

TOWN OF NORTH CASTLE, NEW YORK

**Annual Comprehensive Financial Report for
the Year Ended December 31, 2021
Together with Independent
Auditor's Report**

**Prepared by
Town of North Castle
Finance Department**

TOWN OF NORTH CASTLE

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TOWN OF NORTH CASTLE
PRINCIPAL OFFICIALS

		<u>Term Ends</u>
Supervisor:	Michael Schiliro	12/31/21
Town Board:	Barbara DiGiacinto	12/31/21
	Josè L. Berra	12/31/23
	Barry Reiter	12/31/21
	Saleem Hussain	12/31/23
Town Clerk:	Alison Simon	12/31/23
Town Administrator	Kevin Hay	

TOWN OF NORTH CASTLE – ORGANIZATIONAL CHART

VOTERS

TOWN
SUPERVISOR

TOWN
COUNCILMEN

TOWN
CLERK

TOWN
JUSTICES

TOWN
ADMINISTRATOR

TOWN DEPARTMENTS

POLICE

RECREATION
AND PARKS

FINANCE

HIGHWAY /
DPW

PLANNING

ASSESSOR

WATER &
SEWER

BUILDING &
ENG

RECEIVER OF
TAXES

CODE
ENFORCER

BOARDS AND COMMITTEES

ARCHITECTURAL
REVIEW BOARD

ASSESSMENT
BOARD OF
REVIEW

BEAUTIFICATION
COMMITTEE

BOARD OF
ETHICS

BUDGET & FIN.
ADVISORY
COMMITTEE

COMMUNICATIONS
COMMITTEE

COMPREHENSIVE
PLAN STEERING
COMMITTEE

CONSERVATION
BOARD

ELIJAH MILLER
HOUSE
COMMITTEE

HOUSING
BOARD

LANDMARKS
PRESERVATION
COMMITTEE

LIBRARY BOARD

OPEN SPACE
COMMITTEE

PARK &
RECREATION
ADVISORY BOARD

PLANNING
BOARD

RESIDENTIAL
PROJECT REVIEW
COMMITTEED

ROAD NAMING
COMMITTEE

ZONING BOARD
OF APPEALS



TOWN OF NORTH CASTLE

Town Hall - 15 Bedford Road

Armonk, New York 10504

northcastleny.com

Established 1736

KEVIN HAY
Town Administrator

(914) 273-3000 x52
khay@northcastleny.com

March 2, 2022

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

The Annual Comprehensive Financial Report ("ACFR") for the Town of North Castle, New York ("Town") for the fiscal year ended December 31, 2021 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 statements audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR 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 outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by 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, 2021 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 unmodified opinions that the Town's basic financial statements, for the year ended December 31, 2021, 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, 2021 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 a separate political entity vested with independent taxing and debt authority. There are no incorporated villages situated within the Town's borders. The Town has portions of five independently governed school districts, which rely on the taxing

powers granted by New York State to raise revenues for school district purposes. The school districts use the Town's assessment roll as the basis for taxation of property within the Town.

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 must also 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 a Chief Executive and a Chief Financial Officer. 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 all 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 Director of Finance on or before October 20th. Estimates for each fire district situated within the Town must also be filed with the Director of Finance 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 and Director of Finance present the tentative budget to the Town Board at the regular or special hearing, which must be held on or before November 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are consistent with the 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 members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended no later than December 20th at which time the preliminary budget becomes the 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 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 amongst 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 completed in the year ending 12/31/21:

- Drainage Improvements (various streets)
- Reconstruction of 20 miles of Town roads
- New Bathrooms at Community Park

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 / North White Plains Community Center
- Park improvements
- Wastewater Efficiency Project
- Additional water sources for town water districts
- Formation of a 5-year Financial Plan

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 ACFR from the Government Finance Officers Associations ("GFOA") for the fiscal year ended December 31,

2020. 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 ACFR 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 black ink that reads "Kevin Hay". The signature is written in a cursive style with a large, looping "K" and a long, sweeping "y".

Kevin Hay

Town Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of North Castle
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

May 4, 2022

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of North Castle, New York (Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (assets), and schedule of contributions-pension plans 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.

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 accompanying comparative fund financial statements, budgetary schedules, and project-length schedule 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 2021 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, budgetary schedules, and project-length schedule are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2021 as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2020 (none of which are presented herein), and we expressed unmodified opinions on those financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative fund financial statements, budgetary schedules, and project-length schedule are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The 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, budgetary schedules, and project-length schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) **December 31, 2021**

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, 2021. 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 long-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 2021 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town fell short of its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,478,496.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$27,588,407 representing an increase in fund balance of \$7,089,745 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,251,804, which is 72.3% of total General Fund expenditures for 2021; an increase from the previous year of \$1,711,966.

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.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

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 five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Public Library Fund, Special Districts Fund, and Capital Projects Fund, which are considered to be major funds.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

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 two types of fiduciary funds; Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment funds, or private purpose trust funds. Private Purpose Trust Funds are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments, but not the Town itself.

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 and deferred outflows of resources fell short of liabilities and deferred inflows of resources by \$44,478,496 at the close of 2021.

TOWN OF NORTH CASTLE, NEW YORK**Management's Discussion and Analysis (Unaudited)****December 31, 2021****NET POSITION**

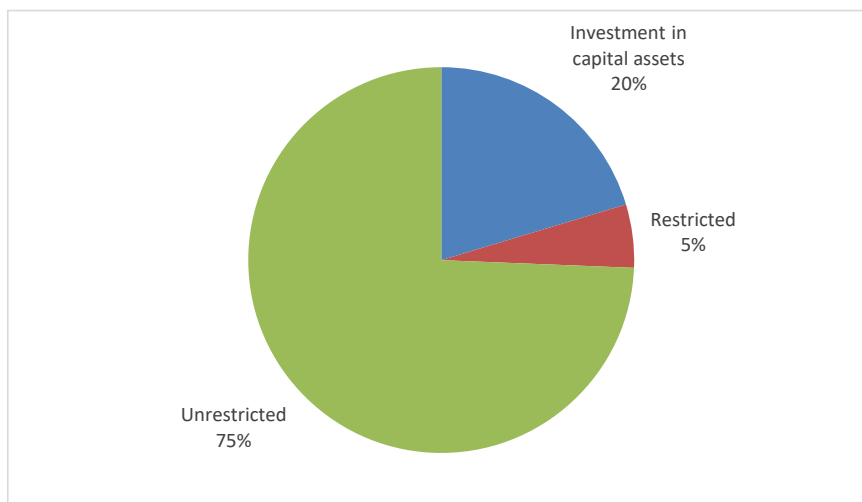
	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Assets:			
Current and other assets	\$ 35,119,013	\$ 25,662,323	37%
Capital assets, net	<u>47,667,644</u>	<u>41,254,647</u>	16%
Total assets	<u>82,786,657</u>	<u>66,916,970</u>	24%
Deferred outflows of resources	22,132,214	21,772,864	2%
Total assets and deferred outflows	<u>104,918,871</u>	<u>88,689,834</u>	18%
Liabilities:			
Current liabilities	7,538,052	5,475,867	38%
Long-term debt outstanding	<u>125,612,275</u>	<u>127,499,087</u>	-1%
Total liabilities	<u>133,150,327</u>	<u>132,974,954</u>	0%
Deferred inflows of resources	16,247,040	4,098,177	296%
Total liabilities and deferred outflows	<u>149,397,367</u>	<u>137,073,131</u>	9%
Net position			
Investment in capital assets	18,565,074	20,509,758	-9%
Restricted	4,833,096	5,525,754	-13%
Unrestricted	<u>(67,876,666)</u>	<u>(74,418,809)</u>	-9%
Total net position	<u>\$ (44,478,496)</u>	<u>\$ (48,383,297)</u>	-8%

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Net Position Distribution December 31, 2021



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). The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of \$4,833,096 represents resources that are subject to external restrictions on how they may be used. These restrictions are as follows:

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Workers' compensation benefits	\$ 1,692	\$ 1,692	0%
Reserve for debt	-	39,579	-100%
Capital projects	207,964	1,080,368	-81%
Special districts	4,623,440	4,404,115	5%
Total	<u>\$ 4,833,096</u>	<u>\$ 5,525,754</u>	-13%

Net position subject to external restrictions on how they may be used is \$23,398,170 with the remaining balance of unrestricted net position, which is a deficit of \$67,876,666 that 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 post-employment benefit of \$94,677,643 and net pension obligations of \$2,161,141 that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2021

Change in Net Position

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Revenue:			
Program revenue:			
Charges for services	\$ 4,333,157	\$ 3,633,046	19%
Operating grants and contributions	28,760	4,911	486%
Capital grants and contributions	418,552	387,340	8%
General revenue:			
Real property taxes	24,401,495	24,395,578	0%
Other tax items	1,249,471	1,341,430	-7%
Non-property tax items	2,902,448	2,454,516	18%
Miscellaneous local sources	470,994	431,468	9%
Use of money and property	320,113	593,829	-46%
Sale of property and compensation for loss	143,815	51,196	181%
State aid	1,667,642	1,111,674	50%
Total revenue	<u>35,936,447</u>	<u>34,404,988</u>	4%
Expenses:			
General support	4,193,627	4,901,125	-14%
Public safety	11,496,251	12,438,034	-8%
Health	454,835	364,062	25%
Transportation	4,539,295	7,231,735	-37%
Economic assistance and opportunity	244,582	291,447	-16%
Culture and recreation	4,865,034	4,915,748	-1%
Home and community services	5,683,167	5,309,214	7%
Debt service interest	554,855	591,838	-6%
Total expenses	<u>32,031,646</u>	<u>36,043,203</u>	-11%
Change in Net Position	3,904,801	(1,638,215)	-338%
Net position - beginning of year, as originally stated	(48,383,297)	(46,745,082)	
Net position - beginning of year, as restated	(48,383,297)	(46,745,082)	4%
Net position - end of year	<u>\$ (44,478,496)</u>	<u>\$ (48,383,297)</u>	-8%

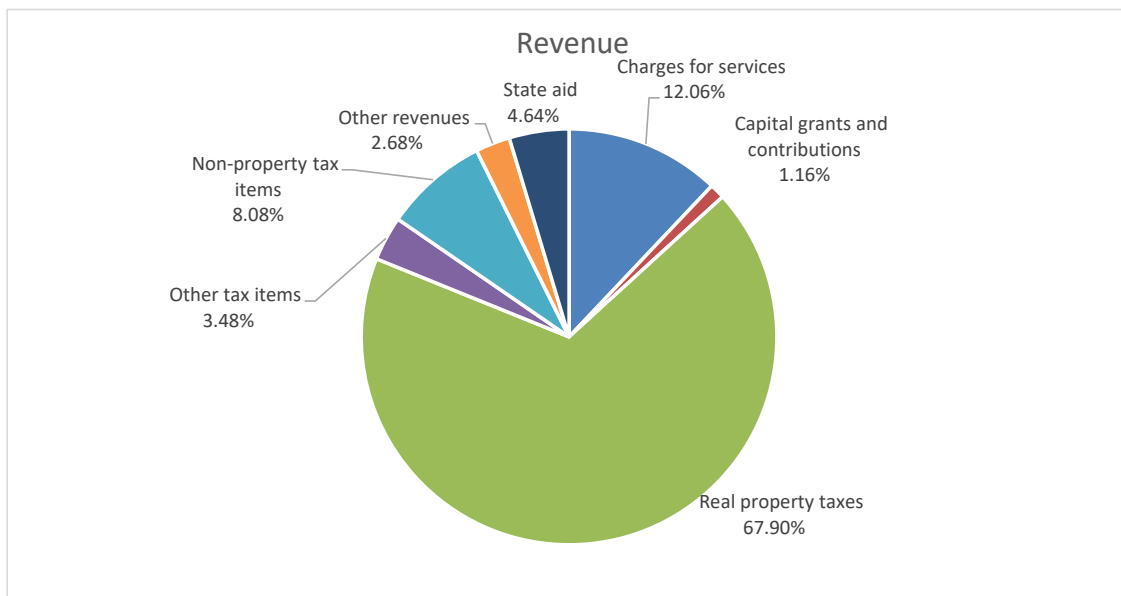
TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

GOVERNMENTAL ACTIVITIES

For the fiscal year ended December 31, 2021, revenues from governmental activities totaled \$35,936,447. Tax and other tax items revenues of \$28,553,414 comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source 79.5%. The \$1,531,459 increase in total governmental activities revenues from the prior year is the result of a combination of the following significant factors:

- Charges for services increased by \$700,111 primarily due to an increase in departmental income.
- Non property tax items increased by \$447,932 due to the increase in Westchester County sales tax.
- Use of money and property decreased by \$273,716 due to a decrease in interest rates.
- Sale of property and compensation for loss increased by \$92,619 due to workers compensation claim paid by our insurance carrier.
- State aid increased by \$555,968. This was due to an increase in mortgage tax revenues in 2021.

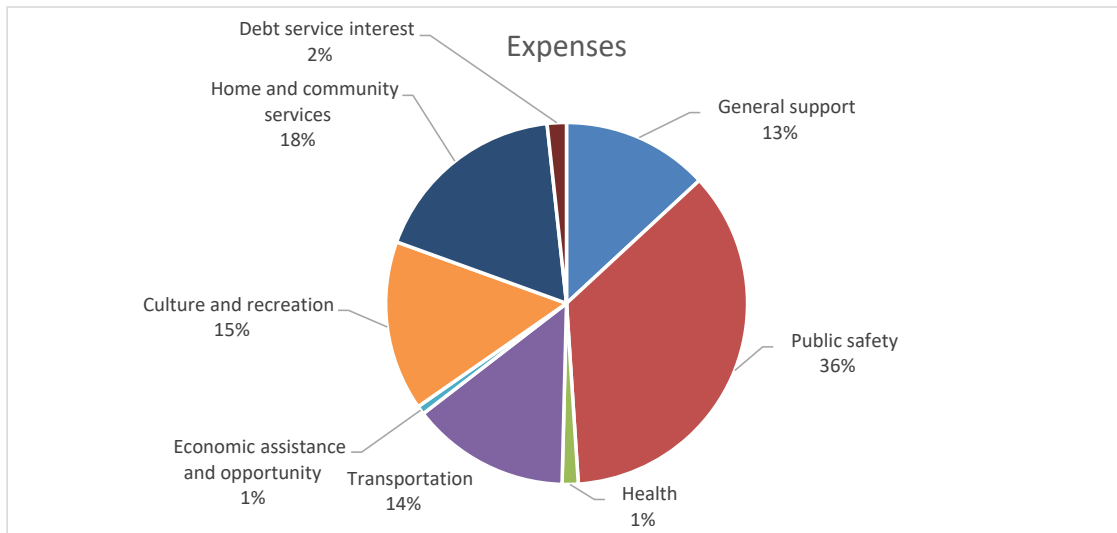


TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

For the fiscal year ended December 31, 2021, expenses from governmental activities totaled \$32,031,646. The largest components of governmental activities expenses are public safety \$11,496,251 (35.9%), transportation \$4,539,295 (14.2%), home and community services \$5,683,167 (17.7%), culture and recreation \$4,865,034 (15.2%), and general government support \$4,193,627 (13.1%). Expenses decreased from the prior year by \$4,011,557, or (11.1%), due to the result of GASB 34 related transactions. On an operational basis, expenses increased by \$7,038,704, primarily as a result of a combination of the following significant factors:

- Paving and road maintenance activities increased by \$4,569,518. This represents approximately 20 miles of new roads paved. The Town made this extra endeavor in order to accelerate and complete the paving of the remaining roads. This aggressive effort was made due to the low interest rate environment in which the Town had bond proceeds of \$10 million.
- The Town spent \$1,118,810 on various Capital projects to improve facilities. Some of the major projects undertaken are improvements at the NWP Community Center, upgrade to restrooms & addition of an elevator at Armonk Library, and a new water supply well in Water District 4.
- Recreation programming and related expenses increased by \$480,615 as the Town resumed recreational and summer camp activities, which had been cancelled in 2020 due to COVID-19. Included in the increased expenses is the renovation of the bathroom at the IBM Community Park.
- The Police department had an increase in spending in personnel costs & related benefits of \$810,751. This was due to an increase in the pension contribution and settlement of the new PBA union contract.
- During the year, the Town accepted a conservation easement from Westchester Land Trust in connection with its purchase of 63+ acres on Byram Lake Road for the amount of \$260,708.



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.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

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 \$27,588,407 an increase of \$7,089,745. The non-spendable fund balance component is \$603,932, consisting of amounts representing prepaid items. Fund balance of \$4,833,096 is restricted primarily for special district funds and capital projects. The assigned fund balance classification aggregates \$7,899,575, consisting primarily of amounts reserved for the highway and library funds. The remaining fund balance of \$14,251,804 is unassigned and represents the remaining positive fund balance in the General Fund 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 \$14,251,804, representing 95.9% of the total General fund balance of \$14,857,428. This is an increase from the prior year, when the total unassigned fund balance was \$12,591,068. 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 72.3% unassigned fund balance as compared to total expenditures and other financing uses, up from 60% in the prior year. Total unassigned general fund balance decreased \$1,660,736 or 13.2%.

The fund balance of the General Fund increased by \$1,711,966 during the fiscal year ended December 31, 2021. Actual expenditures and other financing uses were \$2,572,698 less than the amount contained in the final budget, representing a savings of 11.5% of the total budget. Actual revenues and other financing sources came in \$2,036,540 more than the final budget, a variance of 10.4%.

The Highway Fund's total fund balance at the end of the current fiscal year was \$7,592,333, an increase of \$6,241,468 for the previous year. This was primarily due to the unspent portion of bond proceeds. These funds will be used in the coming years to continue the Town's road paving project. The Library Fund's total fund balance at the end of the current fiscal year was \$307,242, a decrease of \$210,610. This was due to funds transferred to various capital projects that the Library has undertaken..

The Special Districts' Fund total fund balance at the end of the current fiscal year was \$4,623,440, an increase of \$219,325 from the prior year. The Capital Projects' Fund reflects a fund balance of \$207,964 at the end of the current fiscal year, which is a decrease of \$872,404 from the prior year. The decrease is due to expenditure being incurred on the various capital projects that are ongoing in the Town.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2021

There was a negative variance between the original and final revenue budget versus the actual results for the General Fund, with the final budget at \$19,535,525 and the actual results at \$21,572,065, a net variance of \$2,036,540.

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax returns	\$ 16,149,265	\$ 16,149,265	\$ 16,426,774	\$ 277,509
Department income	1,568,460	1,568,460	1,692,060	123,600
Licenses and permits	758,000	758,000	1,291,247	533,247
State aid	775,000	775,000	1,679,255	904,255
Federal aid	-	-	28,760	28,760
Other revenue	284,800	284,800	453,969	169,169
Total revenue	<u>19,535,525</u>	<u>19,535,525</u>	<u>21,572,065</u>	<u>2,036,540</u>
EXPENDITURES:				
General governmental support	4,440,699	4,867,345	3,835,488	1,031,857
Public safety	10,332,432	11,197,948	10,237,207	960,741
Other expenditures	5,536,533	6,026,378	5,406,698	619,680
Debt service	195,761	195,761	235,341	(39,580)
Total expenditures	<u>20,505,425</u>	<u>22,287,432</u>	<u>19,714,734</u>	<u>2,572,698</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	512,134	512,134
Transfers out	-	(657,499)	(657,499)	-
CHANGE IN FUND BALANCE	<u>(969,900)</u>	<u>(3,409,406)</u>	<u>1,711,966</u>	<u>\$ 5,121,372</u>
FUND BALANCE - beginning of year	13,145,462	13,145,462	13,145,462	
FUND BALANCE - end of year	<u>\$ 12,175,562</u>	<u>\$ 9,736,056</u>	<u>\$ 14,857,428</u>	

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2021, net of \$45,660,006 of accumulated depreciation, was \$47,667,644. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

More detailed information on capital assets can be found in Note 3. C. Capital Assets in the notes to the financial statements.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited)

December 31, 2021

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

Governmental Activities

- Highway equipment
- Various capital projects

Capital Assets (Net of Accumulated Depreciation)

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Land	\$ 3,832,849	\$ 3,572,141	7%
Land improvements	10,752,059	5,382,778	100%
Construction in progress	1,516,459	2,621,264	-42%
Buildings and improvements	9,384,833	9,758,009	-4%
Machinery and equipment	4,704,111	5,145,165	-9%
Infrastructure	<u>17,477,333</u>	<u>14,775,290</u>	18%
Total capital assets	<u>\$ 47,667,644</u>	<u>\$ 41,254,647</u>	16%

Long-term Debt

In 2021, Moody's Investors Services reaffirmed the Town's 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 \$27,917,000. 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.

More detailed information on long-term debt can be found in Note 3. F. Long-term Liabilities in the notes to the financial statements.

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, 2021, the Town has only utilized 3.89% of its constitutional debt limit, and had the authority to issue an additional \$342,255,351 of general obligation long-term debt.

The Town anticipates a modest capital budget for 2022. Essential equipment will be considered to maintain the Town's long range equipment replacement plan and road improvements.

TOWN OF NORTH CASTLE, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2021

Economic Factors and Next Year's Budget

According to the New York State Department of Labor, the unemployment rate for the Town was 3.90% as of December 31, 2021. This compares favorably with the rate of 5.4% for New York State and is on par with the 3.9% national unemployment rate. The collective bargaining agreements for CSEA Unit 1, 2 & the Library expired at the end of 2021. They are currently in negotiation and estimates based on historical agreements were used in developing the 2022 budget.

Factors Bearing on the Town's Future

At the time of completion of this audit, COVID-19 and inflation are two causes of concern to businesses and governments throughout the State of New York and across the United States. It is possible that with higher interest rates, there may be lesser than expected revenues from mortgage tax and sales tax. However, it is possible that interest income may make up for any differences and keep the Town revenue neutral. The Director of Finance and the Town Administrator will continually monitor revenues & expenditures and develop contingency plans to ensure the residents of North Castle are well served.

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:

Abbas Sura, Director of Finance
Town of North Castle
15 Bedford Road
Armonk, New York 10504

TOWN OF NORTH CASTLE, NEW YORK

**Statement of Net Position
December 31, 2021**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 29,801,784
Receivables:	
Taxes, net	2,429,351
Accounts	728,432
Water rents	120,130
Due from other governments	1,435,384
Prepaid items	603,932
	<u>35,119,013</u>
Total current assets	
Capital Assets:	
Non-depreciable	5,349,308
Depreciable, net	42,318,336
	<u>47,667,644</u>
Total capital assets	
Total assets	<u>82,786,657</u>
Deferred outflows of resources:	
Deferred outflows of resources - pensions	11,892,201
Deferred outflows of resources - OPEB	10,240,013
	<u>22,132,214</u>
Total deferred outflows	
Total assets and deferred outflows of resources	<u>104,918,871</u>
LIABILITIES	
Accounts payable	1,733,016
Retainages payable	58,029
Other liabilities	3,399,506
Accrued interest	260,539
Unearned revenues	11,026
Current portion of long-term liabilities	2,075,936
	<u>7,538,052</u>
Total current liabilities	
Non-current liabilities:	
Compensated absences	1,572,171
Total other postemployment benefits	94,677,643
Net pension liability	2,161,141
Bonds payable	27,201,320
	<u>125,612,275</u>
Total long-term liabilities	
Total liabilities	<u>133,150,327</u>
Deferred inflows of resources:	
Deferred inflows of resources - pensions	12,866,568
Deferred inflows of resources - OPEB	3,380,472
	<u>16,247,040</u>
Total deferred outflows	
Total liabilities and deferred inflows of resources	<u>149,397,367</u>
NET POSITION	
Net investment in capital assets	18,565,074
Restricted for:	
Workers' compensation benefits	1,692
Capital projects	207,964
Special districts -	
Water	2,013,470
Sewer	2,405,085
Street Lighting	69,933
Fire	99,221
Parking	3,062
Ambulance	32,669
Unrestricted	(67,876,666)
	<u>(44,478,496)</u>
Total net position	<u>\$ (44,478,496)</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants	Capital Grants and	Revenue and
		Services	and Contributions	Contributions	Changes in Net
					Position
PRIMARY GOVERNMENT:					
Governmental activities -					
General governmental support	\$ 4,193,627	\$ 359,126	\$ -	\$ 11,613	\$ (3,822,888)
Public safety	11,496,251	235,020	-	-	(11,261,231)
Health	454,835	-	-	-	(454,835)
Transportation	4,539,295	38,423	28,760	402,948	(4,069,164)
Economic opportunity and development	244,582	-	-	-	(244,582)
Culture and recreation	4,865,034	964,846	-	3,991	(3,896,197)
Home and community services	5,683,167	2,735,742	-	-	(2,947,425)
Interest	554,855	-	-	-	(554,855)
Total governmental activities	<u>\$ 32,031,646</u>	<u>\$ 4,333,157</u>	<u>\$ 28,760</u>	<u>\$ 418,552</u>	<u>(27,251,177)</u>
GENERAL REVENUES:					
Real property taxes and other tax items					24,401,495
Payments in lieu of taxes					627,807
Interest and penalties on real property taxes					621,664
Non-property tax distribution from County					2,902,448
Franchise fees - cable TV					294,474
Use of money and property					320,113
Sale of property and compensation for loss					143,815
State aid					1,667,642
Miscellaneous					<u>176,520</u>
Total general revenues					<u>31,155,978</u>
Change in net position					<u>3,904,801</u>
Total net position - beginning of year					<u>(48,383,297)</u>
Net position - end of year					<u>\$ (44,478,496)</u>

The accompanying notes are an integral part of these statements

TOWN OF NORTH CASTLE, NEW YORK

**Balance Sheet - Governmental Funds
December 31, 2021**

	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Total
ASSETS						
Cash and cash equivalents	\$ 16,488,171	\$ 7,564,679	\$ 374,801	\$ 4,735,764	\$ 638,369	\$ 29,801,784
Taxes receivable	2,429,351	-	-	-	-	2,429,351
Other Receivables:						
Accounts	189,751	512,826	-	-	25,855	728,432
Water rents	-	-	-	120,130	-	120,130
Due from other governments	1,435,384	-	-	-	-	1,435,384
Due from other funds	-	-	-	300,000	-	300,000
Prepaid items	603,932	-	-	-	-	603,932
 Total assets	<u>\$ 21,146,589</u>	<u>\$ 8,077,505</u>	<u>\$ 374,801</u>	<u>\$ 5,155,894</u>	<u>\$ 664,224</u>	<u>\$ 35,419,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 560,626	\$ 485,172	\$ 67,559	\$ 221,428	\$ 398,231	\$ 1,733,016
Retainages payable	-	-	-	-	58,029	58,029
Unearned revenues	-	-	-	11,026	-	11,026
Due to other funds	-	-	-	300,000	-	300,000
Other liabilities	3,399,506	-	-	-	-	3,399,506
 Total liabilities	<u>3,960,132</u>	<u>485,172</u>	<u>67,559</u>	<u>532,454</u>	<u>456,260</u>	<u>5,501,577</u>
DEFERRED INFLOWS OF RESOURCES:						
Property tax revenues	2,329,029	-	-	-	-	2,329,029
 Total deferred inflows of resources	<u>2,329,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,329,029</u>
FUND BALANCES:						
Nonspendable	603,932	-	-	-	-	603,932
Restricted	1,692	-	-	4,623,440	207,964	4,833,096
Assigned	-	7,592,333	307,242	-	-	7,899,575
Unassigned	14,251,804	-	-	-	-	14,251,804
 Total fund balances	<u>14,857,428</u>	<u>7,592,333</u>	<u>307,242</u>	<u>4,623,440</u>	<u>207,964</u>	<u>27,588,407</u>
 Total liabilities, deferred inflow of resources and fund balances	<u>\$ 21,146,589</u>	<u>\$ 8,077,505</u>	<u>\$ 374,801</u>	<u>\$ 5,155,894</u>	<u>\$ 664,224</u>	<u>\$ 35,419,013</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, 2021

Total fund balance - governmental funds	\$ 27,588,407
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Total net position reported for governmental activities
in the statement of net position is different because:

Pension related government-wide activity:

Deferred outflows of resources	11,892,201
Net pension liability	(2,161,141)
Deferred inflows of resources	(12,866,568)

Capital assets used in governmental activities are not current financial
resources and, therefore, are not reported in the funds

47,667,644

Other Post Employment Benefit related government-wide activity:

Deferred outflows of resources	10,240,013
Deferred inflows of resources	(3,380,472)
Total other postemployment benefits	(94,677,643)

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

Real property taxes	2,329,029
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Long-term liabilities that are not due and payable in the current period are not
reported in the funds:

Accrued interest payable	(260,539)
Bonds payable	(29,095,359)
Compensated absences	<u>(1,754,068)</u>

Total net position of governmental activities	<u>\$ (44,478,496)</u>
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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, 2021**

	General Fund	Highway Fund	Public Library Fund	Special Districts Fund	Capital Projects Fund	Total
REVENUES:						
Real property taxes	\$ 11,980,381	\$ 7,007,955	\$ 1,496,527	\$ 3,363,931	\$ -	\$ 23,848,794
Other tax items	1,249,471	-	-	-	-	1,249,471
Nonproperty tax items	3,196,922	-	-	-	-	3,196,922
Departmental income	1,692,060	-	1,005	1,382,689	-	3,075,754
Intergovernmental charges	-	37,027	-	-	-	37,027
Use of money and property	118,717	-	3,165	198,231	-	320,113
Licenses and permits	1,291,247	-	-	-	-	1,291,247
Fines and forfeitures	62,604	-	-	-	-	62,604
Sale of property and compensation for loss	115,521	28,013	281	-	-	143,815
Interfund revenue	-	1,396	-	-	-	1,396
State aid	1,679,255	402,948	3,991	-	-	2,086,194
Federal aid	28,760	-	-	-	-	28,760
Miscellaneous	157,127	404	18,989	-	(134,871)	41,649
Total revenues	21,572,065	7,477,743	1,523,958	4,944,851	(134,871)	35,383,746
EXPENDITURES:						
General governmental support	3,835,488	45,683	-	11,991	40,440	3,933,602
Public safety	10,237,207	-	-	479,195	-	10,716,402
Health	5,008	-	-	376,708	-	381,716
Transportation	414,597	10,594,134	-	157,242	-	11,165,973
Economic opportunity and development	224,455	-	-	-	-	224,455
Culture and recreation	2,876,266	-	1,511,205	16,000	-	4,403,471
Home and community services	1,886,372	-	-	2,171,512	-	4,057,884
Debt service -						
Principal	201,925	495,000	-	932,075	-	1,629,000
Interest	33,416	105,794	-	432,743	-	571,953
Capital outlay	-	-	-	-	1,213,881	1,213,881
Total expenditures	19,714,734	11,240,611	1,511,205	4,577,466	1,254,321	38,298,337
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,857,331	(3,762,868)	12,753	367,385	(1,389,192)	(2,914,591)
OTHER FINANCING SOURCES (USES):						
Transfers in	512,134	-	6,985	-	516,788	1,035,907
Proceeds from the issuance of debt	-	8,960,000	-	-	-	8,960,000
Premium on obligations	-	1,044,336	-	-	-	1,044,336
Transfers out	(657,499)	-	(230,348)	(148,060)	-	(1,035,907)
Total other financing sources and uses	(145,365)	10,004,336	(223,363)	(148,060)	516,788	10,004,336
NET CHANGE IN FUND BALANCE	1,711,966	6,241,468	(210,610)	219,325	(872,404)	7,089,745
FUND BALANCE - beginning of year	13,145,462	1,350,865	517,852	4,404,115	1,080,368	20,498,662
FUND BALANCE - end of year	\$ 14,857,428	\$ 7,592,333	\$ 307,242	\$ 4,623,440	\$ 207,964	\$ 27,588,407

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, 2021

Net change in fund balances - governmental funds \$ 7,089,745

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	8,976,191
Disposals	(48,267)
Depreciation expense	(2,514,927)

Pension expense resulting from the pension related actuary reporting is not recorded as an expenditure in the governmental funds but is recorded in the statement of activities 568,615

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

Real property taxes	552,701
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Long-term liabilities are not due and payable in the current period and accordingly and are not reported in the funds

Proceeds from issuance of new debt	(8,960,000)
Premiums on bonds issued, net of amortization	(1,044,336)

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts deferred and amortized in the statement of activities 17,655

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	1,629,000
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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	(557)
Compensated absences	72,114
Other post employment benefit obligations	<u>(2,433,133)</u>

Change in net position of governmental activities \$ 3,904,801

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, 2021

	<u>Custodial Funds</u>	<u>Private Purpose</u>
ASSETS		
Cash	\$ 14,367,175	\$ 15,361
Receivables		
Taxes for other governments	29,006,636	-
Library trust	<u>-</u>	<u>325</u>
Total assets	<u>\$ 43,373,811</u>	<u>\$ 15,686</u>
LIABILITIES		
Accounts payable	\$ -	\$ 9,500
Due to local governments	<u>43,373,811</u>	<u>-</u>
Total liabilities	<u>43,373,811</u>	<u>9,500</u>
NET POSITION		
Restricted	<u>-</u>	<u>6,186</u>
Total net position	<u>\$ -</u>	<u>\$ 6,186</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

Statement of Changes Fiduciary Net Position - Fiduciary Funds For the Year Ended December 31, 2021

	<u>Custodial Funds</u>	<u>Private Purpose</u>
ADDITIONS		
Property tax collections for other governments	\$ 85,553,187	\$ -
Payments in lieu of taxes collected for other governments	2,543,218	-
Other Revenue	<u>-</u>	<u>66,634</u>
Total additions	<u>88,096,405</u>	<u>66,634</u>
DEDUCTIONS		
Payments of property taxes to other governments	85,553,187	-
Payments of payments in lieu of taxes to other governments	2,543,218	-
Other Private Purpose Activities Contractual	<u>-</u>	<u>69,662</u>
Total deductions	<u>88,096,405</u>	<u>69,662</u>
Net change in fiduciary net position	-	(3,028)
Net position, beginning of year	<u>-</u>	<u>9,214</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 6,186</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

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.

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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

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. The majority of revenue resources consist of property taxes, intergovernmental charges, state aid and transfers from the general fund.
 - Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library. The majority of revenue resources consist of property taxes.
 - 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. The majority of revenue resources consist of property taxes, departmental income and rental income.
 - 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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

b. Fiduciary Funds (Not included in Government-Wide Financial Statements)- Fiduciary funds are used to account for assets held by the Town in a trustee or custodial capacity. The Town has the following fiduciary fund:

- Custodial Funds - used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The Town records property taxes collected on behalf of other local governments as custodial 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.

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 Fiduciary Fund are reported using the economic resources measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

F. Deposits, Investments and Risk Disclosure

- Cash and Cash Equivalents - Cash and investments consist of funds deposited in demand deposit accounts, and amounts with the New York Cooperative Liquid Assets Securities System (NYCLASS).

The Towns' 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 NYCLASS, obligations of the U.S. Treasury, U.S. Agencies 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 Town subdivisions.

The Town participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At December 31, 2021, the Town held \$1,868,122 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

- 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 district 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 Towns warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various Towns 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 Towns 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 taxes, the Charter provides that the Town satisfy the warrant of each school 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 Towns 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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

- 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, 2021, 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 inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.
- Prepaid Expenses/Items - 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.
- 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.

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 back trending (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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

- **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 \$2,329,029 for real property taxes in the General Fund. Such amounts have been deemed to be measurable but not available pursuant to generally accepted accounting principles.

- **Long-Term Liabilities** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. 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 Position 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** - In the government-wide fund financial statements, net position is reported in three categories:
 - Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets. Accounts payable in the capital projects fund and retainage payable in the government-wide statements are considered capital related debt and are used in the calculation of net investment in capital assets.
 - Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, granters, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
 - Unrestricted net position consists of any remaining net position that does not meet the definition of restricted or net investment in capital assets.
 - When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first. And then unrestricted resources as they are needed.
- **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:

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

- 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.
- 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 Town Board prior to year-end. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.
- Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.
- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

G. Encumbrances

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

H. 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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

I. Deferred Outflows and Inflows of Resources

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 or inflow of resources (expenses/expenditure/revenues) until then.

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.
- 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 and Special Districts 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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

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.

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).

3. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents and Investments

As of December 31, 2021, 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 fiduciary funds	<u>\$ 44,235,458</u>	<u>\$ 44,184,320</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	\$ 43,235,458	
Covered by FDIC insurance	<u>1,000,000</u>	
Total	<u>\$ 44,235,458</u>	

B. Taxes Receivable

Taxes receivable at December 31, 2021 consisted of the following:

Current year	\$ 350,862
Overdue	<u>2,078,489</u>
	<u>\$ 2,429,351</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

C. Capital Assets

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 3,572,141	\$ 260,708	\$ -	\$ 3,832,849
Construction in progress	2,621,264	2,478,440	(3,583,245)	1,516,459
Total non-depreciable cost	6,193,405	2,739,148	(3,583,245)	5,349,308
Capital assets that are depreciated:				
Land improvements	7,581,875	5,825,566	-	13,407,441
Buildings and improvements	18,823,088	-	-	18,823,088
Machinery and equipment	14,060,342	411,477	(926,567)	13,545,252
Infrastructure	38,619,316	3,583,245	-	42,202,561
Total depreciable historical cost	79,084,621	9,820,288	(926,567)	87,978,342
Less accumulated depreciation:				
Land improvements	2,199,097	456,285	-	2,655,382
Buildings and improvements	9,065,079	373,176	-	9,438,255
Machinery and equipment	8,915,177	804,264	(878,300)	8,841,141
Infrastructure	23,844,026	881,202	-	24,725,228
Total accumulated depreciation	44,023,379	2,514,927	(878,300)	45,660,006
Total cost, net	\$ 41,254,647	\$ 10,044,509	\$ (3,631,512)	\$ 47,667,644

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

General government support	\$ 70,232
Health	72,468
Transportation	718,240
Culture and recreation	192,703
Home and community services	1,461,284
Total depreciation expense	\$ 2,514,927

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

D. Pension Plans

Plan Description

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
2021	\$ 1,106,104	\$ 1,209,625
2020	\$ 1,010,750	\$ 941,739
2019	\$ 993,869	\$ 898,884

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

New York State Employee Retirement System

Pension Liabilities, pension Expense, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

At December 31, 2021, the Town reported a liability of \$20,097 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as April 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2021, the Town's proportion was 0.0201832%, which was a decrease from its proportion measured December 31, 2020 of 0.0203431%.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

For the year ended December 31, 2021, the Town recognized pension expense of \$588,411 related to the NYS Retirement System. These expenses are liquidated through the general fund, highway fund, public library fund and special district fund. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 245,442	\$ -
Changes of Assumptions	3,695,233	69,693
Net difference between projected and actual earnings on pension plan investments	-	5,773,109
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	373,890	122,997
Contributions subsequent to the measurement date	<u>829,578</u>	<u>-</u>
Total	<u>\$ 5,144,143</u>	<u>\$ 5,965,799</u>

\$829,578 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2022	\$ (239,014)
	2023	(59,821)
	2024	(272,796)
	2025	(1,079,603)
	2026	-
	Thereafter	-
		<u>\$ (1,651,234)</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.7%
Salary scale	4.4 % in ERS, indexed by service
Investment Rate of Return including inflation	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.4% annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2020 used a long-term expected rate of return of 5.9%. The target allocation and best estimates of arithmetic of real rates of return for each major asset class are summarized as of March 31, 2021 in the following table:

Asset Type	Target	Long-Term expected real rate
	Allocations in %	of return in %
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic Portfolio	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease	Current Assumption	1% Increase
	4.9%	5.9%	6.9%
Proportionate Share of Net Pension Liability	\$ 5,578,210	\$ 20,097	\$ (5,105,783)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the plan as of March 31, 2021, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 220,680,157,000
Net position	(220,580,583,000)
Net pension liability (asset)	<u>\$ 99,574,000</u>
Fiduciary net position as percentage of total pension	99.95%

New York State and Local Police and Fire Retirement System

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported a liability of \$2,141,044 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2021, the Town's proportion was 0.1233124%, which was an increase from its proportion measured December 31, 2020 of 0.1310460%.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

For the year ended December 31, 2021, the Town recognized pension expense of \$1,067,906 related to the NYS Retirement System. These expenses are liquidated through the general fund. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 475,086	\$ -
Change of Assumptions	5,260,313	-
Net difference between projected and actual earnings on pension plan investments	-	6,295,614
Change in proportion and differences between the Town's contributions and proportionate share of contributions	105,440	605,155
Contributions subsequent to the measurement date	907,219	-
Total	<u>\$ 6,748,058</u>	<u>\$ 6,900,769</u>

\$907,219 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2022	\$ (388,796)
	2023	(138,009)
	2024	(308,818)
	2025	(1,204,240)
	2026	979,933
	Thereafter	-
		<u>\$ (1,059,930)</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.7%
Salary scale	6.2% in PFRS, indexed by service
Investment Rate of Return, including inflation	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.4% annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic of real rates of return for each major asset class are summarized as of March 31, 2021 in the following table:

Asset Type	Target	Long-Term Expected Real Rate
	Allocations in	of Return in %
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic Portfolio	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Proportionate Share of Net Pension liability	\$ 9,104,925	\$ 2,141,044	\$ (3,623,250)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the plan as of March 31, 2021, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 41,236,775,000
Net pension	(39,500,500,000)
Net pension liability	\$ 1,736,275,000
Fiduciary net position as a percentage of total pension liability	95.79%

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2021:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due With One Year
Government activities:					
Bonds & notes payable:					
General Obligation debt:					
Capital construction	\$ 20,586,000	\$ 8,960,000	\$ 1,629,000	\$ 27,917,000	\$ 1,809,000
Unamortized premium on obligations	158,889	1,044,336	17,655	1,185,570	92,250
	<u>20,744,889</u>	<u>10,004,336</u>	<u>1,646,655</u>	<u>29,102,570</u>	<u>1,901,250</u>
Other liabilities:					
Total other postemployment benefits	94,372,468	3,284,351	2,979,176	94,677,643	-
Net pension liability (A)	12,391,311	-	10,230,170	2,161,141	-
Compensated absences	<u>1,818,971</u>	<u>114,973</u>	<u>187,087</u>	<u>1,746,857</u>	<u>174,686</u>
Total other liabilities	<u>108,582,750</u>	<u>3,399,324</u>	<u>13,396,433</u>	<u>98,585,641</u>	<u>174,686</u>
Total long-term liabilities	<u>\$ 129,327,639</u>	<u>\$ 13,403,660</u>	<u>\$ 15,043,088</u>	<u>\$ 127,688,211</u>	<u>\$ 2,075,936</u>

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

The current portion of compensated absences, if any, is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources.

The liability for compensated absences and total 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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

Bonds Payable

Bonds payable at December 31, 2021 are comprised of the following individual issues:

Bond Issue	Original	Issued	Maturity	Interest Rate	Balance
Firehouse acquisition	\$ 1,100,000	2004	2024	3.975%	\$ 225,000
Firehouse acquisition	1,100,000	2006	2026	3.973%	300,000
Public improvements	2,380,000	2007	2022	3.625%	210,000
Sewer No. 2 treatment plant upgrade	3,345,000	2007	2037	3.630%	2,595,000
Sewer nitrogen removal - Environmental					
Facilities Corporation	5,245,000	2009	2033	4.270%	2,797,000
Public improvements	645,000	2010	2026	1.250%	235,000
Public improvements	2,500,000	2011	2026	1.50% - 2.65%	975,000
Public improvements	9,545,000	2014	2044	1.50%-5.0%	8,445,000
Water Project EFC Project # 18170	535,582	2017	2037	1.067%-3.574%	435,000
Public improvements	4,000,000	2017	2029	2.0% - 5.0%	2,740,000
Public improvements	8,960,000	2021	2036	2.0% - 5.0%	8,960,000
					<u>\$27,917,000</u>

Interest

Interest on all debt for the year was composed of:

Interest paid - long-term debt	\$ 571,953
Add: Interest accrued in the current year	260,540
Less: Interest accrued in prior year	(259,983)
Amortization of bond premium	<u>(17,655)</u>
Total expense	<u>\$ 554,855</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2021 are as follows:

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.

Fiscal Year Ending December 31,	Principal	Interest	Total
2022	\$ 1,809,000	\$ 1,074,270	\$ 2,883,270
2023	1,779,000	864,477	2,643,477
2024	1,824,000	795,445	2,619,445
2025	1,804,000	723,553	2,527,553
2026	1,859,000	656,222	2,515,222
2027-2031	7,871,000	2,335,257	10,206,257
2032-2036	7,006,000	1,128,068	8,134,068
2037-2041	2,430,000	395,945	2,825,945
2042-2046	<u>1,535,000</u>	<u>56,625</u>	<u>1,591,625</u>
Total	<u>\$ 27,917,000</u>	<u>\$ 8,029,862</u>	<u>\$ 35,946,862</u>

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

Plan Description

The Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The plan provides for continuation of retiree group health benefits for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. The plan does not issue a stand-alone financial report as there are no legally accumulated assets in a trust for the sole purpose of paying benefits under the plan that meets the criteria of GASB 75, paragraph 4.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Benefits Provided

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.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	118
Active employees	<u>113</u>
Total participants	<u>231</u>

Total OPEB Liability

The Town's total OPEB liability of \$94,677,643 was measured as of December 31, 2021 and was determined by actuarial valuation as of January 1, 2020. The changes in the OPEB liability are as follows:

Balance at December 31, 2020	<u>\$ 94,372,468</u>
Changes for the Year	
Service cost	1,374,426
Interest	1,909,925
Changes of benefit terms	-
Changes in assumptions or other inputs	(568,369)
Differences between expected and actual experience	-
Benefit payments	<u>(2,410,807)</u>
Net changes	<u>305,175</u>
Balance at December 31, 2021	<u>\$ 94,677,643</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	7.00%
Payroll Growth	3.00%
Discount Rate	2.05%
Healthcare Cost Trend Rates	7.0% for 2021, decreasing 0.25% annually to an ultimate rate of 4.5% by 2032.
Share of Benefit-Related Costs	Medical coverage, including prescription drugs as part of the medical plan, is offered to retirees on a fully insured basis through the New York State Health Insurance Plan (NYSHIP) aka the Empire Plan. Life insurance is not available in retirement. Dental and vision coverage is available with varying benefits by union. For union employees, coverage is provided through Dutchess Dental & Vision Gold 12 via CSEA Employee Benefit Fund. For Police, coverage is available for dental through Delta Dental.

The discount rate was based on an end of year measurement date of December 31, 2021 and is consistent with the prescribed discount rate methodology under GASB 75, using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 Years) as of December 31, 2021.

Mortality was based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement, projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (1.05%)	Current Discount (2.05%)	1% Increase (3.05%)
Total OPEB Liability	\$ 116,155,274	\$ 94,677,643	\$ 78,756,664

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements

December 31, 2021

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the OPEB liability of the Town, as well as what the Town's total OPEB liability would be if were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Healthcare		
	Current Heath		
	1% Decrease	Care Rate	1% Increase
	(6%)	(7%)	(8%)
Total OPEB Liability	\$ 77,543,400	\$ 94,677,643	\$ 117,877,731

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Town recognized OPEB expense of \$4,843,940. These expenses are liquidated through the general fund, highway fund, public library fund and special district fund. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 10,240,013	\$ 3,380,472

The Town's contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For years ending December 31,

2022	\$ 1,559,589
2023	1,559,589
2024	1,559,589
2025	1,559,589
2026	1,155,097
Thereafter	(533,912)
	<u>\$ 6,859,541</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

F. Revenues and Expenditures

Interfund Transfers

The interfund transfers reflected below have been reflected as transfers:

	Interfund		Interfund	
	Revenue	Expenditures	Receivable	Payables
General fund	\$ 512,134	\$ 657,499	\$ -	\$ -
Highway fund	-	-	-	-
Special districts fund	-	148,060	300,000	300,000
Public library fund	6,985	230,348	-	-
Capital fund	<u>516,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total government activities	<u>\$ 1,035,907</u>	<u>\$ 1,035,907</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

G. 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.

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

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

H. 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.

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, 2021, the Town Board has assigned the amounts below to be appropriated from the ensuing year's budget.

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

	General	Highway	Public Library	Special Districts	Capital Projects	Total
Nonspendable						
Prepaid items	\$ 603,932	\$ -	\$ -	\$ -	\$ -	\$ 603,932
Restricted						
Capital Projects	-	-	-	-	207,964	207,964
Workers Compensation	1,692	-	-	-	-	1,692
Special Districts	-	-	-	4,623,440	-	4,623,440
	<u>1,692</u>	<u>-</u>	<u>-</u>	<u>4,623,440</u>	<u>207,964</u>	<u>4,833,096</u>
Assigned						
Highway	-	7,592,333	-	-	-	7,592,333
Public Library	-	-	307,242	-	-	307,242
	<u>-</u>	<u>7,592,333</u>	<u>307,242</u>	<u>-</u>	<u>-</u>	<u>7,899,575</u>
Unassigned	<u>14,251,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,251,804</u>
Total fund balance	<u>\$ 14,857,428</u>	<u>\$ 7,592,333</u>	<u>\$ 307,242</u>	<u>\$ 4,623,440</u>	<u>\$ 207,964</u>	<u>\$ 27,588,407</u>

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

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 \$1 Million Per Occurrence and \$3 million Policy Aggregate. The Town's public officials and law enforcement liability policies provide coverage of \$1 million each. In addition, the umbrella policy provides a \$10 million policy aggregate. 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. Commitments and 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 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.

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.

TOWN OF NORTH CASTLE, NEW YORK

Notes to Financial Statements December 31, 2021

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. PROPERTY TAX ABATEMENT

The Town has 2 real property tax abatement agreements entered into by the Westchester County IDA (IDA) under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with the IDA's Uniform Tax Exemption Policy (the Policy). In accordance with the policy, the IDA grants PILOTs in accordance with various activities for various activities such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility. The IDA also has policies for recapture of PILOTs should the applicant not meet certain criteria. All policies are available on the IDA's website.

The following information relates to the PILOT agreements entered into under the agreements for the year ended December 31, 2021:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
01/01/1998	IBM Engel	\$ 6,139,500	173.5454	\$ 1,065,482	\$ 500,561	\$ 564,921
01/01/2012	Burman	\$ 690,000	173.5454	\$ 119,746	\$ 127,246	\$ (7,500)

7. COVID - 19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Town and its future results and financial position is not presently determinable.

8. AMERICAN RESCUE PLAN

The American Rescue Plan Act is projected to provide the Town with approximately \$1,300,000. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. Fifty percent of the award is expected to be received in 2021, with the remaining funds to be received in 2022.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH CASTLE, NEW YORK

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund (Unaudited)
For the Year Ended December 31, 2021**

	General Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES:				
Real property taxes	\$ 12,539,265	\$ 12,539,265	\$ 11,980,381	\$ (558,884)
Other tax items	1,110,000	1,110,000	1,249,471	139,471
Nonproperty tax items	2,500,000	2,500,000	3,196,922	696,922
Departmental income	1,568,460	1,568,460	1,692,060	123,600
Use of money and property	124,800	124,800	118,717	(6,083)
Licenses and permits	758,000	758,000	1,291,247	533,247
Fines and forfeitures	125,000	125,000	62,604	(62,396)
Sale of property and compensation for loss	-	-	115,521	115,521
State aid	775,000	775,000	1,679,255	904,255
Federal aid	-	-	28,760	28,760
Miscellaneous	35,000	35,000	157,127	122,127
Total revenue	<u>19,535,525</u>	<u>19,535,525</u>	<u>21,572,065</u>	<u>2,036,540</u>
EXPENDITURES:				
General governmental support	4,440,699	4,867,345	3,835,488	1,031,857
Public safety	10,332,432	11,197,948	10,237,207	960,741
Health	5,544	5,544	5,008	536
Transportation	420,187	431,205	414,597	16,608
Economic opportunity and development	242,260	248,030	224,455	23,575
Culture and recreation	2,978,019	3,336,658	2,876,266	460,392
Home and community services	1,890,523	2,004,941	1,886,372	118,569
Employee Benefits	-	-	-	-
Debt service - principal	163,311	163,311	201,925	(38,614)
Debt service - interest	32,450	32,450	33,416	(966)
Total expenditures	<u>20,505,425</u>	<u>22,287,432</u>	<u>19,714,734</u>	<u>2,572,698</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(969,900)</u>	<u>(2,751,907)</u>	<u>1,857,331</u>	<u>4,609,238</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	512,134	512,134
Transfers out	-	(657,499)	(657,499)	-
Total other financing sources and uses	<u>-</u>	<u>(657,499)</u>	<u>(145,365)</u>	<u>512,134</u>
CHANGE IN FUND BALANCE	<u>(969,900)</u>	<u>(3,409,406)</u>	<u>1,711,966</u>	<u>5,121,372</u>
FUND BALANCE - beginning of year	13,145,462	13,145,462	13,145,462	-
FUND BALANCE - end of year	<u>\$ 12,175,562</u>	<u>\$ 9,736,056</u>	<u>\$ 14,857,428</u>	<u>\$ 5,121,372</u>

TOWN OF NORTH CASTLE, NEW YORK

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Highway Fund (Unaudited)

For the Year Ended December 31, 2021

	Highway Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES:				
Real property taxes	\$ 7,007,955	\$ 7,007,955	\$ 7,007,955	\$ -
Intergovernmental charges	115,000	115,000	37,027	(77,973)
Sale of property and compensation for loss	-	-	28,013	28,013
Interfund revenue	-	-	1,396	1,396
State aid	200,000	200,000	402,948	202,948
Federal aid	-	-	-	-
Miscellaneous	-	-	404	404
Total revenues	<u>7,322,955</u>	<u>7,322,955</u>	<u>7,477,743</u>	<u>154,788</u>
EXPENDITURES:				
General governmental support	-	45,683	45,683	-
Transportation	6,722,161	12,001,098	10,594,134	1,406,964
Debt service - principal	495,000	495,000	495,000	-
Debt service - interest	<u>105,794</u>	<u>105,794</u>	<u>105,794</u>	<u>-</u>
Total expenditures	<u>7,322,955</u>	<u>12,647,575</u>	<u>11,240,611</u>	<u>1,406,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(5,324,620)</u>	<u>(3,762,868)</u>	<u>1,561,752</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Proceeds from the issuance of debt	-	-	8,960,000	8,960,000
Premium on obligations	-	-	1,044,336	1,044,336
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>10,004,336</u>	<u>10,004,336</u>
CHANGE IN FUND BALANCE	-	(5,324,620)	6,241,468	11,566,088
FUND BALANCE - beginning of year	<u>1,350,865</u>	<u>1,350,865</u>	<u>1,350,865</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,350,865</u>	<u>\$ (3,973,755)</u>	<u>\$ 7,592,333</u>	<u>\$ 11,566,088</u>

TOWN OF NORTH CASTLE, NEW YORK

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Public Library Fund (Unaudited)

For the Year Ended December 31, 2021

	Public Library Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES:				
Real property taxes	\$ 1,496,527	\$ 1,496,527	\$ 1,496,527	\$ -
Departmental income	12,000	12,000	1,005	(10,995)
Use of money and property	13,000	13,000	3,165	(9,835)
Sale of property and compensation for loss	1,500	1,500	281	(1,219)
State aid	3,000	3,000	3,991	991
Miscellaneous	<u>3,465</u>	<u>3,465</u>	<u>18,989</u>	<u>15,524</u>
Total revenues	<u>1,529,492</u>	<u>1,529,492</u>	<u>1,523,958</u>	<u>(5,534)</u>
EXPENDITURES:				
Culture and recreation	<u>1,529,492</u>	<u>1,625,072</u>	<u>1,511,205</u>	<u>113,867</u>
Total expenditures	<u>1,529,492</u>	<u>1,625,072</u>	<u>1,511,205</u>	<u>113,867</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(95,580)</u>	<u>12,753</u>	<u>108,333</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	6,985	6,985
Transfers out	<u>-</u>	<u>-</u>	<u>(230,348)</u>	<u>(230,348)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(223,363)</u>	<u>(223,363)</u>
CHANGE IN FUND BALANCE	-	(95,580)	(210,610)	(115,030)
FUND BALANCE - beginning of year	<u>517,852</u>	<u>517,852</u>	<u>517,852</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 517,852</u>	<u>\$ 422,272</u>	<u>\$ 307,242</u>	<u>\$ (115,030)</u>

TOWN OF NORTH CASTLE, NEW YORK

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special District Funds
(Unaudited)
For the Year Ended December 31, 2021**

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES:				
Real property taxes	\$ 3,362,432	\$ 3,362,432	\$ 3,363,931	\$ 1,499
Departmental income	1,507,626	1,507,626	1,382,689	(124,937)
Use of money and property	198,890	198,890	198,231	(659)
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	-	-	-	-
	<u>5,068,948</u>	<u>5,068,948</u>	<u>4,944,851</u>	<u>(124,097)</u>
EXPENDITURES:				
General governmental support	4,572	15,062	11,991	3,071
Public safety	479,195	479,195	479,195	-
Health	378,500	384,355	376,708	7,647
Transportation	154,800	162,028	157,242	4,786
Culture and recreation	16,000	16,000	16,000	-
Home and community services	3,023,803	3,396,263	2,171,512	1,224,751
Debt service - principal	932,076	932,076	932,075	1
Debt service - interest	<u>432,747</u>	<u>432,747</u>	<u>432,743</u>	<u>4</u>
	<u>5,421,693</u>	<u>5,817,726</u>	<u>4,577,466</u>	<u>1,240,260</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(352,745)</u>	<u>(748,778)</u>	<u>367,385</u>	<u>1,116,163</u>
OTHER FINANCING SOURCES (USES):				
Insurance recoveries				
Transfers in	-	-	-	-
Transfers out	-	(135,000)	(148,060)	(13,060)
Total other financing sources and uses	-	<u>(135,000)</u>	<u>(148,060)</u>	<u>(13,060)</u>
CHANGE IN FUND BALANCE	(352,745)	(883,778)	219,325	1,103,103
FUND BALANCE - beginning of year	<u>4,404,115</u>	<u>4,404,115</u>	<u>4,404,115</u>	-
FUND BALANCE - end of year	<u>\$ 4,051,370</u>	<u>\$ 3,520,337</u>	<u>\$ 4,623,440</u>	<u>\$ 1,103,103</u>

TOWN OF NORTH CASTLE, NEW YORK

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended December 31, 2021**

	Last Ten Fiscal Years *			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 1,374,426	\$ 1,346,812	\$ 709,699	\$ 571,475
Interest	1,909,925	1,942,587	2,754,970	2,928,941
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes in assumptions	(568,369)	(3,877,952)	16,626,716	-
Benefit payments	(2,410,807)	(2,413,278)	(2,178,640)	(2,232,498)
Total change in total OPEB liability	305,175	(3,001,831)	17,912,745	1,267,918
OPEB Plan Fiduciary Position	-	-	-	-
Total OPEB liability - beginning	94,372,468	97,374,299	79,461,554	78,193,636
Total OPEB liability - ending	\$ 94,677,643	\$ 94,372,468	\$ 97,374,299	\$ 79,461,554
Covered-employee payroll	\$ 10,286,449	\$ 10,286,449	\$ 10,166,288	\$ 9,788,443
Total OPEB liability as a percentage of covered-payroll	920.41%	917.44%	957.82%	811.79%
Notes to schedule:				
	2021	2020	2019	2018
Discount rate	2.05%	2.02%	2.90%	3.80%
Healthcare trend rate:				
Initial rate	7.00%	7.00%	8.00%	8.00%
Decreasing per year	0.25%	0.25%	0.50%	0.50%
Ultimate rate	4.50%	4.50%	5.00%	5.00%
Ultimate rate year	2032	2032	2026	2026

* This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Plan Assets

There are no assets accumulated in a trust that meets the criteria of GASB 75, paragraph 4.

TOWN OF NORTH CASTLE, NEW YORK

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)

For the Year Ended December 31, 2021

New York State Employees' Retirement System Plan	Last 10 Fiscal Years*						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.020183%	0.020343%	0.022707%	0.023652%	0.022835%	0.024640%	0.022636%
Proportionate share of the net pension liability (asset)	\$ 20,097	\$ 5,386,982	\$ 1,608,829	\$ 763,339	\$ 2,145,584	\$ 3,954,784	\$ 764,701
Covered payroll	\$ 7,042,855	\$ 7,107,843	\$ 7,022,401	\$ 7,223,542	\$ 7,266,448	\$ 6,944,581	\$ 6,870,015
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.29%	75.79%	22.91%	10.57%	29.53%	56.95%	11.13%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

New York State Police and Fire Retirement System Plan	Last 10 Fiscal Years*						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.123312%	0.131046%	0.120315%	0.115707%	0.122412%	0.144124%	0.115271%
Proportionate share of the net pension liability (asset)	\$ 2,141,044	\$ 7,004,329	\$ 2,017,754	\$ 1,169,512	\$ 2,537,177	\$ 4,267,201	\$ 317,295
Covered payroll	\$ 4,786,538	\$ 4,432,466	\$ 4,333,852	\$ 4,209,759	\$ 4,322,100	\$ 4,393,866	\$ 4,676,032
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	44.73%	158.02%	46.56%	27.78%	58.70%	97.12%	6.79%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

*This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

TOWN OF NORTH CASTLE, NEW YORK

**Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended December 31, 2021**

New York State Employees' Retirement System Plan	Last 10 Fiscal Years*						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,106,104	\$ 1,010,750	\$ 993,869	\$ 1,041,429	\$ 1,089,221	\$ 1,349,325	\$ 1,177,993
Contributions in relation to the contractually required contribution	<u>1,106,104</u>	<u>1,010,750</u>	<u>993,869</u>	<u>1,041,429</u>	<u>1,089,221</u>	<u>1,349,325</u>	<u>1,177,993</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,042,855	\$ 7,107,843	\$ 7,022,401	\$ 7,223,542	\$ 7,266,448	\$ 6,944,581	\$ 6,870,015
Contributions as a percentage of covered payroll	15.71%	14.22%	14.15%	14.42%	14.99%	19.43%	17.15%

New York State Police and Fire Retirement System Plan	Last 10 Fiscal Years*						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,209,625	\$ 941,739	\$ 898,884	\$ 935,012	\$ 971,624	\$ 1,319,633	\$ 1,016,189
Contributions in relation to the contractually required contribution	<u>1,209,625</u>	<u>941,739</u>	<u>898,884</u>	<u>935,012</u>	<u>971,624</u>	<u>1,319,633</u>	<u>1,016,189</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,786,538	\$ 4,432,466	\$ 4,333,852	\$ 4,209,759	\$ 4,322,100	\$ 4,393,866	\$ 4,676,032
Contributions as a percentage of covered payroll	25.27%	21.25%	20.74%	22.21%	22.48%	30.03%	21.73%

*This Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

SUPPLEMENTARY INFORMATION

TOWN OF NORTH CASTLE, NEW YORK**Comparative Balance Sheets - General Fund
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash:		
Demand deposits	\$ 16,487,571	\$ 14,230,754
Petty cash	600	600
Taxes receivable	2,429,351	1,896,290
Other receivables:		
Other	189,751	232,485
Due from other governments	1,435,384	794,048
Prepaid expenditures	<u>603,932</u>	<u>513,123</u>
 Total assets	<u><u>\$ 21,146,589</u></u>	<u><u>\$ 17,667,300</u></u>
LIABILITIES		
Accounts payable	\$ 560,626	\$ 455,013
Due to other funds	-	-
Accrued liabilities	-	-
Retainage Payable	-	-
Other liabilities	3,399,506	2,290,496
Due to school districts	<u>-</u>	<u>-</u>
 Total liabilities	<u>3,960,132</u>	<u>2,745,509</u>
 DEFERRED INFLOWS OF RESOURCES	<u>2,329,029</u>	<u>1,776,329</u>
 FUND BALANCE		
Non-spendable	603,932	513,123
Restricted	1,692	41,271
Committed	-	-
Assigned	-	-
Unassigned	<u>14,251,804</u>	<u>12,591,068</u>
 Total fund balance	<u>14,857,428</u>	<u>13,145,462</u>
 Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 21,146,589</u></u>	<u><u>\$ 17,667,300</u></u>

TOWN OF NORTH CASTLE, NEW YORK

**Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Years Ended December 31, 2021 and 2020**

	2021				2020			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:								
Real property taxes	\$ 12,539,265	\$ 12,539,265	\$ 11,980,381	\$ (558,884)	\$ 11,961,357	\$ 11,961,357	\$ 10,680,670	\$ (1,280,687)
Other tax items	1,110,000	1,110,000	1,249,471	139,471	1,139,000	1,139,000	1,341,430	202,430
Nonproperty tax items	2,500,000	2,500,000	3,196,922	696,922	2,480,000	2,480,000	2,761,562	281,562
Departmental income	1,568,460	1,568,460	1,692,060	123,600	1,715,776	1,715,776	1,141,725	(574,051)
Use of money and property	124,800	124,800	118,717	(6,083)	374,800	374,800	386,290	11,490
Licenses and permits	758,000	758,000	1,291,247	533,247	967,700	967,700	949,789	(17,911)
Fines and forfeitures	125,000	125,000	62,604	(62,396)	125,000	125,000	68,261	(56,739)
Sale of property and compensation for loss	-	-	115,521	115,521	1,500	1,500	29,184	27,684
State aid	775,000	775,000	1,679,255	904,255	827,000	827,000	1,122,110	295,110
Federal aid	-	-	28,760	28,760	-	-	4,911	4,911
Miscellaneous	35,000	35,000	157,127	122,127	125,000	125,000	120,475	(4,525)
	<u>19,535,525</u>	<u>19,535,525</u>	<u>21,572,065</u>	<u>2,036,540</u>	<u>19,717,133</u>	<u>19,717,133</u>	<u>18,606,407</u>	<u>(1,110,726)</u>
EXPENDITURES:								
General governmental support	4,440,699	4,867,345	3,835,488	1,031,857	4,529,062	4,837,808	3,825,387	1,012,421
Public safety	10,332,432	11,197,948	10,237,207	960,741	10,029,956	10,341,372	9,297,785	1,043,587
Health	5,544	5,544	5,008	536	5,492	5,492	5,007	485
Transportation	420,187	431,205	414,597	16,608	402,338	421,776	394,325	27,451
Economic opportunity and development	242,260	248,030	224,455	23,575	260,563	264,448	218,472	45,976
Culture and recreation	2,978,019	3,336,658	2,876,266	460,392	3,184,573	3,262,542	2,401,708	860,834
Home and community services	1,890,523	2,004,941	1,886,372	118,569	1,750,661	1,862,344	1,818,120	44,224
Employee benefits	-	-	-	-	-	-	-	-
Debt service - principal	163,311	163,311	201,925	(38,614)	135,166	135,166	135,166	-
Debt service - interest	32,450	32,450	33,416	(966)	38,187	38,187	38,187	-
	<u>20,505,425</u>	<u>22,287,432</u>	<u>19,714,734</u>	<u>2,572,698</u>	<u>20,335,998</u>	<u>21,169,135</u>	<u>18,134,157</u>	<u>3,034,978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(969,900)</u>	<u>(2,751,907)</u>	<u>1,857,331</u>	<u>4,609,238</u>	<u>(618,865)</u>	<u>(1,452,002)</u>	<u>472,250</u>	<u>1,924,252</u>
OTHER FINANCING SOURCES (USES):								
Insurance recoveries	-	-	-	-	-	-	-	-
Transfers in	-	-	512,134	512,134	-	-	39,579	39,579
Transfers out	-	(657,499)	(657,499)	-	(85,657)	(85,657)	-	85,657
	<u>-</u>	<u>(657,499)</u>	<u>(145,365)</u>	<u>512,134</u>	<u>(85,657)</u>	<u>(85,657)</u>	<u>39,579</u>	<u>125,236</u>
CHANGE IN FUND BALANCE	<u>(969,900)</u>	<u>(3,409,406)</u>	<u>1,711,966</u>	<u>5,121,372</u>	<u>(704,522)</u>	<u>(1,537,659)</u>	<u>511,829</u>	<u>2,049,488</u>
FUND BALANCE - beginning of year	13,145,462	13,145,462	13,145,462	-	12,633,633	12,633,633	12,633,633	-
FUND BALANCE - end of year	<u>\$ 12,175,562</u>	<u>\$ 9,736,056</u>	<u>\$ 14,857,428</u>	<u>\$ 5,121,372</u>	<u>\$ 11,929,111</u>	<u>\$ 11,095,974</u>	<u>\$ 13,145,462</u>	<u>\$ 2,049,488</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Balance Sheets - Highway Fund December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash - demand deposits	\$ 7,564,679	\$ 1,616,639
Due from other funds	-	-
Due from other governments	-	-
Accounts receivable	<u>512,826</u>	<u>108,159</u>
 Total assets	 <u>\$ 8,077,505</u>	 <u>\$ 1,724,798</u>
LIABILITIES		
Accounts payable	\$ 485,172	\$ 373,933
Retainage payable	<u>-</u>	<u>-</u>
 Total liabilities	 <u>\$ 485,172</u>	 <u>\$ 373,933</u>
FUND BALANCE		
Assigned	<u>7,592,333</u>	<u>1,350,865</u>
 Total fund balance	 <u>7,592,333</u>	 <u>1,350,865</u>
 Total liabilities and fund balance	 <u>\$ 8,077,505</u>	 <u>\$ 1,724,798</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Highway Fund

For the Years Ended December 31, 2021 and 2020

	2021				2020			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:								
Real property taxes	\$ 7,007,955	\$ 7,007,955	\$ 7,007,955	\$ -	\$ 7,168,048	\$ 7,168,048	\$ 7,168,048	\$ -
Intergovernmental charges	115,000	115,000	37,027	(77,973)	115,000	115,000	76,080	(38,920)
Miscellaneous sources	-	-	404	404	-	-	331	331
Sale of property and compensation for loss	-	-	28,013	28,013	-	-	10,238	10,238
Interfund revenues	-	-	1,396	1,396	-	-	1,100	1,100
State aid	200,000	200,000	402,948	202,948	200,000	200,000	207,196	7,196
Total revenues	<u>7,322,955</u>	<u>7,322,955</u>	<u>7,477,743</u>	<u>154,788</u>	<u>7,483,048</u>	<u>7,483,048</u>	<u>7,462,993</u>	<u>(20,055)</u>
EXPENDITURES:								
General governmental support	-	45,683	45,683	-	-	-	-	-
Transportation	6,722,161	12,001,098	10,594,134	1,406,964	6,872,755	7,237,611	6,450,811	786,800
Debt service -principal	495,000	495,000	495,000	-	490,000	490,000	490,000	-
Debt service - interest	105,794	105,794	105,794	-	120,294	120,294	120,294	-
Total expenditures	<u>7,322,955</u>	<u>12,647,575</u>	<u>11,240,611</u>	<u>1,406,964</u>	<u>7,483,049</u>	<u>7,847,905</u>	<u>7,061,105</u>	<u>786,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(5,324,620)</u>	<u>(3,762,868)</u>	<u>1,561,752</u>	<u>(1)</u>	<u>(364,857)</u>	<u>401,888</u>	<u>766,745</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	8,960,000	8,960,000	-	-	-	-
Premium on obligations	-	-	1,044,336	1,044,336	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>10,004,336</u>	<u>10,004,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>(5,324,620)</u>	<u>6,241,468</u>	<u>11,566,088</u>	<u>(1)</u>	<u>(364,857)</u>	<u>401,888</u>	<u>766,745</u>
FUND BALANCE - beginning of year	<u>1,350,865</u>	<u>1,350,865</u>	<u>1,350,865</u>	<u>-</u>	<u>948,977</u>	<u>948,977</u>	<u>948,977</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,350,865</u>	<u>\$ (3,973,755)</u>	<u>\$ 7,592,333</u>	<u>\$ 11,566,088</u>	<u>\$ 948,976</u>	<u>\$ 584,120</u>	<u>\$ 1,350,865</u>	<u>\$ 766,745</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Balance Sheets - Public Library Fund
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash:		
Demand deposits	\$ 374,386	\$ 556,968
Petty cash	<u>415</u>	<u>415</u>
Total assets	<u>\$ 374,801</u>	<u>\$ 557,383</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	<u>\$ 67,559</u>	<u>\$ 39,531</u>
FUND BALANCE		
Assigned	<u>307,242</u>	<u>517,852</u>
Total liabilities and fund balance	<u>\$ 374,801</u>	<u>\$ 557,383</u>

The accompanying notes are an integral part of these statements.

TOWN OF NORTH CASTLE, NEW YORK

**Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Public Library Fund
For the Years Ended December 31, 2021 and 2020**

	2021			Variance with Final Budget Positive (Negative)	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		Original Budget	Final Budget	Actual	
REVENUES:								
Real property taxes	\$ 1,496,527	\$ 1,496,527	\$ 1,496,527	\$ -	\$ 1,679,924	\$ 1,679,924	\$ 1,679,924	\$ -
Departmental income	12,000	12,000	1,005	(10,995)	12,000	12,000	3,676	(8,324)
Use of money and property	13,000	13,000	3,165	(9,835)	13,000	13,000	940	(12,060)
Sale of property and compensation for loss	1,500	1,500	281	(1,219)	1,500	1,500	11,774	10,274
State aid	3,000	3,000	3,991	991	3,000	3,000	169,708	166,708
Miscellaneous	3,465	3,465	18,989	15,524	1,500	1,500	3,616	2,116
Total revenues	1,529,492	1,529,492	1,523,958	(5,534)	1,710,924	1,710,924	1,869,638	158,714
EXPENDITURES:								
Culture and recreation	1,529,492	1,625,072	1,511,205	113,867	1,710,924	1,756,255	1,478,732	277,523
Total expenditures	1,529,492	1,625,072	1,511,205	113,867	1,710,924	1,756,255	1,478,732	277,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(95,580)	12,753	108,333	-	(45,331)	390,906	436,237
OTHER FINANCING SOURCES (USES):								
Transfers in	6,985	6,985	6,985	-	-	-	-	-
Transfers out	(230,348)	(230,348)	(230,348)	-	(287,261)	(287,261)	(45,000)	(242,261)
Total other financing sources (uses)	(223,363)	(223,363)	(223,363)	-	(287,261)	(287,261)	(45,000)	(242,261)
CHANGE IN FUND BALANCE	(223,363)	(318,943)	(210,610)	108,333	(287,261)	(332,592)	345,906	193,976
FUND BALANCE - beginning of year	517,852	517,852	517,852	-	171,946	171,946	171,946	-
FUND BALANCE - end of year	\$ 294,489	\$ 198,909	\$ 307,242	\$ 108,333	\$ (115,315)	\$ (160,646)	\$ 517,852	\$ 193,976

TOWN OF NORTH CASTLE, NEW YORK

**Comparative Balance Sheet - Special Districts Fund
December 31, 2021**

(With Comparative Totals for 2020)

	Water Districts					Sewer Districts				
	<u>No. 1</u>	<u>No. 2</u>	<u>No. 4</u>	<u>No. 5</u>	<u>No. 6</u>	<u>No. 1</u>	<u>No. 2</u>	<u>No. 3</u>	<u>No. 4</u>	<u>Quarry Heights</u>
ASSETS										
Cash:										
Demand deposits	\$ 382,534	\$ 594,759	\$ 703,622	\$ 319,783	\$ 4,590	\$ 562,282	\$ 851,999	\$ 550,467	\$ 131,701	\$ 375,299
Receivables:										
Water rents	62,569	20,030	28,097	9,434	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	300,000	-	-	-	-	-	-	-
Total assets	<u>445,103</u>	<u>614,789</u>	<u>1,031,719</u>	<u>329,217</u>	<u>4,590</u>	<u>562,282</u>	<u>851,999</u>	<u>550,467</u>	<u>131,701</u>	<u>375,299</u>
LIABILITIES										
Accounts payable	63,606	18,772	24,845	465	-	16,772	41,033	1,596	474	22
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-	-	-	-	-
Unearned revenues	4,260	-	-	-	-	-	6,766	-	-	-
Due to other funds	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>367,866</u>	<u>18,772</u>	<u>24,845</u>	<u>465</u>	<u>-</u>	<u>16,772</u>	<u>47,799</u>	<u>1,596</u>	<u>474</u>	<u>22</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-
FUND BALANCE										
Assigned	<u>77,237</u>	<u>596,017</u>	<u>1,006,874</u>	<u>328,752</u>	<u>4,590</u>	<u>545,510</u>	<u>804,200</u>	<u>548,871</u>	<u>131,227</u>	<u>375,277</u>
Total liabilities and fund balances (deficits)	<u>\$ 445,103</u>	<u>\$ 614,789</u>	<u>\$ 1,031,719</u>	<u>\$ 329,217</u>	<u>\$ 4,590</u>	<u>\$ 562,282</u>	<u>\$ 851,999</u>	<u>\$ 550,467</u>	<u>\$ 131,701</u>	<u>\$ 375,299</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Balance Sheet - Special District Funds

December 31, 2021 (Continued)

(With Comparative Totals for 2020)

		Street Lighting Districts			Fire Protection District	Parking District	Ambulance Districts		Long Pond District	Totals	
	<u>Carried Forward</u>	<u>No. 1</u>	<u>No. 2</u>	<u>No. 3</u>	<u>No. 1</u>	<u>No. 1</u>	<u>No. 1</u>	<u>No. 2</u>	<u>No. 1</u>	<u>2021</u>	<u>2020</u>
ASSETS											
Cash:											
Demand deposits	\$ 4,477,036	\$ 56,745	\$ 15,176	\$ 15,319	\$ 99,221	\$ 3,062	\$ 74,473	\$ (5,268)	\$ -	\$ 4,735,764	\$ 4,446,219
Receivables:											
Water rents	120,130	-	-	-	-	-	-	-	-	120,130	160,135
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total assets	<u>4,897,166</u>	<u>56,745</u>	<u>15,176</u>	<u>15,319</u>	<u>99,221</u>	<u>3,062</u>	<u>74,473</u>	<u>(5,268)</u>	<u>-</u>	<u>5,155,894</u>	<u>4,906,354</u>
LIABILITIES											
Accounts payable	167,585	8,990	8,165	152	-	-	36,536	-	-	221,428	186,239
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	16,000
Retainage payable	-	-	-	-	-	-	-	-	-	-	-
Unearned revenues	11,026	-	-	-	-	-	-	-	-	11,026	-
Due to other funds	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total liabilities	<u>478,611</u>	<u>8,990</u>	<u>8,165</u>	<u>152</u>	<u>-</u>	<u>-</u>	<u>36,536</u>	<u>-</u>	<u>-</u>	<u>532,454</u>	<u>502,239</u>
DEFERRED INFLOWS OF RESOURCES											
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE											
Assigned	<u>4,418,555</u>	<u>47,755</u>	<u>7,011</u>	<u>15,167</u>	<u>99,221</u>	<u>3,062</u>	<u>37,937</u>	<u>(5,268)</u>	<u>-</u>	<u>4,623,440</u>	<u>4,404,115</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,897,166</u>	<u>\$ 56,745</u>	<u>\$ 15,176</u>	<u>\$ 15,319</u>	<u>\$ 99,221</u>	<u>\$ 3,062</u>	<u>\$ 74,473</u>	<u>\$ (5,268)</u>	<u>\$ -</u>	<u>\$ 5,155,894</u>	<u>\$ 4,906,354</u>

TOWN OF NORTH CASTLE, NEW YORK

**Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual- Special Districts Fund
For the Years Ended December 31, 2021
(With Comparative Totals for 2020)**

	Water Districts					Sewer Districts				
	No. 1	No. 2	No. 4	No. 5	No. 6	No. 1	No. 2	No. 3	No. 4	Quarry Heights
REVENUES:										
Real property taxes	\$ 158,968	\$ 710,717	\$ -	\$ 35,937	\$ -	\$ 97,000	\$ 1,200,166	\$ 74,737	\$ 25,683	\$ 30,328
Departmental income	603,380	346,184	338,191	94,859	-	-	75	-	-	-
Use of money and property	2,405	2,103	1,058	610	-	-	192,055	-	-	-
Sale of property and compensation for loss	-	-	-	-	-	-	-	-	-	-
Federal aid	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>764,753</u>	<u>1,059,004</u>	<u>339,249</u>	<u>131,406</u>	<u>-</u>	<u>97,000</u>	<u>1,392,296</u>	<u>74,737</u>	<u>25,683</u>	<u>30,328</u>
EXPENDITURES:										
General governmental support	1,369	10,350	-	-	-	36	-	-	37	-
Public safety	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Home and community services	568,668	223,558	331,683	106,453	-	67,664	818,991	28,416	8,170	17,909
Debt service - principal	144,329	401,998	-	35,059	-	-	350,689	-	-	-
Debt service - interest	<u>14,160</u>	<u>307,221</u>	<u>-</u>	<u>876</u>	<u>-</u>	<u>-</u>	<u>110,486</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>728,526</u>	<u>943,127</u>	<u>331,683</u>	<u>142,388</u>	<u>-</u>	<u>67,700</u>	<u>1,280,166</u>	<u>28,416</u>	<u>8,207</u>	<u>17,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>36,227</u>	<u>115,877</u>	<u>7,566</u>	<u>(10,982)</u>	<u>-</u>	<u>29,300</u>	<u>112,130</u>	<u>46,321</u>	<u>17,476</u>	<u>12,419</u>
OTHER FINANCING SOURCES (USES):										
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Bans redeemed from appropriations	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(148,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(148,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	36,227	115,877	(140,494)	(10,982)	-	29,300	112,130	46,321	17,476	12,419
FUND BALANCE - beginning of year	<u>41,010</u>	<u>480,140</u>	<u>1,147,368</u>	<u>339,734</u>	<u>4,590</u>	<u>516,210</u>	<u>692,070</u>	<u>502,550</u>	<u>113,751</u>	<u>362,858</u>
FUND BALANCE - end of year	<u>\$ 77,237</u>	<u>\$ 596,017</u>	<u>\$ 1,006,874</u>	<u>\$ 328,752</u>	<u>\$ 4,590</u>	<u>\$ 545,510</u>	<u>\$ 804,200</u>	<u>\$ 548,871</u>	<u>\$ 131,227</u>	<u>\$ 375,277</u>

TOWN OF NORTH CASTLE, NEW YORK

**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual- Special Districts Funds
For the Years Ended December 31, 2021
(With Comparative Totals for 2020)**

		Lighting Districts			Fire Protection District	Parking District	Ambulance Districts		Long Pond District	Totals	
	Carried Forward	No. 1	No. 2	No. 3	No. 1	No. 1	No. 1	No. 2	No. 1	2021	2020
REVENUES:											
Real property taxes	\$ 2,333,536	\$ 64,400	\$ 88,300	\$ 3,500	\$ 479,195	\$ -	\$ 114,000	\$ 265,000	\$ 16,000	\$ 3,363,931	\$ 3,489,837
Departmental income	1,382,689	-	-	-	-	-	-	-	-	1,382,689	1,392,415
Use of money and property	198,231	-	-	-	-	-	-	-	-	198,231	206,599
Sale of property and compensation for loss	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>3,914,456</u>	<u>64,400</u>	<u>88,300</u>	<u>3,500</u>	<u>479,195</u>	<u>-</u>	<u>114,000</u>	<u>265,000</u>	<u>16,000</u>	<u>4,944,851</u>	<u>5,088,851</u>
EXPENDITURES:											
General governmental support	11,792	23	-	-	125	-	36	15	-	11,991	3,077
Public safety	-	-	-	-	479,195	-	-	-	-	479,195	479,195
Health	-	-	-	-	-	-	105,853	270,855	-	376,708	356,729
Transportation	-	63,818	91,409	2,015	-	-	-	-	-	157,242	134,619
Culture and recreation	-	-	-	-	-	-	-	-	16,000	16,000	16,000
Home and community services	2,171,512	-	-	-	-	-	-	-	-	2,171,512	2,173,116
Debt service - principal	932,075	-	-	-	-	-	-	-	-	932,075	953,834
Debt service - interest	432,743	-	-	-	-	-	-	-	-	432,743	468,478
Total expenditures	<u>3,548,122</u>	<u>63,841</u>	<u>91,409</u>	<u>2,015</u>	<u>479,320</u>	<u>-</u>	<u>105,889</u>	<u>270,870</u>	<u>16,000</u>	<u>4,577,466</u>	<u>4,585,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>366,334</u>	<u>559</u>	<u>(3,109)</u>	<u>1,485</u>	<u>(125)</u>	<u>-</u>	<u>8,111</u>	<u>(5,870)</u>	<u>-</u>	<u>367,385</u>	<u>503,803</u>
OTHER FINANCING SOURCES (USES):											
Insurance recoveries	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(148,060)	-	-	-	-	-	-	-	-	(148,060)	(39,579)
Total other financing sources and uses	<u>(148,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,060)</u>	<u>(39,579)</u>
CHANGE IN FUND BALANCE	218,274	559	(3,109)	1,485	(125)	-	8,111	(5,870)	-	219,325	464,224
FUND BALANCE - beginning of year	<u>4,200,281</u>	<u>47,196</u>	<u>10,120</u>	<u>13,682</u>	<u>99,346</u>	<u>3,062</u>	<u>29,826</u>	<u>602</u>	<u>-</u>	<u>4,404,115</u>	<u>3,939,891</u>
FUND BALANCE - end of year	<u>\$ 4,418,555</u>	<u>\$ 47,755</u>	<u>\$ 7,011</u>	<u>\$ 15,167</u>	<u>\$ 99,221</u>	<u>\$ 3,062</u>	<u>\$ 37,937</u>	<u>\$ (5,268)</u>	<u>\$ -</u>	<u>\$ 4,623,440</u>	<u>\$ 4,404,115</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Balance Sheets - Capital Projects Fund December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash - demand deposits	\$ 638,369	\$ 904,203
Restricted Investments	-	-
Accounts Receivable	<u>25,855</u>	<u>202,285</u>
Total assets	<u>\$ 664,224</u>	<u>\$ 1,106,488</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 398,231	\$ 20,928
Retainages payable	58,029	5,192
Bond anticipation notes payable	<u>-</u>	<u>-</u>
Total liabilities	<u>456,260</u>	<u>26,120</u>
FUND BALANCE		
Restricted	<u>207,964</u>	<u>1,080,368</u>
Total fund balance	<u>207,964</u>	<u>1,080,368</u>
Total liabilities and fund balance	<u>\$ 664,224</u>	<u>\$ 1,106,488</u>

TOWN OF NORTH CASTLE, NEW YORK

Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Capital Projects Fund For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES:		
State aid		
Miscellaneous	\$ (134,871)	\$ -
Total revenues	<u>(134,871)</u>	<u>-</u>
EXPENDITURES:		
General governmental support	40,440	174,091
Capital outlay	<u>1,213,881</u>	<u>788,172</u>
Total expenditures	<u>1,254,321</u>	<u>962,263</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,389,192)</u>	<u>(962,263)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	<u>516,788</u>	<u>45,000</u>
Total other financing sources and uses	<u>516,788</u>	<u>45,000</u>
CHANGE IN FUND BALANCE	(872,404)	(917,263)
FUND BALANCE - beginning of year	<u>1,080,368</u>	<u>1,997,631</u>
FUND BALANCE - end of year	<u>\$ 207,964</u>	<u>\$ 1,080,368</u>

TOWN OF NORTH CASTLE, NEW YORK

Project-Length Schedule - Capital Projects Fund
Inception of Project through December 31, 2021
For the Years Ended December 31, 2021 and 2020

Project Name	Project Number	Budget 01/01/21	Amendments 2021	Budget 12/31/21	Funding Source	Expenditures			Revenues			Fund Balance 12/31/21	BANS O/S
						Prior Year	2021	Total	Prior Year	2021	Total		
Parks Improvement	100 (H)	\$ 459,305	\$ -	\$ 459,305	Various	\$ 447,155	\$ -	\$ 447,155	\$ 721,729	\$ (274,574)	\$ 447,155	\$ -	\$ -
Wampum Brook Pathway	106 (H)	240,015	-	240,015	T&A/Fed	31,300	-	31,300	83,375	(52,075)	31,300	-	-
Sewer & Water Building - New	122 (H)	655,003	-	655,003	Interfund Trans	-	-	-	225,003	(225,003)	-	-	-
LT2 UV Disinfection Facility	H1	1,500,000	-	1,500,000	BOND	1,380,345	-	1,380,345	1,380,345	-	1,380,345	-	-
Gazebo	H6	285,669	-	285,669	Insurance	291,255	-	291,255	251,739	39,518	291,257	2	-
SCADA	H6	988,465	-	988,465	Sewer & Water Districts	997,952	3,574	1,001,526	988,465	13,060	1,001,525	(1)	-
NWP Community Center Expansion	H7	308,445	657,499	965,944	Fund Balance & Grants	191,444	739,226	930,670	308,445	657,499	965,944	35,274	-
Bridge Renovation @ Wampus Park	H8	275,000	-	275,000	Fund Balance	255,649	-	255,649	275,000	-	275,000	19,351	-
Children's Room Expansion (Armonk)	H09	183,000	6,985	189,985	Fund Balance & Grants	152,044	23,972	176,016	183,000	(6,985)	176,015	(1)	-
Armonk Library Restroom	H10	64,726	-	64,726	Fund Balance & Grants	2,500	40,819	43,319	64,726	-	64,726	21,407	-
Armonk Library Roof Replacement	H11	84,000	-	84,000	Fund Balance & Grants	72,661	1,033	73,694	84,000	-	84,000	10,306	-
NWP Community Center Automatic Doors	H12	23,968	-	23,968	Fund Balance & Grants	-	-	-	23,968	-	23,968	23,968	-
Armonk Library Elevators	H13	335,978	-	335,978	Fund Bal., Grants & Donations	23,100	346,393	369,493	335,978	-	335,978	(33,515)	-
New Wells for Water Supply	H14	135,000	-	135,000	Fund Balance	-	44,450	44,450	-	135,000	135,000	90,550	-
Children's Sensory Garden and Updating the	H15	61,930	-	61,930	Fund Balance & Grants	-	45,466	45,466	-	61,930	61,930	16,464	-
Handicap Ramp	H16	33,547	-	33,547	Fund Balance & Grants	-	3,300	3,300	-	33,547	33,547	30,247	-
TOTAL		<u>\$ 5,634,051</u>	<u>\$ 664,484</u>	<u>\$ 6,298,535</u>		<u>\$ 3,845,405</u>	<u>\$ 1,248,233</u>	<u>\$ 5,093,638</u>	<u>\$ 4,925,773</u>	<u>\$ 381,917</u>	<u>\$ 5,307,690</u>	<u>\$ 214,052</u>	<u>\$ -</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required complementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, utility system receipts.

Additional data is presented on property tax revenue, the most significant general fund revenue source and a traditional revenue source of interest to readers of this report.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

TOWN OF NORTH CASTLE, NEW YORK

**Net Position by Component
Last Eight Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
PRIMARY GOVERNMENT:								
Invested in capital assets	\$ 12,049,991	\$ 14,247,485	\$ 15,367,333	\$ 13,779,772	\$ 14,987,356	\$ 18,231,134	\$ 20,509,758	\$ 18,565,074
Restricted	10,793,424	4,631,502	4,816,040	5,126,632	4,970,689	5,939,214	5,486,175	4,833,096
Unrestricted	<u>(3,870,614)</u>	<u>(5,866,745)</u>	<u>(9,867,343)</u>	<u>(8,618,958)</u>	<u>(67,161,099)</u>	<u>(70,915,430)</u>	<u>(74,418,809)</u>	<u>(67,876,666)</u>
Total primary government net position	<u>\$ 18,972,801</u>	<u>\$ 13,012,242</u>	<u>\$ 10,316,030</u>	<u>\$ 10,287,446</u>	<u>\$ (47,203,054)</u>	<u>\$ (46,745,082)</u>	<u>\$ (48,422,876)</u>	<u>\$ (44,478,496)</u>
					(*)			

(*) The significant change in net position beginning in 2018 is the result of implementing GASB 75. The prior year was not restated on this schedule.

TOWN OF NORTH CASTLE, NEW YORK

**Change in Net Position
Last Eight Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities								
EXPENSES:								
General government support	\$ 4,491,082	\$ 4,621,722	\$ 4,473,649	\$ 4,427,237	\$ 4,231,941	\$ 4,769,565	\$ 4,901,125	\$ 4,193,627
Public safety	9,468,143	11,170,848	10,857,915	10,104,712	10,199,595	11,570,210	12,438,034	11,496,251
Health	273,690	274,296	269,585	345,485	271,077	388,332	364,062	454,835
Transportation	5,749,561	7,928,052	8,691,886	10,574,161	9,014,078	6,917,846	7,231,735	4,539,295
Economic opportunity and development	237,086	300,679	254,387	258,113	248,255	305,591	291,447	244,582
Culture and recreation	4,746,241	5,747,153	5,664,608	5,133,034	4,894,341	5,629,854	4,915,748	4,865,034
Home and community services	7,664,127	7,402,203	5,174,154	4,029,260	4,532,758	4,359,364	5,309,214	5,683,167
Interest	<u>477,255</u>	<u>725,766</u>	<u>732,123</u>	<u>685,618</u>	<u>791,105</u>	<u>743,858</u>	<u>591,838</u>	<u>554,855</u>
Total primary government expense	<u>33,107,185</u>	<u>38,170,719</u>	<u>36,118,307</u>	<u>35,557,620</u>	<u>34,183,150</u>	<u>34,684,620</u>	<u>36,043,203</u>	<u>32,031,646</u>
PROGRAM REVENUES:								
Charges for services -								
General government support	777,683	37,095	395,456	405,442	346,099	959,843	507,038	359,126
Public safety	176,440	172,938	107,731	99,607	202,433	285,169	215,173	235,020
Transportation	146,296	483,577	125,586	172,176	494,512	192,134	77,180	38,423
Culture and recreation	1,068,987	1,337,710	1,344,830	1,346,505	1,246,529	1,190,273	438,517	964,846
Home and community services	1,698,987	2,575,406	2,638,729	2,232,886	2,465,310	2,372,917	2,395,138	2,735,742
Operating grants and contributions	61,836	2,405	3,488	2,441	3,599	2,790	4,911	28,760
Capital grants and contributions	<u>338,359</u>	<u>352,932</u>	<u>966,473</u>	<u>835,160</u>	<u>439,941</u>	<u>320,680</u>	<u>387,340</u>	<u>418,552</u>
Total primary government program revenues	<u>4,268,588</u>	<u>4,962,063</u>	<u>5,582,293</u>	<u>5,094,217</u>	<u>5,198,423</u>	<u>5,323,806</u>	<u>4,025,297</u>	<u>4,780,469</u>
Total primary government net expense	(28,838,597)	(33,208,656)	(30,536,014)	(30,463,403)	(28,984,727)	(29,360,814)	(32,017,906)	(27,251,177)
GENERAL REVENUES:								
Taxes -								
Real property taxes	20,789,170	21,777,992	22,614,818	24,435,159	21,667,582	21,815,655	24,395,578	24,401,495
Other tax items	1,376,678	1,613,511	1,774,281	1,670,613	1,149,132	1,222,455	1,341,430	1,249,471
Non-property taxes	1,724,158	1,707,607	1,728,947	1,806,640	1,895,807	2,166,563	2,454,516	2,902,448
Unrestricted use of money and property	98,710	337,977	303,665	403,151	738,470	981,841	593,829	320,113
Unrestricted sale of property and compensation for loss	-	-	-	-	-	-	-	-
Unrestricted State aid	863,425	775,351	901,713	1,137,995	1,125,327	797,510	1,111,674	1,667,642
Gain on sale of real property	99,890	235,584	125,387	419,108	50,800	105,975	51,196	143,815
Donated assets	-	-	-	-	-	-	-	-
Miscellaneous	391,593	660,214	390,991	562,153	506,179	605,256	431,468	470,994
Insurance recoveries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>25,343,624</u>	<u>27,108,236</u>	<u>27,839,802</u>	<u>30,434,819</u>	<u>27,133,297</u>	<u>27,695,255</u>	<u>30,379,691</u>	<u>31,155,978</u>
CHANGE IN NET POSITION TOTAL PRIMARY GOVERNMENT	<u>\$ (3,494,973)</u>	<u>\$ (6,100,420)</u>	<u>\$ (2,696,212)</u>	<u>\$ (28,584)</u>	<u>\$ (1,851,430)</u>	<u>\$ (1,665,559)</u>	<u>\$ (1,638,215)</u>	<u>\$ 3,904,801</u>

TOWN OF NORTH CASTLE, NEW YORK

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
GENERAL FUND:										
Nonspendable	\$ 488,548	\$ 602,927	\$ 551,545	\$ 587,230	\$ 514,353	\$ 515,212	\$ 494,109	\$ 498,188	\$ 513,123	\$ 603,932
Restricted	1,692	1,692	1,692	1,692	1,692	1,692	1,692	1,692	41,271	1,692
Committed	9,700	9,700	109,234	-	-	-	-	-	-	-
Assigned	110,448	46,665	-	9,700	9,700	-	-	-	-	-
Unassigned	4,689,179	6,975,440	8,037,532	5,294,618	6,358,897	9,092,551	9,616,317	12,133,753	12,591,068	14,251,804
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>5,299,567</u>	<u>7,636,424</u>	<u>8,700,003</u>	<u>5,893,240</u>	<u>6,884,642</u>	<u>9,609,455</u>	<u>10,112,118</u>	<u>12,633,633</u>	<u>13,145,462</u>	<u>14,857,428</u>
ALL OTHER GOVERNMENTAL FUNDS:										
Restricted	548,487	3,651	10,791,732	4,599,302	4,814,348	4,757,864	4,456,863	3,939,891	4,404,115	4,623,440
Assigned	5,408,176	6,814,274	1,490,537	2,265,423	1,501,600	3,015,362	1,848,339	1,120,923	1,868,717	7,899,575
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	6,004,324	30,508	(799,731)	367,076	512,134	1,997,631	1,080,368	207,964
Total all other governmental funds	<u>5,956,663</u>	<u>6,817,925</u>	<u>18,286,593</u>	<u>6,895,233</u>	<u>5,516,217</u>	<u>8,140,302</u>	<u>6,817,336</u>	<u>7,058,445</u>	<u>7,353,200</u>	<u>12,730,979</u>
Total governmental funds	<u>\$ 11,256,230</u>	<u>\$ 14,454,349</u>	<u>\$ 26,986,596</u>	<u>\$ 12,788,473</u>	<u>\$ 12,400,859</u>	<u>\$ 17,749,757</u>	<u>\$ 16,929,454</u>	<u>\$ 19,692,078</u>	<u>\$ 20,498,662</u>	<u>\$ 27,588,407</u>

TOWN OF NORTH CASTLE, NEW YORK

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Real property taxes	\$ 19,397,786	\$ 21,174,858	\$ 21,274,513	\$ 20,591,429	\$ 22,960,559	\$ 23,825,335	\$ 22,388,486	\$ 24,063,005	\$ 23,018,479	\$ 23,848,794
Other tax items	1,486,744	1,463,862	1,376,678	1,613,511	1,774,281	1,670,613	1,149,132	1,222,455	1,341,430	1,249,471
Non-property taxes	1,754,584	1,991,126	2,010,854	2,011,724	2,037,387	2,126,623	2,210,188	2,480,309	2,761,562	3,196,922
Departmental income	2,823,632	2,961,704	2,930,663	3,206,772	3,204,735	3,182,722	3,157,085	3,314,884	2,537,816	3,075,754
Intergovernmental changes	148,964	115,896	116,296	435,659	124,867	170,661	230,133	190,823	76,080	37,027
Use of money and property	591,190	399,807	349,611	337,977	303,665	403,151	738,470	981,841	593,829	320,113
Licenses and permits	709,348	646,808	556,968	781,959	1,129,946	796,868	979,422	909,230	949,789	1,291,247
Fines and forfeitures	149,737	180,997	104,334	125,364	151,439	104,852	123,865	126,889	68,261	62,604
Sale of property and compensation for loss	100,935	42,302	99,890	235,584	125,387	419,108	50,800	105,975	51,196	143,815
Interfund revenues	1,581	1,193	2,480	2,639	719	1,515	1,323	1,331	1,100	1,396
State aid	968,931	1,200,318	1,129,129	1,128,283	1,844,698	1,973,155	1,565,268	1,118,190	1,499,014	2,086,194
Federal aid	229,893	563,493	41,242	65,281	3,488	2,441	3,599	2,790	4,911	28,760
Miscellaneous	404,755	33,668	104,897	347,429	106,664	242,170	454,854	723,127	124,422	41,649
Total revenues	28,768,080	30,776,032	30,097,555	30,883,611	33,767,835	34,919,214	33,052,625	35,240,849	33,027,889	35,383,746
EXPENDITURES:										
Current -										
General governmental support	3,473,734	3,828,575	4,203,539	4,067,939	3,972,534	4,046,111	3,948,016	4,008,469	4,002,555	3,933,602
Public safety	8,115,036	8,475,654	8,534,775	10,341,420	9,410,390	9,167,481	9,501,390	9,596,373	9,776,980	10,716,402
Health	281,807	305,763	272,675	273,617	269,585	345,485	271,077	388,332	361,736	381,716
Transportation	4,318,345	5,198,899	6,710,277	7,128,012	8,646,612	10,119,203	8,675,151	8,649,723	6,979,755	11,165,973
Economic opportunity and development	173,295	188,759	211,331	276,934	221,760	231,596	228,501	247,383	218,472	224,455
Culture and recreation	4,124,512	4,022,416	4,103,840	4,830,758	4,879,928	4,692,318	4,567,083	4,754,507	3,896,440	4,403,471
Home and community services	3,540,955	3,467,269	3,566,183	3,334,834	3,539,442	3,839,031	4,281,328	3,989,924	3,991,236	4,057,884
Employee benefits (1)	948	-	-	-	-	-	-	-	-	-
Debt service -										
Principal	774,000	1,049,000	1,094,511	1,115,000	1,128,998	1,606,000	1,539,001	1,514,421	1,579,000	1,629,000
Interest	501,057	318,289	432,292	726,227	706,706	693,349	743,383	719,519	626,959	571,953
Refunding bond issuance costs	-	-	-	-	-	-	-	-	-	-
Capital Outlay	1,792,959	874,362	4,564,000	6,992,494	1,379,494	34,178	117,998	733,085	788,172	1,213,881
Total expenditures	27,096,648	27,728,986	33,693,423	39,087,235	34,155,449	34,774,752	33,872,928	34,601,736	32,221,305	38,298,337
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,671,432	3,047,046	(3,595,868)	(8,203,624)	(387,614)	144,462	(820,303)	639,113	806,584	(2,914,591)
OTHER FINANCING SOURCES (USES):										
Sale of real property	-	-	-	-	-	-	-	-	-	-
BANs redeemed from appropriations	-	-	253,900	-	-	457,000	-	-	-	-
Bonds issued	-	-	9,950,000	-	-	4,535,582	-	-	-	8,960,000
Insurance recoveries	65,905	80,664	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Issuance premium	-	-	-	-	-	211,854	-	-	-	1,044,336
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	125	-	-	-	-	-	-
Transfers in	2,179,194	2,258,574	759,673	2,053,316	2,677,941	12,999	-	2,761,383	84,579	1,035,907
Transfers out	(2,179,194)	(2,258,574)	(759,673)	(2,053,316)	(2,677,941)	(12,999)	-	(2,761,383)	(84,579)	(1,035,907)
Total other financing sources and uses	65,905	80,664	10,203,900	125	-	5,204,436	-	-	-	10,004,336
CHANGE IN FUND BALANCE	\$ 1,737,337	\$ 3,127,710	\$ 6,608,032	\$ (8,203,499)	\$ (387,614)	\$ 5,348,898	\$ (820,303)	\$ 639,113	\$ 806,584	\$ 7,089,745
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	5.0%	5.1%	5.2%	5.7%	5.6%	6.6%	6.8%	6.6%	7.0%	5.9%

(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

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Special Franchise (1)</u>	<u>Total Taxable Assessed Value</u>	<u>State Special Equalization Rate (2)</u>	<u>Estimate Actual Taxable Value</u>	<u>Total Effective Tax Rate (3)</u>
2012	\$ 90,141,695	\$ 22,990,000	\$ 312,200	\$ 1,589,186	\$ 115,033,081	2.24 %	\$ 5,135,405,402	\$ 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
2015	\$ 90,817,768	\$ 22,613,550	\$ 299,500	\$ 1,914,566	\$ 115,645,384	2.25 %	\$ 5,139,794,844	\$ 162.21
2016	\$ 91,790,047	\$ 22,704,400	\$ 299,500	\$ 1,752,278	\$ 116,546,225	2.34 %	\$ 4,980,607,906	\$ 162.59
2017	\$ 92,162,992	\$ 22,582,440	\$ 299,500	\$ 1,904,243	\$ 116,949,175	2.19 %	\$ 5,340,144,977	\$ 165.11
2018	\$ 92,353,742	\$ 21,671,790	\$ 299,500	\$ 1,785,993	\$ 116,111,025	2.26 %	\$ 5,137,655,973	\$ 168.03
2019	\$ 92,883,335	\$ 21,426,495	\$ 299,500	\$ 1,810,730	\$ 116,420,060	2.30 %	\$ 5,061,741,739	\$ 169.52
2020	\$ 93,072,986	\$ 21,290,755	\$ 291,700	\$ 1,929,576	\$ 116,585,017	2.38 %	\$ 4,898,530,126	\$ 171.84
2021	\$ 93,794,876	\$ 20,923,235	\$ 291,600	\$ 1,990,034	\$ 116,999,745	2.24 %	\$ 5,223,202,902	\$ 173.55

(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.

Source: Town of North Castle Assessor

TOWN OF NORTH CASTLE, NEW YORK

Direct and Overlapping Property Tax Rates, Per \$1,000 of Assessed Valuation Last Ten Fiscal Years

		Overlapping Rates							
		Westchester County							
Year	Total Effective Tax Rate (1)	Operating	Sewer Districts (Range)				School Districts (Range)		
2012	\$ 152.19	\$ 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			
2015	\$ 162.21	\$ 148.60	\$ 23.39	\$ 28.80	\$ 548.42	\$ 873.34			
2016	\$ 162.59	\$ 149.26	\$ 23.89	\$ 26.13	\$ 539.20	\$ 864.80			
2017	\$ 165.11	\$ 139.95	\$ 23.48	\$ 24.64	\$ 532.36	\$ 855.61			
2018	\$ 168.32	\$ 144.62	\$ 23.06	\$ 32.20	\$ 580.80	\$ 894.95			
2019	\$ 169.52	\$ 140.39	\$ 21.54	\$ 25.33	\$ 571.54	\$ 890.30			
2020	\$ 171.84	\$ 134.19	\$ -	\$ -	\$ 549.66	\$ 879.21			
2021	\$ 173.55	\$ 128.30	\$ -	\$ -	\$ 553.18	\$ 864.07			

Source: Town of North Castle Assessor

(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**

2021

<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	\$ 8,560,240	7.32%
2	Con Edison	Utility	2,019,992	1.73%
3	Westchester County	Airport	1,795,800	1.53%
4	Swiss Re America	Commercial	1,327,760	1.13%
5	Airport Campus I LLC	Commercial	1,146,000	0.98%
6	IBM	Commercial	1,087,300	0.93%
7	Citigroup, Inc.	Commercial	888,800	0.76%
8	ASQ LLC	Commercial	446,000	0.38%
9	Fifth Avenue Properties	Residential	440,800	0.38%
10	99 Business Park Drive	Commercial	315,000	0.27%
	Total		<u>\$ 18,027,692</u>	<u>15.41%</u>

2011

<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 Bureau	Watershed	\$ 8,243,900	7.15%
2	Westchester County	Airport	1,795,000	1.56%
3	Con Edison	Utility	1,451,445	1.26%
4	IBM	Commercial	1,284,100	1.11%
5	MBIA	Commercial	1,267,300	1.10%
6	Citigroup Inc.	Commercial	888,800	0.77%
7	North White Plains Shopping Center	Commercial	672,600	0.58%
8	Lashins	Commercial	547,000	0.47%
9	NYNEX/Verizon	Utility	423,107	0.37%
10	Frank Gilbride	Residential	390,600	0.34%
	Total		<u>\$ 16,963,852</u>	<u>14.71%</u>

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

Notes:

- (1) The Percent of Taxable Assessed Valuation is the taxable assessed valuation over the total taxable assessed valuation (from Assessed value last 10 tab)

TOWN OF NORTH CASTLE, NEW YORK

Property Tax Levies and Collections Last Ten Fiscal Years

<u>Year</u>	<u>Collected within the Fiscal Year of the Levy</u>				<u>Total Collection to Date</u>			
	<u>Taxes Levied for the Fiscal year (1)</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>		
2012	\$ 41,569,942	\$ 40,569,942	97.59 %	\$ 340,487	\$ 40,910,429	98.41 %		
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 %		
2015	\$ 41,745,818	\$ 41,428,437	99.24 %	\$ 201,940	\$ 41,630,377	99.72 %		
2016	\$ 42,198,812	\$ 41,897,524	99.29 %	\$ 186,746	\$ 42,084,270	99.73 %		
2017	\$ 41,503,591	\$ 41,291,628	99.49 %	\$ 55,364	\$ 41,346,992	99.62 %		
2018	\$ 43,524,164	\$ 42,913,095	98.60 %	\$ 43,041	\$ 42,956,136	98.69 %		
2019	\$ 43,496,119	\$ 42,737,914	98.26 %	\$ 311,452	\$ 43,049,366	98.97 %		
2020	\$ 43,273,750	\$ 42,849,245	99.02 %	\$ 62,747	\$ 42,911,992	99.16 %		
2021	\$ 42,657,075	\$ 42,306,213	99.18 %	\$ 16,800	\$ 42,323,013	99.22 %		

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

<u>Fiscal Year</u>	General Obligation <u>Bonds</u> (2)	Less: Amounts Available in Debt Service <u>Fund</u>	Net Long-Term <u>Debt</u>	Percentage of Actual Taxable Value of <u>Property</u>	Percentage of Personal Income (1)	<u>Per Capita (1)</u>
2012	\$ 14,984,000	\$ 3,651	\$ 14,980,349	13.02%	1.52 %	\$ 1,265
2013	\$ 15,099,000	\$ 3,651	\$ 15,095,349	13.18%	1.51 %	\$ 1,275
2014	\$ 24,095,000	\$ 3,651	\$ 24,091,349	20.90%	2.32 %	\$ 2,035
2015	\$ 22,986,000	\$ 3,651	\$ 22,982,349	19.87%	2.08 %	\$ 1,941
2016	\$ 21,857,000	\$ -	\$ 21,857,000	18.75%	1.91 %	\$ 1,846
2017	\$ 25,455,436	\$ -	\$ 25,455,436	21.59%	info not available	
2018	\$ 23,898,781	\$ -	\$ 23,898,781	20.42%	info not available	
2019	\$ 22,165,000	\$ -	\$ 22,165,000	19.04%	info not available	
2020	\$ 20,744,889	\$ -	\$ 20,744,889	17.79%	info not available	
2021	\$ 27,917,000	\$ -	\$ 27,917,000	23.86%	info not available	

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

(2) Includes unamortized premiums.

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, 2021

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding</u>	<u>Percentage of Applicable to North Castle (1)</u>	<u>Amount Applicable to North Castle</u>
County of Westchester	\$ 1,323,832,508	1.72 %	\$ 22,825,242
School Districts (as of June 30, 2021):			
Byram Hills	193,415,966	85.09 %	164,575,100
Bedford	422,436,083	1.62 %	6,848,893
Harrison	337,680,198	0.02 %	75,162
Mount Pleasant	186,366,989	1.96 %	3,661,015
Valhalla	118,429,532	26.79 %	<u>31,733,026</u>
			229,718,438
Town direct debt			<u>27,917,000</u>
Net direct and overlapping debt			<u><u>\$ 257,635,438</u></u>

(1) 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 390,439,336	\$ 370,623,117	\$ 354,354,021	\$ 350,136,044	\$ 352,729,710	\$ 343,864,570	\$ 347,143,647	\$ 351,474,494	\$ 352,609,310	\$ 342,255,352
Total net debt applicable to limit	<u>15,085,010</u>	<u>7,806,900</u>	<u>7,155,000</u>	<u>4,220,696</u>	<u>3,668,676</u>	<u>6,926,656</u>	<u>6,266,490</u>	<u>5,671,325</u>	<u>5,046,159</u>	<u>13,847,260</u>
Legal debt margin	\$ 375,354,326	\$ 362,816,217	\$ 347,199,021	\$ 345,915,348	\$ 349,061,034	\$ 336,937,914	\$ 340,877,157	\$ 345,803,170	\$ 347,563,151	\$ 328,408,092
Total net debt applicable to the limit as a percentage of debt limit	3.86%	2.11%	2.02%	1.21%	1.04%	2.01%	1.81%	1.61%	1.43%	4.05%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessment Roll

<u>Year</u>	<u>Budget Year</u>	<u>Assessed Valuation</u>	<u>State Special Equalization Ratio</u>	<u>Full Valuation</u>
2020	2021	\$ 116,999,745	2.38 %	\$ 4,915,955,672
2019	2020	\$ 116,585,017	2.30 %	5,068,913,783
2018	2019	\$ 116,420,060	2.26 %	5,151,330,088
2017	2018	\$ 116,111,025	2.19 %	5,301,873,288
2016	2017	\$ 116,949,175	2.34 %	<u>4,997,827,991</u>
Total five year valuation				<u>\$ 25,435,900,822</u>
Five year average full valuation of taxable real property				\$ 5,087,180,164
Debt limit - 7% of five year average valuation				<u>356,102,612</u>
Outstanding Town debt:				
Serial bonds				27,917,000
Bond anticipation notes				<u>-</u>
				27,917,000
Less:				
Exclusion for water and sewer districts				14,069,740
Net indebtedness subject to debt limit				<u>13,847,260</u>
Net debt contracting margin				<u>\$ 342,255,352</u>

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 Capital Income</u> <u>(1)</u>	<u>Unemployment</u> <u>Rate (1)</u>
2012	11,841	\$ 942,768,579	\$ 79,619	7.10 %
2013	11,841	\$ 983,691,075	\$ 83,075	7.30 %
2014	11,841	\$ 996,858,267	\$ 84,187	6.30 %
2015	11,841	\$ 1,039,367,457	\$ 87,777	5.10 %
2016	11,841	\$ 1,103,924,589	\$ 93,229	4.60 %
2017	11,841	\$ 1,146,196,959	\$ 96,799	4.60 %
2018	11,841	\$ 1,156,735,449	\$ 97,689	4.10 %
2019	12,212	\$ 1,182,158,236	\$ 96,803	3.90 %
2020	12,231	\$ 1,208,826,423	\$ 98,833	3.80 %
2021	12,408	\$ 1,255,850,904	\$ 101,213	3.90 %

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

TOWN OF NORTH CASTLE, NEW YORK

Principal Employers Current Year and 10 Years Ago

2021		
<u>Employer</u>	<u>Employees</u>	<u>Percent of Total Employment</u>
IBM	3,000	31.05%
Byram Hills School System	486	5.03%
Breezemont Day Camp	267	2.76%
Production Resources Group	150	1.55%
Town of North Castle	140	1.45%
Lake Group Media	100	1.03%
Moderne Barn	80	0.83%
Brynwood Golf and Country Club	60	0.62%
Armonk Limousine	50	0.52%
Cheezwhse	<u>50</u>	<u>0.52%</u>
Total	<u>4,383</u>	<u>45.36%</u>

2011		
<u>Employer</u>	<u>Employees</u>	<u>Percent of Total Employment</u>
IBM	850	12.33%
Byram Hills School System	374	5.43%
Breezemont Day Camp	267	3.87%
Mariani Gardens	250	3.63%
Trinity Packaging	240	3.48%
MBIA Inc	200	2.90%
Carquest Auto Parts	150	2.18%
Cine Magnetix Inc.	150	2.18%
Production Resources Group, LLC	150	2.18%
Town of North Castle	<u>143</u>	<u>2.07%</u>
Total	<u>2,774</u>	<u>40.25%</u>

TOWN OF NORTH CASTLE, NEW YORK

Full-Time Equivalent Town Government Employees By Function Last Ten Fiscal Years

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	52	53	52	56	59	60	60	63	61	75
Public safety	43	45	45	46	41	41	41	38	35	36
Culture and recreation	46	46	44	49	50	46	46	18	18	18
Home and community services	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>13</u>	<u>11</u>	<u>11</u>
Total	<u>148</u>	<u>151</u>	<u>148</u>	<u>158</u>	<u>158</u>	<u>155</u>	<u>155</u>	<u>132</u>	<u>125</u>	<u>140</u>

Source: Town's Finance Department

TOWN OF NORTH CASTLE, NEW YORK

Operating Indicator By Function/Program Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
GENERAL GOVERNMENT SUPPORT:										
Building permit issued	579	611	511	670	611	637	976	1,165	1,190	1,162
PUBLIC SAFETY:										
Police -										
Physical arrests	98	153	112	102	152	168	136	134	60	90
Parking violations	395	384	669	484	357	598	621	942	586	474
Traffic violations	956	1,505	720	855	799	894	825	842	238	425
CULTURE AND RECREATION:										
Recreation -										
Adult programs	53	51	54	47	36	32	31	26	17	25
Children's programs	153	160	168	146	150	128	134	125	65	128
Camp	17	14	14	8	8	9	8	7	4	2
Senior citizen's programs	2	6	8	8	8	10	11	14	7	15
Pre-school classes	28	31	33	46	53	44	40	40	16	35
Special events	3	3	3	3	6	9	8	7	4	6
Library -										
Volumes in collections	84,692	108,265	138,714	102,284	106,376	102,341	116,529	54,794	51,602	57,646
Circulation	178,000	137,785	143,336	153,235	183,160	172,790	167,673	155,790	84,255	120,528
HOME AND COMMUNITY SERVICES:										
Water district No. 1 -										
Average daily consumption	335,100	352,100	327,443	322,013	315,871	339,653	358,371	292,510	271,451	296,283
Peak daily consumption	441,968	428,000	418,000	412,782	431,772	380,154	456,600	339,728	371,200	434,300
Water district No. 2 -										
Average daily consumption	168,798	159,288	205,525	225,450	147,717	133,615	125,402	125,700	147,346	132,862
Peak daily consumption	364,832	357,714	382,804	364,860	294,500	309,000	299,809	304,460	327,343	319,000
Water district No. 4 -										
Average daily consumption	357,400	348,000	369,359	386,404	369,519	351,283	345,001	357,011	318,105	333,937
Peak daily consumption	670,400	622,744	653,000	639,916	662,280	603,000	702,192	636,600	302,000	531,000
Water district No. 5 -										
Average daily consumption	54,530	59,457	58,090	74,454	72,428	65,328	62,024	67,045	95,203	106,615
Peak daily consumption	170,600	150,100	131,070	153,900	138,390	151,612	142,100	133,200	211,800	176,300

Source: Various Town's Departments

TOWN OF NORTH CASTLE, NEW YORK

Capital Asset Statistics By Function/Program Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	19	17	17	16	17	17	17	17	17
TRANSPORTATION:										
Miles of streets	94	94	94	94	90	92	92	92	92	92
Number of street lights	659	659	659	659	659	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	3	2	2	2	2	2	2	2	2	2
Number of parks/playgrounds	12	12	12	12	12	12	12	12	12	12
Acres of parks	341	341	341	341	341	341	341	341	341	341
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	10
Outdoor tennis courts	10	10	10	10	10	10	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	31	32	32	32	32	32	32	32
Fire hydrants	282	282	282	303	303	303	303	303	303	303
Miles of sanitary sewers	23	23	23	23	23	23	23	23	23	23

Source: Various Town's Departments