

TOWN OF NORTH CASTLE, NEW YORK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2014
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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TOWN OF NORTH CASTLE
PRINCIPAL OFFICIALS

		<u>Term Ends</u>
SUPERVISOR:	Michael Schiliro	12/31/15
TOWN BOARD:	Stephen D'Angelo	12/31/15
	José Berra	12/31/14
	Barry Reiter	12/31/17
	Barbara DiGiacinto	12/31/17
TOWN CLERK:	Anne Curran	12/31/15
RECIEVER OF TAXES:	Patricia A. Colombo	12/31/17
TOWN ADMINISTRATOR:	Joan Goldberg	
TOWN COMPTROLLER:	Denise Oakley	

VOTERS

TOWN
SUPERVISOR

TOWN
COUNCILMEN

TOWN
CLERK

RECEIVER
OF TAXES

TOWN
JUSTICES

TOWN
ADMINISTRATOR

TOWN DEPARTMENTS

POLICE

RECREATION
AND PARKS

FINANCE

HIGHWAY /
DPW

PLANNING

ASSESSOR

WATER &
SEWER

BUILDING &
ENG

CODE
ENFORCER

BOARDS AND COMMITTEES

PLANNING
BOARD

ZONING
BOARD OF
APPEALS

ARCHITECTURAL
REVIEW BOARD

RECYCLING
COMMITTEE

RESIDENTIAL
PROJECT
REVIEW COMM.

LIBRARY BOARD

ASSESSMENT
BOARD OF
REVIEW

CONSERVATION
BOARD

OPEN SPACE
COMMITTEE

HOUSING
BOARD

LIBRARY

BEAUTIFICATION
COMMITTEE

COMMUNICATIONS
COMMITTEE

ROAD NAMING
COMMITTEE

ELIJAH MILLER
HOUSE COMM.

SUSTAINABLE
NORTH CASTLE

BOARD OF ETHICS

AIRPORT
COMMITTEE

LANDMARKS
PRESERVATION
COMMITTEE

RECREATION AND
PARKS ADVISORY
BOARD



TOWN OF NORTH CASTLE
Town Hall Annex – 17 Bedford Road
Armonk, New York 10504

Established 1736

Joan Goldberg
Town Administrator

(914) 273-7305
jgoldberg@northcastleny.com

October 28, 2015

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, 2014 is herewith submitted. The New York State Comptroller’s Office requires the Town to submit an annual report of the financial record and transactions presented in conformity with generally accepted accounting principles (“GAAP”). The Town has elected to have these statement 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 present 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 out-weigh 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 Bonadio & Co., 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, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management. The independent auditor concluded based upon the audit, that there was reasonable basis for rendering unqualified opinions that the Town’s basic financial statements, for the year ended December 31, 2014, 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, 2014 financial statements to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read

in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town was incorporated in 1788 by New York State as 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.

In 2012 the Town hired a Town Administrator, setting up a Town Board – Administrator form of governance. 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 and Town Administrator.

The Town Supervisor is elected for a two-year term of office. The Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include that of the Chief Executive and Chief Financial Officers. The Town Administrator is the Town's Chief Operating Officer and handles the administration of the Town's daily functions, including contract negotiations and departmental management. Additionally, under the supervision of the Town Supervisor, the Town Administrator prepares the annual budget.

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.

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 Town Administrator and Town 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 Town Administrator prepares a tentative budget which includes his/her recommendations. The tentative budget is filed with the Town Clerk no later than October 30th. Subsequently, the Town Administrator 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 the provision of the law. Following this review process, the tentative budget, including any modifications, as approved by the Town Board 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 member 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 adopted budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Town Administrator and Supervisor. However, any changes or modification 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 District 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 funds with annual budgets; the comparisons are presented in the governmental fund subsection of this report.

Factors Affecting Financial Condition

The information represented 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 26 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"), Swiss Re and several other large corporations. The population of the Town, according to the 2010 estimated census, is 11,841, which represents an increase of 9% since the 2000 official census report.

Completed Projects

The following projects were implemented and/or completed:

- Restoration of the Town's AAA bond rating
- Multi-year settlements of all collective bargaining units
- Maintained a minimum 20% Undesignated Fund Balance
- Significant work completion on the \$9M water improvement project
- Reconstruction of 4 miles of Town roads
- Construction of additional Town sidewalks to improve pedestrian safety
- Relocated preschool camp to elementary school resulting in cost savings

- Secured federal surplus equipment for the Town's use

Long-Term Financial Planning

The Town's future projects include the following:

- Utilize road maintenance plan to increase the Town's Pavement Condition Index
- Maintain Town equipment and truck replacement schedule using budgeted monies
- Review of town owned buildings and land for maximum benefit determination
- Construction of additional parking in business district to encourage growth
- Possible future acquisition of local pool for municipal use
- Renovation/expansion of Town library/community center

Relevant Financial Policies

In 2010 the Town Board adopted a formal fund balance policy, establishing an unreserved/undesignated fund balance in the General Fund 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 capital plan is reviewed and modified annually. Since the enactment of the tax cap, North Castle's annual tax levy increase has not exceeded the cap limits.

Awards and Acknowledgments

The Town has been awarded a Certificate of Achievement for Excellence in Financial Reporting for its CAFR from the Government Finance Officers Associations ("GFOA") for the fiscal year ended December 31, 2012, which was the fourteenth consecutive year that the Town has achieved this award. We are awaiting decision on the 2013 CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Preparation of this report could not be accomplished without the efficient and dedicated services of the members of the entire Town Staff, as well as our independent auditor, who assisted in its preparation. Thank you to all who participated in the process.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Joan Goldberg". The signature is fluid and cursive, with the first name "Joan" and last name "Goldberg" clearly distinguishable.

Joan Goldberg
Town Administrator



Government Finance Officers Association

**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, 2012

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

November 3, 2015

To the Town Board of
Town of North Castle, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of North Castle, New York (Town), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town as of December 31, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other post-employment benefits schedule of funding progress on pages 3 through 13 and 44-47 and page 48 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, comparative fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative fund financial statements are fairly stated in all material respects in relation to the basic 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.

TOWN OF NORTH CASTLE, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) DECEMBER 31, 2014

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, 2014. 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.

USING THIS ANNUAL REPORT

This annual report consists of a set of financial statements and notes. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements begin thereafter. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year ended 2014 are as follows:

- On the government-wide financial statements, the assets of the Town exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$18,972,801. However, unrestricted net position, which are available to meet the ongoing obligations of the Town, reflect a deficit of \$3,494,973 at December 31, 2014. The deficit results primarily 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 \$20,991,972 representing an increase in fund balance of \$6,602,032 from the prior year. This was primarily due to the borrowing for the Water District #2 Improvement Project. The funds were borrowed and recorded as revenue in 2014, while most of the expenses will occur in 2015.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,037,532 or 49.0% of total General Fund expenditures and other financing uses for 2014; an increase of \$1,062,092 from the previous year. The Town continues to use portions of accumulated fund balance for road improvement projects.

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 position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, 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 six 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, Capital Projects Fund and Debt Service Fund, which are considered to be major funds.

FUND FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

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 comparative statements for the governmental funds and schedules of budget to actual comparisons.

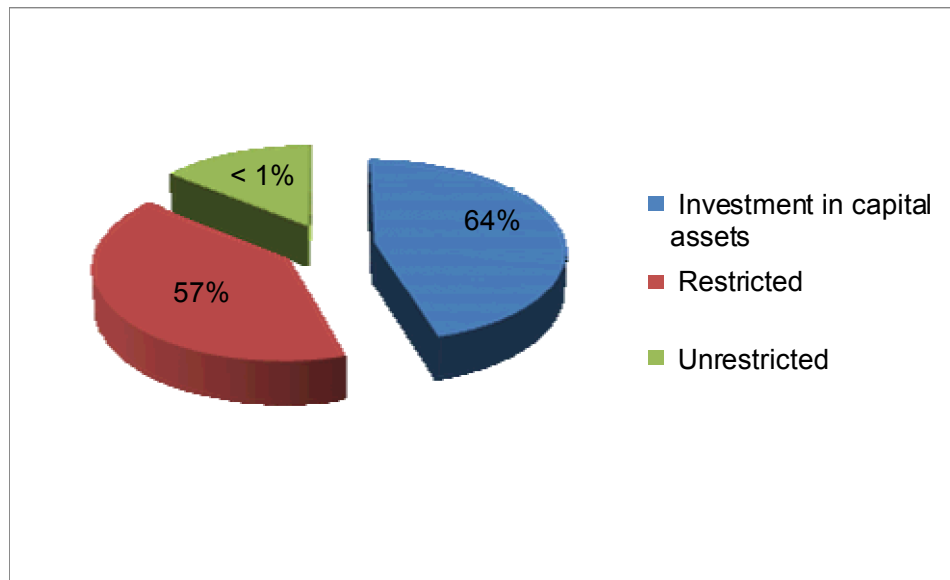
GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town, assets exceeded liabilities and deferred inflows by \$18,972,801 at the close of 2014.

NET POSITION

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>	<u>Percent Change</u>
Assets:			
Current and other assets	\$ 60,080,873	\$ 52,717,812	14%
Capital assets, net	<u>36,657,991</u>	<u>34,928,397</u>	5%
Total assets	<u>96,738,864</u>	<u>87,646,209</u>	10%
Liabilities:			
Current liabilities	38,307,338	36,968,812	4%
Long-term debt outstanding	<u>39,325,725</u>	<u>28,178,432</u>	40%
Total liabilities	<u>77,633,063</u>	<u>65,147,244</u>	19%
Deferred inflows of resources	<u>133,000</u>	<u>31,395</u>	100%
Net position			
Investment in capital assets	12,049,991	19,232,497	-37%
Restricted	10,793,424	4,921,231	119%
Unrestricted	<u>(3,870,614)</u>	<u>(1,686,158)</u>	130%
Total net position	<u>\$ 18,972,801</u>	<u>\$ 22,467,570</u>	-16%

Net Position Distribution December 31, 2014



By far, the largest component of the Town's net position is its investment in capital assets (land improvements, building improvements, infrastructure, machinery and equipment and construction-in-progress) (64%). 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.

NET POSITION (Continued)

The restricted net position of \$10,863,833 or 58%, represent resources that are subject to external restrictions on how they may be used. These restrictions are as follows:

	Fiscal Year 2014	Fiscal Year 2013	Percent Change
Capital projects	\$ 6,004,324	\$ -	100%
Workers' compensation benefits	1,692	1,692	0%
Special districts	4,783,757	4,915,888	-3%
Debt service	<u>3,651</u>	<u>3,651</u>	0%
Total	<u>\$ 10,793,424</u>	<u>\$ 4,921,231</u>	119%

Net position subject to external restrictions on how they may be used are \$22,843,415 the remaining balance of unrestricted net position, which is a deficit of \$3,494,973 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 (\$15 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

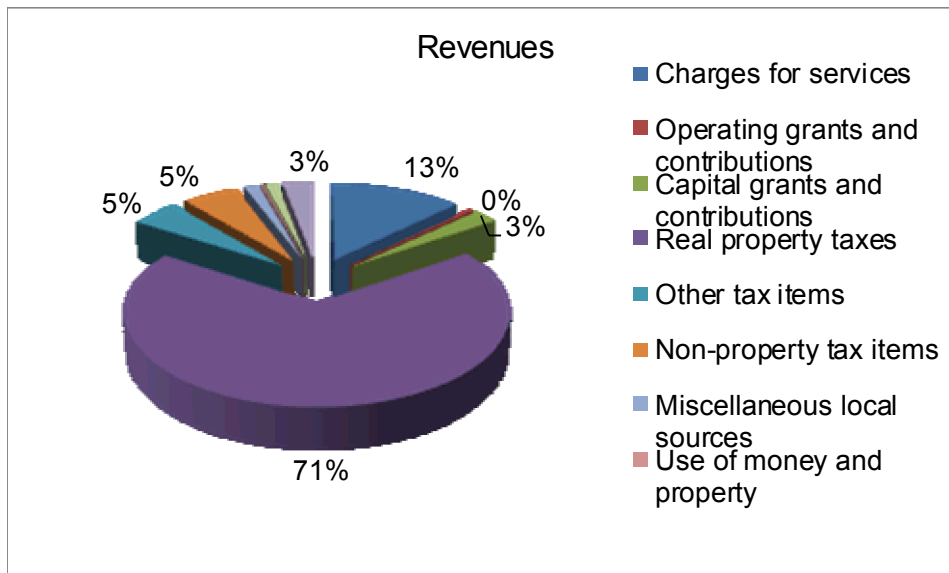
Change in Net Position

	Fiscal Year 2014	Fiscal Year 2013	Percent Change
Revenue:			
Program revenue:			
Charges for services	\$ 3,868,393	\$ 3,906,098	-1%
Operating grants and contributions	61,836	114,525	-46%
Capital grants and contributions	338,359	752,582	-55%
General revenue:			
Real property taxes	20,789,170	21,010,015	-1%
Other tax items	1,376,678	1,463,862	-6%
Non-property tax items	1,724,158	1,665,649	4%
Miscellaneous local sources	391,593	439,809	-11%
Use of money and property	98,710	75,040	32%
Sale of property and compensation for loss	99,890	367,069	-73%
State aid	<u>863,425</u>	<u>897,204</u>	-4%
Total revenue	<u>29,612,212</u>	<u>30,691,853</u>	-4%
Expenses:			
General support	4,491,082	4,171,299	8%
Public safety	9,468,143	9,148,519	3%
Health	273,690	306,612	-11%
Transportation	5,749,561	5,694,950	1%
Economic assistance and opportunity	237,086	210,864	12%
Culture and recreation	4,746,241	4,628,823	3%
Home and community services	7,664,127	4,103,472	87%
Debt service	<u>477,255</u>	<u>312,665</u>	53%
Total expenses	<u>33,107,185</u>	<u>28,577,204</u>	16%
Change in Net Position	<u>\$ (3,494,973)</u>	<u>\$ 2,114,649</u>	-265%

GOVERNMENTAL ACTIVITIES

For the fiscal year ended December 31, 2014, revenues from governmental activities totaled \$29,612,212. Tax and other tax items revenues of \$22,165,848, comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (71%). The \$(3,494,973) decrease in total governmental activities revenues from the prior year is the result of a combination of the following significant factors:

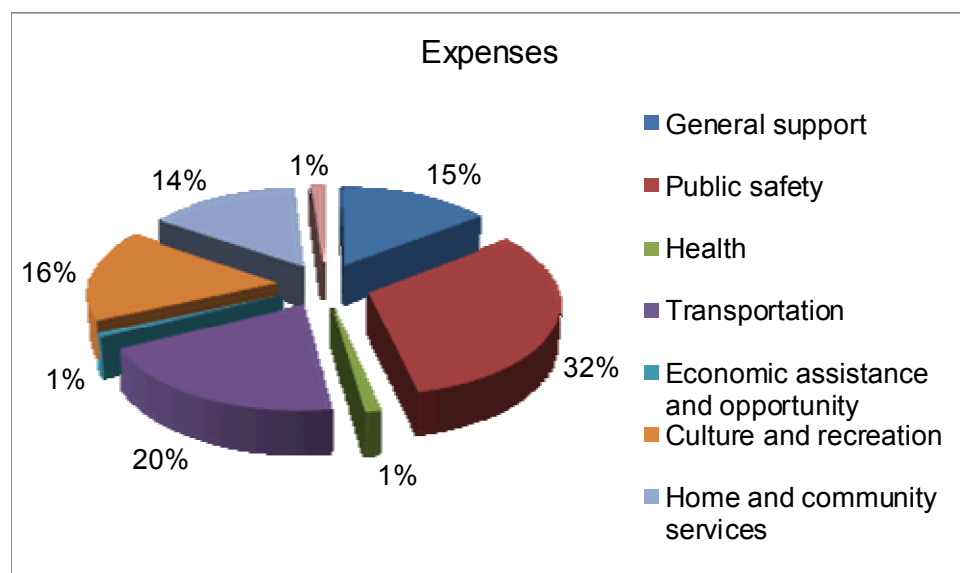
- Real property taxes decreased by \$220,845 as the result of the amount of deferred taxes.
- Capital and operating grants and contributions decreased \$586,732 as a result of operating grants in transportation, culture and recreation and home and community services.
- Non-property taxes increased by \$58,509 as the result an increase in sales tax collections.



For the fiscal year ended December 31, 2014, expenses from governmental activities totaled \$33,107,185. The largest components of governmental activities expenses are public safety \$9,468,143 (33%), transportation \$5,749,561 (17%), culture and recreation \$4,746,241 (18%), home and community services \$7,664,127 (15%) and general government support \$4,491,082 (13%). Expenses increased from the prior year by \$4,529,776, or 16%, primarily as a result of a combination of the following significant factors:

- General government support and public safety increased by \$318,171 and \$319,624, respectively.
- Transportation increased by \$54,610 primarily as a result of increased expenditures incurred pertaining to several winter storms, as well as, road repair.
- Home and community services increased by \$3,560,452 primarily as a result of ongoing construction of the water distributions system improvements.

GOVERNMENTAL ACTIVITIES (Continued)



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 \$20,991,971, an increase of \$6,435,523 compared to last years ending balance of \$14,383,939. This is now presented under the GASB Statement No. 54 fund balance classifications. The non-spendable fund balance component is \$551,545, consisting of amounts representing prepaid expenditures. Fund balance of \$1,692 is restricted for workers' compensation benefits and debts service. The assigned fund balance classification aggregates \$6,111,485, consisting primarily of amounts reserved for encumbrances and special districts. The remaining fund balance is unassigned and represents the remaining positive fund balance in the General Fund of \$8,037,532 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 \$8,037,532, representing 92.3% of the total General fund balance of \$8,709,703. This is an increase from the prior year, when the total fund balance was \$7,636,424. 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 a 49.0% unassigned fund balance as compared to total expenditures and other financing uses, up from 45.8% in the prior year. Total fund balance increased 14.1% due to cost containment initiatives and improvements in revenues realized.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Governmental Funds (Continued)

The fund balance of the General Fund increased by \$1,073,279 during the fiscal year ended December 31, 2014. Actual expenditures and other financing uses were \$278,020 less than the amount contained in the final budget, representing a savings of 1.6% of the total budget. Savings of \$220,646, \$74,169 and \$102,743 were achieved in the general government support, culture and recreation and home and community services respectively 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 \$795,259, or 4.5%. The revenue categories that reflected significant positive variances as compared to the budget were real property taxes of \$188,167 resulting from a decrease in deferred property taxes, nonproperty tax items including sales tax of \$484,760 and NYS Aid amounting to \$193,917.

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 none of the general fund balance to be used for real property tax relief in the 2015 fiscal year.

The Highway Fund's total fund balance at the end of the current fiscal year was \$1,184,307, a decrease of \$(484,597) from the previous year.

The Library Fund's total fund balance at the end of the current fiscal year was \$306,230, an increase of \$76,748 from the previous year. This was primarily the result of a vacant Director position in 2014.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$4,783,757, a decrease of \$132,131 from the previous year.

The Capital Projects Fund reflects a fund balance of \$6,004,324 at the end of the current fiscal year, an increase of \$6,074,733 from the previous year. Total revenues and other financing sources aggregated \$10,638,733. This revenue was derived primarily from transfers and financing. Capital outlay expenditures totaled \$4,564,000. 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 final budget at \$17,647,655 and the actual results at \$18,442,914 a positive variance of \$795,259. The largest component was savings realized within general governmental support and public safety. The Town's General Fund expenditures experienced positive variances in all areas as cost cutting measures were implemented.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE:				
Real property taxes and tax items	\$ 14,674,506	\$ 14,674,506	\$ 15,143,287	\$ 468,781
Departmental income	1,414,849	1,414,849	1,472,197	57,348
Licenses and permits	726,000	726,000	661,302	(64,698)
State aid	720,000	720,000	913,917	193,917
Other revenue	112,300	112,300	244,946	132,646
Transfer from other fund	-	-	7,265	7,265
Total revenue	<u>17,647,655</u>	<u>17,647,655</u>	<u>18,442,914</u>	<u>795,259</u>
EXPENDITURES:				
General governmental support	4,241,817	4,387,091	4,166,445	220,646
Public Safety	8,517,814	8,297,358	8,039,808	257,550
Other expenditures	4,622,112	4,666,141	4,408,668	257,473
Debt service	265,912	272,462	272,461	1
Transfer to other fund	-	24,603	482,253	(457,650)
Total expenditures	<u>17,647,655</u>	<u>17,647,655</u>	<u>17,369,635</u>	<u>278,020</u>
NET CHANGE IN FUND BALANCES	-	-	1,073,279	1,073,279
FUND BALANCE - beginning of year	<u>7,636,424</u>	<u>7,636,424</u>	<u>7,636,424</u>	-
FUND BALANCE - end of year	<u>\$ 7,636,424</u>	<u>\$ 7,636,424</u>	<u>\$ 8,709,703</u>	<u>\$ 1,073,279</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2014, net of \$34,000,905 of accumulated depreciation, was \$36,657,991. 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

- Water District #2 System Replacement
- Road improvements
- Highway and police equipment

Capital Assets (Net of Accumulated Depreciation)

	Fiscal Year 2014	Fiscal Year 2013	Percent Change
Land	\$ 3,536,047	\$ 3,036,047	16%
Land improvements	2,467,254	2,552,352	-3%
Construction in progress	4,020,789	3,839,113	100%
Buildings and improvements	11,204,457	11,392,611	-2%
Machinery and equipment	4,253,284	3,399,056	25%
Infrastructure	11,176,160	10,709,218	4%
 Total capital assets	 <u>\$ 36,657,991</u>	 <u>\$ 34,928,397</u>	 5%

Long-term Debt

On November 5th, 2014, Moody's Investors Service reviewed and assigned a rating of Aaa to the Town. The Aaa rating, which is the highest rating achievable, 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 \$24,095,000. 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 \$24,095,000 bonded debt outstanding at fiscal year-end, \$1,310,000 represents General Fund; \$2,190,000 Highway Fund and \$20,195,000 Special District debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Debt (Continued)

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, 2014, the Town had only utilized 4.83% of its constitutional debt limit, and had the authority to issue an additional \$337,249,021 of general obligation long-term debt.

The Town anticipates a modest capital budget for 2015. 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 5.1% as of December 2014. This compares favorably with the rate of 6.3% for New York State and with the 6.1% national unemployment rate. Real estate activity, particularly home financing and refinancing have started to show slight improvement in 2014, bringing the mortgage tax aid modestly up from the previous year. Town management was also aware that in 2014 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 2014 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:

Joan Goldberg, Town Administrator,
Town of North Castle,
15 Bedford Road.
Armonk, New York 10504.

TOWN OF NORTH CASTLE, NEW YORK**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 30,898,517
Cash with fiscal agent	113,965
Receivables:	
Taxes, net	27,709,828
Accounts	54,917
Water rents	140,616
Due from other governments	611,485
Prepaid expenses	<u>551,545</u>
Total current assets	<u>60,080,873</u>
Capital Assets:	
Non-depreciable	7,556,836
Depreciable, net	<u>29,101,155</u>
Total assets	<u>96,738,864</u>
LIABILITIES	
Accounts payable	1,445,144
Due to other governments	644
Retainages payable	176,630
Accrued interest	159,274
Due to school districts	34,903,646
Bond anticipation notes payable	513,000
Current portion of long term debt	<u>1,109,000</u>
Total current liabilities	<u>38,307,338</u>
Non-current liabilities:	
Compensated absences	1,346,945
Other postemployment benefits	14,992,780
Bonds payable	<u>22,986,000</u>
Total long-term liabilities	<u>39,325,725</u>
Total liabilities	<u>77,633,063</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	<u>133,000</u>
Total deferred inflows of resources	<u>133,000</u>
NET POSITION	
Net investment in capital assets	12,049,991
Restricted for:	
Capital projects	6,004,324
Workers' compensation benefits	1,692
Special districts -	
Water	2,260,604
Sewer	2,459,836
Street Lighting	14,837
Fire	18,896
Parking	3,062
Ambulance	26,522
Debt service	3,651
Unrestricted	<u>(3,870,614)</u>
Total net position	<u>\$ 18,972,801</u>

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities -					
General governmental support	\$ 4,491,082	\$ 777,683	\$ 21	\$ -	\$ (3,713,378)
Public safety	9,468,143	176,440	48,836	-	(9,242,867)
Health	273,690	-	-	-	(273,690)
Transportation	5,749,561	146,296	-	245,110	(5,358,155)
Economic opportunity and development	237,086	-	-	-	(237,086)
Culture and recreation	4,746,241	1,068,987	12,979	-	(3,664,275)
Home and community services	7,664,127	1,698,987	-	93,249	(5,871,891)
Interest	<u>477,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,255)</u>
Total governmental activities	<u>\$ 33,107,185</u>	<u>\$ 3,868,393</u>	<u>\$ 61,836</u>	<u>\$ 338,359</u>	<u>(28,838,597)</u>
GENERAL REVENUES:					
Real property taxes and real property tax items					20,789,170
Payments in lieu of taxes					898,235
Interest and penalties on real property taxes					478,443
Non-property tax distribution from County					1,724,158
Franchise fees - cable TV					286,696
Use of money and property					98,710
Sale of property and compensation for loss					99,890
State aid					863,425
Miscellaneous					<u>104,897</u>
Total general revenues					<u>25,343,624</u>
Change in net position					<u>(3,494,973)</u>
Net position - beginning of year					<u>22,467,774</u>
Net position - end of year					\$ 18,972,801

TOWN OF NORTH CASTLE, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS							
Cash and Cash Equivalents	\$ 17,604,220	\$ 1,564,203	\$ 308,918	\$ 5,178,898	\$ 6,238,627	\$ 3,652,575	\$ 30,898,518
Cash with fiscal agent	-	-	-	-	113,390	-	113,965
Taxes Receivable, net of allowance for uncollectible taxes	27,709,828	-	-	-	-	-	27,709,828
Other Receivables:							
Accounts	51,068	961	-	2,888	-	-	54,917
Water rents	-	-	-	140,616	-	-	140,616
Due from other funds	-	300,000	-	-	607,253	-	907,253
Due from other governments	438,976	172,509	-	-	-	-	611,485
Prepaid expenses	551,545	-	-	-	-	-	551,545
Total assets	<u>\$ 46,355,637</u>	<u>\$ 2,037,673</u>	<u>\$ 308,918</u>	<u>\$ 5,322,402</u>	<u>\$ 6,959,270</u>	<u>\$ 4,227</u>	<u>\$ 60,988,127</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ 343,129	\$ 723,366	\$ 2,688	\$ 110,645	\$ 265,316	\$ -	\$ 1,445,144
Retainages payable	-	-	-	-	176,630	-	176,630
Bond interest and matured bonds payable	-	-	-	-	-	576	576
Due to other funds	482,253	-	-	425,000	-	-	907,253
Due to other governments	644	-	-	-	-	-	644
Due to school districts	34,903,646	-	-	-	-	-	34,903,646
Bond anticipation notes payable	-	-	-	-	513,000	-	513,000
Total liabilities	<u>35,729,672</u>	<u>723,366</u>	<u>2,688</u>	<u>535,645</u>	<u>954,946</u>	<u>576</u>	<u>37,946,893</u>
DEFERRED INFLOWS OF RESOURCES:							
Property tax revenues	1,916,262	-	-	-	-	-	1,916,262
Construction revenue	-	130,000	-	-	-	-	130,000
Water revenues	-	-	-	3,000	-	-	3,000
Total deferred inflows of resources	<u>1,916,262</u>	<u>130,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>2,049,262</u>
FUND BALANCES:							
Nonspendable	551,545	-	-	-	-	-	551,545
Restricted	1,692	-	-	4,783,757	6,004,324	3,651	10,793,424
Committed	109,234	-	-	-	-	-	109,234
Assigned	9,700	1,184,307	306,230	-	-	-	1,500,237
Unassigned	8,037,532	-	-	-	-	-	8,037,532
Total fund balances	<u>8,709,703</u>	<u>1,184,307</u>	<u>306,230</u>	<u>4,783,757</u>	<u>6,004,324</u>	<u>3,651</u>	<u>20,991,972</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 46,355,637</u>	<u>\$ 2,037,673</u>	<u>\$ 308,918</u>	<u>\$ 5,322,402</u>	<u>\$ 6,959,270</u>	<u>\$ 4,227</u>	<u>\$ 60,988,127</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2014

Total fund balance - governmental funds	\$ 20,991,972
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds.	36,657,991
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Real property taxes	1,916,261
Long-term liabilities that are not due and payable in the current period are not reported in the funds	
Accrued interest payable	(158,698)
Bonds payable	(24,095,000)
Compensated absences	(1,346,945)
Other postemployment benefits	<u>(14,992,780)</u>
Total net position of governmental activities	<u>\$ 18,972,801</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:							
Real property taxes	\$ 11,755,755	\$ 5,239,084	\$ 1,596,509	\$ 2,683,165	\$ -	\$ -	\$ 21,274,513
Other tax items	1,376,678	-	-	-	-	-	1,376,678
Nonproperty tax items	2,010,854	-	-	-	-	-	2,010,854
Departmental income	1,472,197	30,000	13,890	1,414,576	-	-	2,930,663
Intergovernmental charges	-	116,296	-	-	-	-	116,296
Use of money and property	98,710	-	14,165	236,736	-	-	349,611
Licenses and permits	556,968	-	-	-	-	-	556,968
Fines and forfeitures	104,334	-	-	-	-	-	104,334
Sale of property and compensation for loss	38,207	52,767	1,246	7,670	-	-	99,890
Interfund revenue	-	2,480	-	-	-	-	2,480
State aid	913,917	203,868	11,344	-	-	-	1,129,129
Federal aid	-	41,242	-	-	-	-	41,242
Miscellaneous	108,029	1,570	4,190	(8,892)	-	-	104,897
Total revenues	18,435,649	5,687,307	1,641,344	4,333,255	-	-	30,097,555
EXPENDITURES:							
General governmental support	4,166,445	20,918	-	16,176	-	-	4,203,539
Public safety	8,039,808	-	-	494,967	-	-	8,534,775
Health	7,282	-	-	265,393	-	-	272,675
Transportation	355,038	6,221,214	-	134,025	-	-	6,710,277
Economic opportunity and development	211,331	-	-	-	-	-	211,331
Culture and recreation	2,539,244	-	1,564,596	-	-	-	4,103,840
Home and community services	1,295,773	-	-	2,270,410	-	-	3,566,183
Debt service -							
Principal	196,020	184,900	-	713,591	-	-	1,094,511
Interest	76,441	50,027	-	305,824	-	-	432,292
Capital outlay	-	-	-	-	4,564,000	-	4,564,000
Total expenditures	16,887,382	6,477,059	1,564,596	4,200,386	4,564,000	-	33,693,423
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,548,267	(789,752)	76,748	132,869	(4,564,000)	-	(3,595,868)
OTHER FINANCING SOURCES (USES):							
Bans redeemed from appropriations	-	-	-	-	253,900	-	253,900
Proceeds from bond issuance	-	-	-	-	9,950,000	-	9,950,000
Transfers in	7,265	305,155	-	-	447,253	-	759,673
Transfers out	(482,253)	-	-	(265,000)	(12,420)	-	(759,673)
Total other financing sources and uses	(474,988)	305,155	-	(265,000)	10,638,733	-	10,203,900
CHANGE IN FUND BALANCE	1,073,279	(484,597)	76,748	(132,131)	6,074,733	-	6,608,032
FUND BALANCE - beginning of year	7,636,424	1,668,904	229,482	4,915,888	(70,409)	3,651	14,383,940
FUND BALANCE - end of year	\$ 8,709,703	\$ 1,184,307	\$ 306,230	\$ 4,783,757	\$ 6,004,324	\$ 3,651	\$ 20,991,972

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - governmental funds \$ 6,608,032

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

Governmental funds report 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.

Capital outlay expenditures	2,961,596
Depreciation expense	(1,232,002)

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

Real property taxes	(485,343)
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Issuance of long-term debt provides current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position.

Proceeds from issuance of long-term serial bonds	(9,950,000)
BANs redeemed from appropriations	(253,900)

Repayment of long-term debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities

Principal paid on bonds	839,000
Principal paid on long-term BAN payable	253,900

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

Accrued interest	(44,964)
Compensated absences	143,158
Other post employment benefit obligations	<u>(2,334,450)</u>

Change in net position of governmental activities	<u>\$ (3,494,973)</u>
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The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS DECEMBER 31, 2014

	<u>Agency</u>	<u>Private Purpose Trusts</u>
ASSETS		
Cash - demand deposits	\$ 1,740,513	\$ -
Accounts receivable	11,083	-
Due from agency	-	-
Total assets	<u>\$ 1,751,596</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable	\$ 29,270	\$ 24,716
Deposits and escrows	619,136	-
Escrows	1,103,190	-
Miscellaneous assigned	-	12,252
Total liabilities	<u>\$ 1,751,596</u>	<u>\$ 36,968</u>
NET POSITION		
Restricted for trusts		<u>(36,968)</u>
Total net position		<u>\$ (36,968)</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Private Purpose Trusts</u>
ADDITIONS:	
Investment earnings	\$ -
Total additions	-
DEDUCTIONS:	
Culture and recreation	-
Total deductions	-
Change in net position	-
NET POSITION - beginning of year, as previously presented	<u>611,190</u>
Reclassification adjustment (Note 6)	<u>(648,158)</u>
NET POSITION, as restated	<u>(36,968)</u>
NET POSITION - end of year	<u>\$ (36,968)</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

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 burden 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 Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide Financial Statements (Continued)

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.

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, 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:

- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Financial Statements (Continued)

- 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.
- a. Governmental Funds (Continued)
- 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 has two types of fiduciary funds:
- Private purpose trust funds - These funds are used to account for assets held by the Town in accordance with terms of a trust agreement. Established criteria govern the use of the funds.
 - Agency funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the Town as agent 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 has 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Fund Balances

However, debt service expenditures, as well as expenditures related to compensated absences and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Deposits, Investments and Risk Disclosure

- Cash and Cash Equivalents - Cash and cash 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, 2014.

- Investments (Continued)
- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Fund Balances (Continued)

Deposits, Investments and Risk Disclosure (Continued)

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, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.
- Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.
- 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 years 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Fund Balances (Continued)

Deposits, Investments and Risk Disclosure (Continued)

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

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

- **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.

Unearned 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 unearned revenues of \$1,916,262 for real property taxes in the General Fund, \$3,000 for fees received in advance in the Special Districts Fund and \$130,000. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Fund Balances (Continued)

Deposits, Investments and Risk Disclosure (Continued)

- 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. Bonds payable are reported net of the applicable bond premium or discount.

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 Position - Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include, net investment in capital assets, restricted for capital projects, 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:

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position or Fund Balances (Continued)

Deposits, Investments and Risk Disclosure (Continued)

- **Fund Balances (Continued)**

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

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. Reclassifications

Certain reclassifications have been made to the 2013 statements to conform to the current year presentation.

I. Deferred Outflows and Inflows

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows and inflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of inflow of resources (expenses/expenditure/revenues) until then.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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.

A. Budgetary Data (Continued)

- 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.
- 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.

2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

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

No new accounting standards were adopted in the current year

3. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents and Investments

As of December 31, 2014, all of the Town's cash and cash equivalents and investment balances were either insured or collateralized with securities held by the pledging financial institution's trust department in the Town's name:

	Bank Balance	Carrying Amount
Cash and cash equivalents, including trust and agency funds	\$ 32,820,242	\$ 32,752,995
Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	\$ 31,820,242	
Covered by FDIC insurance	1,000,000	
Total	\$ 32,820,242	

B. Restricted Investments

The Town received long-term financing from the Environmental Facilities Corporation for the sewer treatment plant upgrades. At December 31, 2014, there was \$113,390 of unspent proceeds in the name of the Town being held as a restricted investment to be allocated to the 2015 principal debt payment.

C. Taxes Receivable

Taxes receivable at December 31, 2014 consisted of the following:

	Town and County Taxes	School District Taxes	Total
Current year	\$ 464,989	\$ 26,452,460	\$ 26,917,449
Overdue	592,837	526,538	1,119,375
	<u>\$ 1,057,826</u>	<u>\$ 26,978,998</u>	28,036,824
Allowance for uncollectible taxes			<u>(326,996)</u>
			<u>\$ 27,709,828</u>

3. DETAILED NOTES ON ALL FUNDS (Continued)

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2015. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,916,262, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

D. Due from/to Other Funds

The balances reflected as due from/to other funds at December 31, 2014 were as follows:

	Interfund	
	Receivable	Payable
General fund	\$ -	\$ 482,253
Highway fund	300,000	-
Water District No. 1 fund	-	80,000
Water District No. 2 fund	-	345,000
Capital project fund	607,253	-
Total government activities	<u>\$ 907,253</u>	<u>\$ 907,253</u>

The outstanding balance 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. Interfund balances are expected to be paid back within one year.

E. Capital Assets

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

	December 31, 2013 Balance	Additions	Disposals	December 31, 2014 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 3,036,047	\$ 500,000	\$ -	\$ 3,536,047
Construction in progress	3,839,113	4,020,790	3,839,114	4,020,789
Total non-depreciable cost	<u>6,875,160</u>	<u>4,520,790</u>	<u>3,839,114</u>	<u>7,556,836</u>
Capital assets that are depreciated:				
Land Improvements	3,979,604	-	-	3,979,604
Buildings and improvements	17,365,403	153,758	-	17,519,161
Machinery and equipment	8,927,204	1,288,698	384,204	9,831,698
Infrastructure	30,934,133	837,464	-	31,771,597
Total depreciable historical cost	<u>61,206,344</u>	<u>2,279,920</u>	<u>384,204</u>	<u>63,102,060</u>
Less accumulated depreciation:				
Land Improvements	1,427,252	85,098	-	1,512,350
Buildings and improvements	5,972,792	341,912	-	6,314,704
Machinery and equipment	5,528,148	434,470	384,204	5,578,414
Infrastructure	20,224,915	370,522	-	20,595,437
Total accumulated depreciation	<u>33,153,107</u>	<u>1,232,002</u>	<u>384,204</u>	<u>34,000,905</u>
Total cost, net	<u>\$ 34,928,397</u>	<u>\$ 5,568,708</u>	<u>\$ 3,839,114</u>	<u>\$ 36,657,991</u>

3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets (Continued)

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

General governmental support	\$	87,074
Public safety		78,662
Transportation		219,413
Economic assistance and opportunity		3,519
Culture and recreation		264,165
Home and community services		<u>579,169</u>
Total depreciation expense	\$	<u>1,232,002</u>

F. 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 who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of service. For employees who joined after April 1, 2012, employees in NYSERS contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership.

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

	ERS	PFRS
2014	\$ 1,177,992	\$ 1,016,189
2013	\$ 1,298,690	\$ 1,083,238
2012	\$ 1,143,434	\$ 810,757

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.

3. DETAILED NOTES ON ALL FUNDS (Continued)

G. Short-Term Non-Capital Borrowings

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

	Year of original issue	Maturity Date	Rate of interest	Beginning Balance	Issued	Redeemed	Ending Balance
Highway settlement	2011	2015	0.89%	207,000	-	69,000	138,000
				<u>\$ 207,000</u>	<u>\$ -</u>	<u>\$ 69,000</u>	<u>\$ 138,000</u>

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

H. Short-Term Capital Borrowings

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

Capital related BANS

	Year of original issue	Maturity Date	Rate of interest	Beginning Balance	Issued	Redeemed	Ending Balance
Bond anticipation notes payable:							
Water District #1 Improvements	2011	2015	0.89%	\$ 240,000	\$ -	\$ 80,000	\$ 160,000
Open space acquisition	2008	2015	0.89%	24,900	-	24,900	-
Water District #2 improvements	2011	2015	0.89%	240,000	-	80,000	160,000
Copier	2014	2017	0.88%	-	55,000	-	55,000
				<u>\$ 504,900</u>	<u>\$ 55,000</u>	<u>\$ 184,900</u>	<u>\$ 375,000</u>

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

3. DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2014:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Bonds and notes payable:					
General obligation debt:					
Capital construction	\$ 14,984,000	\$ 9,950,000	\$ 839,000	\$ 24,095,000	\$ 1,109,000
Other liabilities:					
Other postemployment benefits	12,658,330	3,698,777	1,364,327	14,992,780	-
Compensated absences	1,490,103	-	143,158 (A)	1,346,945	-
Total other liabilities	14,148,433	3,698,777	1,507,485	16,339,725	-
Total long-term liabilities	\$ 29,132,433	\$ 13,648,777	\$ 2,346,485	\$ 40,434,725	\$ 1,109,000

(A) Additions and deletions to compensated absences are shown net because it is impracticable to determine these amounts separately.

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 general, highway and special districts funds.

Bonds Payable

Bonds payable at December 31, 2014 are comprised of the following individual issues:

Bond Issue	Balance	Issued	Maturity	Interest Rate	Balance
Firehouse acquisition	\$ 1,100,000	2004	2024	3.975%	\$ 600,000
Firehouse acquisition	1,100,000	2006	2026	3.973%	710,000
Public improvements	2,380,000	2007	2022	3.625%	1,465,000
Sewer No. 2 treatment plant upgrade	4,223,583	2007	2037	3.630%	3,460,000
Sewer nitrogen removal - Environmental Facilities Corporation	5,245,000	2009	2033	4.270%	4,225,000
Refunding bonds	1,740,000	2010	2021	2.000%	990,000
Public improvements	645,000	2010	2026	1.250%	505,000
Public improvements	2,500,000	2011	2026	1.50% - 2.65%	2,190,000
Public improvements	9,950,000	2014	2044	1.50%-5.0%	9,950,000
					<u>\$ 24,095,000</u>

Cash paid for interest of \$432,292 was recorded in the fund financial statements for long term debt. Interest expense of \$477,255 was recorded in the government-wide financial statements for governmental activities.

3. DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Liabilities (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending December 31,			
2015	\$ 1,109,000	\$ 719,526	\$ 1,828,526
2016	1,129,000	726,015	1,855,015
2017	1,149,000	677,554	1,826,554
2018	1,189,000	640,326	1,829,326
2019	1,204,000	601,297	1,805,297
2020-2024	5,635,000	2,382,805	8,017,805
2025-2029	3,913,000	1,600,713	5,513,713
2030-2034	3,692,000	1,060,144	4,752,144
2035-2039	2,605,000	559,469	3,164,469
2040-2044	<u>2,470,000</u>	<u>167,026</u>	<u>2,637,026</u>
Totals	<u>\$ 24,095,000</u>	<u>\$ 9,134,875</u>	<u>\$ 33,229,875</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 expenditures of approximately \$25,000 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

3. DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Liabilities (Continued)

Other Post Employment Benefit Obligations Payable (Continued)

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:

Assumed rates of increase in OPEB

Year Ended	Medical Rates		Dental and Vision
	Non Medicare	Medicare	
2015	8.00%	5.00%	5.00%
2016	7.00%	5.00%	5.00%
2017	6.00%	5.00%	5.00%
2018+	5.00%	5.00%	5.00%

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 24 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.

3. DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Liabilities (Continued)

Other Post Employment Benefit Obligations Payable (Continued)

The estimated number of participants as of December 31, 2014 was as follows:

Participants

Active employees	123
Retired employees	100
	<u>223</u>

Annual required contribution	\$3,812,495
Interest on net OPEB obligation	506,333
Adjustment to ARC	<u>(620,051)</u>
Annual OPEB cost (expense)	3,698,777
Contributions made	<u>(1,364,327)</u>
Increase in net OPEB obligation	2,334,450
Net OPEB obligation - beginning of year	<u>12,658,330</u>
Net OPEB obligation - end of year	<u>\$ 14,992,780</u>
Percentage of annual OPEB cost contributed	37%

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>Year Ended</u>	<u>OPEB Cost</u>	<u>Contribution (ARC)</u>	<u>OPEB Cost Contributed</u>	<u>% of ARC Contributed</u>	<u>OPEB Obligation</u>
12/31/14	\$ 3,698,777	\$ 3,698,777	\$ 1,364,327	37%	\$ 14,992,780
12/31/13	\$ 3,328,099	\$ 3,328,099	\$ 1,121,956	34%	\$ 12,658,330
12/31/12	\$ 3,158,811	\$ 3,158,811	\$ 1,217,462	39%	\$ 10,452,187

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.

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.

3. DETAILED NOTES ON ALL FUNDS (Continued)

J. Revenues and Expenditures

Interfund Transfers (Continued)

The interfund transfers reflected below have been reflected as transfers:

	Interfund	
	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 7,265	\$ 482,253
Highway fund	305,155	12,420
Special districts fund	-	265,000
Capital fund	<u>447,253</u>	<u>-</u>
Total government activities	<u>\$ 759,673</u>	<u>\$ 759,673</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.

K. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position 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 position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Workers' Compensation Benefits - the component of net position 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 position 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 position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Unrestricted - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

3. DETAILED NOTES ON ALL FUNDS (Continued)

L. Fund Balances

The components of fund balance are detailed below:

Certain elements of restricted fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position 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, 2014, the Town Board has assigned the amounts below to be appropriated from the ensuing years budget.

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

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Public Library Fund</u>	<u>Special Districts Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Nonspendable							
Prepaid expenditures	551,545	-	-	-	-	-	551,545
Restricted							
Capital Projects	-	-	-	-	6,004,324	-	6,004,324
Workers Compensation	1,692	-	-	-	-	-	1,692
Debt Service	-	-	-	4,783,757	-	3,651	4,787,408
	<u>1,692</u>	<u>-</u>	<u>-</u>	<u>4,783,757</u>	<u>6,004,324</u>	<u>3,651</u>	<u>10,793,424</u>
Committed							
Open Space	118,934	-	-	-	-	-	118,934
Assigned							
Other	-	1,184,307	306,230	0	-	-	1,490,537
	<u>-</u>	<u>1,184,307</u>	<u>306,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,537</u>
Unassigned	<u>8,037,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,037,532</u>
Total fund balances	<u>8,709,703</u>	<u>1,184,307</u>	<u>306,230</u>	<u>4,783,757</u>	<u>6,004,324</u>	<u>3,651</u>	<u>20,991,972</u>

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.

C. Contingencies

The Town participates in various Federal grant programs. 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.

5. OTHER MATTERS

On June 24, 2011, the NYS 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.

5. OTHER MATTERS (Continued)

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.

6. RECLASSIFICATION ADJUSTMENT

The following reclassification adjustment was made to the Town's beginning net position for the Fiduciary Funds Private Purpose Trust:

Net position, originally reported	\$ 611,190
Adjustment	(648,158)
Net position, as restated	\$ (36,968)

In the previous period certain Trust and Agency funds were combined with the Private Purpose Trust funds. Upon reconciliation, these funds were segregated appropriately for net position, as restated.

7. FUTURE CHANGES IN ACCOUNTING STANDARDS

GASB has issued Statements No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans. Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The Town is required to adopt the provisions of these Statements for the year ending December 31, 2015.

GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2015. A prospective basis should be applied and early adoption is encouraged.

GASB issued Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68* that addresses an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions.

7. FUTURE CHANGES IN ACCOUNTING STANDARDS (Continued)

The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Town is required to adopt the provisions of this Statement in conjunction with GASB Statement No. 68, for the year ending December 31, 2015, with early adoption encouraged.

In June 2015, the GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The Town is required to adopt the provisions of these Statements for the year ending December 31, 2015, with early adoption encouraged.

In August 2015, the GASB issued Statement No. 77 *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. The Town is required to adopt the provisions of these Statements for the year ending December 31, 2018, with early adoption encouraged.

The Town has not assessed the impact of these statements on its future financial statements.

8. SUBSEQUENT EVENTS

In March 2015 the Town Board entered into a licensing agreement for the right to operate a pool with the Anita Louise Ehrman Recreation Center, Inc. for a term beginning April 1, 2015 and ending on October 31, 2015 with an option to extend the licensing term for additional periods of one year through October 31, 2019. The Town Board entered into this agreement to provide a community recreational space for all Town residents at affordable prices as well as providing a venue for the Town's summer day camp.

In August 2015 the Town Board resolved to establish a park district for those properties surrounding Long Pond, which have a direct, beneficial use of the Lake, and by which the Town of North Castle is one member of the District. The District will be responsible for the repair and maintenance of the Long Pond Dam, distributed among all property owners and not to exceed \$335 thousand. The District was formed in response to NYSED notice of violation and order to bring the Dam into compliance with the NYSED Dam Safety Regulations.

In August 2015 the Town Board resolved to authorize bonding for the Ultra Violet Disinfection Project for Water District #1 not to exceed \$1.5 million. The purpose of this project is to increase function and improvement of the facilities.

In August 2015 the Town Board resolved to authorize the expenditure of \$1 million for the road repair and the budget transfer of funding from fund balance to road maintenance. This Town Board action supported the long term plan to meet the goals of the pavement management study and improve the safety of residents traveling on the 93 miles of Town roads.

8. SUBSEQUENT EVENTS (Continued)

In November 2014 the Town board resolved to execute a conservation easement to the Town utilizing the Open Space Preservation Bond Referendum, for 73 acres located on the Mianus River Gorge amounting to \$500 thousand. Upon recommendation of the Open Space Committee and the Conservation Committee, the Town Board, as recommended by the Town's Master plan preserved open spaces while protecting fragile lands that will benefit future generations.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 11,567,588	\$ 11,567,588	\$ 11,755,755	\$ 188,167
Other tax items	891,918	891,918	1,376,678	484,760
Nonproperty tax items	2,215,000	2,215,000	2,010,854	(204,146)
Departmental income	1,414,849	1,414,849	1,472,197	57,348
Use of money and property	87,300	87,300	98,710	11,410
Licenses and permits	496,000	496,000	556,968	60,968
Fines and forfeitures	230,000	230,000	104,334	(125,666)
Sale of property and compensation for loss	17,000	17,000	38,207	21,207
State aid	720,000	720,000	913,917	193,917
Federal aid	-	-	-	-
Miscellaneous	8,000	8,000	108,029	100,029
Total revenues	17,647,655	17,647,655	18,435,649	787,994
EXPENDITURES:				
General governmental support	4,241,817	4,387,091	4,166,445	(220,646)
Public safety	8,517,814	8,297,358	8,039,808	(257,550)
Health	6,377	6,877	7,282	405
Transportation	326,931	362,702	355,038	(7,664)
Economic opportunity and development	211,327	283,883	211,331	(72,552)
Culture and recreation	2,742,723	2,613,413	2,539,244	(74,169)
Home and community services	1,334,004	1,398,516	1,295,773	(102,743)
Employee Benefits	750	750	-	(750)
Debt service - principal	189,471	189,471	196,020	6,549
Debt service - interest	76,441	82,991	76,441	(6,550)
Total expenditures	17,647,655	17,623,052	16,887,382	(735,670)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	24,603	1,548,267	1,523,664
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	7,265	7,265
Transfers out	-	(24,603)	(482,253)	(457,650)
Total other financing sources and uses	-	(24,603)	(474,988)	(450,385)
CHANGE IN FUND BALANCE	-	-	1,073,279	1,073,279
FUND BALANCE - beginning of year	7,636,424	7,636,424	7,636,424	-
FUND BALANCE - end of year	\$ 7,636,424	\$ 7,636,424	\$ 8,709,703	\$ 1,073,279

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY FUND FOR THE YEAR ENDED DECEMBER 31, 2014

	Highway Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 5,239,084	\$ 5,239,084	\$ 5,239,084	\$ -
Departmental income	-	-	30,000	30,000
Intergovernmental charges	100,000	100,000	116,296	16,296
Miscellaneous	20,000	20,000	-	(20,000)
Sale of property and compensation for loss	1,000	1,000	52,767	51,767
Interfund revenue	-	-	2,480	2,480
State aid	140,000	140,000	203,868	63,868
Federal aid	-	-	41,242	41,242
Miscellaneous	-	-	1,570	1,570
Total revenues	<u>5,500,084</u>	<u>5,500,084</u>	<u>5,687,307</u>	<u>187,223</u>
EXPENDITURES:				
General governmental support	-	-	20,918	(20,918)
Transportation	5,265,055	6,706,853	6,221,214	485,639
Debt service - principal	235,029	235,029	184,900	50,129
Debt service - interest	-	-	50,027	(50,027)
Total expenditures	<u>5,500,084</u>	<u>6,941,882</u>	<u>6,477,059</u>	<u>464,823</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,441,798)</u>	<u>(789,752)</u>	<u>652,046</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	424,500	305,155	(119,345)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>424,500</u>	<u>305,155</u>	<u>(119,345)</u>
CHANGE IN FUND BALANCE	-	(1,017,298)	(484,597)	532,701
FUND BALANCE - beginning of year	<u>1,668,904</u>	<u>1,668,904</u>	<u>1,668,904</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,668,904</u>	<u>\$ 651,606</u>	<u>\$ 1,184,307</u>	<u>\$ 532,701</u>

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC LIBRARY FUND FOR THE YEAR ENDED DECEMBER 31, 2014

	Public Library Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 1,596,509	\$ 1,596,509	\$ 1,596,509	\$ -
Departmental income	20,000	20,000	13,890	(6,110)
Use of money and property	18,000	18,000	14,165	(3,835)
Sale of property and compensation for loss	1,200	1,200	1,246	46
State aid	3,200	3,200	11,344	8,144
Miscellaneous	500	500	4,190	3,690
Total revenues	<u>1,639,409</u>	<u>1,639,409</u>	<u>1,641,344</u>	<u>1,935</u>
EXPENDITURES:				
Culture and recreation	<u>1,664,848</u>	<u>1,664,848</u>	<u>1,564,596</u>	<u>100,252</u>
Total expenditures	<u>1,664,848</u>	<u>1,664,848</u>	<u>1,564,596</u>	<u>(100,252)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(25,439)</u>	<u>(25,439)</u>	<u>76,748</u>	<u>102,187</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(25,439)	(25,439)	76,748	102,187
FUND BALANCE - beginning of year	<u>229,482</u>	<u>229,482</u>	<u>229,482</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 204,043</u>	<u>\$ 204,043</u>	<u>\$ 306,230</u>	<u>\$ 102,187</u>

TOWN OF NORTH CASTLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL DISTRICT FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Districts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes	\$ 2,684,171	\$ 2,684,171	\$ 2,683,165	\$ (1,006)
Departmental income	1,217,748	1,217,748	1,414,576	196,828
Use of money and property	356,962	356,962	236,736	(120,226)
Sale of property and compensation for loss	600	600	7,670	7,070
Federal aid	-	-	-	-
Miscellaneous	-	-	(8,892)	(8,892)
Total revenues	<u>4,259,481</u>	<u>4,259,481</u>	<u>4,333,255</u>	<u>73,774</u>
EXPENDITURES:				
General governmental support	28,259	28,259	16,176	(12,083)
Public safety	494,967	494,967	494,967	-
Health	271,284	271,284	265,393	(5,891)
Transportation	138,919	138,919	134,025	(4,894)
Home and community services	2,642,979	2,642,979	2,270,410	(372,569)
Debt service - principal	794,000	794,000	713,591	80,409
Debt service - interest	<u>348,261</u>	<u>348,261</u>	<u>305,824</u>	<u>42,437</u>
Total expenditures	<u>4,718,669</u>	<u>4,718,669</u>	<u>4,200,386</u>	<u>518,283</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(459,188)</u>	<u>(459,188)</u>	<u>132,869</u>	<u>592,057</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(265,000)	(265,000)
Total other financing sources and uses	-	-	(265,000)	(265,000)
CHANGE IN FUND BALANCE	(459,188)	(459,188)	(132,131)	327,057
FUND BALANCE - beginning of year	<u>3,779,686</u>	<u>3,779,686</u>	<u>4,915,888</u>	<u>(1,136,202)</u>
FUND BALANCE - end of year	<u>\$ 3,320,498</u>	<u>\$ 3,320,498</u>	<u>\$ 4,783,757</u>	<u>\$ 1,463,259</u>

TOWN OF NORTH CASTLE, NEW YORK

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2014**

<u>Valuation Date</u>	<u>Value of Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Covered Payroll</u>
January 1, 2010	\$ -	\$ 37,289,643	\$ 37,289,643	0.00%	\$ 9,927,462	375.62%
January 1, 2012	\$ -	\$ 42,913,205	\$ 42,913,205	0.00%	\$ 9,227,462	465.06%
January 1, 2014	\$ -	\$ 48,373,886	\$ 48,373,886	0.00%	\$ 11,197,502	432.01%

SUPPLEMENTARY INFORMATION

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEETS- GENERAL FUND DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash:		
Demand deposits	\$ 17,603,620	\$ 17,351,223
Petty cash	600	600
Investments	-	-
Taxes receivable, net of allowance for uncollectible taxes of \$326,996 in 2014 and \$116,141 in 2013	27,709,828	25,977,966
Other receivables:		
Other	51,068	60,759
Due from other funds	-	-
Due from other governments	438,976	451,957
Prepaid expenditures	<u>551,545</u>	<u>602,927</u>
 Total assets	 <u>\$ 46,355,637</u>	 <u>\$ 44,445,432</u>
 LIABILITIES		
Accounts payable	\$ 343,129	\$ 130,306
Accrued liabilities	-	-
Retainages payable	-	14,947
Due to other funds	482,253	-
Due to other governments	644	-
Due to school districts	<u>34,903,646</u>	<u>34,262,929</u>
 Total liabilities	 <u>35,729,672</u>	 <u>34,408,182</u>
 DEFERRED INFLOWS OF RESOURCES:	 <u>1,916,262</u>	 <u>2,400,826</u>
 FUND BALANCE		
Non-spendable	551,545	602,927
Restricted	1,692	1,692
Committed	9,700	9,700
Assigned	109,234	46,665
Unassigned	<u>8,037,532</u>	<u>6,975,440</u>
 Total fund balance	 <u>8,709,703</u>	 <u>7,636,424</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 46,355,637</u>	 <u>\$ 44,445,432</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014				2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:								
Real property taxes	\$ 11,567,588	\$ 11,567,588	\$ 11,755,755	\$ 188,167	\$ 11,866,234	\$ 11,866,234	\$ 12,215,035	\$ 348,801
Other tax items	891,918	891,918	1,376,678	484,760	1,321,726	1,321,726	1,463,862	142,136
Nonproperty tax items	2,215,000	2,215,000	2,010,854	(204,146)	1,500,000	1,740,000	1,991,126	251,126
Departmental income	1,414,849	1,414,849	1,472,197	57,348	1,290,350	1,290,350	1,460,762	170,412
Use of money and property	87,300	87,300	98,710	11,410	92,300	92,300	99,864	7,564
Licenses and permits	496,000	496,000	556,968	60,968	490,500	490,500	646,808	156,308
Fines and forfeitures	230,000	230,000	104,334	(125,666)	200,000	200,000	180,997	(19,003)
Sale of property and compensation for loss	17,000	17,000	38,207	21,207	2,000	2,000	2,599	599
State aid	720,000	720,000	913,917	193,917	720,000	725,738	937,352	211,614
Federal aid	-	-	-	-	-	-	117,351	117,351
Miscellaneous	8,000	8,000	108,029	100,029	8,000	8,000	7,331	(669)
Total revenues	17,647,655	17,647,655	18,435,649	787,994	17,491,110	17,736,848	19,123,087	1,386,239
EXPENDITURES:								
General governmental support	4,241,817	4,241,817	4,166,445	(75,372)	4,419,538	4,510,240	3,626,358	(883,882)
Public safety	8,517,814	8,517,814	8,039,808	(478,006)	7,994,216	8,109,521	8,026,034	(83,487)
Health	6,377	6,377	7,282	905	13,191	13,191	5,358	(7,833)
Transportation	326,931	326,931	355,038	28,107	322,569	325,152	319,086	(6,066)
Economic opportunity and development	211,327	211,327	211,331	4	194,255	194,255	188,759	(5,496)
Culture and recreation	2,742,723	2,742,723	2,539,244	(203,479)	2,708,717	2,681,794	2,377,854	(303,940)
Home and community services	1,334,004	1,334,004	1,295,773	(38,231)	1,744,630	1,780,280	1,465,151	(315,129)
Employee benefits	750	750	-	(750)	11,263	11,463	-	-
Debt service	265,912	265,912	272,461	6,549	2,560	2,560	2,564	4
Total expenditures	17,647,655	17,647,655	16,887,382	(760,273)	17,410,939	17,628,456	16,011,164	(1,617,292)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,548,267	1,548,267	80,171	108,392	3,111,923	3,003,531
OTHER FINANCING SOURCES (USES):								
Insurance recoveries	-	-	-	-	15,000	15,000	80,449	65,449
Transfers in	-	-	7,265	7,265	-	-	4,721	4,721
Transfers out	-	-	(482,253)	482,253	(335,171)	(864,586)	(860,236)	(4,350)
Total other financing sources and uses	-	-	(474,988)	(474,988)	(320,171)	(849,586)	(775,066)	74,520
CHANGE IN FUND BALANCE	-	-	1,073,279	1,073,279	(240,000)	(741,194)	2,336,857	3,078,051
FUND BALANCE - beginning of year	7,636,424	7,636,424	7,636,424	-	5,299,567	5,299,567	5,299,567	-
FUND BALANCE - end of year	\$ 7,636,424	\$ 7,636,424	\$ 8,709,703	\$ 1,073,279	\$ 5,059,567	\$ 4,558,373	\$ 7,636,424	\$ 3,078,051

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEETS- HIGHWAY FUND DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash - demand deposits	\$ 1,564,203	\$ 1,848,582
Due from other funds	300,000	-
Due from other governments	172,509	
Accounts	<u>961</u>	<u>1,771</u>
Total assets	<u>\$ 2,037,673</u>	<u>\$ 1,850,353</u>
LIABILITIES		
Accounts payable	\$ 723,366	\$ 151,449
Unearned construction revenue	<u>130,000</u>	<u>-</u>
Total liabilities	<u>853,366</u>	<u>151,449</u>
DEFERRED INFLOWS OF RESOURCES:	<u>-</u>	<u>30,000</u>
FUND BALANCE		
Assigned	<u>1,184,307</u>	<u>1,668,904</u>
Total fund balance	<u>1,184,307</u>	<u>1,668,904</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,037,673</u>	<u>\$ 1,850,353</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:								
Real property taxes	\$ 5,239,084	\$ 5,239,084	\$ 5,239,084	\$ -	\$ 4,745,751	\$ 4,745,751	\$ 4,745,751	\$ -
Departmental income	-	-	30,000	-	-	-	-	-
Intergovernmental charges	100,000	100,000	116,296	16,296	100,000	100,000	115,896	15,896
Miscellaneous sources	20,000	20,000	1,570	(18,430)	-	-	-	-
Sale of property and compensation for loss	1,000	1,000	52,767	51,767	21,000	21,000	35,707	14,707
Interfund revenues	-	-	2,480	2,480	3,000	3,000	1,193	(1,807)
State aid	140,000	140,000	203,868	63,868	140,000	182,816	188,589	5,773
Federal aid	-	-	41,242	41,242	-	56,103	353,393	297,290
Total revenues	5,500,084	5,500,084	5,687,307	157,223	5,009,751	5,108,670	5,440,529	331,859
EXPENDITURES:								
General governmental support	-	-	20,918	20,918	147,290	201,476	196,418	(5,058)
Transportation	5,265,155	5,265,155	6,221,214	956,059	4,546,617	5,090,765	4,733,565	(357,200)
Debt service -principal	234,929	234,929	184,900	(50,029)	-	-	-	-
Debt service - interest	-	-	50,027	50,027	52,056	52,056	52,056	-
Total expenditures	5,500,084	5,500,084	6,477,059	976,975	4,745,963	5,344,297	4,982,039	(362,258)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(789,752)	(819,752)	263,788	(235,627)	458,490	694,117
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	305,155	305,155	-	-	499,415	-
Transfers out	-	-	-	-	(263,788)	(263,788)	(263,782)	6
Total other financing sources and uses	-	-	305,155	305,155	(263,788)	(263,788)	235,633	499,421
CHANGE IN FUND BALANCE	-	-	(484,597)	(514,597)	-	(499,415)	694,123	1,193,538
FUND BALANCE - beginning of year	1,668,904	1,668,904	1,668,904	-	974,781	974,781	974,781	-
FUND BALANCE - end of year	\$ 1,668,904	\$ 1,668,904	\$ 1,184,307	\$ (484,597)	\$ 974,781	\$ 475,366	\$ 1,668,904	\$ 1,193,538

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEETS- PUBLIC LIBRARY DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash:		
Demand deposits	\$ 308,740	\$ 244,642
Petty cash	<u>178</u>	<u>178</u>
Total assets	<u>\$ 308,918</u>	<u>\$ 244,820</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	<u>\$ 2,688</u>	<u>\$ 15,338</u>
FUND BALANCE		
Assigned	<u>306,230</u>	<u>229,482</u>
Total liabilities and fund balance	<u>\$ 308,918</u>	<u>\$ 244,820</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - PUBLIC LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:								
Real property taxes	\$ 1,596,509	\$ 1,596,509	\$ 1,596,509	\$ -	\$ 1,596,509	\$ 1,596,509	\$ 1,596,509	\$ -
Departmental income	20,000	20,000	13,890	(6,110)	20,000	20,000	18,316	(1,684)
Use of money and property	18,000	18,000	14,165	(3,835)	18,500	18,500	28,420	9,920
Sale of property and compensation for loss	1,200	1,200	1,246	46	1,300	1,300	1,428	128
State aid	3,200	3,200	11,344	8,144	3,200	3,200	74,377	71,177
Miscellaneous	500	500	4,190	3,690	50,575	50,575	5,774	(44,801)
Total revenues	<u>1,639,409</u>	<u>1,639,409</u>	<u>1,641,344</u>	<u>1,935</u>	<u>1,690,084</u>	<u>1,690,084</u>	<u>1,724,824</u>	<u>34,740</u>
EXPENDITURES:								
Culture and recreation	<u>1,664,848</u>	<u>1,664,848</u>	<u>1,564,596</u>	<u>(100,252)</u>	<u>1,690,084</u>	<u>1,690,084</u>	<u>1,644,562</u>	<u>(45,522)</u>
Total expenditures	<u>1,664,848</u>	<u>1,664,848</u>	<u>1,564,596</u>	<u>(100,252)</u>	<u>1,690,084</u>	<u>1,690,084</u>	<u>1,644,562</u>	<u>(45,522)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(25,439)</u>	<u>(25,439)</u>	<u>76,748</u>	<u>102,187</u>	<u>-</u>	<u>-</u>	<u>80,262</u>	<u>80,262</u>
FUND BALANCE - beginning of year	<u>229,482</u>	<u>229,482</u>	<u>229,482</u>	<u>-</u>	<u>149,220</u>	<u>149,220</u>	<u>149,220</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 204,043</u>	<u>\$ 204,043</u>	<u>\$ 306,230</u>	<u>\$ 102,187</u>	<u>\$ 149,220</u>	<u>\$ 149,220</u>	<u>\$ 229,482</u>	<u>\$ 80,262</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEET - SPECIAL DISTRICTS FUND
DECEMBER 31, 2014

(With Comparative Totals for 2013)

	Water Districts						Sewer Districts				
	No. 1	No. 2	No. 4	No. 5	No. 6	No. 7	No. 1	No. 2	No. 3	No. 4	Quarry Heights
Cash:											
Demand deposits	\$ 547,481	\$ 801,779	\$ 956,751	\$ 207,051	\$ 4,590	\$ 71,455	\$ 453,406	\$ 1,433,380	\$ 420,734	\$ 125,536	\$ 61,039
Receivables:											
Water rents	45,794	43,442	47,953	2,813	-	614	-	-	-	-	-
Accounts receivable	-	-	2,888	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
	<u>593,275</u>	<u>845,221</u>	<u>1,007,592</u>	<u>209,864</u>	<u>4,590</u>	<u>72,069</u>	<u>453,406</u>	<u>1,433,380</u>	<u>420,734</u>	<u>125,536</u>	<u>61,039</u>
Total assets											
	<u>593,275</u>	<u>845,221</u>	<u>1,007,592</u>	<u>209,864</u>	<u>4,590</u>	<u>72,069</u>	<u>453,406</u>	<u>1,433,380</u>	<u>420,734</u>	<u>125,536</u>	<u>61,039</u>
LIABILITIES:											
Accounts payable	36,898	2,660	6,979	391	-	79	43	27,080	665	461	3,010
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	80,000	345,000	-	-	-	-	-	-	-	-	-
	<u>116,898</u>	<u>347,660</u>	<u>6,979</u>	<u>391</u>	<u>-</u>	<u>79</u>	<u>43</u>	<u>27,080</u>	<u>665</u>	<u>461</u>	<u>3,010</u>
Total liabilities											
	<u>116,898</u>	<u>347,660</u>	<u>6,979</u>	<u>391</u>	<u>-</u>	<u>79</u>	<u>43</u>	<u>27,080</u>	<u>665</u>	<u>461</u>	<u>3,010</u>
DEFERRED INFLOWS OF RESOURCES:	-	-	-	-	-	-	-	3,000	-	-	-
FUND BALANCES (DEFICITS):											
Assigned	476,377	497,561	1,000,613	209,473	4,590	71,990	453,363	1,403,300	420,069	125,075	58,029
	<u>476,377</u>	<u>497,561</u>	<u>1,000,613</u>	<u>209,473</u>	<u>4,590</u>	<u>71,990</u>	<u>453,363</u>	<u>1,403,300</u>	<u>420,069</u>	<u>125,075</u>	<u>58,029</u>
Total liabilities and fund balances (deficits)	\$ <u>593,275</u>	\$ <u>845,221</u>	\$ <u>1,007,592</u>	\$ <u>209,864</u>	\$ <u>4,590</u>	\$ <u>72,069</u>	\$ <u>453,406</u>	\$ <u>1,433,380</u>	\$ <u>420,734</u>	\$ <u>125,536</u>	\$ <u>61,039</u>

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE BALANCE SHEET - SPECIAL DISTRICT FUNDS
DECEMBER 31, 2014**

(With Comparative Totals for 2013)

	Carried Forward	Street Lighting Districts			Fire Protection District No. 1	Parking District No. 1	Ambulance Districts		Totals	
		No. 1	No. 2	No. 3	No. 1	No. 1	No. 1	No. 2	2014	2013
Cash:										
Demand deposits	\$ 5,083,202	\$ 19,573	\$ 203	\$ 7,773	\$ 18,896	\$ 3,062	\$ 42,691	\$ 3,498	\$ 5,178,898	\$ 5,721,340
Receivables:										
Water rents	140,616	-	-	-	-	-	-	-	140,616	118,484
Accounts receivable	2,888				-	-	-	-	2,888	3,088
Due from other funds	-	-	-	-	-	-	-	-	-	3,500
Total assets	<u>5,226,706</u>	<u>19,573</u>	<u>203</u>	<u>7,773</u>	<u>18,896</u>	<u>3,062</u>	<u>42,691</u>	<u>3,498</u>	<u>5,322,402</u>	<u>5,846,412</u>
LIABILITIES:										
Accounts payable	78,266	4,481	7,414	817	-	-	19,667	-	110,645	89,324
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>809,804</u>
Total liabilities	<u>503,266</u>	<u>4,481</u>	<u>7,414</u>	<u>817</u>	<u>-</u>	<u>-</u>	<u>19,667</u>	<u>-</u>	<u>535,645</u>	<u>899,128</u>
DEFERRED INFLOWS FROM RESOURCES:	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>31,395</u>
FUND BALANCES (DEFICITS):										
Assigned	<u>4,720,440</u>	<u>15,092</u>	<u>(7,211)</u>	<u>6,956</u>	<u>18,896</u>	<u>3,062</u>	<u>23,024</u>	<u>3,498</u>	<u>4,783,757</u>	<u>4,915,889</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,226,706</u>	<u>\$ 19,573</u>	<u>\$ 203</u>	<u>\$ 7,773</u>	<u>\$ 18,896</u>	<u>\$ 3,062</u>	<u>\$ 42,691</u>	<u>\$ 3,498</u>	<u>\$ 5,322,402</u>	<u>\$ 5,846,412</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL- SPECIAL DISTRICTS FUND
DECEMBER 31, 2014**

(With Comparative Totals for 2013)

	Water Districts						Sewer Districts				
	No. 1	No. 2	No. 4	No. 5	No. 6	No. 7	No. 1	No. 2	No. 3	No. 4	Quarry Heights
REVENUES:											
Real property taxes	\$ 205,133	\$ 251,776	\$ 19,048	\$ 30,002	\$ 2,000	\$ 30,784	\$ 89,601	\$ 1,013,920	\$ 85,850	\$ 22,700	\$ 24,591
Departmental income	533,196	372,813	395,034	95,343	-	18,040	50	75	-	-	25
Use of money and property	6,085	5,236	6,729	419	-	19	-	218,248	-	-	-
Sale of property and compensation for loss	221	2,126	154	44	-	6	54	4,592	453	10	10
Federal aid	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	(8,892)	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>735,743</u>	<u>631,951</u>	<u>420,965</u>	<u>125,808</u>	<u>2,000</u>	<u>48,849</u>	<u>89,705</u>	<u>1,236,835</u>	<u>86,303</u>	<u>22,710</u>	<u>24,626</u>
EXPENDITURES:											
General governmental support	1,944	313	719	-	-	11	675	5,334	62	17	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Home and community services	528,677	232,038	398,331	72,232	201	18,515	70,687	867,475	54,403	14,955	12,896
Debt service - principal	173,049	202,563	15,434	30,255	-	24,235	-	268,055	-	-	-
Debt service - interest	36,572	51,667	1,838	9,665	-	8,896	-	197,186	-	-	-
Total expenditures	<u>740,242</u>	<u>486,581</u>	<u>416,322</u>	<u>112,152</u>	<u>201</u>	<u>51,657</u>	<u>71,362</u>	<u>1,338,050</u>	<u>54,465</u>	<u>14,972</u>	<u>12,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,499)</u>	<u>145,370</u>	<u>4,643</u>	<u>13,656</u>	<u>1,799</u>	<u>(2,808)</u>	<u>18,343</u>	<u>(101,215)</u>	<u>31,838</u>	<u>7,738</u>	<u>11,730</u>
OTHER FINANCING SOURCES (USES):											
Insurance recoveries	-	-	-	-	-	-	-	-	-	-	-
Bans redeemed from appropriations	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(265,000)	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(265,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(4,499)	(119,630)	4,643	13,656	1,799	(2,808)	18,343	(101,215)	31,838	7,738	11,730
FUND BALANCE - beginning of year	<u>480,876</u>	<u>617,191</u>	<u>995,970</u>	<u>195,817</u>	<u>2,791</u>	<u>74,798</u>	<u>435,020</u>	<u>1,504,515</u>	<u>388,231</u>	<u>117,337</u>	<u>46,299</u>
FUND BALANCE - end of year	<u>\$ 476,377</u>	<u>\$ 497,561</u>	<u>\$ 1,000,613</u>	<u>\$ 209,473</u>	<u>\$ 4,590</u>	<u>\$ 71,990</u>	<u>\$ 453,363</u>	<u>\$ 1,403,300</u>	<u>\$ 420,069</u>	<u>\$ 125,075</u>	<u>\$ 58,029</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- SPECIAL DISTRICTS FUNDS
DECEMBER 31, 2014**

(With Comparative Totals for 2013)

		Lighting Districts			Fire Protection District	Parking District	Ambulance Districts		Totals	
	Carried Forward	No. 1	No. 2	No. 3	No. 1	No. 2	No. 1	No. 2	2014	2013
REVENUES:										
Real property taxes	\$ 1,775,405	\$ 59,929	\$ 77,391	\$ 3,070	\$ 494,171	\$ -	\$ 85,000	\$ 188,199	\$ 2,683,165	\$ 2,617,563
Departmental income	1,414,576	-	-	-	-	-	-	-	1,414,576	1,482,626
Use of money and property	236,736	-	-	-	-	-	-	-	236,736	271,521
Sale of property and compensation for loss	7,670	-	-	-	-	-	-	-	7,670	2,568
Federal aid	-	-	-	-	-	-	-	-	-	92,749
Miscellaneous	(8,892)	-	-	-	-	-	-	-	(8,892)	20,563
Total revenues	<u>3,425,495</u>	<u>59,929</u>	<u>77,391</u>	<u>3,070</u>	<u>494,171</u>	<u>-</u>	<u>85,000</u>	<u>188,199</u>	<u>4,333,255</u>	<u>4,487,590</u>
EXPENDITURES:										
General governmental support	9,075	252	1,264	-	3,722	-	368	1,495	16,176	5,799
Public safety	-	-	-	-	494,967	-	-	-	494,967	449,620
Health	-	-	-	-	-	-	78,109	187,284	265,393	300,405
Transportation	-	46,660	78,418	8,947	-	-	-	-	134,025	146,248
Home and community services	2,270,410	-	-	-	-	-	-	-	2,270,410	2,002,118
Debt service - principal	713,591	-	-	-	-	-	-	-	713,591	-
Debt service - interest	305,824	-	-	-	-	-	-	-	305,824	-
Total expenditures	<u>3,298,900</u>	<u>46,912</u>	<u>79,682</u>	<u>8,947</u>	<u>498,689</u>	<u>-</u>	<u>78,477</u>	<u>188,779</u>	<u>4,200,386</u>	<u>2,904,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>126,595</u>	<u>13,017</u>	<u>(2,291)</u>	<u>(5,877)</u>	<u>(4,518)</u>	<u>-</u>	<u>6,523</u>	<u>(580)</u>	<u>132,869</u>	<u>1,583,400</u>
OTHER FINANCING SOURCES (USES):										
Insurance recoveries	-	-	-	-	-	-	-	-	-	215
Bans redeemed from appropriations	-	-	-	-	-	-	-	-	-	-
Transfers out	(265,000)	-	-	-	-	-	-	-	(265,000)	(951,902)
Total other financing sources and uses	<u>(265,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(265,000)</u>	<u>(951,687)</u>
CHANGE IN FUND BALANCE	(138,405)	13,017	(2,291)	(5,877)	(4,518)	-	6,523	(580)	(132,131)	631,713
FUND BALANCE - beginning of year	<u>4,858,845</u>	<u>2,075</u>	<u>(4,920)</u>	<u>12,833</u>	<u>23,414</u>	<u>3,062</u>	<u>16,501</u>	<u>4,078</u>	<u>4,915,888</u>	<u>4,284,175</u>
FUND BALANCE - end of year	<u>\$ 4,720,440</u>	<u>\$ 15,092</u>	<u>\$ (7,211)</u>	<u>\$ 6,956</u>	<u>\$ 18,896</u>	<u>\$ 3,062</u>	<u>\$ 23,024</u>	<u>\$ 3,498</u>	<u>\$ 4,783,757</u>	<u>\$ 4,915,888</u>

The accompanying notes are an integral part of this supplementary information.

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEETS- CAPITAL PROJECTS FUND DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash - demand deposits	\$ 6,238,627	\$ 216,680
Restricted Investments	113,390	113,390
Due from other funds	<u>607,253</u>	<u>809,804</u>
Total assets	<u>\$ 6,959,270</u>	<u>\$ 1,139,874</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 265,316	\$ 494,883
Retainages payable	176,630	-
Due to other funds	-	3,500
Bond anticipation notes payable	<u>513,000</u>	<u>711,900</u>
Total liabilities	<u>954,946</u>	<u>1,210,283</u>
FUND BALANCE		
Restricted	6,004,324	-
Unassigned	<u>-</u>	<u>(70,409)</u>
Total fund balance	<u>6,004,324</u>	<u>(70,409)</u>
Total liabilities and fund balance	<u>\$ 6,959,270</u>	<u>\$ 1,139,874</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES:		
Miscellaneous	\$ <u>-</u>	\$ <u>2</u>
Total revenues	<u>-</u>	<u>2</u>
EXPENDITURES:		
Capital outlay	<u>4,564,000</u>	<u>874,362</u>
Total expenditures	<u>4,564,000</u>	<u>874,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,564,000)</u>	<u>(874,360)</u>
OTHER FINANCING SOURCES (USES):		
Bans redeemed from appropriations	253,900	
Proceeds from bond issuance	9,950,000	
Transfers in	447,253	441,769
Transfers out	<u>(12,420)</u>	<u>(182,654)</u>
Total other financing sources and uses	<u>10,638,733</u>	<u>259,115</u>
CHANGE IN FUND BALANCE	6,074,733	(615,245)
FUND BALANCE - beginning of year	<u>(70,409)</u>	<u>544,836</u>
FUND BALANCE - end of year	<u>\$ 6,004,324</u>	<u>\$ (70,409)</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

PROJECT-LENGTH SCHEDULE
CAPITAL PROJECTS FUND
INCEPTION OF PROJECT THROUGH DECEMBER 31, 2014

Project Name	Project Number	Budget 1/1/14	Amendments 2014	Budget 12/31/14	Funding Source	Expenditures			Revenue			Fund Balance 12/31/2014	BANS O/S
						Prior Year	2014	Total	Prior Year	2014	Total		
WD #1 Chlorination Contact Time	68	\$ 900,000.00	\$ -	\$ 900,000.00	Bond	\$ 749,621.00	\$ -	\$ 749,621.00	\$ 750,000.00	\$ -	\$ 750,000.00	\$ 379.00	\$ -
Sewer II Odor Control	91	245,000		245,000	BAN/SS2	245,000	-	245,000	245,000	-	245,000	-	-
Rt 128 Connect Rd.	93	108,321		108,321	Donate/ int	46,292	-	46,292	108,321	-	108,321	62,029	-
Parks Improvements	100	459,305		459,305	Various	447,155	-	447,155	459,305	-	459,305	12,150	-
Water District #4 Extension	103	385,000		385,000	BAN	363,580	-	363,580	385,000	-	385,000	21,420	-
Wampus Brook Pathway	106	240,015		240,015	T&A/Fed	31,300	-	31,300	83,375	-	83,375	52,075	-
Sewer #2 Treatment Plant Upgrade	109	5,200,000		5,200,000	BOND	4,614,126	-	4,614,126	4,598,563	-	4,598,563	(15,563)	-
Sewer #2 Sand Filter	110	370,000		370,000	BAN	353,570	-	353,570	366,500	-	366,500	12,930	-
Windmill Water District Project	HD	-	265,000	265,000	interfund trans	-	272,389	272,389	-	265,000	265,000	(7,389)	-
Water Distribution System Replacement	H2	-	9,950,000	9,950,000	Bond	-	3,575,019	3,575,019	-	9,950,000	9,950,000	6,374,981	-
Open Space	HO	-	500,000	500,000	Transfer/BAN	-	500,000	500,000	-	-	-	(500,000)	-
Annex roof replacement	HA	-	77,650	77,650	interfund trans	-	79,220	79,220	-	79,220	79,220	-	-
2014 Server replacement	HC	-	80,000	80,000	interfund trans	-	80,000	80,000	-	80,000	80,000	-	-
Copiers	HR	-	-	55,000	BAN	-	55,628	55,628	-	628	628	(55,000)	55,000
Windmill Tank	116	2,080,000		2,080,000	BAN	1,986,094	5,758	1,991,852	1,840,000	80,000	1,920,000	(71,852)	160,000
Sewer Nitrogen Removal	118	5,300,000		5,300,000		5,346,570	-	5,346,570	5,300,000	-	5,300,000	(46,570)	-
NWP Painting	117	1,130,000		1,130,000		1,142,674	-	1,142,674	890,000	80,000	970,000	(172,674)	160,000
2008 Highway Equip	119	521,685		521,685	BAN	516,530	-	516,530	397,185	119,345	516,530	-	-
2008 Lombardi Park	120	440,719		440,719	BAN	439,418	1,301	440,719	370,719	70,000	440,719	-	-
2009 Highway Equip		124,500		124,500	BAN	-	124,500	124,500	99,600	24,900	124,500	-	-
Open Space		430,000		430,000	BAN	417,001	-	417,001	430,000	-	430,000	12,999	-
Sewer & Water Building - new	122	655,003		655,003	interfund trans	-	-	-	225,003	-	225,003	225,003	-
Quarry Heights	124	1,188,499		1,188,499	federal/misc	951,093	-	951,093	1,188,499	-	1,188,499	237,406	-
Winkler Park		30,000		30,000	Transfers	28,053	1,947	30,000	30,000	-	30,000	-	-
Town wide road repair	129	2,152,806		2,152,806	Bond	2,348,287	-	2,348,287	2,325,882	22,405	2,348,287	-	-
Westwood	2011	353,432		353,432	BAN	353,432	-	353,432	146,432	69,000	215,432	(138,000)	138,000
TOTAL		\$ 22,314,285				\$ 20,379,796	\$ 4,695,762	\$ 25,075,558	\$ 20,239,384	\$ 10,840,498	\$ 31,079,882	\$ 6,004,324	\$ 513,000

TOWN OF NORTH CASTLE, NEW YORK

COMPARATIVE BALANCE SHEETS- DEBT SERVICE FUND DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 3,652	\$ 3,651
Cash with fiscal agent	<u>575</u>	<u>575</u>
Total assets	<u>\$ 4,227</u>	<u>\$ 4,226</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Bond interest and matured bonds payable	\$ 576	\$ 575
FUND BALANCE		
Restricted	<u>3,651</u>	<u>3,651</u>
Total liabilities and fund balance	<u>\$ 4,227</u>	<u>\$ 4,226</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-	-
EXPENDITURES:								
Serial bonds -								
Principal	-	-	-	-	-	-	1,049,000	1,049,000
Interest	-	-	-	-	-	-	263,669	263,669
Total expenditures	-	-	-	-	-	-	1,312,669	1,312,669
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	(1,312,669)	-
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	1,312,669	1,312,669
Total other financing sources and uses	-	-	-	-	-	-	1,312,669	1,312,669
CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-
FUND BALANCE - beginning of year	3,651	3,651	3,651	-	674,641	-	3,651	3,651
FUND BALANCE - end of year	\$ 3,651	\$ 3,651	\$ 3,651	\$ -	\$ 674,641	\$ -	\$ 3,651	\$ 3,651

Note: Principal and interest expenditures were recorded in their respective funds during the current year.

STATISTICAL SECTION (UNAUDITED)

TOWN OF NORTH CASTLE, NEW YORK

**NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS**

	<u>2007</u>	<u>2008(1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
PRIMARY GOVERNMENT:								
Invested in capital assets	\$ 18,080,605	\$ 17,894,852	\$ 17,628,645	\$ 18,307,276	\$ 18,309,183	\$ 17,780,215	\$ 19,232,497	\$ 12,049,991
Restricted	4,760,947	4,697,246	4,942,924	5,037,797	4,964,130	4,834,354	4,921,231	10,793,424
Unrestricted	<u>218,968</u>	<u>(2,086,371)</u>	<u>(3,221,147)</u>	<u>(4,207,861)</u>	<u>(4,667,973)</u>	<u>(2,261,648)</u>	<u>(1,686,158)</u>	<u>(3,870,614)</u>
Total primary government net position	<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>	<u>\$ 20,352,921</u>	<u>\$ 22,467,570</u>	<u>\$ 18,972,801</u>

(1) Net position reflect the initial implementation of the requirements of Governmental Accounting Standards Board Statement No. 54 regarding the recording of other post employment benefit obligations.

TOWN OF NORTH CASTLE, NEW YORK

**CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS**

	<u>2007</u>	<u>2008(1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities								
EXPENSES:								
General government support	\$ 3,747,161	\$ 4,446,771	\$ 3,890,067	\$ 4,166,045	\$ 4,252,016	\$ 3,563,786	\$ 4,171,299	\$ 4,491,082
Public safety	7,958,370	9,004,425	8,873,203	9,345,182	9,256,357	8,982,600	9,148,519	9,468,143
Health	228,708	237,438	244,683	261,169	258,321	281,807	306,612	273,690
Transportation	5,479,945	6,434,122	5,861,894	5,607,814	5,579,877	4,476,680	5,694,950	5,749,561
Economic opportunity and development	189,028	175,844	122,141	102,376	111,048	195,911	210,864	237,086
Culture and recreation	4,373,182	4,967,238	4,603,292	4,673,102	4,569,492	4,753,269	4,628,823	4,746,241
Home and community services	4,368,012	4,635,011	4,293,741	4,546,129	4,621,888	4,199,220	4,103,472	7,664,127
Interest	368,398	454,503	461,259	502,723	436,361	517,320	312,665	477,255
Total primary government expense	<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>	<u>26,970,593</u>	<u>28,577,204</u>	<u>33,107,185</u>
PROGRAM REVENUES:								
Charges for services -								
General government support	25,995	24,749	26,998	40,131	34,404	14,131	10,557	777,683
Public safety	984,952	921,082	917,723	983,252	857,614	300,772	228,705	176,440
Transportation	203,670	212,572	273,452	269,271	204,523	217,986	115,896	146,296
Culture and recreation	1,029,834	1,074,560	1,182,668	1,029,766	1,077,690	1,118,769	1,279,329	1,068,987
Home and community services	1,493,133	1,515,187	1,319,284	1,527,383	1,697,959	2,203,773	2,271,611	1,698,987
Operating grants and contributions	918,778	410,621	347,363	639,773	297,626	444,581	114,525	61,836
Capital grants and contributions	405,723	1,499,890	445,050	152,800	160,372	-	752,582	338,359
Total primary government program revenues	<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>4,300,012</u>	<u>4,773,205</u>	<u>4,268,588</u>
Total primary government net expense	(21,650,719)	(24,696,691)	(23,837,742)	(24,562,164)	(24,755,172)	(22,670,581)	(23,803,999)	(28,838,597)
GENERAL REVENUES:								
Taxes -								
Real property taxes	16,693,034	18,199,753	19,224,451	20,354,370	20,094,810	20,318,166	21,010,015	20,789,170
Other tax items	1,012,391	924,947	1,013,986	1,414,904	1,304,046	1,486,744	1,463,862	1,376,678
Non-property taxes	1,611,500	1,635,068	1,526,691	1,648,859	1,779,878	1,562,191	1,665,649	1,724,158
Unrestricted use of money and property	354,512	214,990	112,782	70,509	94,968	59,935	75,040	98,710
Unrestricted sale of property and compensation for loss	-	-	-	13,593	3,011	-	-	-
Unrestricted State aid	1,653,570	1,119,304	579,654	739,217	799,064	754,243	897,204	863,425
Gain on sale of real property	-	-	122,055	49,699	-	608,440	367,069	99,890
Donated assets	1,141,984	-	-	-	-	-	-	-
Miscellaneous	54,692	47,836	102,818	57,803	39,251	726,038	359,145	391,593
Insurance recoveries	-	-	-	-	108,272	65,905	80,664	-
Total primary government	<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>25,581,662</u>	<u>25,918,648</u>	<u>25,343,624</u>
CHANGE IN NET POSITION TOTAL PRIMARY GOVERNMENT	<u>\$ 870,964</u>	<u>\$ (2,554,793)</u>	<u>\$ (1,155,305)</u>	<u>\$ (213,210)</u>	<u>\$ (531,872)</u>	<u>\$ 2,911,081</u>	<u>\$ 2,114,649</u>	<u>\$ (3,494,973)</u>

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

TOWN OF NORTH CASTLE, NEW YORK

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL FUND:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,633	\$ 488,548	\$ 602,927	\$ 551,545
Restricted	-	-	-	-	-	-	1,692	1,692	1,692	1,692
Committed	-	-	-	-	-	-	9,700	9,700	9,700	109,234
Assigned	-	-	-	-	-	-	103,493	110,448	46,665	-
Unassigned	-	-	-	-	-	-	2,994,260	4,689,179	6,975,440	8,037,532
Reserved	314,987	510,996	220,494	228,191	212,312	247,560	-	-	-	-
Unreserved	<u>2,124,016</u>	<u>1,724,204</u>	<u>1,642,850</u>	<u>964,383</u>	<u>1,007,625</u>	<u>2,091,073</u>	-	-	-	-
Total general fund	<u>2,439,003</u>	<u>2,235,200</u>	<u>1,863,344</u>	<u>1,192,574</u>	<u>1,219,937</u>	<u>2,338,633</u>	<u>3,244,778</u>	<u>5,299,567</u>	<u>7,636,424</u>	<u>8,700,003</u>
ALL OTHER GOVERNMENTAL FUNDS:										
Restricted	-	-	-	-	-	-	3,219,292	548,487	3,651	10,791,732
Assigned	-	-	-	-	-	-	4,218,321	5,408,176	6,814,274	1,490,537
Reserved	2,901,995	4,866,099	3,252,877	1,430,435	1,448,148	1,615,236	-	-	-	-
Unreserved, reported in special revenue funds	2,906,860	3,481,506	3,963,533	4,302,140	4,889,546	4,752,202	-	-	-	-
Capital projects fund	<u>(3,005,047)</u>	<u>(7,495,572)</u>	<u>(2,520,701)</u>	<u>(1,778,216)</u>	<u>161,213</u>	<u>467,212</u>	-	-	-	<u>6,004,324</u>
Total all other governmental funds	<u>2,803,808</u>	<u>852,033</u>	<u>4,695,709</u>	<u>3,954,359</u>	<u>6,498,907</u>	<u>6,834,650</u>	<u>7,437,613</u>	<u>5,956,663</u>	<u>6,817,925</u>	<u>18,286,593</u>
Total governmental funds	<u>\$ 5,242,811</u>	<u>\$ 3,087,233</u>	<u>\$ 6,559,053</u>	<u>\$ 5,146,933</u>	<u>\$ 7,718,844</u>	<u>\$ 9,173,283</u>	<u>\$ 10,682,391</u>	<u>\$ 11,256,230</u>	<u>\$ 14,454,349</u>	<u>\$ 26,986,596</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.

TOWN OF NORTH CASTLE, NEW YORK

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES:										
Real property taxes	\$ 14,771,418	\$ 15,622,212	\$ 16,791,769	\$ 18,083,022	\$ 18,661,599	\$ 19,814,989	\$ 19,880,035	\$ 19,397,786	\$ 21,174,858	\$ 21,274,513
Other tax items	968,969	1,059,455	1,012,391	924,947	1,013,986	1,414,904	1,304,046	1,486,744	1,463,862	1,376,678
Non-property taxes	1,471,777	1,507,662	1,611,500	1,635,068	1,526,691	1,648,859	1,779,878	1,754,584	1,991,126	2,010,854
Departmental income	2,451,325	2,423,280	2,511,669	2,544,908	2,471,583	2,789,504	2,775,509	2,823,632	2,961,704	2,930,663
Intergovernmental changes	169,377	123,872	152,908	156,667	213,612	195,849	126,000	148,964	115,896	116,296
Use of money and property	594,870	824,690	947,730	569,362	419,705	368,525	401,666	591,190	399,807	349,611
Licenses and permits	751,458	684,164	660,460	613,132	578,110	411,450	533,168	709,348	646,808	556,968
Fines and forfeitures	173,054	172,140	194,258	185,497	213,835	207,824	204,197	149,737	180,997	104,334
Sale of property and compensation for loss	133,194	67,369	49,969	56,179	117,673	42,136	35,988	100,935	42,302	99,890
Interfund revenues	3,174	2,466	1,723	2,822	3,207	3,381	4,051	1,581	1,193	2,480
State aid	3,891,950	2,095,975	2,108,902	1,639,294	914,981	1,059,846	1,090,886	968,931	1,200,318	1,129,129
Federal aid	-	-	70,675	718,252	189,978	163,031	9,156	229,893	563,493	41,242
Miscellaneous	695,287	623,726	428,288	557,500	188,315	285,333	89,912	404,755	33,668	104,897
Total revenues	<u>26,075,853</u>	<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>	<u>28,768,080</u>	<u>30,776,032</u>	<u>30,097,555</u>
EXPENDITURES:										
Current -										
General governmental support	2,923,428	2,871,813	3,626,721	3,543,513	3,454,054	3,412,651	4,325,763	3,473,734	3,828,575	4,203,539
Public safety	5,252,436	5,434,016	7,801,024	8,174,825	7,868,895	8,492,596	8,491,391	8,115,036	8,475,654	8,534,775
Health	268,893	223,314	228,708	237,438	244,683	261,169	258,321	281,807	305,763	272,675
Transportation	3,117,793	2,958,213	4,408,191	4,780,947	4,679,960	4,710,690	4,949,428	4,318,345	5,198,899	6,710,277
Economic opportunity and development	122,915	128,070	182,299	175,844	115,401	96,002	107,883	173,295	188,759	211,331
Culture and recreation	3,276,217	3,312,893	4,177,619	4,047,050	4,021,306	4,079,107	4,090,155	4,124,512	4,022,416	4,103,840
Home and community services	3,272,861	3,493,233	3,879,994	4,069,299	3,667,265	3,816,148	4,027,513	3,540,955	3,467,269	3,566,183
Employee benefits (1)	4,387,169	4,598,400	-	-	-	-	-	948	-	-
Debt service -										
Principal	335,000	335,000	280,000	480,000	495,000	713,563	758,000	774,000	1,049,000	1,094,511
Interest	233,248	239,078	363,153	457,581	440,729	536,464	450,819	501,057	318,289	432,292
Refunding bond issuance costs	-	-	-	-	-	51,039	-	-	-	-
Capital Outlay	<u>3,214,738</u>	<u>4,868,559</u>	<u>4,726,276</u>	<u>3,132,273</u>	<u>4,323,113</u>	<u>1,527,501</u>	<u>1,874,383</u>	<u>1,792,959</u>	<u>874,362</u>	<u>4,564,000</u>
Total expenditures	<u>26,404,698</u>	<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>27,096,648</u>	<u>27,728,986</u>	<u>33,693,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(328,845)</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>	<u>1,671,432</u>	<u>3,047,046</u>	<u>(3,595,868)</u>
OTHER FINANCING SOURCES (USES):										
Sale of real property	-	-	-	-	124,042	49,699	-	-	-	-
BAN's redeemed from appropriations	-	-	-	-	-	-	-	-	-	253,900
Bonds issued	-	1,100,000	6,603,563	-	5,245,000	645,000	2,500,000	-	-	9,950,000
Insurance recoveries	-	-	-	-	-	-	108,272	65,905	80,664	-
Refunding bonds issued	-	-	-	-	-	1,740,000	-	-	-	-
Issuance premium	-	-	-	-	-	161,390	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(1,850,351)	-	-	-	-
Transfers in	1,468,793	1,759,832	1,924,314	1,423,115	1,438,043	2,232,747	1,998,287	2,179,194	2,258,574	759,673
Transfers out	<u>(1,468,793)</u>	<u>(1,759,832)</u>	<u>(1,924,314)</u>	<u>(1,423,115)</u>	<u>(1,438,043)</u>	<u>(2,232,747)</u>	<u>(1,998,287)</u>	<u>(2,179,194)</u>	<u>(2,258,574)</u>	<u>(759,673)</u>
Total other financing sources and uses	<u>-</u>	<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>65,905</u>	<u>80,664</u>	<u>10,203,900</u>
CHANGE IN FUND BALANCE	<u>\$ (328,845)</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>	<u>\$ 1,737,337</u>	<u>\$ 3,127,710</u>	<u>\$ 6,608,032</u>

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

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	State Special Equalization Rate (2)	Estimated Actual Taxable Value	Total Effective Tax Rate (3)
2005	\$ 87,738,045	\$ 25,176,285	\$ 329,800	\$ 1,354,470	\$ 114,598,600	2.31 %	\$ 4,960,978,355	\$ 114.41
2006	\$ 89,302,215	\$ 24,496,505	\$ 321,100	\$ 1,474,520	\$ 115,594,340	2.26 %	\$ 5,114,793,805	\$ 118.51
2007	\$ 90,941,365	\$ 24,273,750	\$ 321,100	\$ 1,457,663	\$ 116,993,878	1.94 %	\$ 6,030,612,268	\$ 124.45
2008	\$ 90,287,065	\$ 24,238,250	\$ 315,500	\$ 1,373,095	\$ 116,213,910	1.91 %	\$ 6,084,497,906	\$ 133.10
2009	\$ 90,925,745	\$ 24,011,619	\$ 315,500	\$ 1,428,897	\$ 116,681,761	1.91 %	\$ 6,108,992,723	\$ 139.25
2010	\$ 90,909,470	\$ 23,255,625	\$ 315,500	\$ 1,417,165	\$ 115,897,760	2.13 %	\$ 5,441,209,390	\$ 147.36
2011	\$ 90,551,423	\$ 23,067,840	\$ 312,200	\$ 1,434,191	\$ 115,362,654	2.30 %	\$ 5,015,767,565	\$ 150.03
2012	\$ 90,141,695	\$ 22,990,000	\$ 312,200	\$ 1,589,186	\$ 115,033,081	2.24 %	\$ 5,147,592,902	\$ 152.19
2013	\$ 89,697,730	\$ 23,051,440	\$ 308,900	\$ 1,513,633	\$ 114,571,703	2.36 %	\$ 4,854,733,178	\$ 156.33
2014	\$ 90,580,408	\$ 22,856,250	\$ 301,500	\$ 1,535,940	\$ 115,274,098	2.37 %	\$ 4,863,885,992	\$ 158.30

(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.

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)		
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	
2012	\$ 152.79	\$ 124.01	\$ 23.02	\$ 46.39	\$ 497.30	\$ 826.26	
2013	\$ 156.33	\$ 160.25	\$ 21.38	\$ 26.98	\$ 541.57	\$ 810.05	
2014	\$ 158.30	\$ 155.86	\$ 24.03	\$ 24.83	\$ 543.30	\$ 871.68	

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 rate instead.

TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL TAXPAYERS CURRENT YEAR AND 10 YEARS AGO

2014				
<u>Rank</u>	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Taxable Assessed Valuation</u>
1	New York City	Watershed	\$ 8,262,745	7.17% %
2	Westchester County	Airport	1,795,800	1.56% %
3	Con Edison	Utility	1,602,165	1.39% %
4	IBM	Commercial	1,284,100	1.11% %
5	National R/E Holdings of Armonk, LLC	Commercial	1,146,000	0.99% %
6	Citigroup, Inc.	Commercial	888,800	0.77% %
7	North White Plains Shopping Center	Commercial	600,000	0.52% %
8	Fifth Avenue Properties	Commercial	390,600	0.34% %
9	Armonk Square LLC	Commercial	365,000	0.32% %
10	NYNEX/Verizon	Commercial	313,240	0.27% %
Total			<u>\$ 16,648,450</u>	<u>14.44% %</u>

2004				
<u>Rank</u>	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Taxable Assessed Valuation</u>
1	New York City	Watershed	\$ 7,884,000	6.99 %
2	MBIA	Commercial	2,664,000	2.36 %
3	Westchester County	Airport	1,858,300	1.65 %
4	IBM	Commercial	1,692,300	1.50 %
5	Con Edison	Utility	1,418,525	1.26 %
6	North White Plains Shopping Center	Commercial	672,600	0.60 %
7	NYNEX/Verizon	Utility	663,110	0.59 %
8	Lashins	Commercial	504,500	0.45 %
9	No. Castle Leisure	Commercial	503,500	0.45 %
10	Targan	Commercial	300,000	0.27 %
Total			<u>\$ 18,160,835</u>	<u>16.10 %</u>

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

TOWN OF NORTH CASTLE, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

<u>Year</u>	<u>Taxes Levied for the Fiscal year (1)</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collection to Date</u>		
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
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	\$ 39,291,353	\$ 38,772,001	98.68 %	\$ 244,956	\$ 39,071,239	99.44 %	
2010	\$ 41,197,468	\$ 40,710,885	98.82 %	\$ 149,002	\$ 40,859,887	99.18 %	
2011	\$ 40,914,602	\$ 40,454,316	98.88 %	\$ 58,225	\$ 40,710,313	99.50 %	
2012	\$ 41,034,050	\$ 40,573,830	98.88 %	\$ 340,487	\$ 40,724,114	99.24 %	
2013	\$ 41,991,452	\$ 41,638,972	99.16 %	\$ 178,445	\$ 41,817,417	99.59 %	
2014	\$ 41,664,490	\$ 41,199,500	98.88 %	\$ 244,014	\$ 41,443,514	99.47 %	

Source: Town of North Castle Department of Finance

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

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)
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
2012	\$ 16,033,000	\$ 3,651	\$ 16,029,349	13.78 %	1.64 %	\$ 1,366
2013	\$ 15,099,000	\$ 3,651	\$ 15,095,349	13.18 %	1.32 %	\$ 1,264

(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, 2014

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage of Applicable to North Castle (2)</u>	<u>Amount Applicable to North Castle</u>
County of Westchester	\$ 1,221,920,938	3.30 %	40,365,645
School Districts (as of June 30, 2014):			
Byram Hills	45,070,000	86.17 %	38,835,161
Bedford	53,351,097	2.38 %	1,267,456
Harrison	1,760,000	0.02 %	437
Mount Pleasant	23,585,894	2.33 %	549,061
Valhalla	20,327,129	30.92 %	<u>6,285,480</u>
			87,303,239
Town direct debt			<u>24,095,000</u>
Net direct and overlapping debt			<u>\$ 111,398,239</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**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 301,516,595	\$ 296,617,449	\$ 336,599,471	\$ 368,819,521	\$ 396,198,251	\$ 402,921,485	\$ 401,535,118	\$ 390,439,336	\$ 370,623,117	\$ 354,354,021
Total net debt applicable to limit	<u>5,076,377</u>	<u>8,743,791</u>	<u>12,626,240</u>	<u>12,782,660</u>	<u>16,106,903</u>	<u>15,226,498</u>	<u>17,166,791</u>	<u>15,085,010</u>	<u>7,806,900</u>	<u>17,105,000</u>
Legal debt margin	<u>\$ 296,440,218</u>	<u>\$ 287,873,658</u>	<u>\$ 323,973,231</u>	<u>\$ 356,036,861</u>	<u>\$ 380,091,348</u>	<u>\$ 387,694,987</u>	<u>\$ 384,368,327</u>	<u>\$ 375,354,326</u>	<u>\$ 362,816,217</u>	<u>\$ 337,249,021</u>
Total net debt applicable to the limit as a percentage of	1.68%	2.95%	3.75%	3.47%	4.07%	3.78%	4.28%	3.86%	2.11%	4.83%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessment Roll

<u>Year</u>	<u>Budget Year</u>	<u>Assessed Valuation</u>	<u>State Special Equalization Ratio</u>	<u>Full Valuation</u>
2013	2014	115,274,098	2.37%	<u>4,863,885,992</u>
2012	2013	114,571,703	2.36%	4,854,733,178
2011	2012	115,033,081	2.24%	5,135,405,402
2010	2011	115,362,654	2.30%	5,015,767,565
2009	2010	115,897,760	2.13%	5,441,209,390
Total five year valuation				<u><u>\$25,311,001,526</u></u>
Five year average full valuation of taxable real property				<u>5,062,200,305</u>
Debt limit - 7% of five year average valuation				<u>354,354,021</u>
Outstanding Town debt:				
Serial bonds				24,095,000
Bond anticipation notes				<u>695,000</u>
				24,790,000
Less:				
Exclusion for water and sewer districts				7,685,000
Net indebtedness subject to debt limit				17,105,000
Net debt contracting margin				\$337,249,021

TOWN OF NORTH CASTLE, NEW YORK

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Unemployment Rate (3)</u>
2004	10,849	\$ 657,123,930	\$ 60,570	4.40 %
2005	10,849	\$ 717,509,464	\$ 66,136	4.00 %
2006	10,849	\$ 789,449,183	\$ 72,767	3.80 %
2007	10,849	\$ 837,672,988	\$ 77,212	3.70 %
2008	10,849	\$ 832,465,468	\$ 76,732	4.80 %
2009	10,849	\$ 766,720,528	\$ 70,672	7.10 %
2010	10,849	\$ 783,471,384	\$ 72,216	7.40 %
2011	11,841	\$ 891,520,731	\$ 75,291	7.10 %
2012	11,841	\$ 953,259,705	\$ 80,505	7.30 %
2013	11,841	\$ 951,578,283	\$ 80,363	6.30 %

(1) Source: U.S. Department of Commerce, Bureau of Census

(2) Source: U.S. Department of Commerce. Per capita income not available for the Town.
As such, the information reflected represent data for the County.

(3) New York State Department of Labor - Unemployment statistics are not available for the Town.
As such, the information reflected represent data for the County.

TOWN OF NORTH CASTLE, NEW YORK

PRINCIPAL EMPLOYERS CURRENT YEAR AND 10 YEARS AGO

2014			
<u>Employer</u>	<u>Employees</u>	<u>Percent of Total Employment</u>	
IBM	859	12.71	%
Swiss Re Life and Health America	689	10.20	%
MBIA	400	5.92	%
Byram Hills School District	338	5.00	%
Breezemont Day Camp	267	3.95	%
Mariani Gardens	250	3.70	%
Trinity Packaging	249	3.69	%
Semiconductor Packaging Materials	249	3.69	%
Car Quest Distributions	150	2.22	%
Cine Magnetix	<u>150</u>	<u>2.22</u>	%
Total	<u>3,601</u>	<u>53.29</u>	%

2004			
<u>Employer</u>	<u>Employees</u>	<u>Percent of Total Employment</u>	
Byram Hills School District	487	11.00	%
IBM	400	9.04	%
MBIA	400	9.04	%
Breezemont Day Camp	264	5.96	%
Tripp Lake Camp	200	4.52	%
Swiss Re	176	3.98	%
Semx Corp	150	3.39	%
Safe Light Instrument	130	2.94	%
Car Quest Distribution	120	2.71	%
Future Stars Day Camp	<u>106</u>	<u>2.39</u>	%
Total	<u>2,433</u>	<u>54.96</u>	%

Source: North Castle Library, Reference USA

(1) bases upon estimated Town employment of 5,316 in 2001. Information not available for 2002.

(2) total employees bases upon Town employment of 5,600 in 2010. Information not available for 2012.

TOWN OF NORTH CASTLE, NEW YORK

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

Full-Time Equivalent Employees as of December 31,										
<u>Function</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	62	63	62	61	53	51	49	52	53	52
Public safety	49	52	54	52	45	44	39	43	45	45
Culture and recreation	68	69	74	64	65	60	57	46	46	44
Home and community services	13	14	14	13	12	11	11	7	7	7
Total	192	198	204	190	175	166	156	148	151	148

Source: Town's Finance Department

TOWN OF NORTH CASTLE, NEW YORK

OPERATING INDICATOR BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL GOVERNMENT SUPPORT:										
Building permit issued	726	597	573	457	457	521	513	579	611	511
PUBLIC SAFETY:										
Police -										
Physical arrests	295	215	244	218	152	135	127	98	153	112
Parking violations	1,273	1,126	1,236	936	798	873	587	395	384	669
Traffic violations	1,777	1,176	1,716	1,643	984	1,085	752	956	1505	720
CULTURE AND RECREATION:										
Recreation -										
Adult programs	24	24	28	30	30	26	110	53	51	54
Children's programs	56	56	65	70	70	60	142	153	160	168
Camp	9	9	10	10	9	10	13	17	14	14
Senior citizen's programs	2	2	3	3	7	2	5	2	6	8
Pre-school classes	14	14	17	17	17	15	45	28	31	33
Special events	3	3	4	4	3	3	3	3	3	3
Library -										
Volumes in collections	85,488	81,859	87,578	82,266	87,000	86,661	85,947	84,692	108,265	138,714
Circulation	196,731	196,902	186,000	203,370	205,000	198,000	195,000	178,000	137,785	143,336
HOME AND COMMUNITY SERVICES:										
Water district No. 1 -										
Average daily consumption	348,473	370,819	366,025	364,348	394,240	467,738	451,900	335,100	352,100	327,443
Peak daily consumption	424,293	440,170	418,760	532,679	487,750	552,976	634,000	441,968	428,000	418,000
Water district No. 2 -										
Average daily consumption	157,125	137,260	166,314	161,750	129,384	159,290	137,000	168,798	159,288	205,525
Peak daily consumption	256,690	195,543	273,157	333,080	248,672	368,000	350,000	364,832	357,714	382,804
Water district No. 4 -										
Average daily consumption	317,522	355,971	377,677	363,235	311,309	362,259	334,000	357,400	348,000	369,359
Peak daily consumption	520,532	605,999	580,051	607,480	511,872	707,444	673,000	670,400	622,744	653,000
Water district No. 5 -										
Average daily consumption	70,173	68,421	95,824	76,812	57,487	82,232	58,800	54,530	59,457	58,090
Peak daily consumption	125,225	122,183	153,709	163,400	133,350	235,240	157,600	170,600	150,100	131,070

Source: Various Town's Departments

TOWN OF NORTH CASTLE, NEW YORK

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL GOVERNMENT SUPPORT:										
Number of general government buildings	5	5	5	5	5	5	5	5	5	5
PUBLIC SAFETY:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	20	21	21	21	19	20	20	20	20	18
TRANSPORTATION:										
Miles of streets	93	93	94	98	98	94	94	94	94	94
Number of street lights	606	606	607	607	607	659	659	659	659	659
Number of traffic lights	1	1	1	1	1	1	1	1	1	1
CULTURE AND RECREATION:										
Number of community centers	2	3	3	3	2	3	3	3	2	2
Number of parks/playgrounds	8	8	8	8	8	12	12	12	12	12
Acres of parks	341	343	343	343	343	341	341	341	341	341
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	10
Outdoor tennis courts	9	9	9	9	10	9	10	10	10	10
Soccer fields	5	5	5	5	5	5	5	5	5	5
Nature trails	1	1	1	1	1	1	1	1	1	1
Picnic areas	2	2	2	2	2	2	2	2	2	2
Libraries	2	2	2	2	2	2	2	2	2	2
HOME AND COMMUNITY SERVICES:										
Miles of water mains	31	31	32	31	32	31	31	31	31	31
Fire hydrants	270	270	276	278	278	278	278	282	282	282
Miles of sanitary sewers	21	21	22	22	23	23	23	23	23	23

Source: Various Town's Departments