilities	<u>37,049,460</u>	<u>885,104</u>	<u>1,878</u>	<u>992,480</u>
Fund Balances:				
Nonspendable	135,633	-	-	-
Restricted	1,692	-	-	-
Committed	9,700	-	-	-
Assigned	103,493	263,534	175,101	3,779,686
Unassigned	2,994,260	-	-	-
Total Fund Balances	<u>3,244,778</u>	<u>263,534</u>	<u>175,101</u>	<u>3,779,686</u>
Total Liabilities and Fund Balances	<u>\$ 40,294,238</u>	<u>\$ 1,148,638</u>	<u>\$ 176,979</u>	<u>\$ 4,772,166</u>

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

<u>Capital Projects</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,854,141	\$ 1,167,724	\$ 14,679,131
-	-	338,662
631,881	-	631,881
-	-	33,870,927
-	-	132,871
-	-	151,197
236,259	-	236,259
466,681	-	1,168,584
-	-	403,562
702,940	-	2,092,473
-	-	135,633
<u>\$ 4,188,962</u>	<u>\$ 1,167,724</u>	<u>\$ 51,748,707</u>
\$ 440,724	\$ -	\$ 950,955
-	-	267,825
286,776	-	305,543
-	575	575
-	-	1,168,584
-	-	28,316
-	-	34,933,476
30,000	-	33,000
-	-	1,645,291
1,379,319	-	1,732,751
2,136,819	575	41,066,316
-	-	135,633
2,052,143	1,167,149	3,220,984
-	-	9,700
-	-	4,321,814
-	-	2,994,260
2,052,143	1,167,149	10,682,391
<u>\$ 4,188,962</u>	<u>\$ 1,167,724</u>	<u>\$ 51,748,707</u>

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Fund Balances - Total Governmental Funds	<u>\$ 10,682,391</u>
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.	<u>33,796,054</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>1,645,291</u>
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	<u>45,046</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds. Accrued interest payable Bonds payable Compensated absences Other post employment benefit obligations payable	<u>(102,521)</u> <u>(16,935,890)</u> <u>(2,014,193)</u> <u>(8,510,838)</u> <u>(27,563,442)</u>
Net Assets of Governmental Activities	<u>\$ 18,605,340</u>

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, 2011

	General	Highway	Public Library
REVENUES			
Real property taxes	\$ 11,516,594	\$ 4,369,397	\$ 1,467,435
Other tax items	1,304,046	-	-
Non-property taxes	1,779,878	-	-
Departmental income	1,276,487	-	20,378
Intergovernmental charges	-	126,000	-
Use of money and property	115,181	-	18,081
Licenses and permits	533,168	-	-
Fines and forfeitures	204,197	-	-
Sale of property and compensation for loss	3,011	32,101	876
Interfund revenues	-	4,051	-
State aid	823,767	69,456	37,291
Federal aid	-	9,156	-
Miscellaneous	39,351	-	16,407
Total Revenues	17,595,680	4,610,161	1,560,468
EXPENDITURES			
Current:			
General government support	3,916,714	390,868	-
Public safety	8,062,148	-	-
Health	5,358	-	-
Transportation	235,446	4,597,809	-
Economic opportunity and development	107,883	-	-
Culture and recreation	2,487,376	-	1,581,710
Home and community services	1,578,681	-	-
Debt service:			
Principal	-	-	-
Interest	4,312	6,458	-
Capital outlay	-	-	-
Total Expenditures	16,397,918	4,995,135	1,581,710
Excess (Deficiency) of Revenues Over Expenditures	1,197,762	(384,974)	(21,242)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	108,272	-	-
Transfers in	-	-	-
Transfers out	(399,889)	(335,971)	-
Total Other Financing Sources (Uses)	(291,617)	(335,971)	-
Net Change in Fund Balances	906,145	(720,945)	(21,242)
Fund Balances - Beginning of Year	2,338,633	984,479	196,343
Fund Balances - End of Year	\$ 3,244,778	\$ 263,534	\$ 175,101

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

Special Districts	Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 2,526,609	\$ -	\$ -	\$ 19,880,035
-	-	-	1,304,046
-	-	-	1,779,878
1,426,909	-	51,735	2,775,509
-	-	-	126,000
267,252	-	1,152	401,666
-	-	-	533,168
-	-	-	204,197
-	-	-	35,988
-	-	-	4,051
-	160,372	-	1,090,886
-	-	-	9,156
31,959	-	2,195	89,912
<u>4,252,729</u>	<u>160,372</u>	<u>55,082</u>	<u>28,234,492</u>
18,181	-	-	4,325,763
429,243	-	-	8,491,391
252,963	-	-	258,321
116,173	-	-	4,949,428
-	-	-	107,883
-	-	21,069	4,090,155
2,448,832	-	-	4,027,513
-	-	758,000	758,000
1,389	-	438,660	450,819
-	1,874,383	-	1,874,383
<u>3,266,781</u>	<u>1,874,383</u>	<u>1,217,729</u>	<u>29,333,656</u>
<u>985,948</u>	<u>(1,714,011)</u>	<u>(1,162,647)</u>	<u>(1,099,164)</u>
-	2,500,000	-	2,500,000
-	-	-	108,272
-	798,942	1,199,345	1,998,287
(1,007,658)	-	(254,769)	(1,998,287)
<u>(1,007,658)</u>	<u>3,298,942</u>	<u>944,576</u>	<u>2,608,272</u>
(21,710)	1,584,931	(218,071)	1,509,108
<u>3,801,396</u>	<u>467,212</u>	<u>1,385,220</u>	<u>9,173,283</u>
<u>\$ 3,779,686</u>	<u>\$ 2,052,143</u>	<u>\$ 1,167,149</u>	<u>\$ 10,682,391</u>

(This page intentionally left blank)

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, 2011

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,509,108
<p>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.</p>	
Capital outlay expenditures	1,989,647
Depreciation expense	<u>(1,127,414)</u>
	<u>862,233</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>214,775</u>
<p>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.</p>	
Bonds issued	(2,500,000)
Principal paid on bonds	758,000
Amortization of issuance costs, premium and loss on refunding	<u>8,637</u>
	<u>(1,733,363)</u>
<p>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.</p>	
Accrued liabilities	375,000
Accrued interest	1,182
Compensated absences	456,987
Other post employment benefit obligations	<u>(2,217,794)</u>
	<u>(1,384,625)</u>
Change in Net Assets of Governmental Activities	<u>\$ (531,872)</u>

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, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,850,007	\$ 11,850,007	\$ 11,516,594	\$ (333,413)
Other tax items	1,148,610	1,148,610	1,304,046	155,436
Non-property taxes	1,565,000	1,565,000	1,779,878	214,878
Departmental income	1,259,610	1,259,610	1,276,487	16,877
Intergovernmental charges	-	-	-	-
Use of money and property	93,800	93,800	115,181	21,381
Licenses and permits	465,210	465,210	533,168	67,958
Fines and forfeitures	200,000	200,000	204,197	4,197
Sale of property and compensation for loss	3,600	3,600	3,011	(589)
Interfund revenues	-	-	-	-
State aid	685,500	685,500	823,767	138,267
Federal aid	-	-	-	-
Miscellaneous	47,000	47,000	39,351	(7,649)
Total Revenues	17,318,337	17,318,337	17,595,680	277,343
Expenditures:				
Current:				
General government support	4,536,063	4,339,270	3,916,714	422,556
Public safety	7,691,603	7,964,363	8,062,148	(97,785)
Health	6,862	6,862	5,358	1,504
Transportation	296,519	296,488	235,446	61,042
Economic opportunity and development	113,030	123,226	107,883	15,343
Culture and recreation	2,591,437	2,527,784	2,487,376	40,408
Home and community services	1,689,871	1,644,221	1,578,681	65,540
Debt service - Interest	4,315	4,312	4,312	-
Total Expenditures	16,929,700	16,906,526	16,397,918	508,608
Excess (Deficiency) of Revenues Over Expenditures	388,637	411,811	1,197,762	785,951
Other Financing Sources (Uses):				
Obligations authorized	-	-	-	-
Insurance recoveries	10,000	10,000	108,272	98,272
Transfers out	(552,935)	(541,932)	(399,889)	142,043
Total Other Financing Uses	(542,935)	(531,932)	(291,617)	240,315
Net Change in Fund Balances	(154,298)	(120,121)	906,145	1,026,266
Fund Balances - Beginning of Year	154,298	120,121	2,338,633	2,218,512
Fund Balances - End of Year	\$ -	\$ -	\$ 3,244,778	\$ 3,244,778

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)
\$ 4,369,397	\$ 4,369,397	\$ 4,369,397	\$ -	\$ 1,467,434	\$ 1,467,434	\$ 1,467,435	\$ 1
-	-	-	-	-	-	-	-
-	-	-	-	30,500	30,500	20,378	(10,122)
100,000	100,000	126,000	26,000	-	-	-	-
10,000	10,000	-	(10,000)	20,500	20,500	18,081	(2,419)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,500	23,500	32,101	8,601	1,300	1,300	876	(424)
3,000	3,000	4,051	1,051	-	-	-	-
-	-	69,456	69,456	3,200	35,342	37,291	1,949
-	-	9,156	9,156	-	-	-	-
-	-	-	-	575	10,575	16,407	5,832
<u>4,505,897</u>	<u>4,505,897</u>	<u>4,610,161</u>	<u>104,264</u>	<u>1,523,509</u>	<u>1,565,651</u>	<u>1,560,468</u>	<u>(5,183)</u>
7,000	419,300	390,868	28,432	-	-	-	-
-	-	-	-	-	-	-	-
4,326,609	4,257,772	4,597,809	(340,037)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,573,509	1,615,651	1,581,710	33,941
-	-	-	-	-	-	-	-
6,460	6,458	6,458	-	-	-	-	-
<u>4,340,069</u>	<u>4,683,530</u>	<u>4,995,135</u>	<u>(311,605)</u>	<u>1,573,509</u>	<u>1,615,651</u>	<u>1,581,710</u>	<u>33,941</u>
165,828	(177,633)	(384,974)	(207,341)	(50,000)	(50,000)	(21,242)	28,758
-	353,432	-	(353,432)	-	-	-	-
(326,000)	(335,971)	(335,971)	-	-	-	-	-
(326,000)	17,461	(335,971)	(353,432)	-	-	-	-
(160,172)	(160,172)	(720,945)	(560,773)	(50,000)	(50,000)	(21,242)	28,758
160,172	160,172	984,479	824,307	50,000	50,000	196,343	146,343
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,534</u>	<u>\$ 263,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,101</u>	<u>\$ 175,101</u>

(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, 2011

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 2,533,987	\$ 2,533,986	\$ 2,526,609	\$ (7,377)
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	1,593,827	1,593,827	1,426,909	(166,918)
Intergovernmental charges	-	-	-	-
Use of money and property	270,750	270,750	267,252	(3,498)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	-	-	-	-
Federal aid	-	-	-	-
Miscellaneous	-	-	31,959	31,959
Total Revenues	4,398,564	4,398,563	4,252,729	(145,834)
Expenditures:				
Current:				
General government support	22,365	26,629	18,181	8,448
Public safety	429,243	429,243	429,243	-
Health	255,987	255,987	252,963	3,024
Transportation	130,335	129,697	116,173	13,524
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	3,319,897	3,298,487	2,448,832	849,655
Debt service - Interest	1,395	1,395	1,389	6
Total Expenditures	4,159,222	4,141,438	3,266,781	874,657
Excess (Deficiency) of Rev- enues Over Expenditures	239,342	257,125	985,948	728,823
Other Financing Sources (Uses):				
Obligations authorized	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers out	(998,230)	(1,007,717)	(1,007,658)	59
Total Other Financing Uses	(998,230)	(1,007,717)	(1,007,658)	59
Net Change in Fund Balances	(758,888)	(750,592)	(21,710)	728,882
Fund Balances - Beginning of Year	758,888	750,592	3,801,396	3,050,804
Fund Balances - End of Year	\$ -	\$ -	\$ 3,779,686	\$ 3,779,686

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, 2011

ASSETS

	<u>Agency</u>
Cash - Demand deposits	\$ 570,207
Accounts Receivable	<u>103,352</u>
Total Assets	<u><u>\$ 673,559</u></u>

LIABILITIES

Accounts Payable	\$ 35,650
Deposits	<u>637,909</u>
Total Liabilities	<u><u>\$ 673,559</u></u>

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

(This page intentionally left blank)

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 and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. 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 and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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 and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

- 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

Note 1 - Summary of Significant Accounting Policies (Continued)

expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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, 2011.

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.

CLASS 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 CLASS is equal to the value of the shares. Additional information concerning CLASS is presented in the annual report,

Note 1 - Summary of Significant Accounting Policies (Continued)

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

CLASS is rated AAAM by Standard & Poor's Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. CLASS 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 or credit 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.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2011, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 \$1,645,291 for real property taxes in the General Fund, \$3,000 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, special districts and debt service. The balance is classified as unrestricted.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

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 fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 April 20, 2012.

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.
- 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 (See Note 5).

C. Application of Accounting Standards

For the year ended December 31, 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54"). GASB 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than the availability for appropriations. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

D. 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.

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

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated in the following funds:

General Fund:	
General Government Support:	
Supervisor	\$ 12,951
Receiver of Taxes	216
Assessor	56,153
Fiscal agent fees	13,323
Elections	1,187
Public Safety:	
Police	123,126
Safety Inspection	905
Highway Fund -	
Transportation	340,037

The Highway Equipment - 2007 and Sewer Nitrogen Removal capital projects exceeded their budgetary provisions by \$21,758 and \$46,570, respectively.

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

Taxes receivable at December 31, 2011 consisted of the following:

	Town and County Taxes	School Districts Taxes	Total
Current year	\$ 460,286	\$ 32,189,784	\$ 32,650,070
Overdue	338,351	948,779	1,287,130
Property acquired for taxes	43,027	-	43,027
	<u>\$ 841,664</u>	<u>\$ 33,138,563</u>	33,980,227
Allowance for uncollectible taxes			<u>(109,300)</u>
			<u>\$ 33,870,927</u>

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2012. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,645,291, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

Note 3 - Detailed Notes on All Funds (Continued)**B. Due From/To Other Funds**

The balances reflected as due from/to other funds at December 31, 2011 were as follows:

Fund	Due From	Due To
General	\$ 344,971	\$ 10,570
Highway	353,432	336,000
Special Districts	3,500	822,014
Capital Projects	466,681	-
	\$ 1,168,584	\$ 1,168,584

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

C. Capital Assets

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

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Capital Assets, not being depreciated:				
Land	\$ 3,036,047	\$ -	\$ -	\$ 3,036,047
Construction-in-progress	8,004,624	1,141,735	-	9,146,359
Total Capital Assets, not being depreciated	\$ 11,040,671	\$ 1,141,735	\$ -	\$ 12,182,406
Capital Assets, being depreciated:				
Land improvements	\$ 1,993,510	\$ -	\$ -	\$ 1,993,510
Buildings and improvements	17,355,453	9,950	-	17,365,403
Infrastructure	25,001,548	586,015	-	25,587,563
Machinery and equipment	8,080,554	251,947	170,766	8,161,735
Total Capital Assets, being depreciated	52,431,065	847,912	170,766	53,108,211
Less Accumulated Depreciation for:				
Land improvements	1,169,990	87,066	-	1,257,056
Buildings and improvements	4,949,755	340,921	-	5,290,676
Infrastructure	19,177,041	342,780	-	19,519,821
Machinery and equipment	5,241,129	356,647	170,766	5,427,010
Total Accumulated Depreciation	30,537,915	1,127,414	170,766	31,494,563
Total Capital Assets, being depreciated	\$ 21,893,150	\$ (279,502)	\$ -	\$ 21,613,648
Capital Assets, net	\$ 32,933,821	\$ 862,233	\$ -	\$ 33,796,054

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 79,270
Public Safety	71,611
Transportation	199,747
Economic Opportunity and Development	3,203
Culture and Recreation	240,487
Home and Community Services	<u>533,096</u>
Total Depreciation Expense	<u>\$ 1,127,414</u>

D. Accrued Liabilities

Accrued liabilities at December 31, 2011 were as follows:

	Fund		Total
	General	Special Districts	
Payroll and Employee Benefits	<u>\$ 259,131</u>	<u>\$ 8,694</u>	<u>\$ 267,825</u>

E. 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, 2012 are as follows:

	Tier/Plan	Rate
ERS	1 75I	21.5%
	2 75I	19.7
	3 A14	15.8
	4 A15	15.8
	5 A15	12.7
PFRS	1 384D	26.0
	2 384D	20.9

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>PFRS</u>
2011	\$ 1,077,954	\$ 808,656
2010	774,421	693,576
2009	553,481	564,288

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	\$ 508,293
Highway	331,542
Public Library	119,979
Special Districts	<u>118,140</u>
	<u>\$ 1,077,954</u>

F. Short-Term Non-Capital Borrowings

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2011</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance December 31, 2011</u>
Bond Anticipation Notes Payable - Highway settlement	2011	4/12	0.99 %	<u>\$ -</u>	<u>\$ 353,432</u>	<u>\$ -</u>	<u>\$ 353,432</u>

The bond anticipation note was issued to finance the cost of a legal settlement in the Highway Fund.

Interest expense of \$2,401 was recorded in the government-wide financial statements.

TOWN OF NORTH CASTLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

G. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2011</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance December 31, 2011</u>
Bond Anticipation Notes Payable:							
Sewer No. 2 Odor Control	1998	1/12	1.85 %	\$ 70,000	\$ -	\$ 8,750	\$ 61,250
Sewer No. 2 Sand Filter	2003	-	-	3,500	-	3,500	-
Highway Equipment - 2007	2006	-	-	99,660	-	99,660	-
Technology - 2007	2007	4/12	0.99	124,000	-	62,000	62,000
Highway Equipment - 2007	2007	4/12	0.99	100,520	-	50,260	50,260
Vehicles - 2007	2007	4/12	0.99	64,470	-	32,235	32,235
Highway Equipment - 2008/2009	2008	4/12	0.99	238,311	-	79,437	158,874
Open Space Acquisition	2008	4/12	0.99	99,600	-	24,900	74,700
Lombardi Park	2008	4/12	0.99	210,000	-	70,000	140,000
Windmill Tank	2011	4/12	0.99	-	400,000	-	400,000
NWP Painting	2011	4/12	0.99	-	400,000	-	400,000
				<u>\$ 1,010,061</u>	<u>\$ 800,000</u>	<u>\$ 430,742</u>	<u>\$ 1,379,319</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 \$6,043 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 4,312
Highway	6,458
Special Districts	<u>1,389</u>
	<u>\$ 12,159</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)**H. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2011:

	Balance January 1, 2011	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2011	Due Within One Year
Bonds Payable:					
Capital Construction	\$ 15,065,000	\$ 2,500,000	\$ 758,000	\$ 16,807,000	\$ 774,000
Less - Deferred amounts	142,167	-	13,277	128,890	-
	<u>15,207,167</u>	<u>2,500,000</u>	<u>771,277</u>	<u>16,935,890</u>	<u>774,000</u>
Other Non-Current Liabilities:					
Compensated Absences	2,471,180	-	456,987	2,014,193	201,000
Other Post Employment Benefit Obligations Payable	6,293,044	3,160,255	942,461	8,510,838	-
Total Other Non-Current Liabilities	<u>8,764,224</u>	<u>3,160,255</u>	<u>1,399,448</u>	<u>10,525,031</u>	<u>201,000</u>
Total Long-term Liabilities	<u>\$ 23,971,391</u>	<u>\$ 5,660,255</u>	<u>\$ 2,170,725</u>	<u>\$ 27,460,921</u>	<u>\$ 975,000</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, 2011 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2011
Firehouse Acquisition	2004	\$ 1,100,000	December, 2024	3.500 - 4.250 %	\$ 750,000
Firehouse Acquisition	2006	1,100,000	November, 2026	3.600 - 4.500	865,000
Public Improvements	2007	2,380,000	December, 2022	3.625 - 3.875	1,890,000
Sewer No. 2 Treatment Plant Upgrade	2007	4,223,563	March, 2037	3.940 - 4.789	3,795,000
Sewer Nitrogen Removal - Environmental Facilities Corporation	2009	5,245,000	October, 2033	4.270	4,837,000
Refunding Bonds	2010	1,740,000	April, 2021	2.000 - 5.000	1,560,000
Public Improvements	2010	645,000	April, 2026	1.250 - 5.000	610,000
Public Improvements	2011	2,500,000	November, 2026	1.250 - 3.000	2,500,000
					<u>\$ 16,807,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$438,660 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$427,917 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, 2011 including interest payments of \$6,963,529 are as follows:

Year Ended December 31,	Principal	Interest	Total
2012	\$ 774,000	\$ 630,247	\$ 1,404,247
2013	934,000	607,942	1,541,942
2014	954,000	577,652	1,531,652
2015	904,000	546,673	1,450,673
2016	929,000	513,625	1,442,625
2017-2021	4,975,000	2,053,929	7,028,929
2022-2026	3,675,000	1,199,199	4,874,199
2027-2031	1,991,000	639,147	2,630,147
2032-2036	1,481,000	190,692	1,671,692
2037	190,000	4,423	194,423
	<u>\$ 16,807,000</u>	<u>\$ 6,963,529</u>	<u>\$ 23,770,529</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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

expenditures of \$25,624 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.

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:

Year Ended December 31,	Medical	Dental and Vision
2012	7.5 %	5.0 %
2013	7.0	5.0
2014	6.5	5.0
2015	6.0	5.0
2016	5.5	5.0
2017+	5.0	5.0

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 26 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, 2011 was as follows:

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

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2010	\$ 37,289,643
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 37,289,643</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 9,927,462</u>
UAAL as a Percentage of Covered Payroll	<u>375.62%</u>
Annual Required Contribution	\$ 3,186,318
Interest on Net OPEB Obligation	251,722
Adjustment to Annual Required Contribution	<u>(277,785)</u>
Annual OPEB Cost	3,160,255
Contributions Made	<u>(942,461)</u>
Increase in Net OPEB Obligation	2,217,794
Net OPEB Obligation - Beginning of Year	<u>6,293,044</u>
Net OPEB Obligation - End of Year	<u>\$ 8,510,838</u>

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>
2011	\$ 3,160,255	29.82 %	\$ 8,510,838
2010	3,007,345	28.03	6,293,044
2009	3,036,359	32.00	4,128,753

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

I. 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:

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In		Total
	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ 199,452	\$ 200,437	\$ 399,889
Highway Fund	335,971	-	335,971
Special Districts Fund	8,750	998,908	1,007,658
Non-Major Governmental Funds	254,769	-	254,769
	<u>\$ 798,942</u>	<u>\$ 1,199,345</u>	<u>\$ 1,998,287</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.

J. 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.

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 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".

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2011

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2011													
	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -	\$ 135,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,633	\$ 89,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,723
Prepaid expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted:														
Capital projects	-	-	-	-	2,052,143	-	2,052,143	-	-	-	-	467,212	-	467,212
Parklands	-	-	-	-	-	231,264	231,264	-	-	-	-	-	394,856	394,856
Trusts	-	-	-	-	-	932,234	932,234	-	-	-	-	-	989,398	989,398
Workers' compensation	1,692	-	-	-	-	1,692	1,692	1,692	-	-	-	-	-	1,692
DARE	-	-	-	-	-	1,847	1,847	1,847	-	-	-	-	-	1,847
Debt service	-	-	-	-	-	3,651	3,651	-	-	-	-	-	966	966
Total Restricted	1,692	-	-	-	2,052,143	1,167,149	3,220,984	3,539	-	-	-	467,212	1,385,220	1,855,971
Committed - Open space	9,700	-	-	-	-	-	9,700	9,700	-	-	-	-	-	9,700
Assigned:														
Purchases on order:														
General government support	46,502	-	-	-	-	-	46,502	120,833	-	-	-	-	-	120,833
Public safety	39,215	-	-	-	-	-	39,215	7,988	-	-	-	-	-	7,988
Transportation	-	6,874	-	-	-	-	6,874	-	10,172	-	-	-	-	10,172
Culture and recreation	9,776	-	-	-	-	-	9,776	6,443	-	-	-	-	-	6,443
Home and community services	8,000	-	-	125,208	-	-	133,208	19,034	-	-	219,844	-	-	238,878
Designated for subsequent year's expenditures														
Highway	-	150,000	50,000	397,410	-	-	597,410	-	150,000	50,000	539,044	-	-	739,044
Library	-	106,660	-	-	-	-	106,660	-	824,307	-	-	-	-	824,307
Special Districts	-	-	125,101	-	-	-	125,101	-	-	146,343	-	-	-	146,343
Total Assigned	103,493	263,534	175,101	3,779,686	-	-	4,321,814	154,298	984,479	196,343	3,801,396	-	-	5,136,516
Unassigned	2,994,260	-	-	-	-	-	2,994,260	2,081,373	-	-	-	-	-	2,081,373
Total Fund Balances	\$ 3,244,778	\$ 263,534	\$ 175,101	\$ 3,779,686	\$ 2,052,143	\$ 1,167,149	\$ 10,682,391	\$ 2,338,633	\$ 984,479	\$ 196,343	\$ 3,801,396	\$ 467,212	\$ 1,385,220	\$ 9,173,283

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of restricted 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.

Prepaid Expenditures has been established to account for employee retirement and other payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Open Space represents funds which the Town will use to acquire and/or develop recreational facilities and open space. The amount is classified as committed to indicate that Town Board approval is needed in order to spend these funds.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority and complete the transactions.

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At December 31, 2011, the Town Board has assigned the above amounts to be appropriated from the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

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.

Note 5 - Other Matters

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

TOWN OF NORTH CASTLE, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - 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, 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
January 1, 2011	-	37,289,643	37,289,643	-	9,927,462	375.62

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.

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 5,071,083	\$ 9,912,045
Petty cash	600	600
	<u>5,071,683</u>	<u>9,912,645</u>
Investments	<u>338,662</u>	<u>338,486</u>
Taxes Receivable, net of allowance for uncollectible taxes of \$109,300 in 2011 and \$87,888 in 2010	<u>33,870,927</u>	<u>27,396,351</u>
Other Receivables:		
Accounts	128,800	119,595
Due from other funds	344,971	-
Due from other governments	403,562	397,605
	<u>877,333</u>	<u>517,200</u>
Prepaid Expenditures	<u>135,633</u>	<u>89,723</u>
Total Assets	<u>\$ 40,294,238</u>	<u>\$ 38,254,405</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 156,228	\$ 35,227
Accrued liabilities	259,131	88,626
Retainages payable	16,448	14,822
Due to other funds	10,570	-
Due to other governments	28,316	27,260
Due to school districts	34,933,476	34,319,321
Deferred tax revenues	1,645,291	1,430,516
Total Liabilities	<u>37,049,460</u>	<u>35,915,772</u>
Fund Balance:		
Nonspendable	135,633	89,723
Restricted	1,692	3,539
Committed	9,700	9,700
Assigned	103,493	154,298
Unassigned	2,994,260	2,081,373
Total Fund Balance	<u>3,244,778</u>	<u>2,338,633</u>
Total Liabilities and Fund Balance	<u>\$ 40,294,238</u>	<u>\$ 38,254,405</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, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 11,850,007	\$ 11,850,007	\$ 11,516,594	\$ (333,413)
Other tax items	1,148,610	1,148,610	1,304,046	155,436
Non-property taxes	1,565,000	1,565,000	1,779,878	214,878
Departmental income	1,259,610	1,259,610	1,276,487	16,877
Use of money and property	93,800	93,800	115,181	21,381
Licenses and permits	465,210	465,210	533,168	67,958
Fines and forfeitures	200,000	200,000	204,197	4,197
Sale of property and compensation for loss	3,600	3,600	3,011	(589)
State aid	685,500	685,500	823,767	138,267
Federal aid	-	-	-	-
Miscellaneous	47,000	47,000	39,351	(7,649)
Total Revenues	17,318,337	17,318,337	17,595,680	277,343
Expenditures:				
Current:				
General government support	4,536,063	4,339,270	3,916,714	422,556
Public safety	7,691,603	7,964,363	8,062,148	(97,785)
Health	6,862	6,862	5,358	1,504
Transportation	296,519	296,488	235,446	61,042
Economic opportunity and development	113,030	123,226	107,883	15,343
Culture and recreation	2,591,437	2,527,784	2,487,376	40,408
Home and community services	1,689,871	1,644,221	1,578,681	65,540
Debt service - Interest	4,315	4,312	4,312	-
Total Expenditures	16,929,700	16,906,526	16,397,918	508,608
Excess of Revenues Over Expenditures	388,637	411,811	1,197,762	785,951
Other Financing Sources (Uses):				
Sale of real property	-	-	-	-
Insurance recoveries	10,000	10,000	108,272	98,272
Transfers out	(552,935)	(541,932)	(399,889)	142,043
Total Other Financing Uses	(542,935)	(531,932)	(291,617)	240,315
Net Change in Fund Balance	(154,298)	(120,121)	906,145	1,026,266
Fund Balance - Beginning of Year	154,298	120,121	2,338,633	2,218,512
Fund Balance - End of Year	\$ -	\$ -	\$ 3,244,778	\$ 3,244,778

2010			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,865,253	\$ 11,865,253	\$ 11,252,920	\$ (612,333)
1,006,625	1,006,625	1,414,904	408,279
1,390,000	1,390,000	1,648,859	258,859
1,369,560	1,574,560	1,519,830	(54,730)
135,800	135,800	86,056	(49,744)
565,210	565,210	411,450	(153,760)
181,000	188,556	207,824	19,268
23,600	23,600	13,593	(10,007)
597,500	597,500	782,003	184,503
-	-	21,158	21,158
45,000	47,875	68,178	20,303
<u>17,179,548</u>	<u>17,394,979</u>	<u>17,426,775</u>	<u>31,796</u>
4,102,029	3,910,813	3,404,131	506,682
7,911,157	8,306,599	8,063,353	243,246
6,862	6,862	5,358	1,504
333,560	326,960	322,580	4,380
132,500	118,770	96,002	22,768
2,726,103	2,729,874	2,577,637	152,237
1,640,668	1,655,141	1,496,526	158,615
18,960	21,169	18,960	2,209
<u>16,871,839</u>	<u>17,076,188</u>	<u>15,984,547</u>	<u>1,091,641</u>
<u>307,709</u>	<u>318,791</u>	<u>1,442,228</u>	<u>1,123,437</u>
25,000	25,000	49,699	24,699
-	-	-	-
<u>(388,376)</u>	<u>(402,168)</u>	<u>(373,231)</u>	<u>28,937</u>
<u>(363,376)</u>	<u>(377,168)</u>	<u>(323,532)</u>	<u>53,636</u>
(55,667)	(58,377)	1,118,696	1,177,073
<u>55,667</u>	<u>58,377</u>	<u>1,219,937</u>	<u>1,161,560</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,338,633</u>	<u>\$ 2,338,633</u>

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2011
 (With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
REAL PROPERTY TAXES	\$ 11,850,007	\$ 11,850,007	\$ 11,516,594	\$ (333,413)	\$ 11,252,920
OTHER TAX ITEMS					
Payments in lieu of taxes	798,610	798,610	828,318	29,708	777,300
Interest and penalties on real property taxes	350,000	350,000	475,728	125,728	637,604
NON-PROPERTY TAXES	1,148,610	1,148,610	1,304,046	155,436	1,414,904
Non-property tax distribution from County	1,350,000	1,350,000	1,540,366	190,366	1,428,861
Franchise fees - Cable TV	215,000	215,000	239,512	24,512	219,998
DEPARTMENTAL INCOME	1,565,000	1,565,000	1,779,878	214,878	1,648,859
Charges for tax redemption	1,050	1,050	415	(635)	1,513
Assessor's fees	2,000	2,000	1,182	(818)	1,455
Town Clerk fees	9,000	9,000	8,717	(283)	18,698
Housing Board fees	500	500	225	(275)	1,200
Inspection fees	50,000	50,000	47,682	(2,318)	57,286
Police fees	26,000	26,000	41,544	15,544	274,750
Dog control fines	100	100	150	50	35
Planning Board fees	20,000	20,000	10,712	(9,288)	19,440
Park and recreation charges	887,000	887,000	921,469	34,469	884,949
Recreation concessions	120,000	120,000	119,117	(883)	105,678
Parking lot fees	73,960	73,960	78,523	4,563	73,422
Zoning fees	40,000	40,000	12,001	(27,999)	46,579
False alarm fees	30,000	30,000	34,750	4,750	34,825
	1,259,610	1,259,610	1,276,487	16,877	1,519,830

USE OF MONEY AND PROPERTY

Earnings on investments	75,000	75,000	94,968	19,968	70,509
Rents	18,800	18,800	20,213	1,413	15,547
	93,800	93,800	115,181	21,381	86,056
LICENSES AND PERMITS					
Business and occupational licenses	1,600	1,600	2,800	1,200	2,125
Dog licenses	3,600	3,600	3,877	277	2,898
Building and alteration permits	460,000	460,000	526,491	66,491	406,407
Games of chance	10	10	-	(10)	20
	465,210	465,210	533,168	67,958	411,450
FINES AND FORFEITURES					
Fines and forfeited bail	200,000	200,000	204,197	4,197	207,824
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	3,000	3,000	2,696	(304)	2,761
Sale of equipment	600	600	315	(285)	-
Insurance recoveries	-	-	-	-	10,832
	3,600	3,600	3,011	(589)	13,593
STATE AID					
Per capita	55,000	55,000	52,372	(2,628)	53,441
Mortgage tax	600,000	600,000	746,692	146,692	685,776
Police - Stop DWI and D.A.R.E programs	30,000	30,000	24,703	(5,297)	37,758
Youth Programs	-	-	-	-	5,028
Other	500	500	-	(500)	-
	685,500	685,500	823,767	138,267	782,003

(Continued)

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2011
 (With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
FEDERAL AID					
Public safety grant	\$ -	\$ -	\$ -	\$ -	\$ 21,158
MISCELLANEOUS					
Refund of prior year's expenditures	2,000	2,000	4,667	2,667	-
Medicare Part D reimbursement	35,000	35,000	25,624	(9,376)	34,891
Gifts and donations	2,000	2,000	100	(1,900)	10,375
Other	8,000	8,000	8,960	960	22,912
	<u>47,000</u>	<u>47,000</u>	<u>39,351</u>	<u>(7,649)</u>	<u>68,178</u>
TOTAL REVENUES	17,318,337	17,318,337	17,595,680	277,343	17,426,775
OTHER FINANCING SOURCES					
Sale of real property	-	-	-	-	49,699
Insurance recoveries	10,000	10,000	108,272	98,272	-
	<u>10,000</u>	<u>10,000</u>	<u>108,272</u>	<u>98,272</u>	<u>49,699</u>
TOTAL OTHER FINANCING SOURCES	10,000	10,000	108,272	98,272	49,699
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 17,328,337	\$ 17,328,337	\$ 17,703,952	\$ 375,615	\$ 17,476,474

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2011
 (With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 144,249	\$ 141,459	\$ 141,209	\$ 250	\$ 135,808
Town Justice	448,388	431,144	431,144	-	407,704
Supervisor	263,746	257,381	270,332	(12,951)	245,489
Finance	415,233	378,228	375,282	2,946	380,563
Independent audit	74,750	75,185	75,185	-	68,700
Receiver of Taxes	250,420	262,775	262,991	(216)	240,671
Assessor	484,824	469,570	525,723	(56,153)	393,041
Fiscal agent fees	5,000	351	13,674	(13,323)	4,581
Town Clerk	436,142	420,845	420,845	-	451,683
Town Attorney	423,726	336,712	330,418	6,294	297,497
Engineer	165,245	162,634	162,634	-	159,125
Elections	22,470	22,152	23,339	(1,187)	22,870
Records management	5,200	2,449	2,449	-	183
Town Clerk - Public information	88,315	78,655	72,059	6,596	41,490
Town Clerk - Public works	199,251	194,642	139,840	54,802	-
Central communications	66,228	61,078	45,731	15,347	45,754
Central printing	47,582	47,582	33,271	14,311	41,559
Central data processing	109,693	96,324	79,419	16,905	41,646
Buildings	270,550	279,652	249,937	29,715	248,533
Special items:					
Unallocated insurance	27,885	28,143	26,863	1,280	25,087
Municipal association dues	5,100	5,100	4,750	350	5,100
Taxes on Town property	35,000	35,000	29,890	5,110	32,222
Judgments and claims	280,000	273,667	130,623	143,044	46,963
Miscellaneous - Consultants	67,066	78,542	69,106	9,436	67,862
Contingency	200,000	200,000	-	200,000	-
	<u>4,536,063</u>	<u>4,339,270</u>	<u>3,916,714</u>	<u>422,556</u>	<u>3,404,131</u>

PUBLIC SAFETY

Police	6,869,221	7,129,053	7,252,179	(123,126)	7,160,249
Jail	250	250	25	225	17
Traffic control	17,500	17,776	9,082	8,694	15,505
Safety inspection	677,816	689,423	690,328	(905)	757,628
Control of animals	61,716	64,668	63,795	873	59,959
E-911	44,595	40,523	35,572	4,951	43,166
Emergency operations	19,550	19,550	8,799	10,751	23,930
D.A.R.E	-	2,165	2,165	-	2,740
Civil defense	955	955	203	752	159
	<u>7,691,603</u>	<u>7,964,363</u>	<u>8,062,148</u>	<u>(97,785)</u>	<u>8,063,353</u>

HEALTH

Nursing services	1,500	1,500	-	1,500	-
Registrar of Vital Statistics	5,362	5,362	5,358	4	5,358
	<u>6,862</u>	<u>6,862</u>	<u>5,358</u>	<u>1,504</u>	<u>5,358</u>

TRANSPORTATION

Off-street parking	37,166	37,166	28,235	8,931	31,018
Transportation administration	243,803	237,312	185,201	52,111	275,213
Sidewalks	15,550	22,010	22,010	-	16,349
	<u>296,519</u>	<u>296,488</u>	<u>235,446</u>	<u>61,042</u>	<u>322,580</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Social services - Home meals	13,000	14,717	14,717	-	11,446
Programs for the aging	100,030	108,509	93,166	15,343	84,556
	<u>113,030</u>	<u>123,226</u>	<u>107,883</u>	<u>15,343</u>	<u>96,002</u>

CULTURE AND RECREATION

Recreation administration	1,094,199	1,052,453	1,047,281	5,172	1,110,737
Parks	784,397	812,563	803,788	8,775	804,366
Camps	541,956	521,710	502,749	18,961	504,555
North Castle Community Park	70,225	55,507	55,507	-	72,688
Community center	92,910	75,020	73,735	1,285	78,256
Joint recreation Banksville Community Center	5,500	5,500	-	5,500	5,500
Town historian	250	250	35	215	35
Historical property	500	500	-	500	-
Celebrations	1,500	4,281	4,281	-	1,500
	<u>2,591,437</u>	<u>2,527,784</u>	<u>2,487,376</u>	<u>40,408</u>	<u>2,577,637</u>

(Continued)

TOWN OF NORTH CASTLE, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2011
 (With Comparative Actuals for 2010)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2010 Actual
HOME AND COMMUNITY SERVICES					
Zoning Board of Appeals	\$ 10,690	\$ 10,690	\$ 2,495	\$ 8,195	\$ 3,313
Planning Board	333,485	313,352	303,950	9,402	287,431
Storm sewers	32,500	28,802	28,802	-	23,614
Refuse and garbage	1,155,900	1,172,754	1,132,811	39,943	1,085,636
Community beautification	28,000	18,349	10,349	8,000	14,470
Municipal housing	17,400	5,144	5,144	-	10,767
Pest control	3,000	1,435	1,435	-	1,740
Drainage	20,000	8,729	8,729	-	11,500
Shade trees	35,000	41,940	41,940	-	21,261
Conservation	52,396	43,026	43,026	-	36,794
Open space acquisition	1,000	-	-	-	-
Composting	500	-	-	-	-
	<u>1,689,871</u>	<u>1,644,221</u>	<u>1,578,681</u>	<u>65,540</u>	<u>1,496,526</u>
DEBT SERVICE					
Interest - Bond anticipation notes	4,315	4,312	4,312	-	18,960
	<u>16,929,700</u>	<u>16,906,526</u>	<u>16,397,918</u>	<u>508,608</u>	<u>15,984,547</u>
OTHER FINANCING USES					
Transfers out:					
Debt Service Fund	200,440	200,437	200,437	-	170,881
Capital Projects Fund	352,495	341,495	199,452	142,043	202,350
	<u>552,935</u>	<u>541,932</u>	<u>399,889</u>	<u>142,043</u>	<u>373,231</u>
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 17,482,635</u>	<u>\$ 17,448,458</u>	<u>\$ 16,797,807</u>	<u>\$ 650,651</u>	<u>\$ 16,357,778</u>

TOWN OF NORTH CASTLE, NEW YORK

HIGHWAY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Cash - Demand deposits	\$ 791,135	\$ 969,579
Receivables:		
Accounts	4,071	4,135
State and Federal aid	-	143,115
Due from other funds	<u>353,432</u>	<u>-</u>
	<u>357,503</u>	<u>147,250</u>
 Total Assets	 <u>\$ 1,148,638</u>	 <u>\$ 1,116,829</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 195,672	\$ 2,552
Accrued liabilities	-	129,798
Due to other funds	336,000	-
Bond anticipation notes payable	<u>353,432</u>	<u>-</u>
 Total Liabilities	 <u>885,104</u>	 <u>132,350</u>
 Fund Balance - Assigned	 <u>263,534</u>	 <u>984,479</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,148,638</u>	 <u>\$ 1,116,829</u>

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, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 4,369,397	\$ 4,369,397	\$ 4,369,397	\$ -
Intergovernmental charges	100,000	100,000	126,000	26,000
Use of money and property	10,000	10,000	-	(10,000)
Sale of property and compensation for loss	23,500	23,500	32,101	8,601
Interfund revenues	3,000	3,000	4,051	1,051
State aid	-	-	69,456	69,456
Federal aid	-	-	9,156	9,156
Total Revenues	4,505,897	4,505,897	4,610,161	104,264
Expenditures:				
Current:				
General government support	7,000	419,300	390,868	28,432
Transportation	4,326,609	4,257,772	4,597,809	(340,037)
Debt service - Interest	6,460	6,458	6,458	-
Total Expenditures	4,340,069	4,683,530	4,995,135	(311,605)
Excess (Deficiency) of Revenues Over Expenditures	165,828	(177,633)	(384,974)	(207,341)
Other Financing Sources (Uses):				
Obligations authorized	-	353,432	-	(353,432)
Transfers out	(326,000)	(335,971)	(335,971)	-
Total Other Financing Sources (Uses)	(326,000)	17,461	(335,971)	(353,432)
Net Change in Fund Balance	(160,172)	(160,172)	(720,945)	(560,773)
Fund Balance - Beginning of Year	160,172	160,172	984,479	824,307
Fund Balance - End of Year	\$ -	\$ -	\$ 263,534	\$ 263,534

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,241,299	\$ 4,241,299	\$ 4,241,299	\$ -
80,500	80,500	195,849	115,349
15,000	15,000	7,058	(7,942)
23,200	23,200	27,163	3,963
2,200	2,200	3,381	1,181
-	-	120,445	120,445
-	-	122,670	122,670
<u>4,362,199</u>	<u>4,362,199</u>	<u>4,717,865</u>	<u>355,666</u>
-	6,800	5,141	1,659
4,336,002	4,365,000	4,267,647	97,353
17,700	18,902	18,902	-
<u>4,353,702</u>	<u>4,390,702</u>	<u>4,291,690</u>	<u>99,012</u>
<u>8,497</u>	<u>(28,503)</u>	<u>426,175</u>	<u>454,678</u>
-	-	-	-
<u>(291,597)</u>	<u>(291,597)</u>	<u>(281,597)</u>	<u>10,000</u>
<u>(291,597)</u>	<u>(291,597)</u>	<u>(281,597)</u>	<u>10,000</u>
(283,100)	(320,100)	144,578	464,678
<u>283,100</u>	<u>320,100</u>	<u>839,901</u>	<u>519,801</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 984,479</u>	<u>\$ 984,479</u>

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

PUBLIC LIBRARY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 176,801	\$ 198,153
Petty cash	<u>178</u>	<u>178</u>
Total Assets	<u>\$ 176,979</u>	<u>\$ 198,331</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Accounts payable	\$ 1,878	\$ 1,988
Fund Balance - Assigned	<u>175,101</u>	<u>196,343</u>
Total Liabilities and Fund Balance	<u>\$ 176,979</u>	<u>\$ 198,331</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, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 1,467,434	\$ 1,467,434	\$ 1,467,435	\$ 1
Departmental income	30,500	30,500	20,378	(10,122)
Use of money and property	20,500	20,500	18,081	(2,419)
Sale of property and compensation for loss	1,300	1,300	876	(424)
State aid	3,200	35,342	37,291	1,949
Miscellaneous	575	10,575	16,407	5,832
Total Revenues	1,523,509	1,565,651	1,560,468	(5,183)
Expenditures -				
Current -				
Culture and recreation	1,573,509	1,615,651	1,581,710	33,941
Deficiency of Revenues Over Expenditures	(50,000)	(50,000)	(21,242)	28,758
Fund Balance - Beginning of Year	50,000	50,000	196,343	146,343
Fund Balance - End of Year	\$ -	\$ -	\$ 175,101	\$ 175,101

2010			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,391,121	\$ 1,391,121	\$ 1,391,121	\$ -
30,500	30,500	21,334	(9,166)
23,000	23,000	21,272	(1,728)
1,100	1,100	1,380	280
3,200	15,562	12,526	(3,036)
575	575	2,487	1,912
1,449,496	1,461,858	1,450,120	(11,738)
1,535,476	1,547,838	1,497,378	50,460
(85,980)	(85,980)	(47,258)	38,722
85,980	85,980	243,601	157,621
\$ -	\$ -	\$ 196,343	\$ 196,343

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND
 COMBINING BALANCE SHEET - SUB FUNDS
 DECEMBER 31, 2011
 (With Comparative Totals for 2010)

	Water Districts					
	No. 1	No. 2	No. 4	No. 5	No. 6	No. 7
ASSETS						
Cash - Demand deposits	\$ 512,294	\$ 738,413	\$ 800,066	\$ 149,472	\$ -	\$ 63,360
Receivables:						
Water rents	96,600	27,228	23,017	3,663	-	689
State and Federal aid	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
	<u>96,600</u>	<u>27,228</u>	<u>23,017</u>	<u>3,663</u>	<u>-</u>	<u>689</u>
Total Assets	<u>\$ 608,894</u>	<u>\$ 765,641</u>	<u>\$ 823,083</u>	<u>\$ 153,135</u>	<u>\$ -</u>	<u>\$ 64,049</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts payable	\$ 49,452	\$ 9,491	\$ 44,328	\$ 1,464	\$ -	\$ 122
Accrued liabilities	4,751	-	3,943	-	-	-
Retainages payable	-	1,651	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Due to other funds	404,902	404,902	-	-	12,210	-
Total Liabilities	459,105	416,044	48,271	1,464	12,210	122
Fund Balances (Deficits) - Assigned	<u>149,789</u>	<u>349,597</u>	<u>774,812</u>	<u>151,671</u>	<u>(12,210)</u>	<u>63,927</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 608,894</u>	<u>\$ 765,641</u>	<u>\$ 823,083</u>	<u>\$ 153,135</u>	<u>\$ -</u>	<u>\$ 64,049</u>

Sewer Districts					Street Lighting Districts		
No. 1	No. 2	No. 3	No. 4	Quarry Heights	No. 1	No. 2	No. 3
\$ 360,557	\$ 1,377,044	\$ 338,877	\$ 108,459	\$ 20,644	\$ 37,717	\$ 53,066	\$ 13,763
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,500	-	-	-	-	-	-
-	3,500	-	-	-	-	-	-
<u>\$ 360,557</u>	<u>\$ 1,380,544</u>	<u>\$ 338,877</u>	<u>\$ 108,459</u>	<u>\$ 20,644</u>	<u>\$ 37,717</u>	<u>\$ 53,066</u>	<u>\$ 13,763</u>
\$ 1,722	\$ 31,716	\$ 3,553	\$ 4,725	\$ 261	\$ 3,887	\$ 5,628	\$ 104
-	-	-	-	-	-	-	-
-	-	-	-	-	267	267	134
-	3,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,722	34,716	3,553	4,725	261	4,154	5,895	238
358,835	1,345,828	335,324	103,734	20,383	33,563	47,171	13,525
<u>\$ 360,557</u>	<u>\$ 1,380,544</u>	<u>\$ 338,877</u>	<u>\$ 108,459</u>	<u>\$ 20,644</u>	<u>\$ 37,717</u>	<u>\$ 53,066</u>	<u>\$ 13,763</u>

(Continued)

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL DISTRICTS FUND
 COMBINING BALANCE SHEET - SUB FUNDS (Continued)
 DECEMBER 31, 2011
 (With Comparative Totals for 2010)

	Fire Protection District No. 1	Parking District No. 1	Ambulance Districts		Totals	
			No. 1	No. 2	2011	2010
<u>ASSETS</u>						
Cash - Demand deposits	\$ 22,149	\$ 3,062	\$ 13,180	\$ 5,346	\$ 4,617,469	\$ 3,833,352
Receivables:						
Water rents	-	-	-	-	151,197	91,301
State and Federal aid	-	-	-	-	-	12,776
Due from other funds	-	-	-	-	3,500	-
	-	-	-	-	154,697	104,077
Total Assets	\$ 22,149	\$ 3,062	\$ 13,180	\$ 5,346	\$ 4,772,166	\$ 3,937,429
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 156,453	\$ 122,731
Accrued liabilities	-	-	-	-	8,694	4,525
Retainages payable	-	-	-	-	2,319	2,319
Deferred revenues	-	-	-	-	3,000	6,458
Due to other funds	-	-	-	-	822,014	-
Total Liabilities	-	-	-	-	992,480	136,033
Fund Balances (Deficits) - Assigned	22,149	3,062	13,180	5,346	3,779,686	3,801,396
Total Liabilities and Fund Balances (Deficits)	\$ 22,149	\$ 3,062	\$ 13,180	\$ 5,346	\$ 4,772,166	\$ 3,937,429

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, 2011
 (With Comparative Totals for 2010)

Water Districts

	No. 1	No. 2	No. 4	No. 5	No. 6	No. 7
Revenues:						
Real property taxes	\$ 125,224	\$ 167,700	\$ 19,254	\$ 30,000	\$ -	\$ 32,401
Departmental income	609,847	362,911	347,773	88,533	-	17,695
Use of money and property	10,869	2,966	2,466	710	-	443
State aid	-	-	-	-	-	-
Federal aid	-	-	-	-	-	-
Miscellaneous	11,872	6,969	7,207	2,010	-	-
Total Revenues	757,812	540,546	376,700	121,253	-	50,539
Expenditures:						
Current:						
General government support	5,338	2,414	418	-	-	22
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Home and community services	592,314	303,195	416,126	72,977	12,210	16,908
Debt service - Interest	-	-	-	-	-	-
Total Expenditures	597,652	305,609	416,544	72,977	12,210	16,930
Excess (Deficiency) of Revenues Over Expenditures	160,160	234,937	(39,844)	48,276	(12,210)	33,609
Other Financing Uses -						
Transfers out	(125,583)	(167,838)	(19,388)	(39,967)	-	(32,389)
Net Change in Fund Balances	34,577	67,099	(59,232)	8,309	(12,210)	1,220
Fund Balances -						
Beginning of Year	115,212	282,498	834,044	143,362	-	62,707
Fund Balances (Deficits)-						
End of Year	\$ 149,789	\$ 349,597	\$ 774,812	\$ 151,671	\$ (12,210)	\$ 63,927

Sewer Districts					Street Lighting Districts		
No. 1	No. 2	No. 3	No. 4	Quarry Heights	No. 1	No. 2	No. 3
\$ 103,325	\$ 1,102,745	\$ 99,988	\$ 32,167	\$ 25,118	\$ 40,257	\$ 51,482	\$ 1,473
50	100	-	-	-	-	-	-
-	249,798	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
526	2,764	341	157	113	-	-	-
<u>103,901</u>	<u>1,355,407</u>	<u>100,329</u>	<u>32,324</u>	<u>25,231</u>	<u>40,257</u>	<u>51,482</u>	<u>1,473</u>
1,863	3,218	84	39	-	668	1,112	357
-	-	-	-	-	-	-	-
-	-	-	-	-	46,685	67,681	1,807
68,390	858,660	63,756	29,132	15,164	-	-	-
-	1,389	-	-	-	-	-	-
<u>70,253</u>	<u>863,267</u>	<u>63,840</u>	<u>29,171</u>	<u>15,164</u>	<u>47,353</u>	<u>68,793</u>	<u>2,164</u>
33,648	492,140	36,489	3,153	10,067	(7,096)	(17,311)	(691)
-	(622,493)	-	-	-	-	-	-
33,648	(130,353)	36,489	3,153	10,067	(7,096)	(17,311)	(691)
<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>
<u>\$ 358,835</u>	<u>\$ 1,345,828</u>	<u>\$ 335,324</u>	<u>\$ 103,734</u>	<u>\$ 20,383</u>	<u>\$ 33,563</u>	<u>\$ 47,171</u>	<u>\$ 13,525</u>

(Continued)

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, 2011
 (With Comparative Totals for 2010)

	Fire Protection District No. 1	Parking District No. 1	Ambulance Districts		Totals	
			No. 1	No. 2	2011	2010
Revenues:						
Real property taxes	\$ 436,702	\$ -	\$ 70,625	\$ 188,148	\$ 2,526,609	\$ 2,929,649
Departmental income	-	-	-	-	1,426,909	1,248,340
Use of money and property	-	-	-	-	267,252	251,486
State aid	-	-	-	-	-	1,825
Federal aid	-	-	-	-	-	10,950
Miscellaneous	-	-	-	-	31,959	121,309
Total Revenues	436,702	-	70,625	188,148	4,252,729	4,563,559
Expenditures:						
Current:						
General government support	704	-	762	1,182	18,181	3,379
Public safety	429,243	-	-	-	429,243	429,243
Health	-	-	66,861	186,102	252,963	255,811
Transportation	-	-	-	-	116,173	120,463
Home and community services	-	-	-	-	2,448,832	2,319,622
Debt service - Interest	-	-	-	-	1,389	15,118
Total Expenditures	429,947	-	67,623	187,284	3,266,781	3,143,636
Excess (Deficiency) of Revenues Over Expenditures	6,755	-	3,002	864	985,948	1,419,923
Other Financing Uses - Transfers out	-	-	-	-	(1,007,658)	(1,577,919)
Net Change in Fund Balances	6,755	-	3,002	864	(21,710)	(157,996)
Fund Balances - Beginning of Year	15,394	3,062	10,178	4,482	3,801,396	3,959,392
Fund Balances (Deficits) - End of Year	\$ 22,149	\$ 3,062	\$ 13,180	\$ 5,346	\$ 3,779,686	\$ 3,801,396

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,854,141	\$ 926,629
Restricted Investments	631,881	933,918
State and Federal Aid Receivable	236,259	164,838
Due from Other Funds	<u>466,681</u>	<u>-</u>
Total Assets	<u>\$ 4,188,962</u>	<u>\$ 2,025,385</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 440,724	\$ 271,247
Retainages payable	286,776	246,865
Deferred revenues	30,000	30,000
Bond anticipation notes payable	<u>1,379,319</u>	<u>1,010,061</u>
Total Liabilities	2,136,819	1,558,173
Fund Balance - Restricted	<u>2,052,143</u>	<u>467,212</u>
Total Liabilities and Fund Balance	<u>\$ 4,188,962</u>	<u>\$ 2,025,385</u>

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
State aid	\$ 160,372	\$ 143,047
Federal aid	-	8,253
Miscellaneous	-	1,500
	<u>160,372</u>	<u>152,800</u>
Total Revenues	160,372	152,800
Expenditures - Capital outlay	<u>1,874,383</u>	<u>1,527,501</u>
Deficiency of Revenues Over Expenditures	<u>(1,714,011)</u>	<u>(1,374,701)</u>
Other Financing Sources:		
Bonds issued	2,500,000	645,000
Transfers in	<u>798,942</u>	<u>1,035,700</u>
Total Other Financing Sources	<u>3,298,942</u>	<u>1,680,700</u>
Net Change in Fund Balance	1,584,931	305,999
Fund Balance - Beginning of Year	<u>467,212</u>	<u>161,213</u>
Fund Balance - End of Year	<u>\$ 2,052,143</u>	<u>\$ 467,212</u>

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL PROJECTS FUND
 PROJECT-LENGTH SCHEDULE
 INCEPTION OF PROJECT THROUGH DECEMBER 31, 2011

PROJECT	Project Number	Project Budget	Expenditures and Transfers	Unexpended Balance
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
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	4,431,472	768,528
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	3,957,496	3,804,564	152,932
Highway Equipment - 2007	115	310,000	331,758	(21,758)
Technology - 2007	115	251,300	216,250	35,050
Vehicles - 2007	115	161,175	115,266	45,909
Windmill Tank	115	2,080,000	1,857,621	222,379
NWP Painting	117	1,130,000	514,353	615,647
Sewer Nitrogen Removal	118	5,300,000	5,346,570	(46,570)
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	529,600	417,001	112,599
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	38,425	27,855	10,570
Highway Equipment - 2011	128	400,000	88,706	311,294
Town Wide Road Repair	129	2,273,076	837,612	1,435,464
Totals		<u>\$ 28,411,049</u>	<u>\$ 23,179,466</u>	<u>\$ 5,231,583</u>

Interfund Transfers	Methods of Financing				Fund Balance (Deficit) at December 31, 2011	Bond Anticipation Notes Outstanding at December 31, 2011
	Proceeds of Obligations	State and Federal Aid	Other	Totals		
\$ -	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ 379	\$ -
-	-	56,638	-	56,638	-	-
70,000	113,750	-	-	183,750	(61,250)	61,250
-	-	-	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	167,091	-
-	366,500	-	-	366,500	12,930	-
-	337,000	-	-	337,000	1,119	-
-	498,300	-	-	498,300	5,087	-
1,566,465	2,200,000	-	38,099	3,804,564	-	-
-	248,000	-	-	248,000	(83,758)	62,000
-	201,040	-	-	201,040	(15,210)	50,260
-	128,940	-	-	128,940	13,674	32,235
30,000	1,650,000	-	-	1,680,000	(177,621)	400,000
-	730,000	-	-	730,000	215,647	400,000
-	5,300,000	-	-	5,300,000	(46,570)	-
-	263,211	-	-	263,211	(253,319)	158,874
90,719	210,000	-	-	300,719	(138,699)	140,000
50,000	-	101,195	-	151,195	7,335	-
-	454,900	-	-	454,900	37,899	74,700
-	-	880,099	308,400	1,188,499	237,404	-
225,003	-	-	-	225,003	225,003	-
-	-	17,285	-	17,285	-	-
38,425	-	-	-	38,425	10,570	-
-	400,000	-	-	400,000	311,294	-
36,387	2,100,000	136,689	-	2,273,076	1,435,464	-
<u>\$ 2,284,123</u>	<u>\$ 21,280,204</u>	<u>\$ 1,191,906</u>	<u>\$ 475,376</u>	<u>\$ 25,231,609</u>	<u>\$ 2,052,143</u>	<u>\$ 1,379,319</u>

(This page intentionally left blank)

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.

TOWN OF NORTH CASTLE, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2011
 (With Comparative Totals for 2010)

	Special Purpose	Debt Service	Total	
			2011	2010
<u>ASSETS</u>				
Cash and Equivalents	<u>\$ 1,163,498</u>	<u>\$ 4,226</u>	<u>\$ 1,167,724</u>	<u>\$ 1,385,795</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities-				
Bond interest and matured bonds payable	\$ -	\$ 575	\$ 575	\$ 575
Fund Balances -				
Restricted	<u>1,163,498</u>	<u>3,651</u>	<u>1,167,149</u>	<u>1,385,220</u>
Total Liabilities and Fund Balances	<u>\$ 1,163,498</u>	<u>\$ 4,226</u>	<u>\$ 1,167,724</u>	<u>\$ 1,385,795</u>

TOWN OF NORTH CASTLE, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2011
 (With Comparative Totals for 2010)

	Special Purpose	Debt Service	Total	
			2011	2010
Revenues:				
Departmental income	\$ 51,735	\$ -	\$ 51,735	\$ 53,285
Use of money and property	1,152	-	1,152	2,653
Miscellaneous	2,195	-	2,195	38,574
Total Revenues	55,082	-	55,082	94,512
Expenditures:				
Current -				
Culture and recreation	21,069	-	21,069	4,092
Debt service:				
Principal	-	758,000	758,000	713,563
Interest	-	438,660	438,660	483,484
Refunding bond issuance costs	-	-	-	51,039
Total Expenditures	21,069	1,196,660	1,217,729	1,252,178
Excess (Deficiency) of Revenues Over Expenditures	34,013	(1,196,660)	(1,162,647)	(1,157,666)
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	1,740,000
Issuance premium	-	-	-	161,390
Payment to refunded bond escrow agent	-	-	-	(1,850,351)
Transfers in	-	1,199,345	1,199,345	1,197,047
Transfers out	(254,769)	-	(254,769)	-
Total Other Financing Sources (Uses)	(254,769)	1,199,345	944,576	1,248,086
Net Change in Fund Balances	(220,756)	2,685	(218,071)	90,420
Fund Balances - Beginning of Year	1,384,254	966	1,385,220	1,294,800
Fund Balances - End of Year	\$ 1,163,498	\$ 3,651	\$ 1,167,149	\$ 1,385,220

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 1,163,498</u>	<u>\$ 1,384,254</u>
<u>FUND BALANCE</u>		
Restricted	<u>\$ 1,163,498</u>	<u>\$ 1,384,254</u>

TOWN OF NORTH CASTLE, NEW YORK

SPECIAL PURPOSE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Departmental income	\$ 51,735	\$ 53,285
Use of money and property	1,152	2,653
Miscellaneous	<u>2,195</u>	<u>38,574</u>
Total Revenues	55,082	94,512
Expenditures - Current - Culture and recreation	<u>21,069</u>	<u>4,092</u>
Excess of Revenues Over Expenditures	34,013	90,420
Other Financing Uses -		
Transfers out	<u>(254,769)</u>	<u>-</u>
Net Change in Fund Balance	(220,756)	90,420
Fund Balance - Beginning of Year	<u>1,384,254</u>	<u>1,293,834</u>
Fund Balance - End of Year	<u>\$ 1,163,498</u>	<u>\$ 1,384,254</u>

(This page intentionally left blank)

TOWN OF NORTH CASTLE, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 3,651	\$ 966
Cash with fiscal agent	<u>575</u>	<u>575</u>
Total Assets	<u>\$ 4,226</u>	<u>\$ 1,541</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Bond interest and matured bonds payable	\$ 575	\$ 575
Fund Balance - Restricted	<u>3,651</u>	<u>966</u>
Total Liabilities and Fund Balance	<u>\$ 4,226</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, 2011 AND 2010

	2011			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures -				
Debt service:				
Serial bonds:				
Principal	758,030	758,030	758,000	30
Interest	431,890	441,374	438,660	2,714
Refunding bond issuance costs	-	-	-	-
Total Expenditures	1,189,920	1,199,404	1,196,660	2,744
Deficiency of Revenues Over Expenditures	(1,189,920)	(1,199,404)	(1,196,660)	2,744
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,189,920	1,199,404	1,199,345	(59)
Total Other Financing Sources	1,189,920	1,199,404	1,199,345	(59)
Net Change in Fund Balance	-	-	2,685	2,685
Fund Balance - Beginning of Year	-	-	966	966
Fund Balance - End of Year	\$ -	\$ -	\$ 3,651	\$ 3,651

2010

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
713,563	713,563	713,563	-
473,725	483,486	483,484	2
-	51,039	51,039	-
<u>1,187,288</u>	<u>1,248,088</u>	<u>1,248,086</u>	<u>2</u>
<u>(1,187,288)</u>	<u>(1,248,088)</u>	<u>(1,248,086)</u>	<u>2</u>
-	1,740,000	1,740,000	-
-	161,390	161,390	-
-	(1,850,351)	(1,850,351)	-
<u>1,187,288</u>	<u>1,197,049</u>	<u>1,197,047</u>	<u>(2)</u>
<u>1,187,288</u>	<u>1,248,088</u>	<u>1,248,086</u>	<u>(2)</u>
-	-	-	-
-	-	966	966
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 966</u>

TOWN OF NORTH CASTLE, NEW YORK

FIDUCIARY FUNDS - AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
<u>ASSETS</u>				
Cash - Demand deposits	\$ 382,940	\$ 15,228,461	\$ 15,041,194	\$ 570,207
Accounts Receivable	72,205	148,668	117,521	103,352
Total Assets	\$ 455,145	\$ 15,377,129	\$ 15,158,715	\$ 673,559
<u>LIABILITIES</u>				
Accounts Payable	\$ 20,784	\$ 5,630,792	\$ 5,615,926	\$ 35,650
Net Payroll	-	8,276,204	8,276,204	-
Employee Payroll Deductions	-	4,967,874	4,967,874	-
Deposits	434,361	351,512	147,964	637,909
Total Liabilities	\$ 455,145	\$ 19,226,382	\$ 19,007,968	\$ 673,559

**STATISTICAL
SECTION**

(Unaudited)

(This page intentionally left blank)

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 EIGHT 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.

<u>2007</u>	<u>2008 (1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 18,080,605	\$ 17,894,852	\$ 17,628,645	\$ 18,307,276	\$ 18,309,183
4,760,947	4,697,246	4,942,924	5,037,797	4,964,130
218,968	(2,086,371)	(3,221,147)	(4,207,861)	(4,667,973)
<u>\$ 23,060,520</u>	<u>\$ 20,505,727</u>	<u>\$ 19,350,422</u>	<u>\$ 19,137,212</u>	<u>\$ 18,605,340</u>

TOWN OF NORTH CASTLE, NEW YORK

CHANGES IN NET ASSETS
LAST EIGHT 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	<u>23,400,346</u>	<u>25,758,112</u>	<u>25,122,984</u>
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	<u>5,063,692</u>	<u>6,217,574</u>	<u>4,787,621</u>
Total Primary Government Net Expense	<u>(18,336,654)</u>	<u>(19,540,538)</u>	<u>(20,335,363)</u>
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
Insurance Recoveries	-	-	-
Total Primary Government	<u>18,034,609</u>	<u>20,018,628</u>	<u>20,405,227</u>
Change in Net Assets			
Total Primary Government	<u>\$ (302,045)</u>	<u>\$ 478,090</u>	<u>\$ 69,864</u>

(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	2011
\$	3,747,161	\$ 4,446,771	\$ 3,890,067	\$ 4,166,045	\$ 4,252,016
	7,958,370	9,004,425	8,873,203	9,345,182	9,256,357
	228,708	237,438	244,683	261,169	258,321
	5,479,945	6,434,122	5,861,894	5,607,814	5,579,877
	189,028	175,844	122,141	102,376	111,048
	4,373,182	4,967,238	4,603,292	4,673,102	4,569,492
	4,368,012	4,635,011	4,293,741	4,546,129	4,621,888
	368,398	454,503	461,259	502,723	436,361
	<u>26,712,804</u>	<u>30,355,352</u>	<u>28,350,280</u>	<u>29,204,540</u>	<u>29,085,360</u>
	25,995	24,749	26,998	40,131	34,404
	984,952	921,082	917,723	983,252	857,614
	203,670	212,572	273,452	269,271	204,523
	1,029,834	1,074,560	1,182,668	1,029,766	1,077,690
	1,493,133	1,515,187	1,319,284	1,527,383	1,697,959
	918,778	410,621	347,363	639,773	297,626
	405,723	1,499,890	445,050	152,800	160,372
	<u>5,062,085</u>	<u>5,658,661</u>	<u>4,512,538</u>	<u>4,642,376</u>	<u>4,330,188</u>
	<u>(21,650,719)</u>	<u>(24,696,691)</u>	<u>(23,837,742)</u>	<u>(24,562,164)</u>	<u>(24,755,172)</u>
	16,693,034	18,199,753	19,224,451	20,354,370	20,094,810
	1,012,391	924,947	1,013,986	1,414,904	1,304,046
	1,611,500	1,635,068	1,526,691	1,648,859	1,779,878
	354,512	214,990	112,782	70,509	94,968
	-	-	-	13,593	3,011
	1,653,570	1,119,304	579,654	739,217	799,064
	-	-	122,055	49,699	-
	1,141,984	-	-	-	-
	54,692	47,836	102,818	57,803	39,251
	-	-	-	-	108,272
	<u>22,521,683</u>	<u>22,141,898</u>	<u>22,682,437</u>	<u>24,348,954</u>	<u>24,223,300</u>
\$	<u>870,964</u>	<u>\$ (2,554,793)</u>	<u>\$ (1,155,305)</u>	<u>\$ (213,210)</u>	<u>\$ (531,872)</u>

TOWN OF NORTH CASTLE, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2002	2003	2004	2005
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	174,963	325,742	442,355	314,987
Unreserved	<u>2,403,714</u>	<u>2,248,634</u>	<u>1,984,991</u>	<u>2,124,016</u>
Total General Fund	<u>\$ 2,578,677</u>	<u>\$ 2,574,376</u>	<u>\$ 2,427,346</u>	<u>\$ 2,439,003</u>
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Reserved	2,162,440	2,844,723	1,984,565	2,901,995
Unreserved, Reported In				
Special Revenue Funds	2,574,077	2,733,024	2,924,057	2,906,860
Capital Projects Fund	<u>(2,778,863)</u>	<u>(3,471,054)</u>	<u>(1,764,312)</u>	<u>(3,005,047)</u>
Total All Other Governmental Funds	<u>\$ 1,957,654</u>	<u>\$ 2,106,693</u>	<u>\$ 3,144,310</u>	<u>\$ 2,803,808</u>
Total Governmental Funds	<u>\$ 4,536,331</u>	<u>\$ 4,681,069</u>	<u>\$ 5,571,656</u>	<u>\$ 5,242,811</u>

- (1) The Town implemented the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", for the fiscal year ended December 31, 2011.

2006	2007	2008	2009	2010	2011 (1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,633
-	-	-	-	-	1,692
-	-	-	-	-	9,700
-	-	-	-	-	103,493
-	-	-	-	-	2,994,260
510,996	220,494	228,191	212,312	247,560	-
1,724,204	1,642,850	964,383	1,007,625	2,091,073	-
<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>	<u>\$ 3,244,778</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,219,292
-	-	-	-	-	4,218,321
4,866,099	3,252,877	1,430,435	1,448,148	1,615,236	-
3,481,506	3,963,533	4,302,140	4,889,546	4,752,202	-
(7,495,572)	(2,520,701)	(1,778,216)	161,213	467,212	-
<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>\$ 7,437,613</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>	<u>\$ 10,682,391</u>

TOWN OF NORTH CASTLE, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2002	2003	2004	2005
Revenues				
Real property taxes	\$ 11,540,196	\$ 12,401,382	\$ 13,755,673	\$ 14,771,418
Other tax items	1,013,502	983,920	984,868	968,969
Non-property taxes	1,146,960	1,169,095	1,370,110	1,471,777
Departmental income	2,255,884	2,527,115	2,732,671	2,451,325
Intergovernmental charges	76,024	76,550	81,649	169,377
Use of money and property	412,396	367,428	376,051	594,870
Licenses and permits	351,680	492,361	606,747	751,458
Fines and forfeitures	142,174	215,286	157,546	173,054
Sale of property and compensation for loss	90,391	66,521	67,806	133,194
Interfund revenues	20,489	18,257	28,028	3,174
State aid	2,746,838	2,672,526	2,786,237	3,891,950
Federal aid	50,829	92,700	-	-
Miscellaneous	97,674	105,818	248,254	695,287
Total Revenues	19,945,037	21,188,959	23,195,640	26,075,853
Expenditures				
Current				
General government support	2,488,394	2,622,774	2,701,987	2,923,428
Public safety	4,275,299	4,665,996	5,152,762	5,252,436
Health	177,409	179,163	182,770	268,893
Transportation	2,372,612	2,638,091	2,638,820	3,117,793
Economic opportunity and development	103,700	98,551	114,026	122,915
Culture and recreation	2,795,418	2,977,781	3,079,465	3,276,217
Home and community services	3,014,860	2,854,902	3,091,870	3,272,861
Employee benefits (1)	2,394,559	2,957,783	4,084,671	4,387,169
Debt Service				
Principal	323,000	275,000	280,000	335,000
Interest	278,509	227,324	205,829	233,248
Refunding bond issuance costs	-	-	-	-
Capital Outlay	2,836,812	1,546,856	1,872,853	3,214,738
Total Expenditures	21,060,572	21,044,221	23,405,053	26,404,698
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,115,535)</u>	<u>144,738</u>	<u>(209,413)</u>	<u>(328,845)</u>
Other Financing Sources (Uses)				
Sale of real property	-	-	-	-
Bonds issued	-	-	1,100,000	-
Insurance recoveries	-	-	-	-
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,037,562	1,020,195	1,033,832	1,468,793
Transfers out	<u>(1,037,562)</u>	<u>(1,020,195)</u>	<u>(1,033,832)</u>	<u>(1,468,793)</u>
Total Other Financing Sources	-	-	1,100,000	-
Net Change in Fund Balances	\$ (1,115,535)	\$ 144,738	\$ 890,587	\$ (328,845)
Debt Service as a Percentage of Non-Capital Expenditures	3.3%	2.5%	2.2%	2.3%

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

2006	2007	2008	2009	2010	2011
\$ 15,622,212	\$ 16,791,769	\$ 18,083,022	\$ 18,661,599	\$ 19,814,989	\$ 19,880,035
1,059,455	1,012,391	924,947	1,013,986	1,414,904	1,304,046
1,507,662	1,611,500	1,635,068	1,526,691	1,648,859	1,779,878
2,423,280	2,511,669	2,544,908	2,471,583	2,789,504	2,775,509
123,872	152,908	156,667	213,612	195,849	126,000
824,690	947,730	569,362	419,705	368,525	401,666
684,164	660,460	613,132	578,110	411,450	533,168
172,140	194,258	185,497	213,835	207,824	204,197
67,369	49,969	56,179	117,673	42,136	35,988
2,466	1,723	2,822	3,207	3,381	4,051
2,095,975	2,108,902	1,639,294	914,981	1,059,846	1,090,886
-	70,675	718,252	189,978	163,031	9,156
623,726	428,288	557,500	188,315	285,333	89,912
<u>25,207,011</u>	<u>26,542,242</u>	<u>27,686,650</u>	<u>26,513,275</u>	<u>28,405,631</u>	<u>28,234,492</u>
2,871,813	3,626,721	3,543,513	3,454,054	3,412,651	4,325,763
5,434,016	7,801,024	8,174,825	7,868,895	8,492,596	8,491,391
223,314	228,708	237,438	244,683	261,169	258,321
2,958,213	4,408,191	4,780,947	4,679,960	4,710,690	4,949,428
128,070	182,299	175,844	115,401	96,002	107,883
3,312,893	4,177,619	4,047,050	4,021,306	4,079,107	4,090,155
3,493,233	3,879,994	4,069,299	3,667,265	3,816,148	4,027,513
4,598,400	-	-	-	-	-
335,000	280,000	480,000	495,000	713,563	758,000
239,078	363,153	457,581	440,729	536,464	450,819
-	-	-	-	51,039	-
4,868,559	4,726,276	3,132,273	4,323,113	1,527,501	1,874,383
<u>28,462,589</u>	<u>29,673,985</u>	<u>29,098,770</u>	<u>29,310,406</u>	<u>27,696,930</u>	<u>29,333,656</u>
<u>(3,255,578)</u>	<u>(3,131,743)</u>	<u>(1,412,120)</u>	<u>(2,797,131)</u>	<u>708,701</u>	<u>(1,099,164)</u>
-	-	-	124,042	49,699	-
1,100,000	6,603,563	-	5,245,000	645,000	2,500,000
-	-	-	-	-	108,272
-	-	-	-	1,740,000	-
-	-	-	-	161,390	-
-	-	-	-	(1,850,351)	-
1,759,832	1,924,314	1,423,115	1,438,043	2,232,747	1,998,287
(1,759,832)	(1,924,314)	(1,423,115)	(1,438,043)	(2,232,747)	(1,998,287)
<u>1,100,000</u>	<u>6,603,563</u>	<u>-</u>	<u>5,369,042</u>	<u>745,738</u>	<u>2,608,272</u>
<u>\$ (2,155,578)</u>	<u>\$ 3,471,820</u>	<u>\$ (1,412,120)</u>	<u>\$ 2,571,911</u>	<u>\$ 1,454,439</u>	<u>\$ 1,509,108</u>

2.4%

2.5%

3.5%

3.7%

4.8%

4.4%

(This page intentionally left blank)

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
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
2011	90,551,423	23,064,840	312,200	1,434,191	115,362,654

(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)
3.41 % \$	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
2.30	5,015,767,565	150.03

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)
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	
2011	150.03	158.12	21.85 - 27.68	492.53 - 766.54	

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

2011

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	New York City	Watershed	\$ 8,243,900	7.15 %
2	Westchester County	Airport	1,795,800	1.56
3	Con Edison	Utility	1,451,445	1.26
4	MBIA	Commercial	1,267,300	1.10
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	430,242	0.37
10	Frank Gillbride	Commercial	390,600	0.34
	Total		<u>\$ 16,971,787</u>	<u>14.71 %</u>

2001 (1)

Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	New York City	Watershed	\$ 7,884,000	7.28 %
2	MBIA	Commercial	2,632,500	2.43
3	Westchester County	Airport	2,235,900	2.07
4	IBM	Commercial	2,009,300	1.86
5	Con Edison	Utility	1,644,321	1.52
6	Verizon	Utility	713,823	0.66
7	N. White Plains Shopping Center	Commercial	620,400	0.57
8	North Castle Leisure	Commercial	603,500	0.56
9	Ronald Targan	Hotel	356,000	0.33
10	Lashins	Commercial	306,500	0.28
	Total		<u>\$ 19,006,244</u>	<u>17.56 %</u>

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

(1) - Information not available for 2002.

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
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
2011	40,914,602	40,454,316	98.88	58,225	40,512,541	99.02

(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)
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
2011	16,807,000	3,651	16,803,349	14.57	1.78	1,419

(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, 2011

<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	\$ 1,023,060,598	2.17 %	\$ 22,243,180
School Districts (as of June 30, 2011)			
Armonk	56,255,000	86.52	48,671,826
Bedford	64,155,000	2.30	1,475,565
Harrison	9,449,221	0.03	2,835
Mount Pleasant	36,323,899	1.39	504,902
Valhalla	23,846,422	32.25	7,690,471
			<u>80,588,779</u>
Town Direct Debt			<u>16,807,000</u>
Net Direct and Overlapping Debt			<u><u>\$ 97,395,779</u></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

	2002	2003	2004	2005
Debt Limit	\$ 167,113,382	\$ 198,818,044	\$ 240,849,418	\$ 301,516,595
Total Net Debt Applicable to Limit	2,141,200	5,406,970	5,783,116	5,076,377
Legal Debt Margin	\$ 164,972,182	\$ 193,411,074	\$ 235,066,302	\$ 296,440,218
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.28%	2.72%	2.40%	1.68%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2010	2011	\$ 115,362,654	2.30 %	\$ 5,015,767,565
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
Total Five Year Full Valuation				\$ 28,681,079,852
Five Year Average Full Valuation of Taxable Real Property				5,736,215,970
Debt Limit - 7% of Five Year Average Full Valuation				401,535,118
Outstanding Town Debt:				
Serial Bonds			16,807,000	
Bond Anticipation Notes			1,732,751	18,539,751
Less:				
Exclusion for Water and Sewer Districts			736,980	
Appropriations in 2012 Budget, Exclusive of Water and Sewer Districts			635,980	1,372,960
Net Indebtedness Subject to Debt Limit				17,166,791
Net Debt Contracting Margin				\$ 384,368,327

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 296,617,449	\$ 336,599,471	\$ 368,819,521	\$ 396,198,251	\$ 402,921,485	\$ 401,535,118
<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>17,166,791</u>
<u>\$ 287,873,658</u>	<u>\$ 323,973,231</u>	<u>\$ 356,036,861</u>	<u>\$ 380,091,348</u>	<u>\$ 356,036,861</u>	<u>\$ 384,368,327</u>
2.95%	3.75%	3.47%	4.07%	3.78%	4.28%

(This page intentionally left blank)

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

Principal Employers

TOWN OF NORTH CASTLE, NEW YORK

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended December 31,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate (2)</u>
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	80,695	6.90
2011	11,841 (3)	942,768,579	79,619	6.50

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) 2010 U.S. Census

TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	2010 (1)	
	<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	156	2.79
Safe Flight	137	2.45
Car Quest Distributions	155	2.77
	<u>2,887</u>	<u>51.55 %</u>
<u>EMPLOYER</u>	2001 (1)	
	<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

(1) - Based upon estimated Town employment of 5,600 in 2010 and 5,316 in 2001. Information was not available for 2011 and 2002.

(This page intentionally left blank)

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:

Full-Time Equivalent Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

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,			
	2002	2003	2004	2005
General Government	58	58	57	62
Public Safety	49	54	52	49
Culture and Recreation	73	63	63	68
Home and Community Services	12	11	12	13
Total	192	186	184	192

Source: Town's Finance Department

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
63	62	61	53	51	49
52	54	52	45	44	39
69	74	64	65	60	57
<u>14</u>	<u>14</u>	<u>13</u>	<u>12</u>	<u>11</u>	<u>11</u>
<u>198</u>	<u>204</u>	<u>190</u>	<u>175</u>	<u>166</u>	<u>156</u>

TOWN OF NORTH CASTLE, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2002	2003	2004	2005
General Government Support				
Building permits issued	508	642	548	726
Public Safety				
Police				
Physical arrests	329	298	278	295
Parking violations	1,388	1,241	1,320	1,273
Traffic violations	1,507	1,761	1,884	1,777
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	90,890	90,890	85,488
Circulation	204,303	208,341	205,399	196,731
Home and Community Services				
Water District No. 1				
Average daily consumption	366,796	408,746	421,970	348,473
Peak daily consumption	427,263	443,900	477,160	424,293
Water District No. 2				
Average daily consumption	147,508	137,020	147,279	157,125
Peak daily consumption	235,033	211,910	196,430	256,690
Water District No. 4				
Average daily consumption	303,433	297,553	281,198	317,522
Peak daily consumption	545,828	502,436	417,544	520,532
Water District No. 5				
Average daily consumption	72,289	69,261	59,792	70,173
Peak daily consumption	151,089	109,145	96,645	125,225

Source: Various Town departments

2006	2007	2008	2009	2010	2011
597	576	669	625	521	513
215	244	218	152	135	127
1,126	1,236	936	798	873	587
1,176	1,716	1,643	984	1085	752
24	28	30	30	26	110
56	65	70	70	60	142
9	10	10	9	10	13
2	3	3	7	2	5
14	17	17	17	15	45
3	4	4	3	3	3
81,859	87,578	82,266	87,000	86,661	85,947
196,902	186,000	203,370	205,000	198,000	195,000
370,819	366,025	364,348	394,240	467,738	451,900
440,170	418,760	532,679	487,750	552,976	634,000
137,260	166,314	161,750	129,384	159,290	137,000
195,543	273,157	333,080	248,672	368,000	350,000
355,971	377,677	363,235	311,309	362,259	334,000
605,999	580,051	607,480	511,872	707,444	673,000
68,421	95,824	76,812	57,487	82,232	58,800
122,183	153,709	163,400	133,350	235,240	157,600

TOWN OF NORTH CASTLE, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2002	2003	2004	2005
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	93	93	93
Number of street lights	1,276	602	605	606
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	341	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	264	264	270	270
Miles of sanitary sewers	21	21	21	21

N/A - Information not available

Source: Various Town departments

2006	2007	2008	2009	2010	2011
5	5	5	5	5	5
1	1	1	1	1	1
21	21	21	19	20	20
93	94	98	98	94	94
606	607	607	607	659	659
1	1	1	1	1	1
3	3	3	2	3	3
8	8	8	8	12	12
343	343	343	343	341	341
10	10	10	10	10	10
9	9	9	10	9	10
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	32	32	32	31	31
270	276	278	278	278	278
21	22	22	23	23	23

