

Village of Ossining, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2013

Village of Ossining, New York

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	25
Internal Service Funds	
Statement of Net Position	27
Statement of Revenues, Expenses and Changes in Net Position	28
Statement of Cash Flows	29
Statement of Assets and Liabilities - Fiduciary Fund	30
Notes to Financial Statements	31
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	56
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	57
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	55
Schedule of Revenues and Other Financing Sources Compared to Budget	60
Schedule of Expenditures and Other Financing Uses Compared to Budget	64
Water Fund	
Comparative Balance Sheet	68
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	69
Schedule of Expenditures and Other Financing Uses Compared to Budget	71
Debt Service Fund	
Comparative Balance Sheet	73
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	74

Village of Ossining, New York

Table of Contents (Concluded)

	<u>Page</u>
Capital Projects Fund	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	76
Project-Length Schedule	78
Non-Major Governmental Funds	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82
Sewer Fund	
Comparative Balance Sheet	84
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
Schedule of Expenditures and Other Financing Uses Compared to Budget	87
Section 8 Housing Fund	
Comparative Balance Sheet	89
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
Special Purpose Fund	
Comparative Balance Sheet	92
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	93
Internal Service Funds	
Combining Statement of Net Position	94
Combining Statement of Revenues, Expenses and Changes in Net Position	95
Combining Statement of Cash Flows	96
Workers' Compensation Benefits Fund	
Comparative Statement of Net Position	98
Comparative Statement of Revenues, Expenses and Changes in Net Position	99
Comparative Statement of Cash Flows	100
General Liability Claims Fund	
Comparative Statement of Net Position	101
Comparative Statement of Revenues, Expenses and Changes in Net Position	102
Comparative Statement of Cash Flows	103
Federal Programs	
Report on Internal Control Over Financing Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	104
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance	106
Schedule of Expenditures of Federal Awards	108
Notes to Schedule of Expenditures of Federal Awards	109
Summary Schedule of Prior Audit Findings	110
Schedule of Findings and Questioned Costs	111

Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Ossining, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ossining, New York ("Village") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the General and Water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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

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Other Matters

Required Supplementary Information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 *Audits of State, Local Governments and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



O'Connor Davies, LLP
Harrison, New York
May 10, 2014

Village of Ossining, New York

Management's Discussion and Analysis (MD&A) December 31, 2013

Introduction

As management of the Village of Ossining, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2013. It should be read in conjunction with the basic financial statements and accompanying notes to those statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended December 31, 2013 are as follows:

- ❖ On the government-wide Statement of Net Position, the assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$45,633,232. Of this amount, the unrestricted portion is a deficit of \$13,917,657. This deficit resulted primarily from the accrual of certain operating liabilities pursuant to Government Accounting Standards Board (GASB) Statement No. 34, which will be satisfied in future years, including compensated absences and the accrual of the Village's annual other post-employment benefit (OPEB) cost in accordance with the provisions of GASB Statement No. 45.
- ❖ The Village's total net position decreased by \$5,693,001 in 2013, from \$51,326,233 as of December 31, 2012. The total decrease in net position resulted primarily from the increase in the accrual of OPEB obligations, which increased by \$4,020,000 in 2013, and a net decrease of \$2,713,817 in capital assets.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$22,045,846, of which \$5,005,802 was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$22,045,846 at December 31, 2013 were \$2,251,117 more than the amount reported in the prior year.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund, \$5,005,802, was 16.1% of total General Fund expenditures and other financing uses (of \$31,131,614).
- ❖ The Internal Service Funds reported an unrestricted net position deficit of \$184,011 as of December 31, 2013.
- ❖ During the current fiscal year, the Village issued new serial bonds of \$3,086,500 to finance capital projects (of \$2,840,000), and to provide permanent financing for capital projects (of \$246,500) previously funded through the issuance of short-term obligations (bond anticipation notes (BAN's)). In 2013, the Village retired \$2,297,000 of general obligation debt from budgetary appropriations.
- ❖ As of December 31, 2013, the Village had an outstanding bond anticipation note liability of \$3,979,493, which was comprised of \$2,468,000 for authorized capital projects in 2013, plus \$1,511,493 for prior year capital project BAN's. During 2013, the Village had retired \$228,540 of BAN's from budgetary appropriations, and converted \$246,500 of prior year BAN's to permanent financing through the issuance of serial bonds.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the Village'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 Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village'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, depreciation expense, and earned but unused vacation leave and other post-employment benefit obligations ("OPEB")).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village 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 immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The Village, 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 Village can be divided into three categories: governmental funds, proprietary 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 Village maintains seven individual governmental funds: the General Fund, Water Fund, Sewer Fund, Debt Service Fund, Section 8 Housing Fund, Special Purpose Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Water, Debt Service and Capital Projects Funds. These funds are considered to be major funds. The Sewer, Section 8 Housing and Special Purpose Funds are not considered major funds and are combined into a single aggregate presentation.

The Village adopts annual budgets for the General Fund, Water Fund, Sewer Fund, Debt Service Fund and Section 8 Housing Fund. Budgetary comparison statements have been provided for the General and Water Funds within the basic financial statements to demonstrate compliance with the respective budgets. In the Capital Projects Fund, budgets are established on an individual project basis.

Proprietary Funds

The Village maintains one type of proprietary fund. These internal service funds are used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its liability insurance coverage (the General Liability Claims Fund), and its self-insured workers' compensation benefits (the Workers' Compensation Benefits Fund). These services have been classified as governmental activities in the government-wide financial statements because they predominantly benefit governmental funds.

Both internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining and individual fund schedules and statements elsewhere in 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 Village programs. The Village maintains only one type of fiduciary fund that is known as an agency fund. The Village holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government.

Notes to the 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 the 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 the financial statements and include schedules of budget to actual comparisons and the project-length schedule for the Capital Projects Fund.

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 Village, assets exceeded liabilities by \$45,633,232 at the close of the 2013 fiscal year, a decrease of \$5,693,001 from the prior fiscal year.

Net Position December 31,

	2013 Governmental Activities	2012 Governmental Activities
Current Assets	\$ 33,898,684	\$ 28,453,166
Capital Assets, Net	73,500,631	76,214,448
Total Assets	107,399,315	104,667,614
Deferred Outflows of Resources	575,842	645,557
Current Liabilities	7,594,861	5,679,431
Long-term Liabilities	54,458,313	48,028,637
Total Liabilities	62,053,174	53,708,068
Deferred Inflows of Resources	288,751	278,870
NET POSITION		
Net Investment in Capital Assets	51,871,733	53,872,757
Restricted	7,679,156	7,188,226
Unrestricted (deficit)	(13,917,657)	(9,734,750)
Total Net Position	<u>\$ 45,633,232</u>	<u>\$ 51,326,233</u>

The largest portion of the Village's net position was its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets, \$51,871,733. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments 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 the debt.

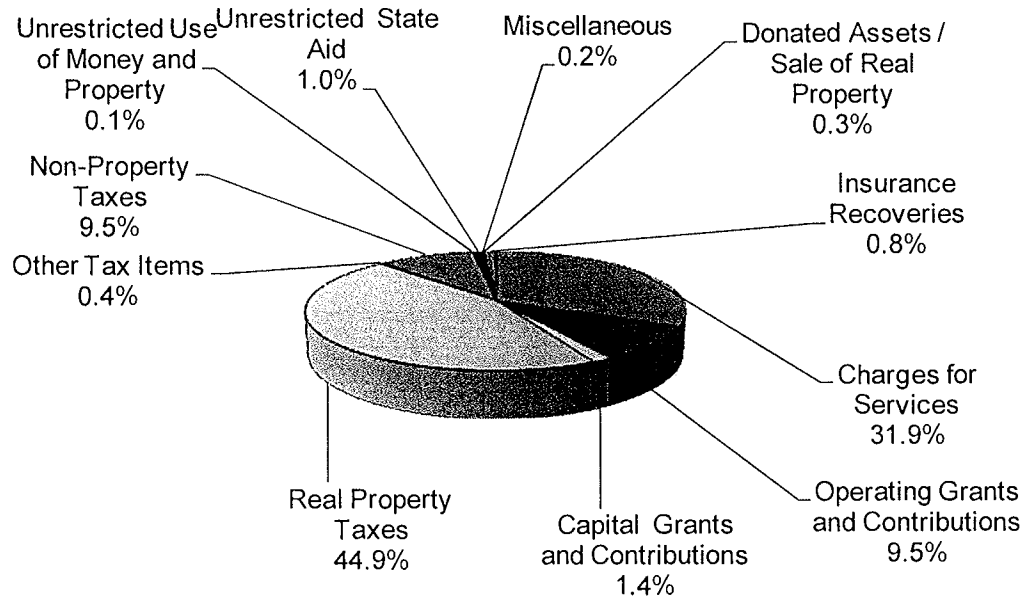
A portion of the Village's net position at December 31, 2013, \$7,679,156, represented resources that were subject to external restrictions on how they may be used, and are restricted for various purposes such as special revenue funds, debt service, capital projects, workers' compensation benefits and general liability claims.

The remaining balance of unrestricted net position, which was a deficit of \$13,917,657, must be financed from future operations. This deficit does not mean that the Village does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including compensated absences (\$1,139,279), and other post-employment benefit obligations (\$20,180,000), that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made. At the end of the current fiscal year, the Village was able to report positive net position balances in the government as a whole, and in the governmental funds.

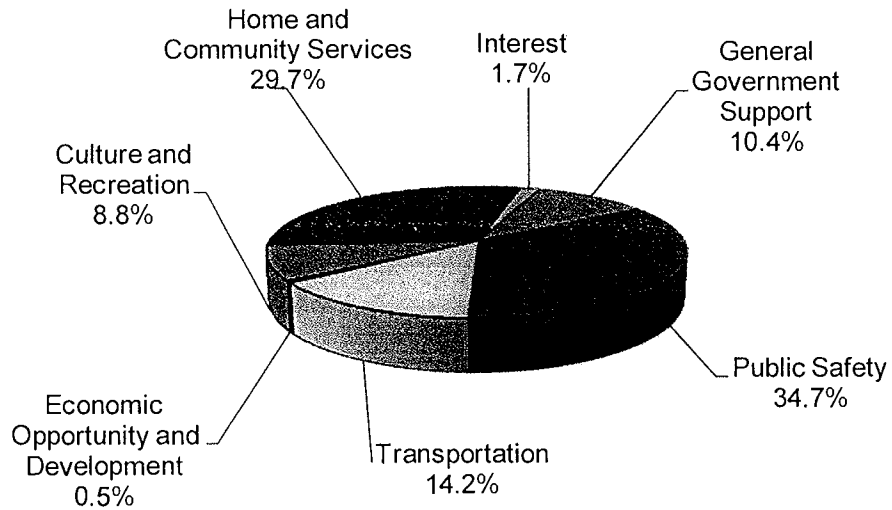
Change in Net Position
Fiscal Year Ended December 31,

	Governmental Activities	
	2013	2012
REVENUES		
Program Revenues		
Charges for Services	\$ 14,211,822	\$ 14,360,809
Operating Grants and Contributions	4,222,816	3,612,272
Capital Grants and Contributions	635,888	1,014,175
General Revenues		
Real Property Taxes	20,011,523	19,539,384
Other Tax Items	163,358	208,039
Non-Property Taxes	4,254,232	3,989,655
Unrestricted Use of Money and Property	39,672	34,461
Unrestricted State Aid	428,404	411,739
Miscellaneous	76,013	148,646
Donated Assets	6,000	268,329
Sale of Real Property	160,190	-
Insurance Recoveries	349,537	134,152
Total Revenues	<u>44,559,455</u>	<u>43,721,661</u>
EXPENSES		
Program Expenses		
General Government Support	5,252,394	4,822,603
Public Safety	17,434,029	16,898,406
Health	1,880	920
Transportation	7,153,598	6,825,929
Economic Opportunity and Development	244,916	125,688
Culture and Recreation	4,404,261	4,435,718
Home and Community Services	14,906,611	13,433,771
Interest	854,767	967,527
Total Expenses	<u>50,252,456</u>	<u>47,510,562</u>
Change in Net Position	<u>(5,693,001)</u>	<u>(3,788,901)</u>
NET POSITION		
Beginning	<u>51,326,233</u>	<u>55,115,134</u>
Ending	<u>\$ 45,633,232</u>	<u>\$ 51,326,233</u>

Sources of Revenues for 2013 Governmental Activities



Expenses for 2013 Governmental Activities



Governmental Activities

During 2013, governmental activities decreased the Village's net position by \$5,693,001.

For the fiscal year ended December 31, 2013, revenues from governmental activities totaled \$44,559,455, an increase of \$837,794, or 1.9%, over prior year revenues of \$43,721,661. Tax revenues (\$24,429,113), comprised of real property taxes, other tax items and non-property taxes, represented the largest revenue source (54.8%). Tax revenues in the prior year totaled \$23,737,078 and represented 54.3% of total 2012 revenues.

Charges for services revenues in 2013, the second largest revenue source, totaled \$14,211,822 and represented 31.9% of total revenues. In 2012, this revenue source aggregated \$14,360,809, which was 32.9% of total revenues.

Expenses incurred by governmental activities of the Village in 2013 totaled \$50,252,456, an increase of \$2,741,894 (5.8%) over prior year expenses of \$47,510,562. The largest components of governmental activities' expenses were public safety (34.7%), home and community services (29.7%), and transportation (14.2%). This was similar to last year when the largest components of government activities' expenses were public safety (35.6%), home and community services (28.3%), and transportation (14.4%).

The major changes in 2013 vs. 2012 were as follows:

Revenue

- Real property taxes increased by \$472,139, due primarily to the 4.12% real property tax increase in 2013, plus the collection of prior year unpaid property taxes.
- Operating grants and contributions were \$4,222,816 in 2013, which was \$610,544 (16.9%) more than the amount received in 2012 (\$3,612,272) and is due primarily to developer contributions in lieu of parklands.
- Non-property taxes increased by \$264,577 (6.6%) in 2013, to \$4,254,232, due primarily to increased sales tax distribution revenues in 2013.

Expenses

- Other employee benefit costs varied significantly from 2012 to 2013, as follows: (1) Retirement system costs increased \$401,214 (12.9%) to \$3,513,970 in 2013. (2) Workers' compensation benefits costs increased \$829,288 (68.5%) to \$2,040,779 in 2013. (3) Health care (hospitalization, prescription drug, medical, and dental) costs increased \$1,481,902 (35.1%) to \$5,740,981 in 2013. These expenses were spread throughout all program expense functions (other than interest expense). The Village is self-insured for workers' compensation and health care expenses and, as a result, expenses can vary significantly year-to-year. In addition, some of these expenses are offset by stop-loss insurance recovery revenues.
- Post-employment health care benefit expenses were recorded in 2013 in the amount of \$4,020,000, as compared to \$4,360,000 in 2012.
- Excluding employee benefits, expenses were generally consistent year-to-year by function category.

Financial Analysis of the Village's Funds

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village'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 Village's governmental funds reported combined ending fund balances of \$22,045,846, a net increase of \$2,251,117 from the prior year amount of \$19,794,729.

The non-spendable fund balance component is \$1,057,387 at December 31, 2013 (\$819,289 in 2012), consisting of amounts representing prepaid expenditures and inventories. The restricted fund balance component of \$7,800,529 at December 31, 2013 (\$5,676,903 in 2012) indicates that it is not available for new spending because it has been restricted for crime control, capital projects, debt service and trusts. The committed fund balance component, \$5,470 at the end of 2013, consists of amounts set aside for economic development (\$2,983 in 2012). The assigned fund balance component of \$8,176,658 at the end of 2013 (\$7,707,617 in 2012) consists of amounts set aside for purchases on order (\$246,443), subsequent year expenditures (\$1,085,829), and amounts for Water Fund, Sewer Fund and Section 8 Housing Fund (\$6,844,386 total). The remainder of the fund balance at December 31, 2013, \$5,005,802 constitutes unassigned fund balance, all of which is in the General Fund. The amount of unassigned fund balance at December 31, 2012 (prior year) was \$5,587,937.

General Fund - The General Fund is the primary operating fund of the Village, and the majority of the Village's programs and activities are supported by this fund.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,005,802, representing 73.2% of the total General Fund balance of \$6,839,529. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures, and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a healthy 16.1% unassigned fund balance (\$5,005,802) to total expenditures and other financing uses (\$31,131,614), while total fund balance (\$6,839,529) represented 22.0% of that same amount.

When the fiscal 2013 General Fund budget was adopted, it anticipated the use of \$831,294 of fund balance, which was composed of \$650,000 designated from the previous year, plus \$184,294 for contract and purchase order commitments to be liquidated. During the year, the budget was amended, including the appropriation of fund balance in the amount of \$200,000 for capital project expenditures (for a vital streetscape project that tied the downtown area with the train station), and \$232,919 to help increase reserves in the internal service fund for self-insured workers' compensation benefits. Consequently, by year-end, the anticipated use of fund balance was \$1,264,213. For the 2013 year, actual results of operations resulted in a decrease in fund balance of \$394,825, which was \$869,388 less than the decrease anticipated in the modified budget (\$1,264,213 less \$394,825).

Revenues and other financing sources were \$30,736,789, which was \$350,122 more than the final budget. The primary revenues that were more than estimated in the adopted budget were non-property tax distribution from County (by \$275,138), departmental revenues (by \$81,881), licenses and permits (by \$164,025 – mostly for building permits revenues), and state aid (by \$167,795 – for mortgage tax revenues and a recycling grant). The primary revenues that were less than estimated in the budget were real property taxes (by \$145,821 in the modified budget – see discussion in notes to financial statements pertaining to 60 day availability for calculation of current year revenues) and court fines and forfeitures (by \$158,710).

Federal and state emergency management assistance aid in the amount of \$349,035 for Superstorm Sandy clean-up expenses which did not meet revenue availability criteria for the 2012 (prior) year were recorded in 2013 when received.

Expenditures and other financing uses were \$31,131,614, which was \$519,266 less than the final budget. Significant expenditure variances were for general government support (\$214,233), public safety (\$98,020), and transportation (\$99,562).

With respect to employee benefits, the Village is self-insured for workers' compensation benefits and health care benefits (hospital, medical and dental benefits). Consequently, expenditures can sometimes vary year-to-year, as shown below for the General Fund during the past four years:

<u>Year</u>	<u>Workers' Compensation</u>	<u>Hospital, Medical and Dental</u>
2013	\$1,208,627	\$5,165,804
2012	998,146	3,830,127
2011	1,238,111	4,346,912
2010	903,035	3,453,422

In 2013, the Village received and appropriated revenues of \$297,868 from stop loss insurance recovery revenues for the hospital, medical and dental benefits expenditures.

Water Fund - The fund balance of the Water Fund increased by \$356,368 during the year, and totaled \$5,810,789 at December 31, 2013. Of this amount, the assigned portion available for future year use was \$5,472,994 (\$5,109,169 in 2012). It is important to note that water rents receivables at year-end, aggregating approximately \$2.80 million, was billed through March 2014, and although included in fund balance, is not available as cash at year-end.

Revenues and other financing sources of \$9,179,790 were \$135,834 more than estimated in the budget. Expenditures and other financing uses of \$8,823,422 were \$950,708 less than budgeted in 2013, much of which was due to cost savings in the pumping, supply and power appropriations lines. In 2012, the Village started a significant capital project for the mandated reconstruction of the reservoir and dam at the Indian Brook Water Treatment Plant (IBWTP) at an estimated cost of \$4.0 million.

Sewer Fund - The fund balance of the Sewer Fund increased by \$220,578 and aggregated \$1,487,120 at December 31, 2013. The portion of fund balance that was assigned and available for future year use at year-end was \$1,467,569 (\$1,241,684 in 2012), and \$106,680 was appropriated in the 2014 budget. Similar to the Water Fund, a significant portion of fund balance at year-end (\$302,544) is in the form of sewer rents receivables that are billed through March 2014.

Revenues of \$1,201,562 were \$42,598 more than estimated in the budget. Fiscal year expenditures and other uses of \$980,984 were \$194,637 less than budgeted. In 2013, the Village started a significant capital project for the rehabilitation and restoration of the Kill Brook sewer line and stream bed/bank stabilization at an estimated cost of \$5.0 million.

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$1,033,805, an increase of \$63,717 from the prior year. While the 2013 adopted budget provided for the appropriation of fund balance in the amount of \$222,179, 2013 operations included revenues of \$200,000 from the sale of Village-owned land. In accordance with the Village's adopted financial goals and policies, revenues received from the sale of Village surplus properties could be deposited to a type of reserve fund such as this when not otherwise earmarked or legally designated to another fund. Of the total fund balance at year-end, \$272,703 was appropriated in the 2014 budget.

Section 8 Housing Fund - The Section 8 Housing Fund, which provides Housing Assistance Payments (HAP) for eligible tenants, ended its fiscal year with a fund balance of \$216,261, a decrease of \$93,646 from the prior year, on revenues and other financing sources of \$3,024,581. The primary reason for the reduction in fund balance was the planned use of accumulated fund balance for HAP program expenditures. Of the total fund balance at year-end, \$56,446 was appropriated in the 2014 budget.

Special Purpose Fund - The fund balance of the Special Purpose Fund increased by \$524,850 during the year, and totaled \$1,701,177 as of December 31, 2013. The primary reason for the fund balance increase was recreation impact fees of \$615,500 received from developers in lieu of providing parklands.

Capital Projects Fund - The Capital Projects Fund ended its 2013 fiscal year with a fund balance of \$4,957,165 from a prior year fund balance of \$3,383,090. The increase was due primarily to the issuance of serial bond proceeds that had not been expended by year-end. Revenues and other financing sources totaled \$4,229,776 for 2013, and expenditures and other financing uses totaled \$2,655,701.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Total net position of the Internal Service Funds at December 31, 2013 was a combined unrestricted net position deficit of \$184,011, from an unrestricted net position of \$126,078 for 2012. While the General Liability Claims Fund had a net position balance of \$301,475, the Workers' Compensation Benefits Fund had a net position deficit balance of \$485,486 (was a deficit balance of \$199,947 at the end of 2012). Total assets were \$3,869,989, and total liabilities were \$4,054,000 at year-end.

In the Workers' Compensation Benefits Fund, total revenues were \$1,755,240 and operating expenses were \$2,040,779, resulting in a decrease in net position of \$285,539. Based on computations from the Village's actuary, the accrued liability at year-end for workers' compensation benefits was increased by \$1,074,000, as compared to \$324,000 at the end of 2012 (prior year). In the General Liability Claims Fund, total revenues were \$598,715 and operating expenses were \$623,265, resulting in a decrease in net position of \$24,550.

Following the Village's plan to reduce and eliminate the net position deficit in the Workers' Compensation Benefits Fund, the Village utilized the receipt of insurance recoveries of \$285,153 and the transfer of \$500,000 from unexpended appropriations for workers' compensation claims in the operating funds (as well as appropriated fund balance), to help reduce the net position deficit in 2013. The Village anticipates that continuation of this plan will eliminate the net position deficit in a future year.

Budgetary Highlights

General Fund

For 2013, the difference between the appropriations originally budgeted (\$30,925,957) and the final appropriations for the General Fund (\$31,650,880) was an increase to the budget of \$724,923, for the following purposes:

- for the appropriation of unanticipated revenues received during the year, \$41,479;
- for excess revenues appropriated for expenditures, \$412,657 (including \$200,000 for health insurance and \$73,012 for high energy and utility expenses);
- for the appropriation of stop-loss insurance recovery revenues for health insurance, \$287,868;

- for the appropriation of fund balance of \$200,000 (plus General Fund contingency account funds of \$50,000) for a vital streetscape capital project, replacing Community Development Block Grant revenues that became unavailable to the Village; and,
- for the appropriation of fund balance in the amount of \$232,919, for transfer to the Workers' Compensation Benefits Fund to help reduce the net position deficit.

In addition to the above budget increases that aggregated \$1,174,923, the budget was also reduced by a net \$450,000 to eliminate serial bond borrowing for tax certiorari claims. When the 2013 budget was adopted, the Village anticipated issuing a serial bond in the amount of \$500,000 for tax certiorari claims. As the 2013 year progressed, it became evident that the amount of tax certiorari claims in 2013 would be significantly less. Consequently, the Village decided to not issue such bonds, and to instead use General Fund contingency account funds to pay for the tax certiorari claims. For 2013, tax certiorari claims aggregated \$75,702, with \$14,952 charged against real property tax revenues (current year portion) and \$60,750 charged as expenditures (prior year portion).

Water Fund

The Water Fund appropriations were increased by \$206,663 during 2013, to \$9,774,130. Similar to the General Fund, in the Water Fund the Village appropriated stop loss revenues of \$23,039 for health insurance expenditures, and appropriated fund balance of \$35,624 for transfer to the Workers' Compensation Benefits Fund. The Village also appropriated fund balance in the amount of \$148,000 to pay for outside consultant engineering work in preparation for a capital project in 2014 to cement-line and/or replace water mains throughout portions of the Village.

Sewer Fund

The Sewer Fund budget was also increased during 2013, by \$16,885, to \$1,175,621, for health insurance stop loss revenues and for transfer to the Workers' Compensation Benefits Fund.

Section 8 Housing Fund

The budget for the Section 8 Housing Fund was reduced by \$100,000 during the year, to \$3,168,719, to reflect a reduction in anticipated Federal aid during the year.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at December 31, 2013, net of \$134,905,081 of accumulated depreciation, was \$73,500,631. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress.

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

Capital Assets December 31,

<u>Asset</u>	2013 Governmental Activities	2012 Governmental Activities
Land	\$ 2,475,762	\$ 2,515,572
Land Improvements	3,328,663	2,807,673
Buildings and Improvements	44,381,779	44,100,549
Infrastructure	141,602,516	140,177,458
Machinery and Equipment	15,355,314	14,932,355
Construction-in-Progress	1,261,678	1,192,189
Less: Accumulated Depreciation	(134,905,081)	(129,511,348)
Total (Net of Depreciation)	<u>\$ 73,500,631</u>	<u>\$ 76,214,448</u>

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$27,396,500. As required by New York State law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the 2013 fiscal year, the Village issued general obligation bonds of \$3,086,500 to finance sewer improvements in the Kill Brook area which were mandated by the NYS Department of Environmental Conservation (\$2,000,000 – see also BAN's below), fire apparatus (\$665,000) and a front-end loader (\$175,000). Included in this bond was \$246,500 previously funded through the issuance of bond anticipation notes (BAN's). During the year, the Village retired \$2,297,000 of general obligation debt from budgetary appropriations.

Also during the current fiscal year, the Village issued short-term obligations (bond anticipation notes (BAN's)) of \$3,979,493 to finance the Kill Brook sewer improvements (\$2,300,000), two police vehicles (\$80,000), a fire chief's vehicle (\$48,000), and a DPW truck (\$40,000), and to renew prior year capital projects BAN's for \$1,511,493. The Village retired \$228,540 of short-term debt from budgetary appropriations during the year, paid \$270,000 from the prior year's BAN that was not needed for the water pump station generator project and, as noted above, converted \$246,500 into a serial bond in 2013.

With the issuance of the serial bonds and BAN, Moody's Investors Service assigned an Aa2 credit rating on the bonds and MIG 1 rating on the notes, and affirmed the Aa2 credit rating on all outstanding debt of the Village.

In addition to the bonds and notes described above, during 2013 the Village finalized its agreement with the New York Power Authority in the amount of \$924,844 for the installation of an energy-efficient boiler at one of the Village's facilities (\$280,056) and replacement pumps with variable frequency drives at the IBWTP (\$644,788). The finalized loan is \$82,499 less than the amount estimated for 2012 (prior year).

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. As of November 2013 when the serial bond was issued, the Village had exhausted 12.10% of its constitutional debt limit, and had the authority to issue an additional \$125,913,116 of general obligation long-term debt.

Additional information on the Village's long-term and short-term debt can be found in Note 3 in the notes to the financial statements.

Next Year's Budgets and Rates

In the 2014 General Fund adopted budget, the Village appropriated \$650,000 of unassigned fund balance for spending in fiscal 2014. The real property tax rate for the 2014 Village General Fund is \$186.9053 per \$1,000 of taxable assessed value, an increase of 2.88% over the prior year 2013 tax rate. For the 2014 budget, the Village Board of Trustees adopted a local law to authorize an override of the property tax levy limitations.

Requests for Information

This financial report is designed to provide a general overview of the Village of Ossining, New York's finances for all those who are interested. Questions and comments concerning any of the information provided in this report should be addressed to Thomas E. Warren, Village Treasurer, Village of Ossining, 16 Croton Avenue, Ossining, New York 10562, or by e-mail to twarren@villageofossining.org.

Village of Ossining, New YorkStatement of Net Position
December 31, 2013

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 27,675,101
Receivables	
Taxes, net	308,571
Accounts	3,598,779
State and Federal aid	234,538
Due from other governments	1,024,308
Prepaid expenses	1,028,552
Inventories	28,835
Capital assets	
Not being depreciated	3,737,440
Being depreciated, net	69,763,191
Total Assets	107,399,315
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	575,842
LIABILITIES	
Accounts payable	2,327,024
Accrued liabilities	734,820
Retained percentages	58,803
Unearned revenues	352,824
Due to other governments	361
Bond anticipation notes payable	3,979,493
Accrued interest payable	141,536
Non-current liabilities	
Due within one year	2,872,339
Due in more than one year	51,585,974
Total Liabilities	62,053,174
DEFERRED INFLOWS OF RESOURCES	
Taxes collected in advance	288,751
NET POSITION	
Net investment in capital assets	51,871,733
Restricted for	
Crime control	29,341
Future capital projects	351,744
Debt service	1,033,805
General liability claims	301,475
Water	3,161,516
Sewer	999,837
Section 8 Housing	100,261
Trusts	1,701,177
Unrestricted	(13,917,657)
Total Net Position	\$ 45,633,232

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

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Village of Ossining, New York

Statement of Activities
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 5,252,394	\$ 988,294	\$ -	\$ 102,913	\$ (4,161,187)
Public safety	17,434,029	1,042,821	20,023	-	(16,371,185)
Health	1,880	860	-	-	(1,020)
Transportation	7,153,598	476,475	-	73,859	(6,603,264)
Economic opportunity and development	244,916	-	136,654	-	(108,262)
Culture and recreation	4,404,261	1,140,590	626,276	-	(2,637,395)
Home and community services	14,906,611	10,562,782	3,439,863	375,000	(528,966)
Interest	854,767	-	-	84,116	(770,651)
Total Governmental Activities	\$ 50,252,456	\$ 14,211,822	\$ 4,222,816	\$ 635,888	(31,181,930)
General revenues					
Real property taxes					20,011,523
Other tax items					
Payments in lieu of taxes					34,960
Interest and penalties on real property taxes					128,398
Non-property taxes					
Utilities gross receipts taxes					294,176
Franchise fees					434,918
Non-property tax distribution from County					3,525,138
Unrestricted use of money and property					28,204
Sale of property and compensation for loss					11,468
Unrestricted State aid					428,404
Miscellaneous					76,013
Donated assets					6,000
Sale of real property					160,190
Insurance recoveries					349,537
Total General Revenues					25,488,929
Change in Net Position					(5,693,001)
Net Position - Beginning					51,326,233
Net Position - Ending					\$ 45,633,232

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

Village of Ossining, New York

Balance Sheet
Governmental Funds
December 31, 2013

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 7,320,361	\$ 3,598,911	\$ 992,821
Taxes receivable, net of allowance for uncollectible taxes	308,571	-	-
Other receivables			
Accounts	395,393	2,800,813	-
State and Federal aid	110,571	49,762	-
Due from other funds	27,546	3,937	46,570
Due from other governments	1,001,816	7,592	-
	1,535,326	2,862,104	46,570
Prepaid expenditures	878,944	122,423	-
Inventories	28,835	-	-
Total Assets	<u>\$ 10,072,037</u>	<u>\$ 6,583,438</u>	<u>\$ 1,039,391</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,324,578	\$ 556,736	\$ -
Accrued liabilities	631,736	98,039	-
Retained percentages	-	-	-
Unearned revenues	290,257	19,799	-
Due to other funds	456,413	98,075	5,586
Due to other governments	-	-	-
Bond anticipation notes payable	-	-	-
Total Liabilities	2,702,984	772,649	5,586
Deferred inflows of resources			
Taxes collected in advance	288,751		
Deferred tax revenues	240,773	-	-
Total Deferred Inflows of Resources	529,524	-	-
Total Liabilities and Deferred Inflows of Resources	3,232,508	772,649	5,586
Fund balances			
Nonspendable	907,779	122,423	-
Restricted	165,713	215,372	761,102
Committed	5,470	-	-
Assigned	754,765	5,472,994	272,703
Unassigned	5,005,802	-	-
Total Fund Balances	6,839,529	5,810,789	1,033,805
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,072,037</u>	<u>\$ 6,583,438</u>	<u>\$ 1,039,391</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ 9,161,789	\$ 3,278,424	\$ 24,352,306
-	-	308,571
-	355,379	3,551,585
73,859	346	234,538
176,646	48,217	302,916
14,900	-	1,024,308
265,405	403,942	5,113,347
-	27,185	1,028,552
-	-	28,835
\$ 9,427,194	\$ 3,709,551	\$ 30,831,611
\$ 376,635	\$ 69,075	\$ 2,327,024
-	5,045	734,820
58,803	-	58,803
-	42,768	352,824
55,098	187,744	802,916
-	361	361
3,979,493	-	3,979,493
4,470,029	304,993	8,256,241
-	-	288,751
-	-	240,773
-	-	529,524
4,470,029	304,993	8,785,765
-	27,185	1,057,387
4,957,165	1,701,177	7,800,529
-	-	5,470
-	1,676,196	8,176,658
-	-	5,005,802
4,957,165	3,404,558	22,045,846
\$ 9,427,194	\$ 3,709,551	\$ 30,831,611

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Village of Ossining, New York

Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2013

Fund Balances - Total Governmental Funds	\$ 22,045,846
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Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>73,500,631</u>
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Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred charges	<u>575,842</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	<u>240,773</u>
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Internal service funds are used by management to charge the costs of insurance in the governmental funds. The assets and liabilities of the Internal Service funds are included in governmental activities in the statement of net position.	<u>(184,011)</u>
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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	(141,536)
Bonds payable	(28,160,190)
Energy performance contract payable	(924,844)
Compensated absences	(1,139,279)
Other post employment benefit obligations payable	<u>(20,180,000)</u>
	<u>(50,545,849)</u>

Net Position of Governmental Activities	<u><u>\$ 45,633,232</u></u>
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The notes to the financial statement are an integral part of this statement.

Village of Ossining, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2013

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 20,007,882	\$ -	\$ -
Other tax items	163,358	-	-
Non-property taxes	4,254,232	-	-
Departmental income	1,648,281	8,987,442	-
Intergovernmental charges	1,341,846	-	-
Use of money and property	281,981	6,427	84,116
Licenses and permits	354,025	-	-
Fines and forfeitures	433,690	-	-
Sale of property and compensation for loss	11,468	26,794	-
Interfund revenues	792,179	-	-
State aid	540,403	845	-
Federal aid	285,637	61,335	-
Miscellaneous	98,379	21,947	-
Total Revenues	30,213,361	9,104,790	84,116
EXPENDITURES			
Current			
General government support	3,082,729	496,167	-
Public safety	8,926,298	-	-
Health	1,880	-	-
Transportation	2,190,034	-	-
Economic opportunity and development	107,247	-	-
Culture and recreation	2,550,465	-	-
Home and community services	1,836,378	5,546,446	-
Employee benefits	10,361,154	1,173,758	-
Debt service			
Principal	-	-	2,297,000
Interest	1,542	9,809	877,031
Capital outlay	-	-	-
Total Expenditures	29,057,727	7,226,180	3,174,031
Excess (Deficiency) of Revenues Over Expenditures	1,155,634	1,878,610	(3,089,915)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	349,537	-	-
Sale of real property	-	-	200,000
Transfers in	173,891	75,000	3,103,632
Transfers out	(2,073,887)	(1,597,242)	(150,000)
Total Other Financing Sources (Uses)	(1,550,459)	(1,522,242)	3,153,632
Net Change in Fund Balances	(394,825)	356,368	63,717
FUND BALANCES			
Beginning of Year	7,234,354	5,454,421	970,088
End of Year	\$ 6,839,529	\$ 5,810,789	\$ 1,033,805

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 20,007,882
-	-	163,358
-	-	4,254,232
-	1,188,359	11,824,082
-	-	1,341,846
-	4,708	377,232
-	-	354,025
-	-	433,690
-	9,148	47,410
-	-	792,179
530,397	-	1,071,645
-	2,927,268	3,274,240
21,375	766,295	907,996
551,772	4,895,778	44,849,817
-	99,004	3,677,900
-	-	8,926,298
-	-	1,880
-	-	2,190,034
-	131,298	238,545
-	-	2,550,465
-	3,694,783	11,077,607
-	280,357	11,815,269
-	-	2,297,000
-	-	888,382
2,571,357	-	2,571,357
2,571,357	4,205,442	46,234,737
(2,019,585)	690,336	(1,384,920)
3,086,500	-	3,086,500
-	-	349,537
-	-	200,000
591,504	85,404	4,029,431
(84,344)	(123,958)	(4,029,431)
3,593,660	(38,554)	3,636,037
1,574,075	651,782	2,251,117
3,383,090	2,752,776	19,794,729
\$ 4,957,165	\$ 3,404,558	\$ 22,045,846

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Village of Ossining, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2013

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

Net Change in Fund Balances - Total Governmental Funds	\$ 2,251,117
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay expenditures	2,763,726
Depreciation expense	(5,443,733)
	<u>(2,680,007)</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets

Gain on sale of capital assets	(39,810)
Donated capital assets	6,000
	<u>(33,810)</u>

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

Real property taxes	<u>3,641</u>
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of 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 premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds issued	(3,086,500)
Energy performance contract debt reduction	82,499
Principal paid on bonds	2,297,000
Amortization of loss on refunding bonds and issuance premium	(79,974)
	<u>(786,975)</u>

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

Accrued interest	25,785
Compensated absences	(142,663)
Other post employment benefit obligations	(4,020,000)
	<u>(4,136,878)</u>

Internal Service funds are used by management to charge the costs of risk to individual funds. The net revenue of the Internal Service funds is reported within governmental activities.

	<u>(310,089)</u>
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Change in Net Position of Governmental Activities	<u>\$ (5,693,001)</u>
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The notes to the financial statements are an integral part of this statement.

Village of Ossining, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended December 31, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 20,103,703	\$ 20,153,703	\$ 20,007,882	\$ (145,821)
Other tax items	184,109	184,109	163,358	(20,751)
Non-property taxes	3,925,000	4,125,503	4,254,232	128,729
Departmental income	1,566,400	1,664,657	1,648,281	(16,376)
Intergovernmental charges	1,379,608	1,379,608	1,341,846	(37,762)
Use of money and property	279,776	279,776	281,981	2,205
Licenses and permits	190,000	190,000	354,025	164,025
Fines and forfeitures	566,000	566,000	433,690	(132,310)
Sale of property and compensation for loss	10,000	10,000	11,468	1,468
Interfund revenues	782,278	782,278	792,179	9,901
State aid	372,608	417,608	540,403	122,795
Federal aid	-	110,376	285,637	175,261
Miscellaneous	92,256	92,256	98,379	6,123
Total Revenues	29,451,738	29,955,874	30,213,361	257,487
EXPENDITURES				
Current				
General government support	3,873,218	3,296,962	3,082,729	214,233
Public safety	8,998,976	9,024,318	8,926,298	98,020
Health	3,000	2,479	1,880	599
Transportation	2,321,300	2,289,596	2,190,034	99,562
Economic opportunity and development	87,803	120,990	107,247	13,743
Culture and recreation	2,384,501	2,559,063	2,550,465	8,598
Home and community services	1,751,438	1,850,398	1,836,378	14,020
Employee benefits	9,656,712	10,431,249	10,361,154	70,095
Debt service				
Principal	-	-	-	-
Interest	1,543	1,543	1,542	1
Total Expenditures	29,078,491	29,576,598	29,057,727	518,871
Excess (Deficiency) of Revenues Over Expenditures	373,247	379,276	1,155,634	776,358
OTHER FINANCING SOURCES (USES)				
Bonds issued	500,000	-	-	-
Insurance recoveries	10,000	297,868	349,537	51,669
Transfers in	132,925	132,925	173,891	40,966
Transfers out	(1,847,466)	(2,074,282)	(2,073,887)	395
Total Other Financing Uses	(1,204,541)	(1,643,489)	(1,550,459)	93,030
Net Change in Fund Balances	(831,294)	(1,264,213)	(394,825)	869,388
FUND BALANCE				
Beginning of Year	831,294	1,264,213	7,234,354	5,970,141
End of Year	\$ -	\$ -	\$ 6,839,529	\$ 6,839,529

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
8,932,917	8,932,917	8,987,442	54,525
-	-	-	-
3,000	3,000	6,427	3,427
-	-	-	-
-	-	-	-
-	23,039	26,794	3,755
-	-	-	-
-	-	845	845
-	-	61,335	61,335
10,000	10,000	21,947	11,947
<u>8,945,917</u>	<u>8,968,956</u>	<u>9,104,790</u>	<u>135,834</u>
498,141	633,284	496,167	137,117
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,291,754	6,275,313	5,546,446	728,867
1,129,618	1,188,281	1,173,758	14,523
-	-	-	-
<u>57,503</u>	<u>60,095</u>	<u>9,809</u>	<u>50,286</u>
<u>7,977,016</u>	<u>8,156,973</u>	<u>7,226,180</u>	<u>930,793</u>
<u>968,901</u>	<u>811,983</u>	<u>1,878,610</u>	<u>1,066,627</u>
-	-	-	-
-	-	-	-
75,000	75,000	75,000	-
<u>(1,590,451)</u>	<u>(1,617,157)</u>	<u>(1,597,242)</u>	<u>19,915</u>
<u>(1,515,451)</u>	<u>(1,542,157)</u>	<u>(1,522,242)</u>	<u>19,915</u>
(546,550)	(730,174)	356,368	1,086,542
<u>546,550</u>	<u>730,174</u>	<u>5,454,421</u>	<u>4,724,247</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,810,789</u>	<u>\$ 5,810,789</u>

Village of Ossining, New York

Statement of Net Position
Internal Service Funds
December 31, 2013

	Governmental Activities - Internal Service Funds
ASSETS	
Cash and equivalents	\$ 3,322,795
Accounts receivable	47,194
Due from other funds	<u>500,000</u>
Total Assets	<u>3,869,989</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	405,200
Claims payable, less current portion	<u>3,648,800</u>
Total Liabilities	<u>4,054,000</u>
NET POSITION	
Unrestricted	<u><u>\$ (184,011)</u></u>

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

Village of Ossining, New York

Statement of Revenues, Expenses and Changes
in Net Position
Internal Service Funds
Year Ended December 31, 2013

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 2,064,097
Insurance recoveries	<u>285,153</u>
Total Operating Revenues	<u>2,349,250</u>
OPERATING EXPENSES	
Insurance	907,213
Contractual	233,490
Employee benefits	1,591,156
Judgments and claims	<u>(67,815)</u>
Total Operating Expenses	<u>2,664,044</u>
Loss from Operations	(314,794)
NON-OPERATING REVENUES	
Interest income	<u>4,705</u>
Change in Net Position	(310,089)
NET POSITION	
Beginning of Year	<u>126,078</u>
End of Year	<u><u>\$ (184,011)</u></u>

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

Village of Ossining, New York

Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2013

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services and insurance recoveries	\$ 2,543,819
Cash payments to insurance carriers and claimants	<u>(1,727,201)</u>
Net Cash from Operating Activities	<u>816,618</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>4,705</u>
Net Change in Cash and Equivalents	821,323
Cash and Equivalents - Beginning of Year	<u>2,501,472</u>
Cash and Equivalents - End of Year	<u><u>\$ 3,322,795</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (314,794)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(8,126)
Due from other funds	202,695
Accounts payable	(55,157)
Claims payable	<u>992,000</u>
Net Cash from Operating Activities	<u><u>\$ 816,618</u></u>

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

Village of Ossining, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2013

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 231,287
Accounts receivable	<u>5,063</u>
 Total Assets	 <u><u>\$ 236,350</u></u>
 LIABILITIES	
Accounts payable	\$ 38,589
Employee payroll deductions	7,788
Deposits	<u>189,973</u>
 Total Liabilities	 <u><u>\$ 236,350</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Village of Ossining, New York ("Village") was established in 1813 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village 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 Village 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 Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village 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 Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Village 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 Village 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 Village does not allocate indirect expenses to functions in the Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds, proprietary 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service funds are charges to customers for services. Operating expenses for the Internal Service funds include the cost of services, administrative expenses and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Village 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. 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 Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted, committed or assigned to expenditures for certain defined purposes. The major special revenue fund of the Village is as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Water Fund - The Water Fund is used to record the water operations of the Village which render services on a user charge basis to the general public. The major revenue source of this fund is departmental income.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

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, other than those financed by proprietary funds.

The Village also reports the following non-major special revenue funds:

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village which render services on a user charge basis to the general public.

Section 8 Housing Fund - The Section 8 Housing Fund is used to account for resources received from the U.S. Department of Housing and Urban Development for housing assistance payment purposes.

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

- b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Village has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Village's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

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

The accounting and financial reporting treatment applied to a fund is determined by its 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 statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Internal Service funds. The

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits and Risk Disclosure

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

The Village's investment policies are governed by State statutes. The Village 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 Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions accordingly, the Village'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 Village has entered into custodial agreements with the various banks which hold its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2013.

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of January 1st and are levied and payable in two installments due in January and July. The Village is responsible for the billing and collection of its taxes. The Village is also responsible for conducting in-rem foreclosure proceedings.

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

Due From/To Other Funds - During the course of its operations, the Village 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, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts in the governmental funds are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventoriable items in the General Fund consist of materials and supplies and are recorded at cost on a first-in, first-out basis. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The Village uses the consumption method to relieve inventory. Reported inventories are equally offset by nonspendable fund balance in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using 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 asset lives is not capitalized.

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

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	10 - 50
Infrastructure	20 - 100
Machinery and equipment	5 - 25

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 fund balance sheet.

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$290,257 for parking and other payments received in advance in the General Fund. Unearned revenues of \$42,768 are reflected in the Section 8 Housing Fund and \$19,799 is reflected in the Water Fund for miscellaneous items. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village reported deferred outflows of resources of \$575,842 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Village reported deferred inflows of resources of \$240,773 for real property taxes in the General Fund. The Village also reported deferred inflows of resources of \$288,751 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

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 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 Debt Service or Capital Projects funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of 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 matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for: crime control, future capital projects, debt service, general liability claims, water, sewer, Section 8 Housing and trusts. The balance is classified as unrestricted.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted fund balance is 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 is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Village Board is the highest level of decision making authority for the Village that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Village removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Village Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Village Board for amounts assigned for balancing the subsequent year's budget or the Village Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. 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 and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Water, Sewer and Section 8 Housing funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 10, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before the first regular meeting of the Board of Trustees in November, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.
- c) After the public hearing and on or before the first regular meeting in December, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.
- d) Formal budgetary integration is employed during the year as a management control device for General, Water, Sewer, Section 8 Housing and Debt Service funds.
- e) Budgets for General, Water, Sewer, Section 8 Housing 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. Annual budgets are not adopted by the Board of Trustees for the Special Purpose or Proprietary funds.
- f) The Board of Trustees 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 Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) Appropriations in the General, Water, Sewer, Section 8 Housing and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2013 fiscal year was \$40,926,502 which exceeded the actual levy by \$20,918,620.

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

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

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

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

Village of Ossining, New York

Notes to Financial Statements (Continued)

December 31, 2013

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Application of Accounting Standards

For the year ended December 31, 2013, the Village implemented GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities"*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

D. Capital Projects Fund Individual Project Deficits

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

E. Workers' Compensation Benefits Fund Deficit

The Workers' Compensation Benefits Fund has an unrestricted deficit of \$485,486 at December 31, 2013. The Village will address this deficit in the ensuing years.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2013 consisted of the following:

Taxes - Current	\$ 361,655
Taxes - Overdue	<u>289,931</u>
	651,586
Allowance for uncollectible taxes	<u>(343,015)</u>
	<u><u>\$ 308,571</u></u>

Taxes receivable in the fund financial statements are partially offset by deferred tax revenues of \$240,773, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2013 were as follows:

Fund	Due From	Due To
General Fund	\$ 27,546	\$ 456,413
Water Fund	3,937	98,075
Debt Service Fund	46,570	5,586
Capital Projects	176,646	55,098
Non-Major Governmental	48,217	187,744
Internal Service Funds		
Workers' Compensation Benefits	500,000	-
	<u>\$ 802,916</u>	<u>\$ 802,916</u>

C. Capital Assets

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

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Capital Assets, not being depreciated				
Land	\$ 2,515,572	\$ -	\$ 39,810	\$ 2,475,762
Construction-in-progress	1,192,189	2,290,141	2,220,652	1,261,678
Total Capital Assets, not being depreciated	<u>\$ 3,707,761</u>	<u>\$ 2,290,141</u>	<u>\$ 2,260,462</u>	<u>\$ 3,737,440</u>
Capital Assets, being depreciated				
Land improvements	\$ 2,807,673	\$ 520,990	\$ -	\$ 3,328,663
Buildings and improvements	44,100,549	331,230	50,000	44,381,779
Infrastructure	140,177,458	1,425,058	-	141,602,516
Machinery and equipment	14,932,355	422,959	-	15,355,314
Total Capital Assets, being depreciated	<u>202,018,035</u>	<u>2,700,237</u>	<u>50,000</u>	<u>204,668,272</u>
Less Accumulated Depreciation for				
Land improvements	1,789,672	141,427	-	1,931,099
Buildings and improvements	15,945,445	1,486,368	50,000	17,381,813
Infrastructure	100,115,069	3,191,416	-	103,306,485
Machinery and equipment	11,661,162	624,522	-	12,285,684
Total Accumulated Depreciation	<u>129,511,348</u>	<u>5,443,733</u>	<u>50,000</u>	<u>134,905,081</u>
Total Capital Assets, being depreciated, net	<u>\$ 72,506,687</u>	<u>\$ (2,743,496)</u>	<u>\$ -</u>	<u>\$ 69,763,191</u>
Capital Assets, net	<u>\$ 76,214,448</u>	<u>\$ (453,355)</u>	<u>\$ 2,260,462</u>	<u>\$ 73,500,631</u>

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities:	
General Government Support	\$ 196,505
Public Safety	570,249
Transportation	2,913,851
Culture and Recreation	628,960
Home and Community Services	<u>1,134,168</u>
Total Depreciation Expense	<u>\$ 5,443,733</u>

D. Health Claim Liabilities

The financial statements reflect the liability for health benefit claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. The following health claim liabilities are included within accounts payable in the entity-wide and fund financial statements.

An analysis of the activity of unpaid health benefit claim liabilities is as follows:

	<u>Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
Balance - Beginning of Year - Health Claim Liabilities	\$ 301,277	\$ 408,571
Provision for Claims and Claims Adjustment Expenses	5,740,981	4,259,080
Claims and Claims Adjustment Expenses Paid	<u>(5,142,978)</u>	<u>(4,366,374)</u>
Balance - End of Year - Health Claim Liabilities	<u>\$ 899,280</u>	<u>\$ 301,277</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2013 were as follows:

	<u>Fund</u>			
	<u>General</u>	<u>Water</u>	<u>Other Governmental</u>	<u>Total</u>
Payroll and Employee Benefits	<u>\$ 631,736</u>	<u>\$ 98,039</u>	<u>\$ 5,045</u>	<u>\$ 734,820</u>

Note 3 - Detailed Notes on All Funds (Continued)

F. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that joined ERS and have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	28.8 %
	3 A14	21.0
	4 A15	21.0
	5 A15	16.9
	6 A15	11.4
PFRS	1 375I	29.4
	2 384D	28.4
	5 384D	22.7
	6 384D	16.0

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

	<u>ERS</u>	<u>PFRS</u>
2013	\$ 1,738,790	\$ 1,775,181
2012	1,596,992	1,538,378
2011	1,270,320	1,271,287

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The current ERS and PFRS contributions for the Village were charged to the funds identified below.

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 1,232,934	\$ 1,775,181
Water	416,961	-
Sewer	61,067	-
Section 8 Housing	27,828	-
	<u>\$ 1,738,790</u>	<u>\$ 1,775,181</u>

G. Short-Term Capital Borrowings – Bond Anticipation Notes

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2013</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance December 31, 2013</u>
Master Plan	2008	-	- %	\$ 33,000	\$ -	\$ 33,000	\$ -
Planning Design Study	2008	-	-	8,000	-	8,000	-
Trailway at Riverwalk	2008	-	-	2,000	-	2,000	-
Recreation Building Generator	2008	-	-	65,000	-	65,000	-
Fire Chief's Vehicle	2011	11/14	1.00	23,333	-	11,667	11,666
Indian Brook Water Reservoir and Dam	2012	11/14	1.00	1,500,000	-	75,000	1,425,000
Pleasantville Road Pump Station Generator	2012	-	-	450,000	-	450,000	-
Police Vehicles 2012	2012	11/14	1.00	70,000	-	23,333	46,667
Sing Sing Channel Improvements/ Flood Control	2012	11/14	1.00	70,000	-	70,000	-
Fire Department SCBA Cylinders	2012	11/14	1.00	35,200	-	7,040	28,160
Fire Chief's Vehicle	2013	11/14	1.00	-	48,000	-	48,000
Police Vehicles 2012/2013	2013	11/14	1.00	-	80,000	-	80,000
DPW Truck	2013	11/14	1.00	-	40,000	-	40,000
Sing Sing Kill Sewer Improvements	2013	11/14	1.00	-	2,300,000	-	2,300,000
				<u>\$ 2,256,533</u>	<u>\$ 2,468,000</u>	<u>\$ 745,040</u>	<u>\$ 3,979,493</u>

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

Village of Ossining, New York

Notes to Financial Statements (Continued) December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expenses of \$22,566 were recorded in the fund financial statements in the following funds and in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 1,542
Water	9,809
Debt Service	<u>11,215</u>
	<u>\$ 22,566</u>

H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended December 31, 2013:

	<u>Balance January 1, 2013</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
Bonds Payable					
Capital Construction	\$ 24,609,564	\$ 3,086,500	\$ 2,192,141	\$ 25,503,923	\$ 2,172,148
Other	<u>1,997,436</u>	<u>-</u>	<u>104,859</u>	<u>1,892,577</u>	<u>114,352</u>
	26,607,000	3,086,500	2,297,000	27,396,500	2,286,500
Plus					
Unamortized premium on bonds	<u>841,235</u>	<u>-</u>	<u>77,545</u>	<u>763,690</u>	<u>-</u>
	<u>27,448,235</u>	<u>3,086,500</u>	<u>2,374,545</u>	<u>28,160,190</u>	<u>2,286,500</u>
Other Non-Current Liabilities					
Energy Performance Contract Debt Payable	1,007,343	-	82,499	924,844	66,639
Claims Payable	3,062,000	1,523,341	531,341	4,054,000	405,200
Compensated Absences	996,616	242,663	100,000	1,139,279	114,000
Other Post Employment Benefit Obligations Payable	<u>16,160,000</u>	<u>6,510,000</u>	<u>2,490,000</u>	<u>20,180,000</u>	<u>-</u>
Total Other Non-Current Liabilities	<u>21,225,959</u>	<u>8,276,004</u>	<u>3,203,840</u>	<u>26,298,123</u>	<u>585,839</u>
Total Long-term Liabilities	<u>\$ 48,674,194</u>	<u>\$ 11,362,504</u>	<u>\$ 5,578,385</u>	<u>\$ 54,458,313</u>	<u>\$ 2,872,339</u>

Each governmental fund's liability for claims payable, energy performance contract debt, compensated absences and other post employment benefit obligations are liquidated by the respective fund. The Village's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General, Water and Sewer funds.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2013 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2013
Refunding Bond	2004	\$ 3,945,000	April, 2016	3.75-4.000	\$ 690,000
Public Improvements	2004	10,706,000	October, 2024	3.625-3.750	550,000
Public Improvements	2007	5,454,000	November, 2027	4.00-5.000	3,610,000
Refunding Bond	2009	2,485,000	March, 2019	3.00-5.000	1,410,000
Refunding Bond	2009	2,730,000	June, 2021	3.00-5.000	1,705,000
Public Improvements	2010	5,945,000	November, 2030	3.00-4.000	5,280,000
Public Improvements	2011	2,330,000	November, 2031	2.125-3.750	2,115,000
Refunding Bond	2012	5,430,000	October, 2024	2.00-4.000	5,400,000
Public Improvements	2012	3,772,000	November, 2032	2.00-3.000	3,550,000
Public Improvements	2013	3,086,500	November, 2033	3.00-4.000	3,086,500
					<u>\$ 27,396,500</u>

Interest expenditures of \$865,816 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$832,201 was recorded in the government-wide financial statements.

Energy Performance Contract Payable

The Village, in 2012, entered into a contractual agreement to install energy saving equipment and/or upgrade existing facilities in order to assist the Village in reducing its ongoing energy costs. The terms of the agreement provide for monthly installments of \$8,046 through 2024. The payments include interest which is based on a variable rate that is re-set every January. Currently, the applicable interest rate is 0.86%. The balance due at December 31, 2013 was \$924,844.

The annual requirements to amortize all bonded and energy performance contract debt outstanding as of December 31, 2013, including interest payments of \$7,158,841 are as follows:

Year Ending December 31,	Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,286,500	\$ 907,695	\$ 66,639	5,775	\$ 2,353,139	\$ 913,470
2015	2,315,000	834,363	89,523	7,028	2,404,523	841,391
2016	2,335,000	754,388	90,296	6,255	2,425,296	760,643
2017	2,070,000	676,163	91,076	5,476	2,161,076	681,639
2018	2,060,000	606,738	91,862	4,689	2,151,862	611,427
2019-2023	8,560,000	2,174,619	471,345	11,412	9,031,345	2,186,031
2024-2028	5,385,000	960,425	24,103	34	5,409,103	960,459
2029-2033	2,385,000	203,781	-	-	2,385,000	203,781
	<u>\$ 27,396,500</u>	<u>\$ 7,118,172</u>	<u>\$ 924,844</u>	<u>\$ 40,669</u>	<u>\$ 28,321,344</u>	<u>\$ 7,158,841</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Claims Payable

The Internal Service funds reflect workers' compensation and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 2,458,000	\$ 604,000	\$ 2,134,000	\$ 512,000
Provision for Claims and Claims Adjustment Expenses	1,591,156	(67,815)	683,980	110,748
Expenses Paid	(517,156)	(14,185)	(359,980)	(18,748)
Balance - End of Year	<u>\$ 3,532,000</u>	<u>\$ 522,000</u>	<u>\$ 2,458,000</u>	<u>\$ 604,000</u>
Current Portion	<u>\$ 353,000</u>	<u>\$ 52,200</u>	<u>\$ 245,800</u>	<u>\$ 60,400</u>

Compensated Absences

In accordance with existing collective bargaining agreements, certain employees are entitled to accumulate up to 275 days of sick leave. Additionally, after three years of service, unused personal time can be accumulated as sick time, to a maximum of 20 days. Upon retirement or termination, those employees with ten years of service will be compensated for accumulated sick leave. The amount of compensation is at the rate of 25% of the amount accumulated. Vacation time for all employees may be accumulated to a maximum of 10 days. It has been the Village's practice to compensate employees for unused vacation time upon separation of service. The value for compensated absences has been reflected in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing health care benefits is shared between the Village and the retired employees. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of other post employment benefit obligations payable is recognized as an expenditure as claims are paid. The Village has recognized revenues and expenditures of \$67,699 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

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

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the OPEB plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is 9.5% for the first year, decreases in years two through ten by .5% per year through year ten then continues at 5% thereafter. The amortization basis is the level percentage of payroll method with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, a 1.5% inflation rate and a 3.0% annual payroll growth. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of January 1, 2013 was as follows:

Active Employees	172
Retired Employees	<u>113</u>
Total	<u><u>285</u></u>

Village of Ossining, New York**Notes to Financial Statements (Continued)**

December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2013	\$ 70,920,000
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 70,920,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 15,190,000</u>
UAAL as a Percentage of Covered Payroll	<u>467%</u>
Annual Required Contribution	\$ 6,730,000
Interest on Net OPEB Obligation	730,000
Adjustment to Annual Required Contribution	<u>(950,000)</u>
Annual OPEB Cost	6,510,000
Contributions Made	<u>(2,490,000)</u>
Increase in Net OPEB Obligation	4,020,000
Net OPEB Obligation - Beginning of year	<u>16,160,000</u>
Net OPEB Obligation - End of year	<u>\$ 20,180,000</u>

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

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 6,510,000	38.25 %	\$ 20,180,000
2012	6,190,000	29.56	16,160,000
2011	5,690,000	39.19	11,800,000

Prior Year Defeasance

In prior year, the Village defeased public improvement bonds by placing the proceeds of the new bonds in an irrevocable escrow account to provide for all debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the Village's financial statements. At December 31, 2013, \$5,545,000 of bonds outstanding are considered defeased.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

I. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers in					Total
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 1,573,690	\$ 416,540	\$ 83,657	\$ 2,073,887
Water Fund	-	-	1,492,944	104,298	-	1,597,242
Debt Service Fund	75,000	75,000	-	-	-	150,000
Capital Projects Funds	-	-	11,931	70,666	1,747	84,344
Non-Major Governmental Funds	98,891	-	25,067	-	-	123,958
	<u>\$ 173,891</u>	<u>\$ 75,000</u>	<u>\$ 3,103,632</u>	<u>\$ 591,504</u>	<u>\$ 85,404</u>	<u>\$ 4,029,431</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments of the General, Water and Non-Major Governmental Funds.

J. 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 Crime Control - the component of net position representing the unexpended balance of the forfeiture of seized crime properties. These amounts are to be used pursuant to a New York State directive in the subsequent fiscal year for law enforcement purposes.

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6c of General Municipal Law.

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

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for General Liability Claims - the component of net position that has been established to set aside funds to be used for the payment of future claims made upon the Village in accordance with Section 6n of General Municipal Law.

Restricted for Water - the component of net position that represents funds restricted for water purposes under New York State law or by external parties and/or statutes.

Restricted for Sewer - the component of net position that represents funds restricted for sewer purposes under New York State law or by external parties and/or statutes.

Restricted for Section 8 Housing - the component of net position that represents funds restricted for Section 8 housing purposes under New York State law or by external parties and/or statutes.

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

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

Village of Ossining, New York

Notes to Financial Statements (Continued) December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2013						2012					
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 878,944	\$ 122,423	\$ -	\$ -	\$ 27,185	\$ 1,028,552	\$ 634,945	\$ 130,241	\$ -	\$ -	\$ 31,474	\$ 796,660
Inventories	28,835	-	-	-	-	28,835	22,629	-	-	-	-	22,629
Total Nonspendable	907,779	122,423	-	-	27,185	1,057,387	657,574	130,241	-	-	31,474	819,289
Restricted												
Crime control	29,341	-	-	-	-	29,341	29,292	-	-	-	-	29,292
Future capital projects	136,372	215,372	-	-	-	351,744	125,274	215,011	-	-	-	340,285
Capital projects	-	-	-	4,957,165	-	4,957,165	-	-	-	3,383,090	-	3,383,090
Debt service	-	-	761,102	-	-	761,102	-	-	747,909	-	-	747,909
Trusts	-	-	-	-	1,701,177	1,701,177	-	-	-	-	1,176,327	1,176,327
Total Restricted	165,713	215,372	761,102	4,957,165	1,701,177	7,800,529	154,566	215,011	747,909	3,383,090	1,176,327	5,676,903
Committed												
Economic development	5,470	-	-	-	-	5,470	2,983	-	-	-	-	2,983
Assigned												
Purchases on order												
General government support	12,301	99,246	-	-	-	111,547	33,665	7,236	-	-	1,772	42,673
Public safety	63,712	-	-	-	-	63,712	57,062	-	-	-	-	57,062
Transportation	22,138	-	-	-	-	22,138	54,197	-	-	-	-	54,197
Culture and recreation	-	-	-	-	-	-	9,302	-	-	-	-	9,302
Home and community services	6,614	38,311	-	-	4,121	49,046	27,068	39,314	-	-	6,228	72,610
	104,765	137,557	-	-	4,121	246,443	181,294	46,550	-	-	8,000	235,844
Subsequent year's expenditures	650,000	-	272,703	-	163,126	1,085,829	650,000	500,000	222,179	-	19,322	1,391,501
Water	-	5,335,437	-	-	-	5,335,437	-	4,562,619	-	-	-	4,562,619
Sewer	-	-	-	-	1,356,768	1,356,768	-	-	-	-	1,233,684	1,233,684
Section 8	-	-	-	-	152,181	152,181	-	-	-	-	283,969	283,969
Total Assigned	754,765	5,472,994	272,703	-	1,676,196	8,176,658	831,294	5,109,169	222,179	-	1,544,975	7,707,617
Unassigned	5,005,802	-	-	-	-	5,005,802	5,587,937	-	-	-	-	5,587,937
Total Fund Balances	\$ 6,839,529	\$ 5,810,789	\$ 1,033,805	\$ 4,957,165	\$ 3,404,558	\$ 22,045,846	\$ 7,234,354	\$ 5,454,421	\$ 970,088	\$ 3,383,090	\$ 2,752,776	\$ 19,794,729

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of 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 represents health insurance, retirement and other costs paid 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.

Inventories in the General Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the Village anticipates utilizing them in the normal course of operations.

Restricted for Capital Projects Fund represents amount restricted for capital projects.

Commitments of fund balance represent intended use for a specific purpose. At December 31, 2013, the Village has committed the above amounts for economic development.

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

Subsequent year's expenditures represent that at December 31, 2013, the Village Board has assigned the above amounts to be appropriated from the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from civil rights violations, false arrest, property damage or personal injury. These claims have been forwarded to the Village's administrator of their self-insured risk retention program (see note below detailing risk management policy limitations). The Village's liability would be limited to their self-insured retention levels.

The Village is a defendant in numerous tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year the payments are made.

B. Risk Management

The Village's policies for general liability, automobile liability, property and public officials errors and omissions coverage have self-insured retention levels of \$100,000 per occurrence for the 12/31/2012-2013 policy year. Primary insurance coverage is purchased for losses in excess of the retention levels, to a maximum limit of \$900,000. Excess insurance policies have been

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

secured for losses in excess of \$1 million (\$100,000 retention + \$900,000 primary insurance policy) to a maximum of \$10 million per occurrence for all liability losses and \$64,248,159 for property. The Workers' Compensation self-insured retention level is \$150,000 with primary insurance coverage limit of \$350,000. Excess Workers Compensation insurance is purchased for losses in excess of \$500,000 (\$150,000 Retention + \$350,000 Primary Limit). Excess Workers' Compensation is written for Statutory Limits (unlimited in New York), with a \$1 million cap on employer's liability claims. The governmental funds are charged premiums by the respective Internal Service Fund. Claims payable in the Internal Service funds include provisions for claims reported and claims incurred but not reported.

The Village is also self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Village has specific stop-loss insurance which establishes a maximum exposure limit of \$120,000 for each individual covered in the plan up to a maximum of \$1 million reimbursement to the Village. The Village also has aggregate stop-loss insurance which established a maximum exposure limit of \$5,967,727 for the 2013 plan year.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

C. Other Contingencies

The Village participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

Village of Ossining, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2011	\$ -	\$ 67,880,000	\$ 67,880,000	- %	\$ 15,440,000	439.64 %
January 1, 2012	-	67,370,000	67,370,000	-	15,670,000	429.93
January 1, 2013	-	70,920,000	70,920,000	-	15,190,000	466.89

Village of Ossining, New York

General Fund
Comparative Balance Sheet
December 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 7,320,361	\$ 8,389,079
Taxes receivable, net of allowance for uncollectible taxes of \$343,015 in 2013 and \$200,290 in 2012	308,571	300,829
Other receivables		
Accounts	395,393	158,062
State and Federal aid	110,571	97,263
Due from other funds	27,546	14,949
Due from other governments	1,001,816	901,170
	1,535,326	1,171,444
Prepaid expenditures	878,944	634,945
Inventories	28,835	22,629
Total Assets	\$ 10,072,037	\$ 10,518,926
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,324,578	\$ 945,223
Accrued liabilities	631,736	856,325
Unearned revenues	290,257	280,756
Due to other funds	456,413	686,266
Total Liabilities	2,702,984	2,768,570
Deferred inflows of resources		
Taxes collected in advance	288,751	278,870
Deferred tax revenues	240,773	237,132
Total Deferred Inflows of Resources	529,524	516,002
Total Liabilities and Deferred Inflows of Resources	3,232,508	3,284,572
Fund balance		
Nonspendable	907,779	657,574
Restricted	165,713	154,566
Committed	5,470	2,983
Assigned	754,765	831,294
Unassigned	5,005,802	5,587,937
Total Fund Balance	6,839,529	7,234,354
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,072,037	\$ 10,518,926

Village of Ossining, New York

General Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 20,103,703	\$ 20,153,703	\$ 20,007,882	\$ (145,821)
Other tax items	184,109	184,109	163,358	(20,751)
Non-property taxes	3,925,000	4,125,503	4,254,232	128,729
Departmental income	1,566,400	1,664,657	1,648,281	(16,376)
Intergovernmental charges	1,379,608	1,379,608	1,341,846	(37,762)
Use of money and property	279,776	279,776	281,981	2,205
Licenses and permits	190,000	190,000	354,025	164,025
Fines and forfeitures	566,000	566,000	433,690	(132,310)
Sale of property and compensation for loss	10,000	10,000	11,468	1,468
Interfund revenues	782,278	782,278	792,179	9,901
State aid	372,608	417,608	540,403	122,795
Federal aid	-	110,376	285,637	175,261
Miscellaneous	92,256	92,256	98,379	6,123
Total Revenues	29,451,738	29,955,874	30,213,361	257,487
EXPENDITURES				
Current				
General government support	3,873,218	3,296,962	3,082,729	214,233
Public safety	8,998,976	9,024,318	8,926,298	98,020
Health	3,000	2,479	1,880	599
Transportation	2,321,300	2,289,596	2,190,034	99,562
Economic opportunity and development	87,803	120,990	107,247	13,743
Culture and recreation	2,384,501	2,559,063	2,550,465	8,598
Home and community services	1,751,438	1,850,398	1,836,378	14,020
Employee benefits	9,656,712	10,431,249	10,361,154	70,095
Debt service				
Principal	-	-	-	-
Interest	1,543	1,543	1,542	1
Total Expenditures	29,078,491	29,576,598	29,057,727	518,871
Excess (Deficiency) of Revenues Over Expenditures	373,247	379,276	1,155,634	776,358
OTHER FINANCING SOURCES (USES)				
Bonds issued	500,000	-	-	-
Insurance recoveries	10,000	297,868	349,537	51,669
Transfers in	132,925	132,925	173,891	40,966
Transfers out	(1,847,466)	(2,074,282)	(2,073,887)	395
Total Other Financing Uses	(1,204,541)	(1,643,489)	(1,550,459)	93,030
Net Change in Fund Balance	(831,294)	(1,264,213)	(394,825)	869,388
FUND BALANCE				
Beginning of Year	831,294	1,264,213	7,234,354	5,970,141
End of Year	\$ -	\$ -	\$ 6,839,529	\$ 6,839,529

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 19,575,272	\$ 19,381,738	\$ 19,516,461	\$ 134,723
174,109	174,109	208,039	33,930
3,715,000	3,715,000	3,989,655	274,655
1,482,150	1,557,058	1,592,404	35,346
1,271,068	1,291,719	1,267,166	(24,553)
285,559	285,559	278,643	(6,916)
187,000	187,000	207,253	20,253
451,000	546,906	566,279	19,373
10,000	25,980	21,308	(4,672)
270,143	270,143	270,143	-
376,908	401,744	513,417	111,673
-	14,401	118,498	104,097
82,256	91,132	136,532	45,400
27,880,465	27,942,489	28,685,798	743,309
4,600,224	3,694,282	3,474,546	219,736
8,400,251	9,040,853	8,867,237	173,616
3,000	3,000	920	2,080
2,296,495	2,284,443	2,140,928	143,515
78,808	78,084	73,424	4,660
2,221,709	2,349,530	2,328,660	20,870
1,739,326	1,774,161	1,726,244	47,917
8,888,774	8,893,056	8,430,193	462,863
45,944	45,944	45,943	1
11,948	11,948	11,909	39
28,286,479	28,175,301	27,100,004	1,075,297
(406,014)	(232,812)	1,585,794	1,818,606
700,000	700,000	700,000	-
10,000	12,725	134,152	121,427
550,000	550,000	548,269	(1,731)
(1,830,118)	(2,006,045)	(1,972,445)	33,600
(570,118)	(743,320)	(590,024)	153,296
(976,132)	(976,132)	995,770	1,971,902
976,132	976,132	6,238,584	5,262,452
\$ -	\$ -	\$ 7,234,354	\$ 7,234,354

Village of Ossining, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
REAL PROPERTY TAXES	\$ 20,103,703	\$ 20,153,703	\$ 20,007,882	\$ (145,821)	\$ 19,516,461
OTHER TAX ITEMS					
Payments in lieu of taxes	34,109	34,109	34,960	851	34,196
Interest and penalties on real property taxes	150,000	150,000	128,398	(21,602)	173,843
	184,109	184,109	163,358	(20,751)	208,039
NON-PROPERTY TAXES					
Utilities gross receipts taxes	275,000	275,000	294,176	19,176	262,116
Franchise fees	400,000	400,503	434,918	34,415	421,358
Non-property tax distribution from County	3,250,000	3,450,000	3,525,138	75,138	3,306,181
	3,925,000	4,125,503	4,254,232	128,729	3,989,655
DEPARTMENTAL INCOME					
Tax advertising	2,000	2,000	2,400	400	2,100
Clerk fees	1,100	1,100	735	(365)	913
Transportation of prisoners	50,000	50,000	33,043	(16,957)	32,442
Police fees	850	850	1,969	1,119	1,256
Safety inspection fees	34,000	38,115	39,958	1,843	42,074
False alarm fees	2,000	2,000	1,900	(100)	3,000
Health fees	-	-	860	860	1,207
Public service	7,300	7,300	12,115	4,815	12,032
Station tags and off-street parking	441,600	455,742	447,714	(8,028)	454,671
Non-criminal finger printing	3,000	3,000	1,961	(1,039)	1,647
Day camp fees	205,000	225,886	227,254	1,368	196,927
Parks and recreation fees	427,750	486,864	491,391	4,527	447,830
Zoning fees	5,000	5,000	6,795	1,795	7,765
Planning Board fees	8,300	8,300	9,125	825	10,075
Refuse and garbage charges	378,500	378,500	371,061	(7,439)	378,465
	1,566,400	1,664,657	1,648,281	(16,376)	1,592,404

INTERGOVERNMENTAL CHARGES

Finance and data processing services - Town	371,888	371,888	341,757	(30,131)	330,058
Engineering services - Town	70,000	70,000	70,000	-	39,032
Corporation counsel - Town	23,782	23,782	23,782	-	22,000
Street lighting - Town	5,000	5,000	4,811	(189)	4,297
Fire protection services - Town	455,601	455,601	455,601	-	442,037
Veteran's Park lighting - Town	22,000	22,000	24,607	2,607	21,407
Snow removal services	34,000	34,000	23,950	(10,050)	16,483
Recreation services - Town	397,337	397,337	397,338	1	391,852
	<u>1,379,608</u>	<u>1,379,608</u>	<u>1,341,846</u>	<u>(37,762)</u>	<u>1,267,166</u>

USE OF MONEY AND PROPERTY

Earnings on investments	30,000	30,000	23,802	(6,198)	29,470
Rental of real property - Individuals	77,044	77,044	85,445	8,401	79,356
Rental of real property - Other governments	172,732	172,732	172,734	2	169,817
	<u>279,776</u>	<u>279,776</u>	<u>281,981</u>	<u>2,205</u>	<u>278,643</u>

LICENSES AND PERMITS

Business and occupational licenses	30,000	30,000	36,845	6,845	30,880
Building permits	100,000	100,000	234,131	134,131	111,077
Other permits	60,000	60,000	83,049	23,049	65,296
	<u>190,000</u>	<u>190,000</u>	<u>354,025</u>	<u>164,025</u>	<u>207,253</u>

FINES AND FORFEITURES

Fines and forfeited bail	565,000	565,000	406,290	(158,710)	562,399
Forfeiture of deposits	1,000	1,000	27,400	26,400	3,880
	<u>566,000</u>	<u>566,000</u>	<u>433,690</u>	<u>(132,310)</u>	<u>566,279</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	-	-	15,980
Minor sales	10,000	10,000	11,468	1,468	5,328
	<u>10,000</u>	<u>10,000</u>	<u>11,468</u>	<u>1,468</u>	<u>21,308</u>

(Continued)

Village of Ossining, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
INTERFUND REVENUES	\$ 782,278	\$ 782,278	\$ 792,179	\$ 9,901	\$ 270,143
STATE AID					
Per capita	202,408	202,408	202,408	-	202,408
Mortgage tax	150,000	195,000	225,996	30,996	209,331
Youth programs	5,200	5,200	9,511	4,311	3,499
Emergency management assistance	-	-	19,130	19,130	38,572
Municipal Waste Reduction and Recycling	-	-	63,398	63,398	-
Other	15,000	15,000	19,960	4,960	59,607
	372,608	417,608	540,403	122,795	513,417
FEDERAL AID					
Bullet proof vest program	-	-	-	-	1,051
Emergency management assistance	-	110,376	285,637	175,261	117,447
	-	110,376	285,637	175,261	118,498
MISCELLANEOUS					
Refunds of prior year's expenditures	2,000	2,000	1,215	(785)	1,024
Gifts and donations	-	-	110	110	1,031
Section 8 Housing Fund reimbursement	22,256	22,256	22,256	-	22,256
Medicare part D	65,000	65,000	67,699	2,699	102,920
Other	3,000	3,000	7,099	4,099	9,301
	92,256	92,256	98,379	6,123	136,532
TOTAL REVENUES	29,451,738	29,955,874	30,213,361	257,487	28,685,798

OTHER FINANCING SOURCES

Bonds issued	500,000	-	-	-	-	700,000
Insurance recoveries	10,000	297,868	349,537	51,669		134,152
Transfers in						
Water Fund	-	-	-	-		235,000
Sewer Fund	-	-	-	-		150,000
Debt Service Fund	75,000	75,000	75,000	-		115,000
Non-major Fund - Special Purpose Fund	57,925	57,925	98,891	40,966		48,269
TOTAL OTHER FINANCING SOURCES	642,925	430,793	523,428	92,635		1,382,421

**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

\$ 30,094,663	\$ 30,386,667	\$ 30,736,789	\$ 350,122	\$ 30,068,219
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Village of Ossining, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 33,550	\$ 46,241	\$ 45,924	\$ 317	\$ 39,699
Village Justice	7,600	7,600	1,180	6,420	5,977
Traffic violations bureau	227,904	227,904	227,904	-	216,761
Mayor	9,750	9,825	9,094	731	9,371
Manager	341,189	360,404	348,366	12,038	318,625
Auditor	41,500	41,500	41,500	-	39,736
Treasurer	162,251	162,251	161,652	599	151,752
Budget	1,200	1,200	925	275	1,254
Clerk	205,421	205,421	193,444	11,977	196,617
Law	201,391	201,391	159,328	42,063	159,996
Personnel	162,019	162,019	160,602	1,417	152,144
Safety director	33,222	33,222	26,406	6,816	29,711
Engineer	46,021	46,733	41,895	4,838	26,928
Municipal building	175,360	206,032	202,726	3,306	170,671
Operations center	155,721	223,670	210,186	13,484	191,880
Central garage	318,064	299,975	299,975	-	296,918
Communications system	111,167	111,670	103,866	7,804	92,926
Data processing	261,999	264,290	247,221	17,069	227,989
Unallocated insurance	479,467	471,383	471,380	3	490,650
Municipal association dues	13,400	15,201	15,201	-	13,044
Judgments and claims	100,000	8,524	8,523	1	92,348
Town taxes and assessments	70	70	49	21	47
Property tax refunds	450,000	83,249	60,750	22,499	506,466
Metropolitan commuter transportation mobility tax	45,952	45,952	44,632	1,320	43,036
Contingency	289,000	61,235	-	61,235	-
	<u>3,873,218</u>	<u>3,296,962</u>	<u>3,082,729</u>	<u>214,233</u>	<u>3,474,546</u>

PUBLIC SAFETY

Police department	6,980,915	6,995,523	6,955,679	39,844	6,915,984
Jail	4,000	1,960	1,960	-	1,450
Traffic control	74,132	73,577	70,178	3,399	55,788
Public safety boat	22,083	29,230	22,542	6,688	7,453
Fire department	754,010	764,114	738,443	25,671	745,684
Demolition of unsafe buildings	500	-	-	-	-
Control of animals	111,421	113,413	113,409	4	111,058
Civilian police	507,972	500,988	500,986	2	517,026
Safety inspection	543,943	545,513	523,101	22,412	512,794
	8,998,976	9,024,318	8,926,298	98,020	8,867,237
	3,000	2,479	1,880	599	920

HEALTH

Weed and grass control

TRANSPORTATION

Street administration	323,327	332,029	332,028	1	376,058
Street maintenance	1,410,416	1,355,383	1,319,297	36,086	1,388,852
Snow removal	347,725	345,710	298,696	47,014	144,726
Street lighting	205,973	224,615	209,381	15,234	202,462
Sidewalks	2,000	-	-	-	-
Off-street parking	31,859	31,859	30,632	1,227	28,830
	2,321,300	2,289,596	2,190,034	99,562	2,140,928

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	-	36,000	32,950	3,050	-
Community development	29,878	27,065	25,405	1,660	25,155
Downtown development	57,925	57,925	48,892	9,033	48,269
	87,803	120,990	107,247	13,743	73,424

CULTURE AND RECREATION

Parks	664,587	726,563	725,535	1,028	637,131
Recreation	1,558,509	1,653,581	1,649,846	3,735	1,569,968
Youth agencies	74,361	73,102	73,101	1	70,976
Urban cultural park	15,544	14,503	14,501	2	13,955
Celebrations	65,500	86,188	82,357	3,831	33,288
Adult recreation	6,000	5,126	5,125	1	3,342
	2,384,501	2,559,063	2,550,465	8,598	2,328,660

(Continued)

Village of Ossining, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 68,158	\$ 70,736	\$ 70,348	\$ 388	\$ 66,057
Planning	86,018	86,681	82,501	4,180	106,562
Storm sewers	112,157	180,835	180,834	1	83,512
Refuse and garbage	1,287,597	1,320,824	1,320,738	86	1,276,620
Street cleaning	94,736	75,158	75,154	4	86,865
Shade trees	99,202	113,586	104,463	9,123	102,494
Historic Review Commission	3,570	2,578	2,340	238	4,134
	1,751,438	1,850,398	1,836,378	14,020	1,726,244
EMPLOYEE BENEFITS					
State retirement	1,322,061	1,252,497	1,232,934	19,563	1,148,852
Police and fire retirement	1,755,618	1,775,182	1,775,181	1	1,538,378
Social security	1,034,356	1,005,356	962,359	42,997	897,275
Workers' compensation benefits	975,708	1,208,627	1,208,627	-	998,146
Unemployment benefits	20,000	23,750	16,249	7,501	17,415
Hospital, medical and dental benefits	4,548,969	5,165,837	5,165,804	33	3,830,127
	9,656,712	10,431,249	10,361,154	70,095	8,430,193
DEBT SERVICE					
Principal	-	-	-	-	45,943
Installment purchase debt					
Interest					
Bond anticipation notes	1,543	1,543	1,542	1	8,877
Installment purchase debt	-	-	-	-	3,032
	1,543	1,543	1,542	1	11,909
	1,543	1,543	1,542	1	57,852
TOTAL EXPENDITURES	29,078,491	29,576,598	29,057,727	518,871	27,100,004

Transfers out

TOTAL EXPENDITURES AND OTHER FINANCING USES

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Village of Ossining, New York

Water Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 3,598,911</u>	<u>\$ 3,062,135</u>
Receivables		
Accounts	2,800,813	2,854,541
State and Federal aid	49,762	1,385
Due from other funds	3,937	23,594
Due from other governments	<u>7,592</u>	<u>9,889</u>
	<u>2,862,104</u>	<u>2,889,409</u>
Prepaid expenditures	<u>122,423</u>	<u>130,241</u>
Total Assets	<u><u>\$ 6,583,438</u></u>	<u><u>\$ 6,081,785</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 556,736	\$ 438,654
Accrued liabilities	98,039	79,617
Unearned revenues	19,799	4,222
Due to other funds	<u>98,075</u>	<u>104,871</u>
Total Liabilities	<u>772,649</u>	<u>627,364</u>
Fund balance		
Nonspendable	122,423	130,241
Restricted	215,372	215,011
Assigned	<u>5,472,994</u>	<u>5,109,169</u>
Total Fund Balance	<u>5,810,789</u>	<u>5,454,421</u>
Total Liabilities and Fund Balance	<u><u>\$ 6,583,438</u></u>	<u><u>\$ 6,081,785</u></u>

Village of Ossining, New York

Water Fund

Comparative Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 8,932,917	\$ 8,932,917	\$ 8,987,442	\$ 54,525
Use of money and property	3,000	3,000	6,427	3,427
Sale of property and compensation for loss	-	23,039	26,794	3,755
State aid	-	-	845	845
Federal aid	-	-	61,335	61,335
Miscellaneous	10,000	10,000	21,947	11,947
Total Revenues	8,945,917	8,968,956	9,104,790	135,834
EXPENDITURES				
Current				
General government support	498,141	633,284	496,167	137,117
Home and community services	6,291,754	6,275,313	5,546,446	728,867
Employee benefits	1,129,618	1,188,281	1,173,758	14,523
Debt service				
Interest	57,503	60,095	9,809	50,286
Total Expenditures	7,977,016	8,156,973	7,226,180	930,793
Excess of Revenues Over Expenditures	968,901	811,983	1,878,610	1,066,627
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000	75,000	-
Transfers out	(1,590,451)	(1,617,157)	(1,597,242)	19,915
Total Other Financing Uses	(1,515,451)	(1,542,157)	(1,522,242)	19,915
Net Change in Fund Balance	(546,550)	(730,174)	356,368	1,086,542
FUND BALANCE				
Beginning of Year	546,550	730,174	5,454,421	4,724,247
End of Year	\$ -	\$ -	\$ 5,810,789	\$ 5,810,789

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 8,361,460 3,000	\$ 8,361,460 3,000	\$ 9,239,934 5,843	\$ 878,474 2,843
-	-	11,559	11,559
-	-	1,614	1,614
-	-	4,843	4,843
10,000	10,000	20,814	10,814
8,374,460	8,374,460	9,284,607	910,147
395,326	386,907	339,294	47,613
5,538,898	5,547,317	5,010,483	536,834
1,014,038	1,014,038	972,403	41,635
-	-	-	-
6,948,262	6,948,262	6,322,180	626,082
1,426,198	1,426,198	2,962,427	1,536,229
-	-	1,708	1,708
(1,819,683)	(1,819,683)	(1,559,677)	260,006
(1,819,683)	(1,819,683)	(1,557,969)	261,714
(393,485)	(393,485)	1,404,458	1,797,943
393,485	393,485	4,049,963	3,656,478
\$ -	\$ -	\$ 5,454,421	\$ 5,454,421

Village of Ossining, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ 83,750	\$ 259,457	\$ 165,846	\$ 93,611	\$ 6,565
Safety director	22,345	22,345	14,785	7,560	9,677
Communications system	19,000	19,000	8,644	10,356	3,767
Data processing	22,471	22,471	17,573	4,898	15,480
Unallocated insurance	73,554	73,554	72,243	1,311	82,438
Judgments and claims	-	-	-	-	13,800
Taxes and assessments on municipal property	220,000	220,000	209,976	10,024	200,716
Metropolitan commuter transportation mobility tax	7,521	7,521	7,100	421	6,851
Contingency	49,500	8,936	-	8,936	-
	498,141	633,284	496,167	137,117	339,294
HOME AND COMMUNITY SERVICES					
Water administration	1,168,229	1,179,495	1,145,269	34,226	990,385
Pumping, supply and power	2,701,016	2,701,016	2,093,347	607,669	1,944,340
Purification	1,212,654	1,184,947	1,139,527	45,420	1,111,855
Transmission and distribution	1,209,855	1,209,855	1,168,303	41,552	963,903
	6,291,754	6,275,313	5,546,446	728,867	5,010,483
EMPLOYEE BENEFITS					
State retirement	443,345	428,345	416,961	11,384	363,588
Social security	169,500	158,700	157,604	1,096	148,788
Workers' compensation benefits	163,879	199,503	199,503	-	166,029
Unemployment insurance	2,000	2,000	-	2,000	-
Hospital, medical and dental benefits	350,894	399,733	399,690	43	293,998
	1,129,618	1,188,281	1,173,758	14,523	972,403

DEBT SERVICE

Interest					
Bond anticipation notes	57,503	60,095	9,809	50,286	-
	<u>7,977,016</u>	<u>8,156,973</u>	<u>7,226,180</u>	<u>930,793</u>	<u>6,322,180</u>
TOTAL EXPENDITURES					
OTHER FINANCING USES					
Transfers out					
General Fund	-	-	-	-	235,000
Debt Service Fund	1,492,951	1,492,951	1,492,944	7	1,324,677
Capital Projects Fund	97,500	124,206	104,298	19,908	-
	<u>1,590,451</u>	<u>1,617,157</u>	<u>1,597,242</u>	<u>19,915</u>	<u>1,559,677</u>
TOTAL OTHER FINANCING USES					
	<u>\$ 9,567,467</u>	<u>\$ 9,774,130</u>	<u>\$ 8,823,422</u>	<u>\$ 950,708</u>	<u>\$ 7,881,857</u>

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Village of Ossining, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 992,821</u>	<u>\$ 962,053</u>
Receivables		
Accounts	-	18,598
Due from other funds	<u>46,570</u>	<u>1,006</u>
	<u>46,570</u>	<u>19,604</u>
Total Assets	<u><u>\$ 1,039,391</u></u>	<u><u>\$ 981,657</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 7,111
Due to other funds	<u>5,586</u>	<u>4,458</u>
Total Liabilities	<u>5,586</u>	<u>11,569</u>
Fund balance		
Restricted	761,102	747,909
Assigned	<u>272,703</u>	<u>222,179</u>
Total Fund Balance	<u>1,033,805</u>	<u>970,088</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,039,391</u></u>	<u><u>\$ 981,657</u></u>

Village of Ossining, New York

Debt Service Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 10,150	\$ 10,150	\$ 84,116	\$ 73,966
Miscellaneous	-	-	-	-
Total Revenues	10,150	10,150	84,116	73,966
EXPENDITURES				
Current				
General government support				
Refunding bonds issuance costs	-	-	-	-
Debt service				
Principal				
Bonds	2,297,010	2,297,010	2,297,000	10
Interest				
Bonds	865,830	865,830	865,816	14
Bond anticipation notes	11,215	11,215	11,215	-
	877,045	877,045	877,031	14
Total Expenditures	3,174,055	3,174,055	3,174,031	24
Deficiency of Revenues Over Expenditures	(3,163,905)	(3,163,905)	(3,089,915)	73,990
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	200,000	200,000
Transfers in	3,091,726	3,091,726	3,103,632	11,906
Transfers out	(150,000)	(150,000)	(150,000)	-
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Sources	2,941,726	2,941,726	3,153,632	211,906
Net Change in Fund Balance	(222,179)	(222,179)	63,717	285,896
FUND BALANCE				
Beginning of Year	222,179	222,179	970,088	747,909
End of Year	\$ -	\$ -	\$ 1,033,805	\$ 1,033,805

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 20,550	\$ 20,550	\$ 46,216	\$ 25,666
-	-	11,488	11,488
20,550	20,550	57,704	37,154
-	122,912	122,912	-
2,045,002	2,045,002	2,045,000	2
928,741	928,741	928,731	10
4,458	4,458	4,458	-
933,199	933,199	933,189	10
2,978,201	3,101,113	3,101,101	12
(2,957,651)	(3,080,563)	(3,043,397)	37,166
-	-	-	-
2,908,848	2,908,848	2,995,063	86,215
(115,000)	(115,000)	(115,000)	-
-	5,430,000	5,430,000	-
-	667,433	667,433	-
-	(5,974,521)	(5,974,521)	-
2,793,848	2,916,760	3,002,975	86,215
(163,803)	(163,803)	(40,422)	123,381
163,803	163,803	1,010,510	846,707
\$ -	\$ -	\$ 970,088	\$ 970,088

Village of Ossining, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 9,161,789</u>	<u>\$ 5,304,168</u>
Restricted cash	<u>-</u>	<u>211,580</u>
Receivables		
State and Federal aid	73,859	185,131
Due from other funds	176,646	147,348
Due from other governments	<u>14,900</u>	<u>297,993</u>
	<u>265,405</u>	<u>630,472</u>
Total Assets	<u><u>\$ 9,427,194</u></u>	<u><u>\$ 6,146,220</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 376,635	\$ 465,578
Retained percentages	58,803	33,395
Due to other funds	55,098	7,624
Bond anticipation notes payable	<u>3,979,493</u>	<u>2,256,533</u>
Total Liabilities	4,470,029	2,763,130
Fund balance		
Restricted	<u>4,957,165</u>	<u>3,383,090</u>
Total Liabilities and Fund Balance	<u><u>\$ 9,427,194</u></u>	<u><u>\$ 6,146,220</u></u>

Village of Ossining, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	2013	2012
REVENUES		
State aid	\$ 530,397	\$ 501,327
Federal aid	-	149,071
Miscellaneous	21,375	306,073
Total Revenues	551,772	956,471
EXPENDITURES		
Capital outlay	2,571,357	2,709,842
Deficiency of Revenues Over Expenditures	(2,019,585)	(1,753,371)
OTHER FINANCING SOURCES (USES)		
Bonds issued	3,086,500	3,072,000
Energy performance contract debt issued	-	1,007,343
Transfers in	591,504	430,460
Transfers out	(84,344)	(160,907)
Total Other Financing Sources	3,593,660	4,348,896
Net Change in Fund Balance	1,574,075	2,595,525
FUND BALANCE		
Beginning of Year	3,383,090	787,565
End of Year	\$ 4,957,165	\$ 3,383,090

Village of Ossining, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2013

PROJECT	Project Number	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
Parking Meters	2057	\$ 225,000	\$ 186,025	\$ 38,975
Security at Water Pump Stations	2070	150,000	135,706	14,294
Indian Brook Valve Replacement	2072	250,000	197,336	52,664
Water Telemetrics and SCADA	2077	225,000	222,780	2,220
Water VFD and Electrical Work	2078	300,000	272,786	27,214
Sing Sing Museum	2085	10,000	500	9,500
Trailway at Riverwalk	2097	217,100	214,797	2,303
Community Center Sun Deck Playground	2105	173,500	4,980	168,520
Main/Secor/Water Street Streetscape	2106	745,000	540,732	204,268
Fire Chief's Vehicle	2115	35,000	35,000	-
Indian Brook Water Reservoir and Dam	2122	4,065,845	310,987	3,754,858
Police Vehicles 2012	2123	70,000	70,000	-
Fire Department SCBA Cylinders	2124	35,200	35,200	-
Pleasantville Road Pump Station Generator	2125	450,000	185,765	264,235
Sing Sing Channel Improvements/ Flood Control	2126	150,000	116,491	33,509
Academy Place Infrastructure Improvement	2128	460,000	320,493	139,507
Historic Building Markers	2133	22,094	3,500	18,594
Sing Sing Kill Sewer Improvements	2134	4,300,000	291,737	4,008,263
Police Vehicles 2012/2013	2135	120,934	41,537	79,397
Market Square and Parking Lot Improvements	2136	63,000	56,245	6,755
DPW Truck	2137	40,000	34,959	5,041
Front-End Loader	2138	175,000	175,000	-
Fire Chief's Vehicle	2139	48,000	42,849	5,151
Street Resurfacing and Sidewalks - 2013	2140	229,625	168,186	61,439
Fire Apparatus	2141	665,000	5,014	659,986
Totals		<u>\$ 13,225,298</u>	<u>\$ 3,668,605</u>	<u>\$ 9,556,693</u>

Revenues To Date	Fund Balance (Deficit) at December 31, 2013	Bond Anticipation Notes Outstanding at December 31, 2013
\$ 225,000	\$ 38,975	\$ -
150,000	14,294	-
250,000	52,664	-
225,000	2,220	-
300,000	27,214	-
10,000	9,500	-
214,797	-	-
101,500	96,520	-
695,000	154,268	-
23,334	(11,666)	11,666
2,640,844	2,329,857	1,425,000
23,334	(46,666)	46,667
7,040	(28,160)	28,160
180,000	(5,765)	-
150,000	33,509	-
319,368	(1,125)	-
22,094	18,594	-
2,000,000	1,708,263	2,300,000
40,934	(603)	80,000
63,000	6,755	-
-	(34,959)	40,000
175,000	-	-
-	(42,849)	48,000
144,525	(23,661)	-
665,000	659,986	-
<u>\$ 8,625,770</u>	<u>\$ 4,957,165</u>	<u>\$ 3,979,493</u>

Village of Ossining, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2013
(With Comparative Totals for 2012)

	Sewer Fund	Section 8 Housing Fund	Special Purpose Fund
ASSETS			
Cash and equivalents	\$ 1,242,831	\$ 223,533	\$ 1,812,060
Receivables			
Accounts	302,544	41,625	11,210
State and Federal aid	346	-	-
Due from other funds	-	-	48,217
	302,890	41,625	59,427
Prepaid expenditures	19,551	7,634	-
Total Assets	<u>\$ 1,565,272</u>	<u>\$ 272,792</u>	<u>\$ 1,871,487</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 60,633	\$ 8,357	\$ 85
Accrued liabilities	-	5,045	-
Due to other governments	-	361	-
Unearned revenues	-	42,768	-
Due to other funds	17,519	-	170,225
Total Liabilities	<u>78,152</u>	<u>56,531</u>	<u>170,310</u>
Fund balances			
Nonspendable	19,551	7,634	-
Restricted	-	-	1,701,177
Assigned	1,467,569	208,627	-
Total Fund Balances	<u>1,487,120</u>	<u>216,261</u>	<u>1,701,177</u>
Total Liabilities and Fund Balances	<u>\$ 1,565,272</u>	<u>\$ 272,792</u>	<u>\$ 1,871,487</u>

Totals	
2013	2012
\$ 3,278,424	\$ 2,482,669
355,379	414,050
346	495
48,217	87,088
403,942	501,633
27,185	31,474
\$ 3,709,551	\$ 3,015,776
\$ 69,075	\$ 47,411
5,045	3,473
361	-
42,768	38,655
187,744	173,461
304,993	263,000
27,185	31,474
1,701,177	1,176,327
1,676,196	1,544,975
3,404,558	2,752,776
\$ 3,709,551	\$ 3,015,776

Village of Ossining, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2013
(With Comparative Totals for 2012)

	Sewer Fund	Section 8 Housing Fund	Special Purpose Fund
REVENUES			
Departmental income	\$ 1,188,359	\$ -	\$ -
Use of money and property	2,185	-	2,523
Sale of property and compensation for loss	9,148	-	-
State aid	-	-	-
Federal aid	-	2,927,268	-
Miscellaneous	1,870	13,656	750,769
Total Revenues	1,201,562	2,940,924	753,292
EXPENDITURES			
Current			
General government support	99,004	-	-
Economic opportunity and development	-	-	131,298
Home and community services	576,556	3,118,227	-
Employee benefits	280,357	-	-
Total Expenditures	955,917	3,118,227	131,298
Excess (Deficiency) of Revenues Over Expenditures	245,645	(177,303)	621,994
OTHER FINANCING SOURCES (USES)			
Transfers in	-	83,657	1,747
Transfers out	(25,067)	-	(98,891)
Total Other Financing Sources (Uses)	(25,067)	83,657	(97,144)
Net Change in Fund Balances	220,578	(93,646)	524,850
FUND BALANCES			
Beginning of Year	1,266,542	309,907	1,176,327
End of Year	\$ 1,487,120	\$ 216,261	\$ 1,701,177

Totals	
2013	2012
\$ 1,188,359	\$ 1,238,600
4,708	5,012
9,148	3,529
-	48,023
2,927,268	3,268,516
766,295	35,019
<u>4,895,778</u>	<u>4,598,699</u>
99,004	108,697
131,298	8,138
3,694,783	3,822,158
280,357	238,401
<u>4,205,442</u>	<u>4,177,394</u>
<u>690,336</u>	<u>421,305</u>
85,404	107,223
(123,958)	(274,694)
<u>(38,554)</u>	<u>(167,471)</u>
651,782	253,834
<u>2,752,776</u>	<u>2,498,942</u>
<u>\$ 3,404,558</u>	<u>\$ 2,752,776</u>

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Village of Ossining, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 1,242,831	\$ 903,753
Receivables		
Accounts	302,544	367,721
State and Federal aid	346	495
Due from other funds	-	30,308
	302,890	398,524
Prepaid expenditures	19,551	24,858
Total Assets	<u>\$ 1,565,272</u>	<u>\$ 1,327,135</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 60,633	\$ 34,480
Due to other funds	17,519	26,113
Total Liabilities	78,152	60,593
Fund balance		
Nonspendable	19,551	24,858
Assigned	1,467,569	1,241,684
Total Fund Balance	1,487,120	1,266,542
Total Liabilities and Fund Balance	<u>\$ 1,565,272</u>	<u>\$ 1,327,135</u>

Village of Ossining, New York

Sewer Fund

**Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,**

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,146,236	\$ 1,146,236	\$ 1,188,359	\$ 42,123
Use of money and property	3,000	3,000	2,185	(815)
Sale of property and compensation for loss	-	8,228	9,148	920
State aid	-	-	-	-
Federal aid	-	-	-	-
Miscellaneous	1,500	1,500	1,870	370
Total Revenues	1,150,736	1,158,964	1,201,562	42,598
EXPENDITURES				
Current				
General government support	218,885	194,745	99,004	95,741
Home and community services	618,398	642,538	576,556	65,982
Employee benefits	271,380	288,265	280,357	7,908
Total Expenditures	1,108,663	1,125,548	955,917	169,631
Excess (Deficiency) of Revenues Over Expenditures	42,073	33,416	245,645	212,229
OTHER FINANCING USES				
Transfers out	(50,073)	(50,073)	(25,067)	25,006
Net Change in Fund Balance	(8,000)	(16,657)	220,578	237,235
FUND BALANCE				
Beginning of Year	8,000	16,657	1,266,542	1,249,885
End of Year	\$ -	\$ -	\$ 1,487,120	\$ 1,487,120

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,082,862 3,000	\$ 1,082,862 3,000	\$ 1,238,600 1,925	\$ 155,738 (1,075)
-	-	3,529	3,529
-	-	48,023	48,023
-	-	142,340	142,340
1,500	1,500	2,843	1,343
1,087,362	1,087,362	1,437,260	349,898
187,883	131,819	108,697	23,122
484,890	713,006	657,340	55,666
245,518	245,518	238,401	7,117
918,291	1,090,343	1,004,438	85,905
169,071	(2,981)	432,822	435,803
(201,253)	(179,201)	(176,252)	2,949
(32,182)	(182,182)	256,570	438,752
32,182	182,182	1,009,972	827,790
\$ -	\$ -	\$ 1,266,542	\$ 1,266,542

Village of Ossining, New York

Sewer Fund

**Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2013
(With Comparative Actuals for 2012)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 8,320	\$ 8,320	\$ 8,320	\$ -	7,840
Engineer	10,000	10,000	-	10,000	4,190
Safety director	15,625	15,625	7,501	8,124	5,392
Communication systems	2,000	2,550	118	2,432	1,069
Data processing	10,114	9,564	4,924	4,640	4,604
Unallocated insurance	24,519	40,534	39,170	1,364	38,641
Judgments and claims	-	-	-	-	4,600
Town taxes and assessments	45,000	45,000	37,931	7,069	41,190
Metropolitan commuter transportation mobility tax	1,207	1,207	1,040	167	1,171
Contingency	102,100	61,945	-	61,945	-
	218,885	194,745	99,004	95,741	108,697
HOME AND COMMUNITY SERVICES					
Sewer administration	309,548	333,688	333,419	269	271,243
Sewer system	214,894	209,894	148,114	61,780	307,723
Sewage pumping	93,956	98,956	95,023	3,933	78,374
	618,398	642,538	576,556	65,982	657,340
EMPLOYEE BENEFITS					
State retirement	71,320	63,320	61,067	2,253	62,096
Social security	27,208	27,208	22,058	5,150	25,193
Workers' compensation benefits	47,532	56,190	56,188	2	47,316
Hospital, medical and dental benefits	125,320	141,547	141,044	503	103,796
	271,380	288,265	280,357	7,908	238,401
TOTAL EXPENDITURES	1,108,663	1,125,548	955,917	169,631	1,004,438

OTHER FINANCING USES

Transfers out

General Fund

Debt Service Fund

Capital Projects Fund

-	-	-	-	-	150,000
25,073	25,073	25,067	6	26,252	
25,000	25,000	-	25,000	-	

TOTAL OTHER FINANCING USES

50,073	50,073	25,067	25,006	176,252	
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TOTAL EXPENDITURES AND OTHER
FINANCING USES

\$ 1,158,736	\$ 1,175,621	\$ 980,984	\$ 194,637	\$ 1,180,690	
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Village of Ossining, New York

Section 8 Housing Fund
Comparative Balance Sheet
December 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 223,533	\$ 317,907
Account receivables	41,625	37,604
Prepaid expenditures	7,634	6,616
Total Assets	<u>\$ 272,792</u>	<u>\$ 362,127</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 8,357	\$ 10,092
Accrued liabilities	5,045	3,473
Due to other governments	361	-
Unearned revenues	42,768	38,655
Total Liabilities	<u>56,531</u>	<u>52,220</u>
Fund balance		
Nonspendable	7,634	6,616
Assigned	208,627	303,291
Total Fund Balance	<u>216,261</u>	<u>309,907</u>
Total Liabilities and Fund Balance	<u>\$ 272,792</u>	<u>\$ 362,127</u>

Village of Ossining, New York

Section 8 Housing Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 190	\$ 190	\$ -	\$ (190)
Federal aid	3,146,984	3,046,984	2,927,268	(119,716)
Miscellaneous	18,184	18,184	13,656	(4,528)
Total Revenues	3,165,358	3,065,358	2,940,924	(124,434)
EXPENDITURES				
Current				
Home and community services	3,268,719	3,168,719	3,118,227	50,492
Deficiency of Revenues Over Expenditures	(103,361)	(103,361)	(177,303)	(73,942)
OTHER FINANCING SOURCES				
Transfers in	84,039	84,039	83,657	(382)
Net Change in Fund Balance	(19,322)	(19,322)	(93,646)	(74,324)
FUND BALANCE				
Beginning of Year	19,322	19,322	309,907	290,585
End of Year	\$ -	\$ -	\$ 216,261	\$ 216,261

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 300	\$ 300	\$ 206	\$ (94)
3,108,208	3,062,694	3,126,176	63,482
21,161	21,161	23,451	2,290
3,129,669	3,084,155	3,149,833	65,678
3,233,502	3,187,988	3,164,818	23,170
(103,833)	(103,833)	(14,985)	88,848
84,039	84,039	50,443	(33,596)
(19,794)	(19,794)	35,458	55,252
19,794	19,794	274,449	254,655
\$ -	\$ -	\$ 309,907	\$ 309,907

Village of Ossining, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 1,812,060</u>	<u>\$ 1,261,009</u>
Receivables		
Accounts	11,210	8,725
Due from other funds	<u>48,217</u>	<u>56,780</u>
	<u>59,427</u>	<u>65,505</u>
Total Assets	<u><u>\$ 1,871,487</u></u>	<u><u>\$ 1,326,514</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 85	\$ 2,839
Due to other funds	<u>170,225</u>	<u>147,348</u>
Total Liabilities	170,310	150,187
Fund balance		
Restricted	<u>1,701,177</u>	<u>1,176,327</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,871,487</u></u>	<u><u>\$ 1,326,514</u></u>

Village of Ossining, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	2013	2012
REVENUES		
Use of money and property	\$ 2,523	\$ 2,881
Miscellaneous	750,769	8,725
Total Revenues	753,292	11,606
EXPENDITURES		
Current		
Economic opportunity and development	131,298	8,138
Excess of Revenues Over Expenditures	621,994	3,468
OTHER FINANCING SOURCES (USES)		
Transfers in	1,747	56,780
Transfers out	(98,891)	(98,442)
Total Other Financing Uses	(97,144)	(41,662)
Net Change in Fund Balance	524,850	(38,194)
FUND BALANCE		
Beginning of Year	1,176,327	1,214,521
End of Year	\$ 1,701,177	\$ 1,176,327

Village of Ossining, New York

Internal Service Funds
Combining Statement of Net Position
December 31, 2013
(With Comparative Actuals for 2012)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2013	2012
ASSETS				
Cash and equivalents	\$ 2,499,320	\$ 823,475	\$ 3,322,795	\$ 2,501,472
Accounts receivable	47,194	-	47,194	39,068
Due from other funds	500,000	-	500,000	702,695
Total Assets	3,046,514	823,475	3,869,989	3,243,235
LIABILITIES				
Current liabilities				
Accounts payable	-	-	-	55,157
Current portion of claims payable	353,000	52,200	405,200	306,200
Total Current Liabilities	353,000	52,200	405,200	361,357
Claims payable, less current portion	3,179,000	469,800	3,648,800	2,755,800
Total Liabilities	3,532,000	522,000	4,054,000	3,117,157
NET POSITION				
Unrestricted	\$ (485,486)	\$ 301,475	\$ (184,011)	\$ 126,078

Village of Ossining, New York

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes
in Net Position
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2013	2012
OPERATING REVENUES				
Charges for services	\$ 1,466,779	\$ 597,318	\$ 2,064,097	\$ 1,941,761
Insurance recoveries	285,153	-	285,153	454,442
Total Operating Revenues	1,751,932	597,318	2,349,250	2,396,203
OPERATING EXPENSES				
Insurance	325,444	581,769	907,213	903,755
Contractual	124,179	109,311	233,490	289,054
Employee benefits	1,591,156	-	1,591,156	683,980
Judgments and claims	-	(67,815)	(67,815)	110,748
Total Operating Expenses	2,040,779	623,265	2,664,044	1,987,537
Income (Loss) from Operations	(288,847)	(25,947)	(314,794)	408,666
NON-OPERATING REVENUES				
Interest income	3,308	1,397	4,705	5,376
Change in Net Position	(285,539)	(24,550)	(310,089)	414,042
NET POSITION				
Beginning of Year	(199,947)	326,025	126,078	(287,964)
End of Year	\$ (485,486)	\$ 301,475	\$ (184,011)	\$ 126,078

Village of Ossining, New York

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and insurance recoveries	\$ 1,854,501	\$ 689,318
Cash payments to insurance carriers and claimants	<u>(1,021,936)</u>	<u>(705,265)</u>
Net Cash from Operating Activities	<u>832,565</u>	<u>(15,947)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>3,308</u>	<u>1,397</u>
Net Change in Cash and Equivalents	835,873	(14,550)
Cash and Equivalents - Beginning of Year	<u>1,663,447</u>	<u>838,025</u>
Cash and Equivalents - End of Year	<u><u>\$ 2,499,320</u></u>	<u><u>\$ 823,475</u></u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (288,847)	\$ (25,947)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	(8,126)	-
Due from other funds	110,695	92,000
Account payable	(55,157)	-
Claims payable	<u>1,074,000</u>	<u>(82,000)</u>
Net Cash from Operating Activities	<u><u>\$ 832,565</u></u>	<u><u>\$ (15,947)</u></u>

Totals	
2013	2012
\$ 2,543,819	\$ 1,752,440
<u>(1,727,201)</u>	<u>(1,531,692)</u>
816,618	220,748
4,705	5,376
821,323	226,124
<u>2,501,472</u>	<u>2,275,348</u>
<u>\$ 3,322,795</u>	<u>\$ 2,501,472</u>
\$ (314,794)	\$ 408,666
(8,126)	(39,068)
202,695	(604,695)
(55,157)	39,845
<u>992,000</u>	<u>416,000</u>
<u>\$ 816,618</u>	<u>\$ 220,748</u>

Village of Ossining, New York**Internal Service Fund - Workers' Compensation Benefits Fund**
Comparative Statement of Net Position
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 2,499,320	\$ 1,663,447
Accounts receivable	47,194	39,068
Due from other funds	<u>500,000</u>	<u>610,695</u>
Total Assets	<u>3,046,514</u>	<u>2,313,210</u>
LIABILITIES		
Current liabilities		
Accounts payable	-	55,157
Current portion of claims payable	<u>353,000</u>	<u>245,800</u>
Total Current Liabilities	353,000	300,957
Claims payable, less current portion	<u>3,179,000</u>	<u>2,212,200</u>
Total Liabilities	<u>3,532,000</u>	<u>2,513,157</u>
NET POSITION		
Unrestricted	<u>\$ (485,486)</u>	<u>\$ (199,947)</u>

Village of Ossining, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	2013	2012
OPERATING REVENUES		
Charges for services	\$ 1,466,779	\$ 1,213,884
Insurance recoveries	285,153	454,442
Total Operating Revenues	1,751,932	1,668,326
OPERATING EXPENSES		
Insurance	325,444	322,016
Contractual	124,179	159,306
Employee benefits	1,591,156	683,980
Total Operating Expenses	2,040,779	1,165,302
Income (Loss) from Operations	(288,847)	503,024
NON-OPERATING REVENUES		
Interest income	3,308	3,288
Change in Net Position	(285,539)	506,312
NET POSITION		
Beginning of Year	(199,947)	(706,259)
End of Year	\$ (485,486)	\$ (199,947)

Village of Ossining, New York**Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Cash Flows
Years Ended December 31,**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and insurance recoveries	\$ 1,854,501	\$ 1,116,563
Cash payments to insurance carriers and claimants	<u>(1,021,936)</u>	<u>(801,457)</u>
Net Cash from Operating Activities	<u>832,565</u>	<u>315,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>3,308</u>	<u>3,288</u>
Net Increase in Cash and Equivalents	835,873	318,394
Cash and Equivalents - Beginning of Year	<u>1,663,447</u>	<u>1,345,053</u>
Cash and Equivalents - End of Year	<u><u>\$ 2,499,320</u></u>	<u><u>\$ 1,663,447</u></u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (288,847)	\$ 503,024
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	(8,126)	(39,068)
Due from other funds	110,695	(512,695)
Accounts payable	(55,157)	39,845
Claims payable	<u>1,074,000</u>	<u>324,000</u>
Net Cash from Operating Activities	<u><u>\$ 832,565</u></u>	<u><u>\$ 315,106</u></u>

Village of Ossining, New York

Internal Service Fund - General Liability Claims Fund
Comparative Statement of Net Position
December 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 823,475	\$ 838,025
Due from other funds	-	92,000
Total Assets	823,475	930,025
LIABILITIES		
Current liabilities		
Current portion of claims payable	52,200	60,400
Claims payable, less current portion	469,800	543,600
Total Liabilities	522,000	604,000
NET POSITION		
Unrestricted	\$ 301,475	\$ 326,025

Village of Ossining, New York**Internal Service Fund - General Liability Claims Fund**
Comparative Statement of Revenues, Expenses and Changes in Net Position
Years Ended December 31,

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Charges for services	<u>\$ 597,318</u>	<u>\$ 727,877</u>
OPERATING EXPENSES		
Insurance	581,769	581,739
Contractual	109,311	129,748
Judgments and claims	<u>(67,815)</u>	<u>110,748</u>
Total Operating Expenses	<u>623,265</u>	<u>822,235</u>
Loss from Operations	(25,947)	(94,358)
NON-OPERATING REVENUES		
Interest income	<u>1,397</u>	<u>2,088</u>
Change in Net Position	(24,550)	(92,270)
NET POSITION		
Beginning of Year	<u>326,025</u>	<u>418,295</u>
End of Year	<u>\$ 301,475</u>	<u>\$ 326,025</u>

Village of Ossining, New York

Internal Service Fund - General Liability Claims Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and insurance recoveries	\$ 689,318	\$ 635,877
Cash payments to insurance carriers and claimants	<u>(705,265)</u>	<u>(730,235)</u>
Net Cash From Operating Activities	<u>(15,947)</u>	<u>(94,358)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>1,397</u>	<u>2,088</u>
Net Change in Cash and Equivalents	(14,550)	(92,270)
Cash and Equivalents - Beginning of Year	<u>838,025</u>	<u>930,295</u>
Cash and Equivalents - End of Year	<u><u>\$ 823,475</u></u>	<u><u>\$ 838,025</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (25,947)	\$ (94,358)
Adjustments to reconcile loss from operations to net cash from operating activities:		
Changes in operating assets and liabilities		
Due from other funds	92,000	(92,000)
Claims payable	<u>(82,000)</u>	<u>92,000</u>
Net Cash from Operating Activities	<u><u>\$ (15,947)</u></u>	<u><u>\$ (94,358)</u></u>

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Ossining, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ossining, New York ("Village") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

O'CONNOR DAVIES, LLP

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Village in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

May 10, 2014

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance**

Independent Auditor's Report

**The Honorable Mayor and Board of Trustees
of the Village of Ossining, New York**

Report on Compliance for Each Major Federal Program

We have audited the Village of Ossining, New York's ("Village") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended December 31, 2013. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Village's compliance.

Opinion on Each Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

O'CONNOR DAVIES, LLP

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

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Report on Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



O'Connor Davies, LLP
Harrison, New York
May 10, 2014

Village of Ossining, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Program		
Section 8 Housing Choice Vouchers	14.871	3,034,572
<u>U.S. Department of Homeland Security</u>		
Indirect Program - Passed Through New York State Division of Homeland Security and Emergency Services		
FEMA - Disaster Grants- Public Assistance	97.036	<u>187,428</u>
Total Federal Assistance		<u>\$ 3,222,000</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Village of Ossining ("Village") under programs of the federal government for the year ended December 31, 2013. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profits Organizations*. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position of the Village.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-133, *Cost Principles for State, Local and Indian Tribal Governments*, which established principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

Village of Ossining, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2013

None

Village of Ossining, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

____ Yes X No

____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

____ Yes X No

____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.871
97.036

Section 8 Housing Choice Vouchers
Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X Yes ____ No