

Village of Ossining, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2015

Village of Ossining, New York

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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, 2015, 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, 2015, 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.

Emphasis of Matter

We draw attention to Note 2D and Note 3G in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* 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 April 28, 2016 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.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
April 28, 2016

Village of Ossining, New York

Management's Discussion and Analysis (MD&A) December 31, 2015

Introduction

The Village of Ossining, New York ("Village") presents this Management's Discussion and Analysis ("MD&A") as an overview of the Village's financial activities for the fiscal year ended December 31, 2015, as required by the Government Accounting Standards Board (GASB). This MD&A focuses on current year activities, resulting changes to net position, and currently known facts. This narrative overview and analysis of the financial activities of the Village 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 for Fiscal Year 2015

Key financial highlights for the fiscal year ended December 31, 2015 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 \$33,480,401. Of this amount, the unrestricted portion is a deficit of \$20,254,053. 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, the accrual of the Village's annual other post-employment benefit (OPEB) cost in accordance with the provisions of GASB Statement No. 45, and net pension liability cost in accordance with the provisions of GASB Statement No. 68.
- ❖ The Village's total net position decreased by \$5,738,212 in 2015, from \$39,330,618 as of December 31, 2014. The total decrease in net position resulted primarily from the increase in the accrual of OPEB obligations, which increased by \$6,230,000 in 2015, and the recording of a net pension liability of \$1,873,696 as of year-end (due to implementation of the provisions of Governmental Accounting Standards Board Statement No. 68 – see below).
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$20,073,423, of which \$7,066,593 was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$20,073,423 at December 31, 2015 were \$723,491 less than the amount reported in the prior year.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund, \$7,066,593, was 21.5% of total General Fund expenditures and other financing uses (of \$32,831,962).
- ❖ The Internal Service Funds reported a combined restricted net position balance of \$1,040,643 as of December 31, 2015.
- ❖ During the current fiscal year, the Village issued new serial bonds of \$740,000 to finance a capital purchase (of \$190,000), and for tax certiorari claims (of \$550,000). In 2015, the Village retired \$2,628,000 of general obligation debt from budgetary appropriations.
- ❖ As of December 31, 2015, the Village had an outstanding bond anticipation note liability of \$4,334,746, which was comprised of \$509,000 for authorized capital projects in 2015, plus

\$3,825,746 for prior year capital project BAN's. During 2015, the Village retired \$286,041 of BAN's from budgetary appropriations.

- ❖ The Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). The Village participates in the New York State and Local Retirement System ("NYSLRS"), a multiple-employer, cost-sharing defined benefit pension plan. GASB 68 requires that cost-sharing governments such as the Village report a net pension liability, pension expense, and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the governments in the plan.

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 financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of 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 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

The Village's basic services are reported in the 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 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 to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. As such, the notes are an integral part of the basic financial statements and should be read in conjunction with the financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

Other Information

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplementary information (RSI) concerning the Village's progress in funding its obligation to provide other post-employment benefits (OPEB) to its employees and its proportionate share of the net pension liability for its participation in the NYSLRS. RSI immediately follows the notes to the financial statements.

This report also includes supplementary information which gives the reader further detail on the information presented in the basic financial statements. Included are the individual and combining non-major governmental fund financial statements and schedules, the project length schedule for the Capital Projects Fund, and the OMB Circular A-133, *Audits of States, Local Governments and Non Profit Organizations* compliance audit of Federal awards program.

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 \$33,480,401 at the close of the 2015 fiscal year, a decrease of \$5,738,212 from the prior fiscal year.

**Net Position
December 31,**

	2015 Governmental Activities	2014 Governmental Activities
Current Assets	\$ 33,655,935	\$ 33,264,635
Capital Assets, Net	71,862,637	74,033,364
Total Assets	105,518,572	107,297,999
Deferred Outflows of Resources	3,721,891	506,127
Current Liabilities	8,670,883	7,849,520
Long-term Liabilities	66,739,174	60,209,458
Total Liabilities	75,410,057	68,058,978
Deferred Inflows of Resources	350,005	414,530
NET POSITON		
Net Investment in Capital Assets	47,907,759	49,966,281
Restricted	5,826,695	6,748,657
Unrestricted (deficit)	(20,254,053)	(17,384,320)
Total Net Position	\$ 33,480,401	\$ 39,330,618

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, \$47,907,759. 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.

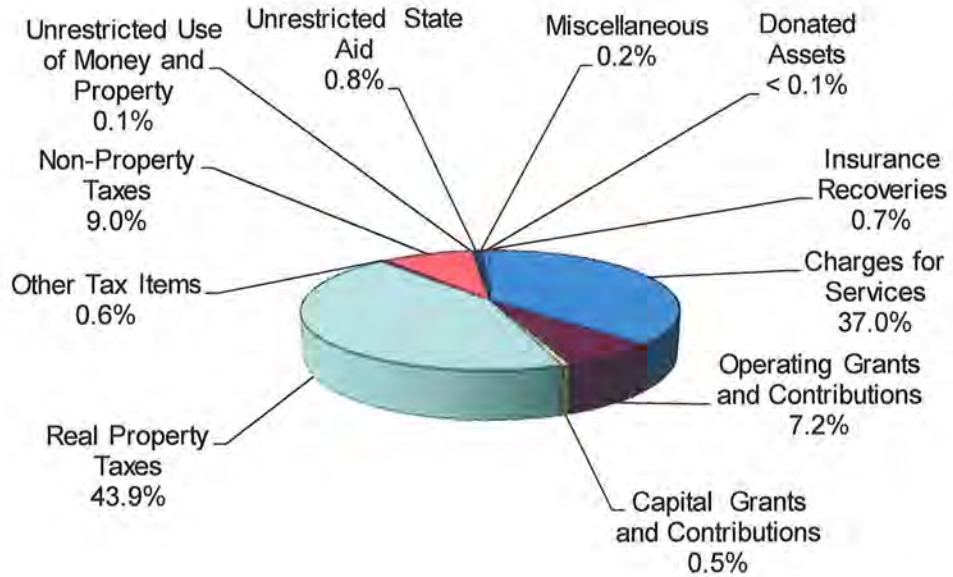
A portion of the Village's net position at December 31, 2015, \$5,826,695, represented resources that were subject to external restrictions on how they may be used, and are restricted for various purposes such as special revenue funds, debt service, capital projects, workers' compensation benefits and general liability claims.

The remaining balance of unrestricted net position, which was a deficit of \$20,254,053, 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 (\$1,108,512), net pension liability (\$1,873,696), and other post-employment benefit obligations (\$30,620,000), 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.

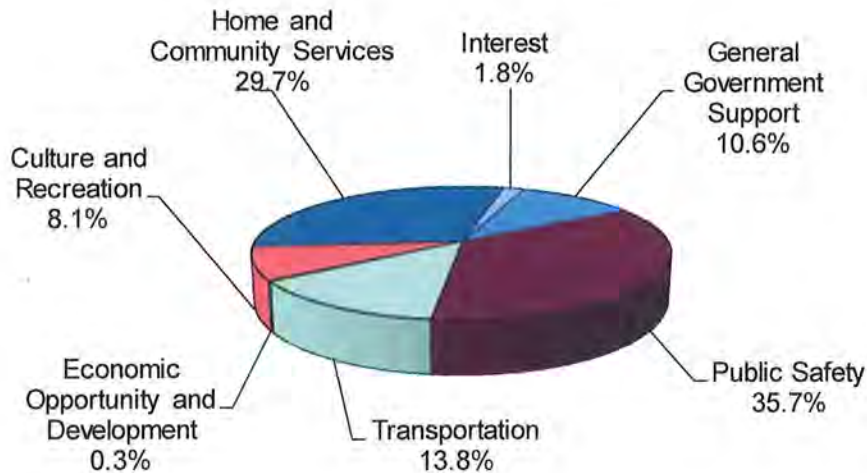
Change in Net Position
Fiscal Year Ended December 31,

	Governmental Activities	
	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 17,779,568	\$ 14,947,062
Operating Grants and Contributions	3,448,648	3,518,557
Capital Grants and Contributions	262,144	551,958
General Revenues		
Real Property Taxes	21,089,682	20,857,969
Other Tax Items	270,108	187,837
Non-Property Taxes	4,342,722	4,415,982
Unrestricted Use of Money and Property	33,121	46,573
Unrestricted State Aid	383,003	394,907
Miscellaneous	98,631	72,631
Donated Assets	10,600	-
Insurance Recoveries	322,144	962,758
Total Revenues	<u>48,040,371</u>	<u>45,956,234</u>
EXPENSES		
Program Expenses		
General Government Support	5,730,086	5,274,029
Public Safety	19,222,192	17,807,457
Health	1,630	1,630
Transportation	7,398,776	7,277,809
Economic Opportunity and Development	137,744	895,112
Culture and Recreation	4,345,986	4,431,265
Home and Community Services	15,967,377	15,618,451
Interest	974,792	953,095
Total Expenses	<u>53,778,583</u>	<u>52,258,848</u>
Change in Net Position	<u>(5,738,212)</u>	<u>(6,302,614)</u>
NET POSITION		
Beginning, as reported	39,330,618	45,633,232
Cumulative Effect of Change in Accounting Principle	<u>(112,005)</u>	<u>-</u>
Beginning, as restated	<u>39,218,613</u>	<u>45,633,232</u>
Ending	<u>\$ 33,480,401</u>	<u>\$ 39,330,618</u>

Sources of Revenues for 2015 Governmental Activities



Expenses for 2015 Governmental Activities



Governmental Activities

During 2015, governmental activities decreased the Village's net position by \$5,738,212.

For the fiscal year ended December 31, 2015, revenues from governmental activities totaled \$48,040,371, an increase of \$2,084,137, or 4.5%, over prior year revenues of \$45,956,234. Tax revenues of \$25,702,512, comprised of real property taxes, other tax items and non-property taxes, represented the largest revenue source, at 53.5%. Tax revenues in the prior year totaled \$25,461,788 and represented 55.4% of total 2014 revenues.

Charges for services revenues in 2015, the second largest revenue source, totaled \$17,779,568 and represented 37.0% of total revenues. In 2014, this revenue source aggregated \$14,947,062, which was 32.5% of total revenues.

Expenses incurred by governmental activities of the Village in 2015 totaled \$53,778,583, an increase of \$1,519,735 (2.9%) over prior year expenses of \$52,258,848. The largest components of governmental activities' expenses were public safety (35.7%), home and community services (29.7%), and transportation (13.8%). This was similar to last year when the largest components of government activities' expenses were public safety (34.1%), home and community services (29.9%), and transportation (13.9%).

The major changes in 2015 vs. 2014 were as follows:

Revenue

- Charges for services were \$17,779,568 in 2015, which was \$2,832,506 (18.9%) more than the amount received in 2014 (\$14,947,062) and was due, in part, to increased water and sewer rents revenue rate increases of 4.9% and 11.0%, respectively, over 2014 rates. The water and sewer rate increases were necessary to pay debt service costs on water and sewer infrastructure and capital improvements. Additionally, another reason for the charges for services revenue increase in 2015 was a new intermunicipal agreement to provide police services for the unincorporated area of the Town of Ossining, for \$1,992,399.
- Real property taxes increased by \$231,713 to \$21,089,682, due primarily to the 1.07% real property tax increase in 2015.
- Insurance recoveries revenues were reduced in 2015, from \$962,758 in 2014 to \$322,144 in 2015, due primarily to less stop-loss insurance claims associated with the Village's self-insured health and medical benefit claims expenses.

Expenses

- Public safety expenses increased by \$1,414,735 (7.9%), from approximately \$17.8 million in 2014 to \$19.2 million in 2015, due to the hiring of five new police officers, increased overtime and other expenses in connection with the new intermunicipal agreement with the Town of Ossining for police services.
- Economic opportunity and development expenses were \$137,744 in 2015, as compared to \$895,112 in 2014, with the difference due primarily to the 2014 refund of a developer contribution in lieu of providing affordable housing in the amount of \$725,000 that was received in a prior year, with the developer instead including affordable housing in the planned project.
- Energy and utility costs (electricity, heating oil, natural gas, propane, and gasoline/diesel fuel) were approximately \$530,000 lower in 2015 than in 2014, a decrease of 23.7% (to \$1,707,685). These expenses were spread throughout most program expense functions.
- Employee benefits: The Village's self-insured health and medical benefit claims expenses decreased by nearly \$1,840,000 (27.0%), and aggregated approximately \$4.975 million for 2015. The Village's self-insured workers' compensation benefit expenses were approximately \$1.78

million more in 2015 as compared to 2014, due in part to the year-end actuarial estimate of claims payable at December 31, 2015 vs. 2014, and December 31, 2014 vs. 2013. These expenses were spread throughout all program expense functions (other than interest expense). Because the Village is self-insured for health care and workers' compensation expenses, expenses can vary significantly year-to-year.

- Post-employment health care benefit expenses were recorded in 2015 in the amount of \$6,230,000, as compared to \$4,210,000 in 2014.

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 \$20,073,423, a net decrease of \$723,491 from the prior year amount of \$20,796,914.

The non-spendable fund balance component is \$882,166 at December 31, 2015 (\$859,146 in 2014), consisting of amounts representing prepaid expenditures and inventories. The restricted fund balance component of \$4,195,108 at December 31, 2015 (\$6,720,361 in 2014) 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, \$9,899 at the end of 2015, consists of amounts set aside for economic development (\$8,003 in 2014). The assigned fund balance component of \$7,919,657 at the end of 2015 (\$7,655,212 in 2014) consists of amounts set aside for purchases on order (\$330,383), subsequent year expenditures (\$1,318,740), and amounts for Water Fund, Sewer Fund and Section 8 Housing Fund (\$6,270,534 total). The remainder of the fund balance at December 31, 2015, \$7,066,593, constitutes unassigned fund balance, all of which is in the General Fund. The amount of unassigned fund balance at December 31, 2014 (prior year) was \$5,554,192.

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 \$7,066,593, representing 80.9% of the total General Fund balance of \$8,734,012. 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 21.5% unassigned fund balance (\$7,066,593) to total expenditures and other financing uses (\$32,831,962), up from 17.1% at the end of 2014, while total fund balance (\$8,734,012) represented 26.6% of that same amount (up from 22.1% for 2014).

When the fiscal 2015 General Fund budget was adopted, it anticipated the use of \$740,159 of fund balance, which was composed of \$650,000 appropriated from the previous year, plus \$90,159 for contract and purchase order commitments to be liquidated. During the year, the budget was amended, including accumulated and unreserved fund balance of \$176,897 towards a new financial accounting system capital project, and the appropriation of restricted funds in the amount of \$49,696 for capital improvement expenditures, to a revised anticipated use of fund balance aggregating \$966,752 for the year. For the 2015 year, actual results of operations resulted in an increase to fund balance of

\$1,572,335, which was \$2,539,087 different from the decrease anticipated in the modified budget (\$966,752 plus \$1,572,335).

Revenues and other financing sources were \$34,404,297, which was \$542,195 more than the final budget. The primary revenues that were more than estimated in the adopted budget were departmental income (by \$64,673), licenses and permits (by \$55,945), and insurance recoveries (by \$271,001 – mostly for health insurance stop-loss revenues).

Expenditures and other financing uses were \$32,831,962, which was \$1,996,892 less than the final budget. Significant positive expenditure variances were for public safety (\$348,226), general government support (\$315,763) and employee benefits (\$1,040,396). Reversing a trend from prior years, energy expenditures (electricity, heating oil, natural gas, and gasoline/diesel fuel) were \$337,127 less than budgeted (29.6% variance), which are reflected throughout most expenditure functions.

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 five years:

<u>Year</u>	<u>Workers'</u> <u>Compensation</u>	<u>Hospital, Medical</u> <u>and Dental</u>
2015	\$1,076,156	\$4,751,567
2014	1,037,148	5,710,874
2013	1,208,627	5,165,804
2012	998,146	3,830,127
2011	1,238,111	4,346,912

Often, the Village receives stop-loss insurance recovery revenues for hospital, medical and dental benefits expenditures, which may be appropriated for such purpose.

Water Fund - The fund balance of the Water Fund increased by \$309,096 during the year, and totaled \$5,759,703 at December 31, 2015. Of this amount, the assigned portion available for future year use was \$5,438,751 (was \$5,114,704 in 2014), of which \$500,000 was appropriated in the 2016 adopted budget. It is important to note that water rents receivables at year-end, aggregating approximately \$3.28 million, were billed through March 2016, and although included in fund balance, are not available as cash at year-end.

Revenues and other financing sources of \$10,172,650 were \$457,620 more than estimated in the budget. Expenditures and other financing uses of \$9,863,554 were \$714,813 less than budgeted in 2015.

When the 2015 Water Fund budget was adopted, it anticipated the use of \$780,692 of fund balance, which was composed of \$500,000 re-appropriated from the previous year for anticipated water purchases in conjunction with a capital project, plus \$280,692 for contract and purchase order commitments to be liquidated. During the year, surplus fund balance of \$93,527 was appropriated towards the new financial accounting system capital project.

Sewer Fund - The fund balance of the Sewer Fund decreased by \$53,032 and aggregated \$1,470,760 at December 31, 2015. The portion of fund balance that was assigned and available for future year use at year-end was \$1,452,090 (was \$1,498,557 in 2014). Similar to the Water Fund, a significant portion of fund balance at year-end (\$462,747) is in the form of sewer rents receivables that are billed through March 2016.

Revenues of \$1,580,119 were \$136,058 more than estimated in the budget. Fiscal year expenditures and other uses of \$1,633,151 were \$64,939 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 \$5,138,000, and such project continued throughout 2015 and is expected to be completed in early 2016. At the end of FY 2015, the Village Board authorized a transfer of \$130,000 from the Sewer Fund accumulated surplus for unanticipated expenditures for said capital project. In addition, the Board authorized Sewer Fund surplus of \$33,838 towards the new financial accounting system project.

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$558,027, a decrease of \$275,258 from the prior year, due primarily to the appropriation of fund balance in the amount of \$288,144 in the 2015 adopted budget. Of the total fund balance at year-end, \$184,740 was appropriated in the 2016 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 \$49,147, an increase of \$27,670 from the prior year, on revenues and other financing sources of \$3,243,589.

Special Purpose Fund - The fund balance of the Special Purpose Fund decreased by \$28,771 during the year, and totaled \$1,146,391 as of December 31, 2015.

Capital Projects Fund - The Capital Projects Fund ended its 2015 fiscal year with a fund balance of \$2,355,383, from a prior year fund balance of \$4,630,914. Revenues and other financing sources totaled \$1,234,704 for 2015, and expenditures and other financing uses totaled \$3,510,235.

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, 2015 was a combined net position balance of \$1,040,643, from a net position of \$1,076,925 for 2014. The Workers' Compensation Benefits Fund had a restricted net position balance of \$1,092,914, while the General Liability Claims Fund had an unrestricted net position deficit balance of \$52,271 at year-end. Total assets were \$4,861,643, and total liabilities were \$3,821,000 at year-end.

In the Workers' Compensation Benefits Fund, total revenues were \$2,272,678 and operating expenses were \$2,079,949, resulting a net position increase of \$192,729. Based on computations from the Village's actuary, the accrued liability at year-end for workers' compensation benefits was increased by \$572,500, as compared to a decrease of \$945,500 at the end of 2014 (prior year). In the General Liability Claims Fund, total revenues were \$712,007 and operating expenses were \$941,018, resulting in a decrease in net position of \$229,011 for the year, to a deficit net position of \$52,271 as of December 31, 2015. The Village plans to provide additional funding in 2016 from the operating funds in order to eliminate the net position deficit in the General Liability Claims Fund.

Budgetary Highlights

General Fund

For 2015, the difference between the appropriations originally budgeted (\$34,420,792) and the final appropriations for the General Fund (\$34,828,854) was an increase to the budget of \$408,062, for the following purposes:

- for the appropriation of unanticipated revenues received during the year, \$13,969;
- for excess revenues appropriated for expenditures, \$17,500;

- for the appropriation of accumulated and unreserved fund balance as the General Fund's share of the new financial accounting system capital project established at year-end, \$176,897;
- for the appropriation of bond proceeds for tax certiorari claims, \$150,000; and,
- for the appropriation of capital reserves in the amount of \$49,696, for expenditure.

Water Fund

The Water Fund appropriations were increased by \$82,645 during 2015, to \$10,578,367, primarily for the new financial accounting system capital project transfer.

Sewer Fund

The Sewer Fund budget was also increased during 2015, by \$163,838, to \$1,698,090, from the appropriation of fund balance for the following purposes: (1) an additional \$130,000 for the Kill Brook sewer capital project, and (2) \$33,838 as the Sewer Fund's share of the new financial accounting system capital project.

Section 8 Housing Fund

The budget for the Section 8 Housing Fund was increased by \$164,191 during the year, to \$3,298,161, to reflect an increase 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, 2015, net of \$145,747,061 of accumulated depreciation, was \$71,862,637. 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>	2015 Governmental Activities	2014 Governmental Activities
Land	\$ 2,486,362	\$ 2,475,762
Land Improvements	5,845,921	5,140,853
Buildings and Improvements	45,843,542	44,507,139
Infrastructure	145,607,914	144,275,652
Machinery and Equipment	16,668,896	15,946,557
Construction-in-Progress	1,157,063	1,886,067
Less: Accumulated Depreciation	(145,747,061)	(140,198,666)
Total (Net of Depreciation)	<u>\$ 71,862,637</u>	<u>\$ 74,033,364</u>

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$27,940,000. 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 2015 fiscal year, the Village issued general obligation bonds of \$740,000 to finance a truck for the Department of Public Works (\$190,000), and for tax certiorari claims (\$550,000). During the year, the Village retired \$2,628,000 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 \$4,334,746 to finance vehicles for various departments (\$209,000), for fire apparatus rehabilitation (\$300,000), and to renew prior year capital projects BAN's for \$3,825,746. The Village retired \$286,041 of short-term debt from budgetary appropriations during the year.

Due to the small size of the bond borrowing, it was not cost-effective for the Village to seek a credit rating on the bond. When the Village previously issued serial bonds and a BAN in November 2014, 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.

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 September 2015 when the serial bond was issued, the Village had exhausted 14.94% of its constitutional debt limit, and had the authority to issue an additional \$112,556,755 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 2016 General Fund adopted budget, the Village appropriated \$634,000 of unassigned fund balance for spending in fiscal 2016. The real property tax rate for the 2016 Village General Fund is \$192.0209 per \$1,000 of taxable assessed value, an increase of 1.65% over the prior year 2015 tax rate. The real property tax levy increased by 0.93% (less than 1%) from 2015 to 2016. However, because assessed valuations decreased by \$789,654 (0.7%), from 2015 to 2016, the real property tax rate increased by 1.65%. The 2016 adopted budget was within the property tax levy limitations. No local law was considered 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.

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Village of Ossining, New York

Statement of Net Position December 31, 2015

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 26,693,662
Receivables	
Taxes, net	183,192
Accounts	4,568,704
State and Federal aid	273,005
Due from other governments	1,055,206
Prepaid expenses	866,894
Inventories	15,272
Capital assets	
Not being depreciated	3,643,425
Being depreciated, net	68,219,212
Total Assets	<u>105,518,572</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,721,891</u>
LIABILITIES	
Accounts payable	2,212,732
Accrued liabilities	1,300,787
Retained percentages	314,106
Unearned revenues	368,995
Bond anticipation notes payable	4,334,746
Accrued interest payable	139,517
Non-current liabilities	
Due within one year	3,308,104
Due in more than one year	63,431,070
Total Liabilities	<u>75,410,057</u>
DEFERRED INFLOWS OF RESOURCES	<u>350,005</u>
NET POSITION	
Net investment in capital assets	47,907,759
Restricted for	
Crime control	29,440
Future capital projects	290,607
Debt service	558,027
Workers' compensation benefits	1,092,914
Water	1,979,447
Sewer	729,869
Trusts	1,146,391
Unrestricted	(20,254,053)
Total Net Position	<u>\$ 33,480,401</u>

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, 2015

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	\$ 5,730,086	\$ 990,250	\$ 32,129	\$ 66,416	\$ (4,641,291)
Public safety	19,222,192	3,112,236	20,911	-	(16,089,045)
Health	1,630	627	-	-	(1,003)
Transportation	7,398,776	601,487	-	149,370	(6,647,919)
Economic opportunity and development	137,744	-	869	-	(136,875)
Culture and recreation	4,345,986	1,092,909	31,437	-	(3,221,640)
Home and community services	15,967,377	11,982,059	3,363,302	-	(622,016)
Interest	974,792	-	-	46,358	(928,434)
Total Governmental Activities	\$ 53,778,583	\$ 17,779,568	\$ 3,448,648	\$ 262,144	(32,288,223)
General revenues					
Real property taxes					21,089,682
Other tax items					
Payments in lieu of taxes					146,294
Interest and penalties on real property taxes					123,814
Non-property taxes					
Utilities gross receipts taxes					261,240
Franchise fees					467,546
Non-property tax distribution from County					3,613,936
Unrestricted use of money and property					19,675
Sale of property and compensation for loss					13,446
Donated assets					10,600
Unrestricted State aid					383,003
Miscellaneous					98,631
Insurance recoveries					322,144
Total General Revenues					26,550,011
Change in Net Position					(5,738,212)
NET POSITION					
Beginning, as reported					39,330,618
Cumulative Effect of Change in Accounting Principle					(112,005)
Beginning, as restated					39,218,613
Ending					\$ 33,480,401

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

Village of Ossining, New York

Balance Sheet
Governmental Funds
December 31, 2015

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 9,776,226	\$ 3,175,959	\$ 558,027
Taxes receivable, net of allowance for uncollectible taxes	183,192	-	-
Other receivables			
Accounts	236,239	3,277,369	-
State and Federal aid	115,860	3,260	-
Due from other funds	4,195	-	-
Due from other governments	978,447	10,343	-
	1,334,741	3,290,972	-
Prepaid expenditures	735,644	104,859	-
Inventories	15,272	-	-
Total Assets	<u>\$ 12,045,075</u>	<u>\$ 6,571,790</u>	<u>\$ 558,027</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,143,803	\$ 729,562	\$ -
Accrued liabilities	1,263,480	36,381	-
Retained percentages	-	-	-
Unearned revenues	323,953	10,541	-
Due to other funds	390,324	35,603	-
Bond anticipation notes payable	-	-	-
Total Liabilities	3,121,560	812,087	-
Deferred inflows of resources			
Taxes collected in advance	68,913	-	-
Deferred tax revenues	120,590	-	-
Total Deferred Inflows of Resources	189,503	-	-
Total Liabilities and Deferred Inflows of Resources	3,311,063	812,087	-
Fund balances			
Nonspendable	750,916	104,859	-
Restricted	103,954	216,093	373,287
Committed	9,899	-	-
Assigned	802,650	5,438,751	184,740
Unassigned	7,066,593	-	-
Total Fund Balances	8,734,012	5,759,703	558,027
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,045,075</u>	<u>\$ 6,571,790</u>	<u>\$ 558,027</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ 7,100,151	\$ 2,203,884	\$ 22,814,247
-	-	183,192
-	497,248	4,010,856
145,278	8,607	273,005
-	4,285	8,480
66,416	-	1,055,206
211,694	510,140	5,347,547
-	26,391	866,894
-	-	15,272
\$ 7,311,845	\$ 2,740,415	\$ 29,227,152
\$ 307,610	\$ 31,757	\$ 2,212,732
-	926	1,300,787
314,106	-	314,106
-	34,501	368,995
-	6,933	432,860
4,334,746	-	4,334,746
4,956,462	74,117	8,964,226
-	-	68,913
-	-	120,590
-	-	189,503
4,956,462	74,117	9,153,729
-	26,391	882,166
2,355,383	1,146,391	4,195,108
-	-	9,899
-	1,493,516	7,919,657
-	-	7,066,593
2,355,383	2,666,298	20,073,423
\$ 7,311,845	\$ 2,740,415	\$ 29,227,152

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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, 2015

Fund Balances - Total Governmental Funds	<u>\$ 20,073,423</u>
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>71,862,637</u>
Governmental funds report the effect of net pension assets (liabilities), premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	436,412
Deferred amounts on net pension assets (liabilities)	<u>3,004,387</u>
	<u>3,440,799</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>120,590</u>
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>1,040,643</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(139,517)
Bonds payable	(28,548,600)
Energy performance contract payable	(767,366)
Compensated absences	(1,108,512)
Net pension liability	(1,873,696)
Other post employment benefit obligations payable	<u>(30,620,000)</u>
	<u>(63,057,691)</u>
Net Position of Governmental Activities	<u><u>\$ 33,480,401</u></u>

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, 2015

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 21,114,784	\$ -	\$ -
Other tax items	270,108	-	-
Non-property taxes	4,342,722	-	-
Departmental income	1,761,123	10,037,641	-
Intergovernmental charges	3,380,412	-	-
Use of money and property	334,571	4,817	46,358
Licenses and permits	282,945	-	-
Fines and forfeitures	462,723	-	-
Sale of property and compensation for loss	13,446	21,281	-
Interfund revenues	813,895	-	-
State aid	468,247	6,829	-
Federal aid	-	-	-
Miscellaneous	119,591	27,082	-
Total Revenues	33,364,567	10,097,650	46,358
EXPENDITURES			
Current			
General government support	3,686,572	488,487	-
Public safety	10,363,197	-	-
Health	1,630	-	-
Transportation	2,374,506	-	-
Economic opportunity and development	94,071	-	-
Culture and recreation	2,444,999	-	-
Home and community services	1,699,408	6,499,183	-
Employee benefits	10,016,156	1,102,186	-
Debt service			
Principal	27,507	63,332	2,628,000
Interest	1,776	15,464	971,311
Capital outlay	-	-	-
Total Expenditures	30,709,822	8,168,652	3,599,311
Excess (Deficiency) of Revenues Over Expenditures	2,654,745	1,928,998	(3,552,953)
OTHER FINANCING SOURCES (USES)			
Bonds issued	550,000	-	-
Insurance recoveries	322,144	-	-
Transfers in	167,586	75,000	3,490,345
Transfers out	(2,122,140)	(1,694,902)	(212,650)
Total Other Financing Sources (Uses)	(1,082,410)	(1,619,902)	3,277,695
Net Change in Fund Balances	1,572,335	309,096	(275,258)
FUND BALANCES			
Beginning of Year	7,161,677	5,450,607	833,285
End of Year	\$ 8,734,012	\$ 5,759,703	\$ 558,027

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 21,114,784
-	-	270,108
-	-	4,342,722
-	1,540,082	13,338,846
-	-	3,380,412
-	3,500	389,246
-	-	282,945
-	-	462,723
-	7,600	42,327
-	-	813,895
149,370	-	624,446
-	3,252,157	3,252,157
66,416	34,408	247,497
215,786	4,837,747	48,562,108
-	110,389	4,285,448
-	-	10,363,197
-	-	1,630
-	-	2,374,506
-	12,874	106,945
-	-	2,444,999
-	3,977,045	12,175,636
-	275,618	11,393,960
-	-	2,718,839
-	-	988,551
3,494,032	-	3,494,032
3,494,032	4,375,926	50,347,743
(3,278,246)	461,821	(1,785,635)
190,000	-	740,000
-	-	322,144
828,918	82,183	4,644,032
(16,203)	(598,137)	(4,644,032)
1,002,715	(515,954)	1,062,144
(2,275,531)	(54,133)	(723,491)
4,630,914	2,720,431	20,796,914
\$ 2,355,383	\$ 2,666,298	\$ 20,073,423

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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, 2015

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

Net Change in Fund Balances - Total Governmental Funds	\$ (723,491)
--------------------------------------------------------	--------------

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.

Capital outlay expenditures	3,689,470
Depreciation expense	(5,870,797)
	<u>(2,181,327)</u>

The effect of donations involving capital assets is to increase net assets.	<u>10,600</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>(25,102)</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	(740,000)
Principal paid on bonds	2,628,000
Principal paid on energy performance contract	90,839
Amortization of loss on refunding bonds and issuance premium	7,830
	<u>1,986,669</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	5,929
Claims payable	174,273
Compensated absences	37,823
Pension assets (liabilities)	1,242,696
Other post employment benefit obligations	(6,230,000)
	<u>(4,769,279)</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>(36,282)</u>
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Change in Net Position of Governmental Activities	<u>\$ (5,738,212)</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, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 21,090,438	\$ 21,092,531	\$ 21,114,784	\$ 22,253
Other tax items	293,453	293,453	270,108	(23,345)
Non-property taxes	4,360,100	4,345,833	4,342,722	(3,111)
Departmental income	1,696,450	1,696,450	1,761,123	64,673
Intergovernmental charges	3,332,502	3,332,502	3,380,412	47,910
Use of money and property	311,980	311,980	334,571	22,591
Licenses and permits	227,000	227,000	282,945	55,945
Fines and forfeitures	421,000	438,500	462,723	24,223
Sale of property and compensation for loss	10,000	10,000	13,446	3,446
Interfund revenues	813,895	813,895	813,895	-
State aid	422,608	422,608	468,247	45,639
Miscellaneous	92,256	92,256	119,591	27,335
Total Revenues	33,071,682	33,077,008	33,364,567	287,559
EXPENDITURES				
Current				
General government support	4,266,003	4,002,335	3,686,572	315,763
Public safety	10,383,176	10,711,423	10,363,197	348,226
Health	2,500	2,500	1,630	870
Transportation	2,257,802	2,463,862	2,374,506	89,356
Economic opportunity and development	125,198	125,198	94,071	31,127
Culture and recreation	2,505,592	2,505,592	2,444,999	60,593
Home and community services	1,880,357	1,788,034	1,699,408	88,626
Employee benefits	11,056,552	11,056,552	10,016,156	1,040,396
Debt service				
Principal	27,110	27,508	27,507	1
Interest	9,589	9,191	1,776	7,415
Total Expenditures	32,513,879	32,692,195	30,709,822	1,982,373
Excess of Revenues Over Expenditures	557,803	384,813	2,654,745	2,269,932
OTHER FINANCING SOURCES (USES)				
Bonds issued	400,000	550,000	550,000	-
Insurance recoveries	25,000	51,143	322,144	271,001
Transfers in	183,951	183,951	167,586	(16,365)
Transfers out	(1,906,913)	(2,136,659)	(2,122,140)	14,519
Total Other Financing Uses	(1,297,962)	(1,351,565)	(1,082,410)	269,155
Net Change in Fund Balances	(740,159)	(966,752)	1,572,335	2,539,087
FUND BALANCES				
Beginning of Year	740,159	966,752	7,161,677	6,194,925
End of Year	\$ -	\$ -	\$ 8,734,012	\$ 8,734,012

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
9,627,030	9,627,030	10,037,641	410,611
-	-	-	-
3,000	3,000	4,817	1,817
-	-	-	-
-	-	-	-
-	-	21,281	21,281
-	-	-	-
-	-	6,829	6,829
10,000	10,000	27,082	17,082
<u>9,640,030</u>	<u>9,640,030</u>	<u>10,097,650</u>	<u>457,620</u>
744,371	677,894	488,487	189,407
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,010,228	6,848,612	6,499,183	349,429
1,206,184	1,206,184	1,102,186	103,998
62,416	63,332	63,332	-
36,348	87,432	15,464	71,968
<u>9,059,547</u>	<u>8,883,454</u>	<u>8,168,652</u>	<u>714,802</u>
580,483	756,576	1,928,998	1,172,422
-	-	-	-
-	-	-	-
75,000	75,000	75,000	-
(1,436,174)	(1,694,913)	(1,694,902)	11
<u>(1,361,174)</u>	<u>(1,619,913)</u>	<u>(1,619,902)</u>	<u>11</u>
(780,691)	(863,337)	309,096	1,172,433
<u>780,691</u>	<u>863,337</u>	<u>5,450,607</u>	<u>4,587,270</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,759,703</u>	<u>\$ 5,759,703</u>

Village of Ossining, New York

Statement of Net Position
Internal Service Funds
December 31, 2015

	Governmental Activities - Internal Service Funds
ASSETS	
Cash and equivalents	\$ 3,879,415
Accounts receivable	557,848
Due from other funds	<u>424,380</u>
Total Assets	<u>4,861,643</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	382,100
Claims payable, less current portion	<u>3,438,900</u>
Total Liabilities	<u>3,821,000</u>
NET POSITION	
Restricted	<u><u>\$ 1,040,643</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, 2015

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 1,988,226
Insurance recoveries	<u>991,003</u>
Total Operating Revenues	<u>2,979,229</u>
OPERATING EXPENSES	
Insurance	991,532
Contractual	206,757
Employee benefits	1,656,831
Judgments and claims	<u>165,847</u>
Total Operating Expenses	<u>3,020,967</u>
Loss from Operations	(41,738)
NON-OPERATING REVENUES	
Interest income	<u>5,456</u>
Change in Net Position	(36,282)
NET POSITION	
Beginning of Year	<u>1,076,925</u>
End of Year	<u><u>\$ 1,040,643</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, 2015

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services and insurance recoveries	\$ 2,169,432
Cash payments to insurance carriers and claimants	<u>(2,326,467)</u>
Net Cash from Operating Activities	<u>(157,035)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>5,456</u>
Net Change in Cash and Equivalents	(151,579)
CASH AND EQUIVALENTS	
Beginning of Year	<u>4,030,994</u>
End of Year	<u><u>\$ 3,879,415</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (41,738)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(385,417)
Due from other funds	(424,380)
Claims payable	<u>694,500</u>
Net Cash from Operating Activities	<u><u>\$ (157,035)</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, 2015

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 220,990
Accounts receivable	<u>5,128</u>
 Total Assets	 <u><u>\$ 226,118</u></u>
 LIABILITIES	
Accounts payable	\$ 7,139
Employee payroll deductions	39,419
Deposits	<u>179,560</u>
 Total Liabilities	 <u><u>\$ 226,118</u></u>

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

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Village of Ossining, New York

Notes to Financial Statements
December 31, 2015

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 generally used for revenue recognition for most 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, net pension liability 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, 2015.

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, 2015, 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.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

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 \$323,953 for parking and other payments received in advance in the General Fund. Unearned revenues of \$34,501 are reflected in the Section 8 Housing Fund and \$10,541 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.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village reported deferred outflows of resources of \$436,412 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 \$120,590 for real property taxes in the General Fund. The Village also reported deferred inflows of resources of \$68,913 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.

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3G.

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 Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date."

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, workers' compensation benefits, water, sewer and trusts. The balance is classified as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

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).

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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 April 28, 2016.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.
- 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 2015 fiscal year was \$37,808,515 which exceeded the actual levy by \$16,620,984.

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. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

C. 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.

D. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(112,005).

E. General Liability Claims Fund Deficit

The General Liability Claims Fund has an unrestricted deficit of \$52,271 at December 31, 2015. 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, 2015 consisted of the following:

Taxes - Current	\$	278,336
Taxes - Overdue		<u>241,230</u>
		519,566
Allowance for uncollectible taxes		<u>(336,374)</u>
	\$	<u><u>183,192</u></u>

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Taxes receivable in the fund financial statements are partially offset by deferred tax revenues of \$120,590, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2015 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 4,195	\$ 390,324
Water Fund	-	35,603
Non-Major Governmental	4,285	6,933
Internal Service Funds		
Workers' Compensation Benefits	424,380	-
	<u>\$ 432,860</u>	<u>\$ 432,860</u>

C. Capital Assets

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

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2015</u>
Capital Assets, not being depreciated				
Land	\$ 2,475,762	\$ 10,600	\$ -	\$ 2,486,362
Construction-in-progress	1,886,067	2,628,296	3,357,300	1,157,063
Total Capital Assets, not being depreciated	<u>\$ 4,361,829</u>	<u>\$ 2,638,896</u>	<u>\$ 3,357,300</u>	<u>\$ 3,643,425</u>
Capital Assets, being depreciated				
Land improvements	\$ 5,140,853	\$ 705,068	\$ -	\$ 5,845,921
Buildings and improvements	44,507,139	1,336,403	-	45,843,542
Infrastructure	144,275,652	1,332,262	-	145,607,914
Machinery and equipment	15,946,557	1,044,741	322,402	16,668,896
Total Capital Assets, being depreciated	<u>209,870,201</u>	<u>4,418,474</u>	<u>322,402</u>	<u>213,966,273</u>
Less Accumulated Depreciation for				
Land improvements	2,108,956	206,689	-	2,315,645
Buildings and improvements	18,893,831	1,547,543	-	20,441,374
Infrastructure	106,573,472	3,390,133	-	109,963,605
Machinery and equipment	12,622,407	726,432	322,402	13,026,437
Total Accumulated Depreciation	<u>140,198,666</u>	<u>5,870,797</u>	<u>322,402</u>	<u>145,747,061</u>
Total Capital Assets, being depreciated, net	<u>\$ 69,671,535</u>	<u>\$ (1,452,323)</u>	<u>\$ -</u>	<u>\$ 68,219,212</u>
Capital Assets, net	<u>\$ 74,033,364</u>	<u>\$ 1,186,573</u>	<u>\$ 3,357,300</u>	<u>\$ 71,862,637</u>

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

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	\$ 209,564
Public Safety	622,375
Transportation	3,037,823
Culture and Recreation	668,991
Home and Community Services	<u>1,332,044</u>
Total Depreciation Expense	<u>\$ 5,870,797</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:

	Year Ended December 31,	
	2015	2014
Balance - Beginning of Year - Health Claim Liabilities	\$ 428,677	\$ 899,280
Provision for Claims and Claims Adjustment Expenses	5,279,996	6,344,733
Claims and Claims Adjustment Expenses Paid	<u>(4,975,474)</u>	<u>(6,815,336)</u>
Balance - End of Year - Health Claim Liabilities	<u>\$ 733,199</u>	<u>\$ 428,677</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2015 were as follows:

	Fund			
	General	Water	Other Governmental	Total
Payroll and Employee Benefits	\$ 1,054,835	\$ 36,381	\$ 926	\$ 1,092,142
Other	<u>208,645</u>	<u>-</u>	<u>-</u>	<u>208,645</u>
	<u>\$ 1,263,480</u>	<u>\$ 36,381</u>	<u>\$ 926</u>	<u>\$ 1,300,787</u>

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

F. Short-Term Capital Borrowings – Bond Anticipation Notes

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2015	New Issues	Redemptions	Balance December 31, 2015
Indian Brook Water Reservoir and Dam	2012	9/16	1.50 %	\$ 1,350,000	\$ -	\$ 75,000	\$ 1,275,000
Police Vehicles 2012	2012	9/16	1.50	23,334	-	23,334	-
Fire Department SCBA Cylinders	2012	9/16	1.50	21,120	-	7,040	14,080
Fire Chief's Vehicle	2013	9/16	1.50	32,000	-	16,000	16,000
Police Vehicles 2012/2013	2013	9/16	1.50	53,333	-	26,667	26,666
DPW Truck	2013	9/16	1.50	32,000	-	8,000	24,000
Water Mains Relining and Replacement	2014	9/16	1.50	2,600,000	-	130,000	2,470,000
Fire Apparatus Rehabilitation	2015	9/16	1.50	-	300,000	-	300,000
Police Vehicles - 2015	2015	9/16	1.50	-	124,000	-	124,000
Fire Chief's Vehicle - 2015	2015	9/16	1.50	-	50,000	-	50,000
Recreation Department Vehicle	2015	9/16	1.50	-	35,000	-	35,000
				<u>\$ 4,111,787</u>	<u>\$ 509,000</u>	<u>\$ 286,041</u>	<u>\$ 4,334,746</u>

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

Interest expenditures/expenses of \$41,117 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	\$ 515
Water	12,560
Debt Service	<u>28,042</u>
	<u>\$ 41,117</u>

Village of Ossining, New York

Notes to Financial Statements (Continued) December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended December 31, 2015:

	Balance January 1, 2015, As Reported	Effect of Change in Accounting Principle	Balance January 1, 2015, As Restated	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Bonds Payable							
Capital Construction	\$ 27,709,775	\$ -	\$ 27,709,775	\$ 190,000	\$ 2,479,068	\$ 25,420,707	\$ 2,524,685
Other	2,118,225	-	2,118,225	550,000	148,932	2,519,293	200,315
	29,828,000	-	29,828,000	740,000	2,628,000	27,940,000	2,725,000
Plus							
Unamortized premium on bonds	686,145	-	686,145	-	77,545	608,600	-
	30,514,145	-	30,514,145	740,000	2,705,545	28,548,600	2,725,000
Other Non-Current Liabilities							
Energy Performance Contract							
Debt Payable	858,205	-	858,205	-	90,839	767,366	91,004
Claims Payable	3,300,773	-	3,300,773	1,822,678	1,302,451	3,821,000	382,100
Compensated Absences	1,146,335	-	1,146,335	77,177	115,000	1,108,512	110,000
Net Pension Liability	-	2,597,119	2,597,119	-	723,423	1,873,696	-
Other Post Employment Benefit							
Obligations Payable	24,390,000	-	24,390,000	7,600,000	1,370,000	30,620,000	-
Total Other Non-Current							
Liabilities	29,695,313	2,597,119	32,292,432	9,499,855	3,601,713	38,190,574	583,104
Total Long-term Liabilities	\$ 60,209,458	\$ 2,597,119	\$ 62,806,577	\$ 10,239,855	\$ 6,307,258	\$ 66,739,174	\$ 3,308,104

Each governmental fund's liability for claims payable, energy performance contract debt, compensated absences, net pension liability 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.

Bonds Payable

Bonds payable at December 31, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2015
Refunding Bond	2004	\$ 3,945,000	April, 2016	4.000	\$ 240,000
Public Improvements	2007	5,454,000	November, 2027	3.75-5.000	3,015,000
Refunding Bond	2009	2,485,000	March, 2019	3.00-5.000	865,000
Refunding Bond	2009	2,730,000	June, 2021	3.00-5.000	1,285,000
Public Improvements	2010	5,945,000	November, 2030	3.00-4.000	4,805,000
Public Improvements	2011	2,330,000	November, 2031	2.25-3.750	1,895,000
Refunding Bond	2012	5,430,000	October, 2024	3.00-4.000	4,830,000
Public Improvements	2012	3,772,000	November, 2032	2.00-3.000	3,070,000
Public Improvements	2013	3,086,500	November, 2033	3.00-4.000	2,790,000
Public Improvements	2014	4,718,000	November, 2034	2.00-3.250	4,405,000
Public Improvements	2015	740,000	September, 2026	2.080	740,000
					<u>\$ 27,940,000</u>

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$943,269 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$929,510 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 \$7,946 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 0.6%. The balance due at December 31, 2015 was \$767,366.

Interest expenditures/expenses of \$4,165 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	\$ 1,261
Water	<u>2,904</u>
	<u>\$ 4,165</u>

Payments to Maturity

The annual requirements to amortize all bonded and energy performance contract debt outstanding as of December 31, 2015, including interest payments of \$6,528,997 are as follows:

Year Ending December 31,	Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,725,000	\$ 876,498	\$ 91,004	\$ 4,348	\$ 2,816,004	\$ 880,846
2017	2,455,000	791,746	91,551	3,801	2,546,551	795,547
2018	2,390,000	714,573	92,102	3,250	2,482,102	717,823
2019	2,230,000	645,709	92,657	2,695	2,322,657	648,404
2020	2,170,000	581,869	93,214	2,138	2,263,214	584,007
2021-2025	9,035,000	2,013,904	306,838	3,056	9,341,838	2,016,960
2026-2030	5,545,000	788,366	-	-	5,545,000	788,366
2031-2034	1,390,000	97,044	-	-	1,390,000	97,044
	<u>\$ 27,940,000</u>	<u>\$ 6,509,709</u>	<u>\$ 767,366</u>	<u>\$ 19,288</u>	<u>\$ 28,707,366</u>	<u>\$ 6,528,997</u>

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.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2015		Year Ended December 31, 2014	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 2,586,500	\$ 540,000	\$ 3,532,000	\$ 522,000
Provision for Claims and Claims Adjustment Expenses	1,656,831	165,847	(115,485)	115,561
Expenses Paid	(1,084,331)	(43,847)	(830,015)	(97,561)
Balance - End of Year	<u>\$ 3,159,000</u>	<u>\$ 662,000</u>	<u>\$ 2,586,500</u>	<u>\$ 540,000</u>
Current Portion	<u>\$ 315,900</u>	<u>\$ 66,200</u>	<u>\$ 258,650</u>	<u>\$ 54,000</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.

Pension Plans

New York State and Local Retirement System

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") which are collectively referred to as the New York State and Local Retirement System ("System"). These

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	25.2 %
	3 A15	18.8
	4 A15	18.8
	5 A15	15.5
	6 A15	10.5
PFRS	1 375i	26.4 %
	2 384D	24.7
	5 384D	20.1
	6 384D	14.3

At December 31, 2015, the Village reported a liability of \$1,354,226 for its proportionate share of the net pension liability of ERS and a liability of \$519,470 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2015, the Village's proportion was .0400867% for ERS and .1887199% for PFRS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended December 31, 2015, the Village recognized pension expense in the government-wide financial statements of \$1,208,924 for ERS and \$1,171,372 for PFRS. Pension expenditures of \$1,696,267 for ERS and \$1,926,725 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 1,186,259	\$ 1,926,725
Water	409,772	-
Sewer	71,621	-
Section 8	<u>28,615</u>	<u>-</u>
Total	<u>\$ 1,696,267</u>	<u>\$ 1,926,725</u>

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 43,350	\$ -	\$ 62,645	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	235,212	-	174,403	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	115,113	-	165,979
Village contributions subsequent to the measurement date	<u>1,221,019</u>	<u>-</u>	<u>1,548,850</u>	<u>-</u>
	<u>\$ 1,499,581</u>	<u>\$ 115,113</u>	<u>\$ 1,785,898</u>	<u>\$ 165,979</u>

\$1,221,019 and \$1,548,850 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2016	\$ 40,862	\$ 22,934
2017	40,862	22,934
2018	40,862	22,934
2019	40,863	22,934
2020	-	(20,667)
Thereafter	-	-

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total

Note 3 - Detailed Notes on All Funds (Continued)

pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Annuitant mortality rates are based on the April 1, 2005 - March 31, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 9,026,501</u>	<u>\$ 1,354,226</u>	<u>\$ (5,123,077)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 6,916,466</u>	<u>\$ 519,470</u>	<u>\$ (4,841,599)</u>

The components of the collective net pension liability as of the March 31, 2015 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 164,591,504,000	\$ 28,474,417,000	\$ 193,065,921,000
Fiduciary net position	<u>161,213,259,000</u>	<u>28,199,157,000</u>	<u>189,412,416,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>	<u>\$ 275,260,000</u>	<u>\$ 3,653,505,000</u>
Fiduciary net position as a percentage of total pension liability	<u>97.9%</u>	<u>99.0%</u>	<u>98.1%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2015 represent the employer contribution for the period of April 1, 2015 through December 31, 2015 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2015 were \$1,221,019 and \$1,548,850, respectively.

Voluntary Defined Contribution Plan

The Village also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

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 \$68,703 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 24 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, a 3% inflation rate and a 3% 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.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of January 1, 2015 was as follows:

Active Employees	156
Retired Employees	<u>115</u>
Total	<u>271</u>
Amortization Component:	
Actuarial Accrued Liability as of January 1, 2015	\$ 86,020,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 86,020,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 17,600,000</u>
UAAL as a Percentage of Covered Payroll	<u>489%</u>
Annual Required Contribution	\$ 7,930,000
Interest on Net OPEB Obligation	1,100,000
Adjustment to Annual Required Contribution	<u>(1,430,000)</u>
Annual OPEB Cost	7,600,000
Contributions Made	<u>(1,370,000)</u>
Increase in Net OPEB Obligation	6,230,000
Net OPEB Obligation - Beginning of year	<u>24,390,000</u>
Net OPEB Obligation - End of year	<u>\$ 30,620,000</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:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 7,600,000	17.89 %	\$ 30,620,000
2014	7,300,000	42.33	24,390,000
2013	6,510,000	38.25	20,180,000

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

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	\$ -	\$ -	\$ 1,741,820	\$ 310,787	\$ 69,533	\$ 2,122,140
Water Fund	-	-	1,361,163	333,739	-	1,694,902
Debt Service Fund	125,000	75,000	-	-	12,650	212,650
Capital Projects Funds	-	-	4,724	11,479	-	16,203
Non-Major Governmental Funds	42,586	-	382,638	172,913	-	598,137
	<u>\$ 167,586</u>	<u>\$ 75,000</u>	<u>\$ 3,490,345</u>	<u>\$ 828,918</u>	<u>\$ 82,183</u>	<u>\$ 4,644,032</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.

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for the payment of future benefits in accordance with Section 6j of General Municipal Law.

Village of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2015						2014					
	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	\$ 735,644	\$ 104,859	\$ -	\$ -	\$ 26,391	\$ 866,894	\$ 687,777	\$ 120,169	\$ -	\$ -	\$ 33,064	\$ 841,010
Inventories	15,272	-	-	-	-	15,272	18,136	-	-	-	-	18,136
Total Nonspendable	750,916	104,859	-	-	26,391	882,166	705,913	120,169	-	-	33,064	859,146
Restricted												
Crime control	29,440	-	-	-	-	29,440	29,391	-	-	-	-	29,391
Future capital projects	74,514	216,093	-	-	-	290,607	124,019	215,734	-	-	-	339,753
Capital projects	-	-	-	2,355,383	-	2,355,383	-	-	-	4,630,914	-	4,630,914
Debt service	-	-	373,287	-	-	373,287	-	-	545,141	-	-	545,141
Trusts	-	-	-	-	1,146,391	1,146,391	-	-	-	-	1,175,162	1,175,162
Total Restricted	103,954	216,093	373,287	2,355,383	1,146,391	4,195,108	153,410	215,734	545,141	4,630,914	1,175,162	6,720,361
Committed												
Economic development	9,899	-	-	-	-	9,899	8,003	-	-	-	-	8,003
Assigned												
Purchases on order												
General government support	32,209	77,965	-	-	-	110,174	36,684	237,361	-	-	-	274,045
Public safety	60,254	-	-	-	-	60,254	17,775	-	-	-	-	17,775
Transportation	61,299	-	-	-	-	61,299	31,908	-	-	-	-	31,908
Culture and recreation	-	-	-	-	-	-	3,792	-	-	-	-	3,792
Home and community services	14,888	82,801	-	-	967	98,656	-	43,330	-	-	10,191	53,521
	168,650	160,766	-	-	967	330,383	90,159	280,691	-	-	10,191	381,041
Subsequent year's expenditures	634,000	500,000	184,740	-	-	1,318,740	650,000	500,000	288,144	-	80,000	1,518,144
Water	-	4,777,985	-	-	-	4,777,985	-	4,334,013	-	-	-	4,334,013
Sewer	-	-	-	-	1,451,123	1,451,123	-	-	-	-	1,408,366	1,408,366
Section 8	-	-	-	-	41,426	41,426	-	-	-	-	13,648	13,648
Total Assigned	802,650	5,438,751	184,740	-	1,493,516	7,919,657	740,159	5,114,704	288,144	-	1,512,205	7,655,212
Unassigned	7,066,593	-	-	-	-	7,066,593	5,554,192	-	-	-	-	5,554,192
Total Fund Balances	\$ 8,734,012	\$ 5,759,703	\$ 558,027	\$ 2,355,383	\$ 2,666,298	\$ 20,073,423	\$ 7,161,677	\$ 5,450,607	\$ 833,285	\$ 4,630,914	\$ 2,720,431	\$ 20,796,914

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, 2015, 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, 2015, 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 a case which involves a trip and fall for which discovery has been completed. The Village's subsequent summary judgment motion resulted in a dismissal of all charges against the Village. The Plaintiff has appealed and the Village awaits the Appellate Brief and will respond accordingly. Should the decision on the motion be overturned, which the Village's attorneys think is unlikely, this matter has significant potential value if for no other reason than the enforceability of Medicaid liens, perhaps as high as \$350,000-\$500,000. With a successful claim for pain and suffering, potential liability could go much higher. The facts include a plaintiff with a hip fracture requiring surgical repair, over a week of hospitalization, and 5 months of rehab in a nursing home. There was a subsequent relapse and fall which required further surgery, another 2 weeks at the hospital and an additional 4 months of nursing home treatments. Additionally, although the Village is self-insured for general liability claims, there is excess liability coverage for claims in excess of the self-insured retention level, which was \$75,000 at the time.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 12/31/2014-2015 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 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 \$69,620,069 for property. The Workers' Compensation self-insured retention level is \$250,000 with primary insurance coverage limit of \$250,000. Excess Workers Compensation insurance is purchased for losses in excess of \$500,000 (\$250,000 Retention + \$250,000 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 \$130,000 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 \$7,156,123 for the 2015 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 Title 2 US Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. 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, 2013	\$ -	\$ 70,920,000	\$ 70,920,000	- %	\$ 15,670,000	452.58 %
January 1, 2014	-	82,250,000	82,250,000	-	15,800,000	520.57
January 1, 2015	-	86,020,000	86,020,000	-	17,600,000	488.75

Village of Ossining, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Village's proportion of the net pension liability (asset)	<u>0.0400867%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 1,354,226</u>
Village's covered-employee payroll	<u>\$ 9,008,595</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>15.03%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of
the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting
Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Ossining, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 1,632,907
Contributions in relation to the contractually required contribution	<u>(1,632,907)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 9,505,657</u>
Contributions as a percentage of covered-employee payroll	<u>17.18%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Ossining, New York

Required Supplementary Information - Schedule of the Village's Proportionate Share of the Net Pension Liability New York State and Local Police and Fire Retirement System Last Ten Fiscal Years (1)

	2015
Village's proportion of the net pension liability (asset)	<u>0.1887199%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 519,470</u>
Village's covered-employee payroll	<u>\$ 6,699,359</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>7.75%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Ossining, New York

Required Supplementary Information - Schedule of Contributions New York State and Local Police and Fire Retirement System Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 1,692,055
Contributions in relation to the contractually required contribution	<u>(1,692,055)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 7,508,109</u>
Contributions as a percentage of covered-employee payroll	<u>22.54%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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Village of Ossining, New York

General Fund
Comparative Balance Sheet
December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 9,776,226	\$ 7,627,023
Taxes receivable, net of allowance for uncollectible taxes of \$336,374 in 2015 and \$299,893 in 2014	183,192	209,509
Other receivables		
Accounts	236,239	222,896
State and Federal aid	115,860	72,258
Due from other funds	4,195	3,968
Due from other governments	978,447	987,346
	1,334,741	1,286,468
Prepaid expenditures	735,644	687,777
Inventories	15,272	18,136
Total Assets	\$ 12,045,075	\$ 9,828,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,143,803	\$ 949,950
Accrued liabilities	1,263,480	883,267
Unearned revenues	323,953	268,314
Due to other funds	390,324	5,483
Total Liabilities	3,121,560	2,107,014
Deferred inflows of resources		
Taxes collected in advance	68,913	414,530
Deferred tax revenues	120,590	145,692
Total Deferred Inflows of Resources	189,503	560,222
Total Liabilities and Deferred Inflows of Resources	3,311,063	2,667,236
Fund balance		
Nonspendable	750,916	705,913
Restricted	103,954	153,410
Committed	9,899	8,003
Assigned	802,650	740,159
Unassigned	7,066,593	5,554,192
Total Fund Balance	8,734,012	7,161,677
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 12,045,075	\$ 9,828,913

Village of Ossining, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 21,090,438	\$ 21,092,531	\$ 21,114,784	\$ 22,253
Other tax items	293,453	293,453	270,108	(23,345)
Non-property taxes	4,360,100	4,345,833	4,342,722	(3,111)
Departmental income	1,696,450	1,696,450	1,761,123	64,673
Intergovernmental charges	3,332,502	3,332,502	3,380,412	47,910
Use of money and property	311,980	311,980	334,571	22,591
Licenses and permits	227,000	227,000	282,945	55,945
Fines and forfeitures	421,000	438,500	462,723	24,223
Sale of property and compensation for loss	10,000	10,000	13,446	3,446
Interfund revenues	813,895	813,895	813,895	-
State aid	422,608	422,608	468,247	45,639
Federal aid	-	-	-	-
Miscellaneous	92,256	92,256	119,591	27,335
Total Revenues	33,071,682	33,077,008	33,364,567	287,559
EXPENDITURES				
Current				
General government support	4,266,003	4,002,335	3,686,572	315,763
Public safety	10,383,176	10,711,423	10,363,197	348,226
Health	2,500	2,500	1,630	870
Transportation	2,257,802	2,463,862	2,374,506	89,356
Economic opportunity and development	125,198	125,198	94,071	31,127
Culture and recreation	2,505,592	2,505,592	2,444,999	60,593
Home and community services	1,880,357	1,788,034	1,699,408	88,626
Employee benefits	11,056,552	11,056,552	10,016,156	1,040,396
Debt service				
Principal	27,110	27,508	27,507	1
Interest	9,589	9,191	1,776	7,415
Total Expenditures	32,513,879	32,692,195	30,709,822	1,982,373
Excess (Deficiency) of Revenues Over Expenditures	557,803	384,813	2,654,745	2,269,932
OTHER FINANCING SOURCES (USES)				
Bonds issued	400,000	550,000	550,000	-
Insurance recoveries	25,000	51,143	322,144	271,001
Transfers in	183,951	183,951	167,586	(16,365)
Transfers out	(1,906,913)	(2,136,659)	(2,122,140)	14,519
Total Other Financing Uses	(1,297,962)	(1,351,565)	(1,082,410)	269,155
Net Change in Fund Balance	(740,159)	(966,752)	1,572,335	2,539,087
FUND BALANCE				
Beginning of Year	740,159	966,752	7,161,677	6,194,925
End of Year	\$ -	\$ -	\$ 8,734,012	\$ 8,734,012

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 20,780,424	\$ 20,780,424	\$ 20,953,050	\$ 172,626
184,840	184,840	187,837	2,997
4,175,000	4,370,830	4,415,982	45,152
1,636,350	1,689,943	1,670,303	(19,640)
1,387,051	1,426,874	1,416,598	(10,276)
282,793	282,793	278,975	(3,818)
247,000	424,720	505,001	80,281
421,000	421,000	446,576	25,576
10,000	28,540	27,851	(689)
797,935	797,935	797,935	-
422,608	426,458	446,443	19,985
-	-	7,544	7,544
92,256	92,256	94,897	2,641
30,437,257	30,926,613	31,248,992	322,379
3,866,129	3,580,426	3,396,757	183,669
9,071,889	9,537,622	9,495,319	42,303
3,125	1,630	1,630	-
2,184,765	2,459,128	2,422,335	36,793
125,303	124,648	119,104	5,544
2,420,571	2,524,295	2,515,664	8,631
1,798,892	1,865,804	1,834,539	31,265
10,288,612	11,028,612	10,768,279	260,333
36,184	36,184	21,928	14,256
937	937	937	-
29,796,407	31,159,286	30,576,492	582,794
640,850	(232,673)	672,500	905,173
250,000	340,000	340,000	-
10,000	785,000	962,758	177,758
182,925	182,925	181,553	(1,372)
(1,838,540)	(1,843,622)	(1,834,663)	8,959
(1,395,615)	(535,697)	(350,352)	185,345
(754,765)	(768,370)	322,148	1,090,518
754,765	768,370	6,839,529	6,071,159
\$ -	\$ -	\$ 7,161,677	\$ 7,161,677

Village of Ossining, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	<u>\$ 21,090,438</u>	<u>\$ 21,092,531</u>	<u>\$ 21,114,784</u>	<u>\$ 22,253</u>	<u>\$ 20,953,050</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	143,453	143,453	146,294	2,841	35,609
Interest and penalties on real property taxes	<u>150,000</u>	<u>150,000</u>	<u>123,814</u>	<u>(26,186)</u>	<u>152,228</u>
	<u>293,453</u>	<u>293,453</u>	<u>270,108</u>	<u>(23,345)</u>	<u>187,837</u>
NON-PROPERTY TAXES					
Utilities gross receipts taxes	300,000	300,000	261,240	(38,760)	299,967
Franchise fees	435,100	420,833	467,546	46,713	467,051
Non-property tax distribution from County	<u>3,625,000</u>	<u>3,625,000</u>	<u>3,613,936</u>	<u>(11,064)</u>	<u>3,648,964</u>
	<u>4,360,100</u>	<u>4,345,833</u>	<u>4,342,722</u>	<u>(3,111)</u>	<u>4,415,982</u>
DEPARTMENTAL INCOME					
Tax advertising	2,000	2,000	1,350	(650)	790
Clerk fees	1,100	1,100	960	(140)	789
Transportation of prisoners	32,000	32,000	34,272	2,272	34,006
Police fees	850	850	3,460	2,610	1,821
Safety inspection fees	30,000	30,000	45,041	15,041	46,763
False alarm fees	2,000	2,000	1,600	(400)	850
Health fees	-	-	627	627	712
Public service	12,000	12,000	6,925	(5,075)	10,996
Station tags and off-street parking	478,000	478,000	510,973	32,973	477,994
Non-criminal finger printing	3,000	3,000	1,085	(1,915)	1,470
Day camp fees	235,000	235,000	205,753	(29,247)	209,596
Parks and recreation fees	499,000	499,000	544,741	45,741	519,655
Zoning fees	6,000	6,000	13,930	7,930	5,265
Planning Board fees	8,500	8,500	12,835	4,335	9,400
Refuse and garbage charges	<u>387,000</u>	<u>387,000</u>	<u>377,571</u>	<u>(9,429)</u>	<u>350,196</u>
	<u>1,696,450</u>	<u>1,696,450</u>	<u>1,761,123</u>	<u>64,673</u>	<u>1,670,303</u>

INTERGOVERNMENTAL CHARGES

Finance and data processing services - Town	387,137	387,137	366,340	(20,797)	366,441
Engineering services - Town	73,440	73,440	71,400	(2,040)	70,000
Corporation counsel - Town	11,112	11,112	11,112	-	11,000
Street lighting - Town	5,000	5,000	1,776	(3,224)	3,360
Police services	1,992,399	1,992,399	2,010,631	18,232	39,823
Fire protection services - Town	487,999	487,999	488,000	1	461,033
Veteran's Park lighting - Town	-	-	-	-	21,898
Snow removal services	34,000	34,000	88,738	54,738	38,950
Recreation services - Town	341,415	341,415	342,415	1,000	404,093

	<u>3,332,502</u>	<u>3,332,502</u>	<u>3,380,412</u>	<u>47,910</u>	<u>1,416,598</u>
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USE OF MONEY AND PROPERTY

Earnings on investments	22,000	22,000	19,929	(2,071)	19,034
Rental of real property - Individuals	77,044	77,044	101,714	24,670	84,189
Rental of real property - Other governments	212,936	212,936	212,928	(8)	175,752

	<u>311,980</u>	<u>311,980</u>	<u>334,571</u>	<u>22,591</u>	<u>278,975</u>
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LICENSES AND PERMITS

Business and occupational licenses	35,000	35,000	53,125	18,125	51,565
Building permits	125,000	125,000	136,614	11,614	371,881
Other permits	67,000	67,000	93,206	26,206	81,555

	<u>227,000</u>	<u>227,000</u>	<u>282,945</u>	<u>55,945</u>	<u>505,001</u>
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FINES AND FORFEITURES

Fines and forfeited bail	420,000	437,500	462,378	24,878	442,751
Forfeiture of deposits	1,000	1,000	345	(655)	3,825

	<u>421,000</u>	<u>438,500</u>	<u>462,723</u>	<u>24,223</u>	<u>446,576</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	6,577	6,577	18,540
Minor sales	10,000	10,000	6,869	(3,131)	9,311

	<u>10,000</u>	<u>10,000</u>	<u>13,446</u>	<u>3,446</u>	<u>27,851</u>
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(Continued)

Village of Ossining, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
INTERFUND REVENUES	<u>\$ 813,895</u>	<u>\$ 813,895</u>	<u>\$ 813,895</u>	<u>\$ -</u>	<u>\$ 797,935</u>
STATE AID					
Per capita	202,408	202,408	202,408	-	202,408
Mortgage tax	200,000	200,000	180,595	(19,405)	192,499
Youth programs	5,200	5,200	5,572	372	5,851
Emergency management assistance	-	-	32,151	32,151	194
Other	15,000	15,000	47,521	32,521	45,491
	<u>422,608</u>	<u>422,608</u>	<u>468,247</u>	<u>45,639</u>	<u>446,443</u>
FEDERAL AID					
Bullet proof vest program	-	-	-	-	2,658
Emergency management assistance	-	-	-	-	4,886
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,544</u>
MISCELLANEOUS					
Refunds of prior year's expenditures	2,000	2,000	21,270	19,270	2,514
Gifts and donations	-	-	20	20	10
Section 8 Housing Fund reimbursement	22,256	22,256	20,940	(1,316)	22,256
Medicare part D	65,000	65,000	71,804	6,804	68,703
Other	3,000	3,000	5,557	2,557	1,414
	<u>92,256</u>	<u>92,256</u>	<u>119,591</u>	<u>27,335</u>	<u>94,897</u>
TOTAL REVENUES	<u>33,071,682</u>	<u>33,077,008</u>	<u>33,364,567</u>	<u>287,559</u>	<u>31,248,992</u>

OTHER FINANCING SOURCES

Bonds issued	400,000	550,000	550,000	-	340,000
Insurance recoveries	25,000	51,143	322,144	271,001	962,758
Transfers in					
Debt Service Fund	125,000	125,000	125,000	-	125,000
Non-major Fund - Special Purpose Fund	58,951	58,951	42,586	(16,365)	56,553
	<u>608,951</u>	<u>785,094</u>	<u>1,039,730</u>	<u>254,636</u>	<u>1,484,311</u>
TOTAL OTHER FINANCING SOURCES					
	<u>608,951</u>	<u>785,094</u>	<u>1,039,730</u>	<u>254,636</u>	<u>1,484,311</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 33,680,633</u>	<u>\$ 33,862,102</u>	<u>\$ 34,404,297</u>	<u>\$ 542,195</u>	<u>\$ 32,733,303</u>

Village of Ossining, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 41,550	\$ 44,000	\$ 42,775	\$ 1,225	\$ 53,372
Village Justice	1,000	1,000	-	1,000	-
Traffic violations bureau	141,754	142,265	141,515	750	141,179
Mayor	9,750	9,750	8,061	1,689	8,674
Manager	339,108	402,130	402,127	3	335,954
Auditor	50,500	50,500	42,480	8,020	42,100
Treasurer	169,226	172,226	169,757	2,469	162,580
Budget	1,000	1,000	1,000	-	892
Clerk	212,596	218,078	208,751	9,327	216,466
Law	193,340	193,340	172,673	20,667	183,839
Personnel	167,061	167,061	163,378	3,683	162,451
Safety director	34,984	34,984	26,005	8,979	26,051
Engineer	48,890	36,579	33,509	3,070	39,398
Municipal building	204,461	219,418	191,374	28,044	162,007
Operations center	203,199	218,033	195,596	22,437	220,810
Central garage	324,672	358,228	357,944	284	303,603
Communications system	123,411	158,841	143,382	15,459	116,506
Data processing	288,475	270,183	258,136	12,047	261,801
Unallocated insurance	529,003	556,874	556,187	687	534,971
Municipal association dues	15,250	15,250	14,046	1,204	11,586
Judgments and claims	100,000	72,129	36,524	35,605	76,625
Town taxes and assessments	70	70	61	9	50
Property tax refunds	350,000	473,878	472,668	1,210	290,000
Metropolitan commuter transportation mobility tax	51,641	51,641	48,623	3,018	45,842
Contingency	665,062	134,877	-	134,877	-
	<u>4,266,003</u>	<u>4,002,335</u>	<u>3,686,572</u>	<u>315,763</u>	<u>3,396,757</u>

PUBLIC SAFETY

Police department	8,259,951	8,601,429	8,444,933	156,496	7,429,010
Jail	2,000	2,155	2,155	-	2,247
Traffic control	76,496	73,370	73,370	-	64,933
Public safety boat	11,000	11,000	6,817	4,183	8,952
Fire department	786,402	786,402	676,989	109,413	791,440
Demolition of unsafe buildings	500	1,280	1,280	-	4,635
Control of animals	114,215	116,775	113,405	3,370	113,570
Civilian police	562,088	548,488	548,111	377	533,133
Safety inspection	570,524	570,524	496,137	74,387	547,399

	<u>10,383,176</u>	<u>10,711,423</u>	<u>10,363,197</u>	<u>348,226</u>	<u>9,495,319</u>
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HEALTH

Weed and grass control	<u>2,500</u>	<u>2,500</u>	<u>1,630</u>	<u>870</u>	<u>1,630</u>
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TRANSPORTATION

Street administration	298,510	286,802	286,670	132	279,382
Street maintenance	1,404,691	1,479,765	1,391,965	87,800	1,446,166
Snow removal	291,150	397,863	397,862	1	377,044
Street lighting	230,328	219,615	218,244	1,371	230,250
Sidewalks	-	45,715	45,715	-	57,388
Off-street parking	33,123	34,102	34,050	52	32,105

	<u>2,257,802</u>	<u>2,463,862</u>	<u>2,374,506</u>	<u>89,356</u>	<u>2,422,335</u>
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	37,800	37,800	33,555	4,245	37,800
Community development	28,447	28,447	17,930	10,517	24,752
Downtown development	58,951	58,951	42,586	16,365	56,552

	<u>125,198</u>	<u>125,198</u>	<u>94,071</u>	<u>31,127</u>	<u>119,104</u>
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CULTURE AND RECREATION

Parks	745,913	745,542	720,829	24,713	723,317
Recreation	1,621,120	1,637,298	1,608,379	28,919	1,662,620
Youth agencies	91,608	79,933	79,933	-	74,557
Urban cultural park	20,869	16,737	16,484	253	14,696
Celebrations	20,182	20,182	14,378	5,804	35,008
Adult recreation	5,900	5,900	4,996	904	5,466

	<u>2,505,592</u>	<u>2,505,592</u>	<u>2,444,999</u>	<u>60,593</u>	<u>2,515,664</u>
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(Continued)

Village of Ossining, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 80,736	\$ 83,192	\$ 61,211	\$ 21,981	\$ 69,509
Planning	119,029	114,793	107,555	7,238	81,620
Storm sewers	105,949	80,497	80,495	2	104,832
Refuse and garbage	1,365,461	1,324,205	1,288,617	35,588	1,359,244
Street cleaning	95,682	89,844	84,710	5,134	89,684
Shade trees	107,750	88,754	71,821	16,933	125,019
Historic Review Commission	5,750	6,749	4,999	1,750	4,631
	<u>1,880,357</u>	<u>1,788,034</u>	<u>1,699,408</u>	<u>88,626</u>	<u>1,834,539</u>
EMPLOYEE BENEFITS					
State retirement	1,285,551	1,285,551	1,186,259	99,292	1,204,204
Police and fire retirement	1,967,689	1,967,689	1,926,725	40,964	1,795,744
Social security	1,161,915	1,154,150	1,047,684	106,466	1,001,448
Workers' compensation benefits	1,076,156	1,076,156	1,076,156	-	1,037,148
Unemployment benefits	20,000	27,765	27,765	-	18,861
Hospital, medical and dental benefits	5,545,241	5,545,241	4,751,567	793,674	5,710,874
	<u>11,056,552</u>	<u>11,056,552</u>	<u>10,016,156</u>	<u>1,040,396</u>	<u>10,768,279</u>
DEBT SERVICE					
Principal					
Installment purchase debt	27,110	27,508	27,507	1	20,179
Interest					
Bond anticipation notes	515	515	515	-	937
Installment purchase debt	9,074	8,676	1,261	7,415	1,749
	<u>9,589</u>	<u>9,191</u>	<u>1,776</u>	<u>7,415</u>	<u>2,686</u>
	<u>36,699</u>	<u>36,699</u>	<u>29,283</u>	<u>7,416</u>	<u>22,865</u>
TOTAL EXPENDITURES	<u>32,513,879</u>	<u>32,692,195</u>	<u>30,709,822</u>	<u>1,982,373</u>	<u>30,576,492</u>

OTHER FINANCING USES

Transfers out

Debt Service Fund	1,741,833	1,741,833	1,741,820	13	1,631,785
Capital Projects Fund	81,041	310,787	310,787	-	127,788
Section 8 Housing Fund	84,039	84,039	69,533	14,506	75,090

TOTAL OTHER FINANCING USES

1,906,913	2,136,659	2,122,140	14,519	1,834,663
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u>\$ 34,420,792</u>	<u>\$ 34,828,854</u>	<u>\$ 32,831,962</u>	<u>\$ 1,996,892</u>	<u>\$ 32,411,155</u>
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Village of Ossining, New YorkWater Fund
Comparative Balance Sheet
December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 3,175,959	\$ 3,175,311
Receivables		
Accounts	3,277,369	2,799,855
State and Federal aid	3,260	1,264
Due from other governments	10,343	6,580
	3,290,972	2,807,699
Prepaid expenditures	104,859	120,169
Total Assets	\$ 6,571,790	\$ 6,103,179
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 729,562	\$ 463,197
Accrued liabilities	36,381	103,678
Unearned revenues	10,541	13,202
Due to other funds	35,603	72,495
Total Liabilities	812,087	652,572
Fund balance		
Nonspendable	104,859	120,169
Restricted	216,093	215,734
Assigned	5,438,751	5,114,704
Total Fund Balance	5,759,703	5,450,607
Total Liabilities and Fund Balance	\$ 6,571,790	\$ 6,103,179

Village of Ossining, New York

Water Fund

Comparative Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

Years Ended December 31,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 9,627,030	\$ 9,627,030	\$ 10,037,641	\$ 410,611
Use of money and property	3,000	3,000	4,817	1,817
Sale of property and compensation for loss	-	-	21,281	21,281
State aid	-	-	6,829	6,829
Federal aid	-	-	-	-
Miscellaneous	10,000	10,000	27,082	17,082
Total Revenues	9,640,030	9,640,030	10,097,650	457,620
EXPENDITURES				
Current				
General government support	744,371	677,894	488,487	189,407
Home and community services	7,010,228	6,848,612	6,499,183	349,429
Employee benefits	1,206,184	1,206,184	1,102,186	103,998
Debt service				
Principal	62,416	63,332	63,332	-
Interest	36,348	87,432	15,464	71,968
Total Expenditures	9,059,547	8,883,454	8,168,652	714,802
Excess of Revenues Over Expenditures	580,483	756,576	1,928,998	1,172,422
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000	75,000	-
Transfers out	(1,436,174)	(1,694,913)	(1,694,902)	11
Total Other Financing Uses	(1,361,174)	(1,619,913)	(1,619,902)	11
Net Change in Fund Balance	(780,691)	(863,337)	309,096	1,172,433
FUND BALANCE				
Beginning of Year	780,691	863,337	5,450,607	4,587,270
End of Year	\$ -	\$ -	\$ 5,759,703	\$ 5,759,703

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,184,814 3,000	\$ 9,184,814 3,000	\$ 9,285,432 5,558	\$ 100,618 2,558
-	70,000	74,299	4,299
-	-	58	58
-	-	479	479
10,000	10,000	21,495	11,495
9,197,814	9,267,814	9,387,321	119,507
564,493	685,915	426,965	258,950
6,163,200	6,647,778	6,592,868	54,910
1,204,573	1,251,573	1,210,489	41,084
58,894	48,894	46,460	2,434
32,553	12,553	9,270	3,283
8,023,713	8,646,713	8,286,052	360,661
1,174,101	621,101	1,101,269	480,168
75,000	75,000	75,000	-
(1,386,658)	(1,536,458)	(1,536,451)	7
(1,311,658)	(1,461,458)	(1,461,451)	7
(137,557)	(840,357)	(360,182)	480,175
137,557	840,357	5,810,789	4,970,432
\$ -	\$ -	\$ 5,450,607	\$ 5,450,607

Village of Ossining, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ 278,768	\$ 278,768	\$ 135,758	\$ 143,010	\$ 75,744
Safety director	22,136	22,136	10,495	11,641	7,876
Communications system	17,500	17,500	9,182	8,318	15,205
Data processing	58,967	23,754	18,123	5,631	31,991
Unallocated insurance	82,880	85,580	85,302	278	74,521
Judgments and claims	5,000	2,300	1,509	791	-
Taxes and assessments on municipal property	221,000	221,000	220,265	735	213,830
Metropolitan commuter transportation mobility tax	8,120	8,120	7,853	267	7,798
Contingency	50,000	18,736	-	18,736	-
	<u>744,371</u>	<u>677,894</u>	<u>488,487</u>	<u>189,407</u>	<u>426,965</u>
HOME AND COMMUNITY SERVICES					
Water administration	1,239,916	1,276,281	1,272,908	3,373	1,228,532
Pumping, supply and power	3,162,937	3,012,800	2,788,011	224,789	2,611,304
Purification	1,358,137	1,318,489	1,253,216	65,273	1,352,905
Transmission and distribution	1,249,238	1,241,042	1,185,048	55,994	1,400,127
	<u>7,010,228</u>	<u>6,848,612</u>	<u>6,499,183</u>	<u>349,429</u>	<u>6,592,868</u>
EMPLOYEE BENEFITS					
State retirement	450,713	450,713	409,772	40,941	447,471
Social security	182,697	171,636	166,698	4,938	164,460
Workers' compensation benefits	156,655	156,655	156,655	-	158,633
Unemployment insurance	2,000	13,061	13,061	-	-
Hospital, medical and dental benefits	414,119	414,119	356,000	58,119	439,925
	<u>1,206,184</u>	<u>1,206,184</u>	<u>1,102,186</u>	<u>103,998</u>	<u>1,210,489</u>

DEBT SERVICE

Principal

Installment purchase debt

<u>62,416</u>	<u>63,332</u>	<u>63,332</u>	<u>-</u>	<u>46,460</u>
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Interest

Bond anticipation notes

12,561	64,561	12,560	52,001	5,244
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Installment purchase debt

<u>23,787</u>	<u>22,871</u>	<u>2,904</u>	<u>19,967</u>	<u>4,026</u>
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<u>36,348</u>	<u>87,432</u>	<u>15,464</u>	<u>71,968</u>	<u>9,270</u>
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<u>98,764</u>	<u>150,764</u>	<u>78,796</u>	<u>71,968</u>	<u>55,730</u>
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TOTAL EXPENDITURES

<u>9,059,547</u>	<u>8,883,454</u>	<u>8,168,652</u>	<u>714,802</u>	<u>8,286,052</u>
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OTHER FINANCING USES

Transfers out

Debt Service Fund

1,361,174	1,361,174	1,361,163	11	1,311,651
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Capital Projects Fund

<u>75,000</u>	<u>333,739</u>	<u>333,739</u>	<u>-</u>	<u>224,800</u>
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TOTAL OTHER FINANCING USES

<u>1,436,174</u>	<u>1,694,913</u>	<u>1,694,902</u>	<u>11</u>	<u>1,536,451</u>
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**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

<u>\$ 10,495,721</u>	<u>\$ 10,578,367</u>	<u>\$ 9,863,554</u>	<u>\$ 714,813</u>	<u>\$ 9,822,503</u>
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Village of Ossining, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 558,027</u>	<u>\$ 833,285</u>
FUND BALANCE		
Restricted	\$ 373,287	\$ 545,141
Assigned	<u>184,740</u>	<u>288,144</u>
Total Fund Balance	<u>\$ 558,027</u>	<u>\$ 833,285</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 10,150	\$ 10,150	\$ 46,358	\$ 36,208
EXPENDITURES				
Debt service				
Principal				
Bonds	2,628,006	2,628,006	2,628,000	6
Interest				
Bonds	943,288	943,288	943,269	19
Bond anticipation notes	-	28,042	28,042	-
	943,288	971,330	971,311	19
Total Expenditures	3,571,294	3,599,336	3,599,311	25
Deficiency of Revenues Over Expenditures	(3,561,144)	(3,589,186)	(3,552,953)	36,233
OTHER FINANCING SOURCES (USES)				
Transfers in	3,485,650	3,485,650	3,490,345	4,695
Transfers out	(212,650)	(212,650)	(212,650)	-
Total Other Financing Sources	3,273,000	3,273,000	3,277,695	4,695
Net Change in Fund Balance	(288,144)	(316,186)	(275,258)	40,928
FUND BALANCE				
Beginning of Year	288,144	316,186	833,285	517,099
End of Year	\$ -	\$ -	\$ 558,027	\$ 558,027

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,150	\$ 10,150	\$ 68,931	\$ 58,781
2,286,507	2,286,507	2,286,500	7
911,460	911,460	911,445	15
-	25,150	25,150	-
911,460	936,610	936,595	15
3,197,967	3,223,117	3,223,095	22
(3,187,817)	(3,212,967)	(3,154,164)	58,803
3,127,764	3,127,764	3,166,294	38,530
(212,650)	(212,650)	(212,650)	-
2,915,114	2,915,114	2,953,644	38,530
(272,703)	(297,853)	(200,520)	97,333
272,703	297,853	1,033,805	735,952
\$ -	\$ -	\$ 833,285	\$ 833,285

Village of Ossining, New YorkCapital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 7,100,151</u>	<u>\$ 9,311,435</u>
Receivables		
State and Federal aid	145,278	74,018
Due from other funds	-	175,739
Due from other governments	<u>66,416</u>	<u>16,025</u>
	<u>211,694</u>	<u>265,782</u>
Total Assets	<u><u>\$ 7,311,845</u></u>	<u><u>\$ 9,577,217</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 307,610	\$ 557,579
Retained percentages	314,106	267,720
Due to other funds	-	9,217
Bond anticipation notes payable	<u>4,334,746</u>	<u>4,111,787</u>
Total Liabilities	4,956,462	4,946,303
Fund balance		
Restricted	<u>2,355,383</u>	<u>4,630,914</u>
Total Liabilities and Fund Balance	<u><u>\$ 7,311,845</u></u>	<u><u>\$ 9,577,217</u></u>

Village of Ossining, New York

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

	2015	2014
REVENUES		
State aid	\$ 149,370	\$ 369,572
Federal aid	-	72,000
Miscellaneous	66,416	41,455
Total Revenues	215,786	483,027
EXPENDITURES		
Capital outlay	3,494,032	5,783,826
Deficiency of Revenues Over Expenditures	(3,278,246)	(5,300,799)
OTHER FINANCING SOURCES (USES)		
Bonds issued	190,000	4,378,000
Transfers in	828,918	741,321
Transfers out	(16,203)	(144,773)
Total Other Financing Sources	1,002,715	4,974,548
Net Change in Fund Balance	(2,275,531)	(326,251)
FUND BALANCE		
Beginning of Year	4,630,914	4,957,165
End of Year	\$ 2,355,383	\$ 4,630,914

Village of Ossining, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2015

PROJECT	Project Number	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
Parking Meters	2057	\$ 225,000	\$ 186,625	\$ 38,375
Security at Water Pump Stations	2070	150,000	142,391	7,609
Community Center Sun Deck Playground	2105	173,500	145,625	27,875
Main/Secor/Water Street Streetscape	2106	768,661	768,661	-
Indian Brook Water Reservoir and Dam	2122	4,065,845	382,015	3,683,830
Fire Department SCBA Cylinders	2124	35,200	35,200	-
Historic Building Markers	2133	33,112	4,736	28,376
Sing Sing Kill Sewer Improvements	2134	5,138,000	4,869,296	268,704
Police Vehicles 2012/2013	2135	120,934	119,691	1,243
DPW Truck	2137	40,000	40,000	-
Fire Chief's Vehicle	2139	48,000	48,000	-
Fire Apparatus	2141	665,000	665,000	-
Generator at Operations Center	2142	166,900	136,550	30,350
Generator at Water Treatment Plant	2143	957,900	947,700	10,200
Street Curb Machine	2146	20,000	12,271	7,729
Police Vehicles -2014	2147	185,000	181,879	3,121
Water Mains Relining and Replacement	2149	2,600,000	796,301	1,803,699
Street Resurfacing and Sidewalks - 2014	2150	408,810	348,562	60,248
Police Vehicles - 2015	2153	124,000	123,248	752
Fire Chief's Vehicle - 2015	2154	50,000	50,000	-
Fire Apparatus Rehabilitation - 2015	2155	300,000	178	299,822
DPW Dump Truck	2156	190,000	-	190,000
Recreation Department Vehicle	2157	35,000	35,000	-
Harbor Square Promenade Park	2158	480,000	-	480,000
Spring Street/Main Street Intersection	2160	43,550	25,758	17,792
Street Resurfacing and Sidewalks - 2015	2161	249,915	150,772	99,143
LED Street Lighting Project - 2015	2162	650,000	-	650,000
MUNIS Implementation	2163	538,610	163,688	374,922
Totals		<u>\$ 18,462,937</u>	<u>\$ 10,379,147</u>	<u>\$ 8,083,790</u>

Revenues To Date	Fund Balance (Deficit) at December 31, 2015	Bond Anticipation Notes Outstanding at December 31, 2015
\$ 225,000	\$ 38,375	\$ -
150,000	7,609	-
173,500	27,875	-
718,661	(50,000)	-
2,790,844	2,408,829	1,275,000
21,120	(14,080)	14,080
33,112	28,376	-
5,138,000	268,704	-
94,268	(25,423)	26,666
16,000	(24,000)	24,000
32,000	(16,000)	16,000
665,000	-	-
166,900	30,350	-
957,900	10,200	-
20,000	7,729	-
185,000	3,121	-
130,000	(666,301)	2,470,000
398,562	50,000	-
-	(123,248)	124,000
-	(50,000)	50,000
-	(178)	300,000
190,000	190,000	-
-	(35,000)	35,000
-	-	-
43,550	17,792	-
160,849	10,077	-
-	-	-
424,264	260,576	-
<u>\$ 12,734,530</u>	<u>\$ 2,355,383</u>	<u>\$ 4,334,746</u>

Village of Ossining, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2015
(With Comparative Totals for 2014)

	Sewer Fund	Section 8 Housing Fund	Special Purpose Fund
ASSETS			
Cash and equivalents	\$ 1,018,778	\$ 34,520	\$ 1,150,586
Receivables			
Accounts	462,747	34,501	-
State and Federal aid	1,164	7,443	-
Due from other funds	-	4,285	-
	463,911	46,229	-
Prepaid expenditures	18,670	7,721	-
Total Assets	\$ 1,501,359	\$ 88,470	\$ 1,150,586
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 27,861	\$ 3,896	\$ -
Accrued liabilities	-	926	-
Unearned revenues	-	34,501	-
Due to other funds	2,738	-	4,195
Total Liabilities	30,599	39,323	4,195
Fund balances			
Nonspendable	18,670	7,721	-
Restricted	-	-	1,146,391
Assigned	1,452,090	41,426	-
Total Fund Balances	1,470,760	49,147	1,146,391
Total Liabilities and Fund Balances	\$ 1,501,359	\$ 88,470	\$ 1,150,586

Totals	
2015	2014
\$ 2,203,884	\$ 2,415,266
497,248	445,316
8,607	4,677
4,285	14,700
510,140	464,693
26,391	33,064
\$ 2,740,415	\$ 2,913,023
\$ 31,757	\$ 47,079
926	6,266
34,501	32,035
6,933	107,212
74,117	192,592
26,391	33,064
1,146,391	1,175,162
1,493,516	1,512,205
2,666,298	2,720,431
\$ 2,740,415	\$ 2,913,023

Village of Ossining, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	Sewer Fund	Section 8 Housing Fund	Special Purpose Fund
REVENUES			
Departmental income	\$ 1,540,082	\$ -	\$ -
Use of money and property	2,045	-	1,455
Sale of property and compensation for loss	7,600	-	-
Federal aid	15,758	3,236,399	-
Miscellaneous	1,984	7,190	25,234
Total Revenues	<u>1,567,469</u>	<u>3,243,589</u>	<u>26,689</u>
EXPENDITURES			
Current			
General government support	110,389	-	-
Economic opportunity and development	-	-	12,874
Culture and recreation	-	-	-
Home and community services	691,593	3,285,452	-
Employee benefits	275,618	-	-
Debt service			
Interest	-	-	-
Total Expenditures	<u>1,077,600</u>	<u>3,285,452</u>	<u>12,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>489,869</u>	<u>(41,863)</u>	<u>13,815</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,650	69,533	-
Transfers out	(555,551)	-	(42,586)
Total Other Financing Sources (Uses)	<u>(542,901)</u>	<u>69,533</u>	<u>(42,586)</u>
Net Change in Fund Balances	(53,032)	27,670	(28,771)
FUND BALANCES			
Beginning of Year	<u>1,523,792</u>	<u>21,477</u>	<u>1,175,162</u>
End of Year	<u>\$ 1,470,760</u>	<u>\$ 49,147</u>	<u>\$ 1,146,391</u>

Totals	
2015	2014
\$ 1,540,082	\$ 1,363,211
3,500	3,472
7,600	26,542
3,252,157	2,857,167
34,408	470,085
<u>4,837,747</u>	<u>4,720,477</u>
110,389	117,649
12,874	744,461
-	19,609
3,977,045	3,766,888
275,618	311,902
-	8,464
<u>4,375,926</u>	<u>4,968,973</u>
<u>461,821</u>	<u>(248,496)</u>
82,183	121,957
<u>(598,137)</u>	<u>(557,588)</u>
<u>(515,954)</u>	<u>(435,631)</u>
(54,133)	(684,127)
<u>2,720,431</u>	<u>3,404,558</u>
<u>\$ 2,666,298</u>	<u>\$ 2,720,431</u>

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Village of Ossining, New York

Sewer Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 1,018,778</u>	<u>\$ 1,124,502</u>
Receivables		
Accounts	462,747	413,281
State and Federal aid	<u>1,164</u>	<u>451</u>
	<u>463,911</u>	<u>413,732</u>
Prepaid expenditures	<u>18,670</u>	<u>25,235</u>
Total Assets	<u><u>\$ 1,501,359</u></u>	<u><u>\$ 1,563,469</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 27,861	\$ 39,677
Due to other funds	<u>2,738</u>	<u>-</u>
Total Liabilities	<u>30,599</u>	<u>39,677</u>
Fund balance		
Nonspendable	18,670	25,235
Assigned	<u>1,452,090</u>	<u>1,498,557</u>
Total Fund Balance	<u>1,470,760</u>	<u>1,523,792</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,501,359</u></u>	<u><u>\$ 1,563,469</u></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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,428,411	\$ 1,428,411	\$ 1,540,082	\$ 111,671
Use of money and property	1,500	1,500	2,045	545
Sale of property and compensation for loss	-	-	7,600	7,600
Federal aid	-	-	15,758	15,758
Miscellaneous	1,500	1,500	1,984	484
Total Revenues	1,431,411	1,431,411	1,567,469	136,058
EXPENDITURES				
Current				
General government support	153,831	136,415	110,389	26,026
Home and community services	698,774	707,115	691,593	15,522
Employee benefits	299,004	299,004	275,618	23,386
Debt service				
Interest	-	-	-	-
Total Expenditures	1,151,609	1,142,534	1,077,600	64,934
Excess of Revenues Over Expenditures	279,802	288,877	489,869	200,992
OTHER FINANCING SOURCES (USES)				
Transfers in	12,650	12,650	12,650	-
Transfers out	(382,643)	(555,556)	(555,551)	5
Total Other Financing Uses	(369,993)	(542,906)	(542,901)	5
Net Change in Fund Balance	(90,191)	(254,029)	(53,032)	200,997
FUND BALANCE				
Beginning of Year	90,191	254,029	1,523,792	1,269,763
End of Year	\$ -	\$ -	\$ 1,470,760	\$ 1,470,760

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,301,890	\$ 1,301,890	\$ 1,363,211	\$ 61,321
2,000	2,000	1,748	(252)
-	25,000	26,542	1,542
-	-	-	-
1,500	1,500	1,898	398
1,305,390	1,330,390	1,393,399	63,009
155,995	156,404	117,649	38,755
668,507	668,098	632,055	36,043
296,565	321,565	311,902	9,663
8,464	8,464	8,464	-
1,129,531	1,154,531	1,070,070	84,461
175,859	175,859	323,329	147,470
12,650	12,650	12,650	-
(299,311)	(299,311)	(299,307)	4
(286,661)	(286,661)	(286,657)	4
(110,802)	(110,802)	36,672	147,474
110,802	110,802	1,487,120	1,376,318
\$ -	\$ -	\$ 1,523,792	\$ 1,523,792

Village of Ossining, New York

Sewer Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 8,400	\$ 8,150	\$ 8,150	\$ -	\$ 8,400
Engineer	10,000	10,000	-	10,000	-
Safety director	15,200	16,316	7,612	8,704	4,951
Communication systems	2,000	2,162	1,355	807	2,194
Data processing	10,877	10,965	7,653	3,312	7,447
Unallocated insurance	31,959	39,559	38,267	1,292	48,215
Judgments and claims	4,000	4,400	4,400	-	3,488
Town taxes and assessments	45,000	41,600	41,588	12	41,651
Metropolitan commuter transportation					
mobility tax	1,395	1,395	1,364	31	1,303
Contingency	25,000	1,868	-	1,868	-
	153,831	136,415	110,389	26,026	117,649
HOME AND COMMUNITY SERVICES					
Sewer administration	286,970	297,454	297,024	430	294,357
Sewer system	296,325	321,862	321,276	586	266,904
Sewage pumping	115,479	87,799	73,293	14,506	70,794
	698,774	707,115	691,593	15,522	632,055
EMPLOYEE BENEFITS					
State retirement	78,190	78,190	71,621	6,569	76,846
Social security	31,377	30,537	28,907	1,630	28,046
Workers' compensation benefits	41,537	41,537	41,537	-	50,213
Hospital, medical and dental benefits	147,900	148,740	133,553	15,187	156,797
	299,004	299,004	275,618	23,386	311,902
DEBT SERVICE					
Interest - bond anticipation notes	-	-	-	-	8,464
TOTAL EXPENDITURES	1,151,609	1,142,534	1,077,600	64,934	1,070,070

OTHER FINANCING USES

Transfers out

Debt Service Fund

Capital Projects Fund

382,643	382,643	382,638	5	184,307
-	172,913	172,913	-	115,000

TOTAL OTHER FINANCING USES

382,643	555,556	555,551	5	299,307
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 1,534,252	\$ 1,698,090	\$ 1,633,151	\$ 64,939	\$ 1,369,377
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Village of Ossining, New YorkSection 8 Housing Fund
Comparative Balance Sheet
December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 34,520	\$ 17,607
Receivables		
Accounts	34,501	32,035
State and Federal aid	7,443	4,226
Due from other funds	4,285	5,483
	46,229	41,744
Prepaid expenditures	7,721	7,829
Total Assets	\$ 88,470	\$ 67,180
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,896	\$ 7,402
Accrued liabilities	926	6,266
Unearned revenues	34,501	32,035
Total Liabilities	39,323	45,703
Fund balance		
Nonspendable	7,721	7,829
Assigned	41,426	13,648
Total Fund Balance	49,147	21,477
Total Liabilities and Fund Balance	\$ 88,470	\$ 67,180

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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 150	\$ 150	\$ -	\$ (150)
Federal aid	3,042,781	3,206,972	3,236,399	29,427
Miscellaneous	7,000	7,000	7,190	190
Total Revenues	3,049,931	3,214,122	3,243,589	29,467
EXPENDITURES				
Current				
Home and community services	3,133,970	3,298,161	3,285,452	12,709
Deficiency of Revenues Over Expenditures	(84,039)	(84,039)	(41,863)	42,176
OTHER FINANCING SOURCES				
Transfers in	84,039	84,039	69,533	(14,506)
Net Change in Fund Balance	-	-	27,670	27,670
FUND BALANCE				
Beginning of Year	-	-	21,477	21,477
End of Year	\$ -	\$ -	\$ 49,147	\$ 49,147

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 150	\$ 150	\$ -	\$ (150)
2,805,432	2,846,335	2,857,167	10,832
14,000	14,000	7,792	(6,208)
2,819,582	2,860,485	2,864,959	4,474
2,960,067	3,153,151	3,134,833	18,318
(140,485)	(292,666)	(269,874)	22,792
84,039	84,039	75,090	(8,949)
(56,446)	(208,627)	(194,784)	13,843
56,446	208,627	216,261	7,634
\$ -	\$ -	\$ 21,477	\$ 21,477

Village of Ossining, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,150,586	\$ 1,273,157
Due from other funds	<u>-</u>	<u>9,217</u>
Total Assets	<u>\$ 1,150,586</u>	<u>\$ 1,282,374</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 4,195	\$ 107,212
Fund balance		
Restricted	<u>1,146,391</u>	<u>1,175,162</u>
Total Liabilities and Fund Balance	<u>\$ 1,150,586</u>	<u>\$ 1,282,374</u>

Village of Ossining, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended December 31,

	2015	2014
REVENUES		
Use of money and property	\$ 1,455	\$ 1,724
Miscellaneous	25,234	460,395
Total Revenues	26,689	462,119
EXPENDITURES		
Current		
Economic opportunity and development	12,874	744,461
Culture and recreation	-	19,609
Total Expenditures	12,874	764,070
Excess (Deficiency) of Revenues Over Expenditures	13,815	(301,951)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	34,217
Transfers out	(42,586)	(258,281)
Total Other Financing Uses	(42,586)	(224,064)
Net Change in Fund Balance	(28,771)	(526,015)
FUND BALANCE		
Beginning of Year	1,175,162	1,701,177
End of Year	<u>\$ 1,146,391</u>	<u>\$ 1,175,162</u>

Village of Ossining, New York

Internal Service Funds
Combining Statement of Net Position
December 31, 2015
(With Comparative Totals for 2014)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2015	2014
ASSETS				
Cash and equivalents	\$ 3,269,686	\$ 609,729	\$ 3,879,415	\$ 4,030,994
Accounts receivable	557,848	-	557,848	172,431
Due from other funds	424,380	-	424,380	-
Total Assets	4,251,914	609,729	4,861,643	4,203,425
LIABILITIES				
Current liabilities				
Current portion of claims payable	315,900	66,200	382,100	312,650
Claims payable, less current portion	2,843,100	595,800	3,438,900	2,813,850
Total Liabilities	3,159,000	662,000	3,821,000	3,126,500
NET POSITION				
Restricted	1,092,914	-	1,092,914	1,076,925
Unrestricted	-	(52,271)	(52,271)	-
Total Net Position	\$ 1,092,914	\$ (52,271)	\$ 1,040,643	\$ 1,076,925

Village of Ossining, New York

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes
in Net Position

Year Ended December 31, 2015

(With Comparative Totals for 2014)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2015	2014
OPERATING REVENUES				
Charges for services	\$ 1,277,154	\$ 711,072	\$ 1,988,226	\$ 1,992,344
Insurance recoveries	991,003	-	991,003	435,428
Total Operating Revenues	2,268,157	711,072	2,979,229	2,427,772
OPERATING EXPENSES				
Insurance	356,943	634,589	991,532	948,569
Contractual	66,175	140,582	206,757	224,146
Employee benefits	1,656,831	-	1,656,831	(115,485)
Judgments and claims	-	165,847	165,847	115,561
Total Operating Expenses	2,079,949	941,018	3,020,967	1,172,791
Income (Loss) from Operations	188,208	(229,946)	(41,738)	1,254,981
NON-OPERATING REVENUES				
Interest income	4,521	935	5,456	5,955
Change in Net Position	192,729	(229,011)	(36,282)	1,260,936
NET POSITION				
Beginning of Year	900,185	176,740	1,076,925	(184,011)
End of Year	\$ 1,092,914	\$ (52,271)	\$ 1,040,643	\$ 1,076,925

Village of Ossining, New York

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and insurance recoveries	\$ 1,458,360	\$ 711,072
Cash payments to insurance carriers and claimants	<u>(1,507,449)</u>	<u>(819,018)</u>
Net Cash from Operating Activities	<u>(49,089)</u>	<u>(107,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>4,521</u>	<u>935</u>
Net Change in Cash and Equivalents	(44,568)	(107,011)
CASH AND EQUIVALENTS		
Beginning of Year	<u>3,314,254</u>	<u>716,740</u>
End of Year	<u><u>\$ 3,269,686</u></u>	<u><u>\$ 609,729</u></u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 188,208	\$ (229,946)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	(385,417)	-
Due from other funds	(424,380)	-
Claims payable	<u>572,500</u>	<u>122,000</u>
Net Cash from Operating Activities	<u><u>\$ (49,089)</u></u>	<u><u>\$ (107,946)</u></u>

Totals	
2015	2014
\$ 2,169,432	\$ 2,802,535
<u>(2,326,467)</u>	<u>(2,100,291)</u>
<u>(157,035)</u>	<u>702,244</u>
<u>5,456</u>	<u>5,955</u>
(151,579)	708,199
<u>4,030,994</u>	<u>3,322,795</u>
<u>\$ 3,879,415</u>	<u>\$ 4,030,994</u>
\$ (41,738)	\$ 1,254,981
(385,417)	(125,237)
(424,380)	500,000
<u>694,500</u>	<u>(927,500)</u>
<u>\$ (157,035)</u>	<u>\$ 702,244</u>

Village of Ossining, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Net Position
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 3,269,686	\$ 3,314,254
Accounts receivable	557,848	172,431
Due from other funds	<u>424,380</u>	<u>-</u>
Total Assets	<u>4,251,914</u>	<u>3,486,685</u>
LIABILITIES		
Current liabilities		
Current portion of claims payable	315,900	258,650
Claims payable, less current portion	<u>2,843,100</u>	<u>2,327,850</u>
Total Liabilities	<u>3,159,000</u>	<u>2,586,500</u>
NET POSITION		
Restricted	<u>\$ 1,092,914</u>	<u>\$ 900,185</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,

	2015	2014
OPERATING REVENUES		
Charges for services	\$ 1,277,154	\$ 1,248,524
Insurance recoveries	991,003	435,428
Total Operating Revenues	2,268,157	1,683,952
OPERATING EXPENSES		
Insurance	356,943	338,448
Contractual	66,175	80,061
Employee benefits	1,656,831	(115,485)
Total Operating Expenses	2,079,949	303,024
Income from Operations	188,208	1,380,928
NON-OPERATING REVENUES		
Interest income	4,521	4,743
Change in Net Position	192,729	1,385,671
NET POSITION		
Beginning of Year	900,185	(485,486)
End of Year	\$ 1,092,914	\$ 900,185

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

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and insurance recoveries	\$ 1,458,360	\$ 2,058,715
Cash payments to insurance carriers and claimants	<u>(1,507,449)</u>	<u>(1,248,524)</u>
Net Cash from Operating Activities	<u>(49,089)</u>	<u>810,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>4,521</u>	<u>4,743</u>
Net Increase in Cash and Equivalents	(44,568)	814,934
CASH AND EQUIVALENTS		
Beginning of Year	<u>3,314,254</u>	<u>2,499,320</u>
End of Year	<u><u>\$ 3,269,686</u></u>	<u><u>\$ 3,314,254</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 188,208	\$ 1,380,928
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	(385,417)	(125,237)
Due from other funds	(424,380)	500,000
Claims payable	<u>572,500</u>	<u>(945,500)</u>
Net Cash from Operating Activities	<u><u>\$ (49,089)</u></u>	<u><u>\$ 810,191</u></u>

Village of Ossining, New York

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 609,729</u>	<u>\$ 716,740</u>
LIABILITIES		
Current liabilities		
Current portion of claims payable	66,200	54,000
Claims payable, less current portion	<u>595,800</u>	<u>486,000</u>
Total Liabilities	<u>662,000</u>	<u>540,000</u>
NET POSITION		
Restricted	-	176,740
Unrestricted	<u>(52,271)</u>	<u>-</u>
Total Net Position	<u>\$ (52,271)</u>	<u>\$ 176,740</u>

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>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services	<u>\$ 711,072</u>	<u>\$ 743,820</u>
OPERATING EXPENSES		
Insurance	634,589	610,121
Contractual	140,582	144,085
Judgments and claims	<u>165,847</u>	<u>115,561</u>
Total Operating Expenses	<u>941,018</u>	<u>869,767</u>
Loss from Operations	(229,946)	(125,947)
NON-OPERATING REVENUES		
Interest income	<u>935</u>	<u>1,212</u>
Change in Net Position	(229,011)	(124,735)
NET POSITION		
Beginning of Year	<u>176,740</u>	<u>301,475</u>
End of Year	<u><u>\$ (52,271)</u></u>	<u><u>\$ 176,740</u></u>

Village of Ossining, New York

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 711,072	\$ 743,820
Cash payments to insurance carriers and claimants	(819,018)	(851,767)
Net Cash From Operating Activities	(107,946)	(107,947)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	935	1,212
Net Change in Cash and Equivalents	(107,011)	(106,735)
CASH AND EQUIVALENTS		
Beginning of Year	716,740	823,475
End of Year	\$ 609,729	\$ 716,740
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (229,946)	\$ (125,947)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Claims payable	122,000	18,000
Net Cash from Operating Activities	\$ (107,946)	\$ (107,947)

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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, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 28, 2016.

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 Village'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.

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

April 28, 2016

**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by
the Uniform Guidance**

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 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, 2015. The Village's major federal programs are identified in the summary of auditors' 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.

Auditors' 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 the 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 the 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, 2015.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

April 28, 2016

Village of Ossining, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- Recipients</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		\$ -	\$ 3,215,928
<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		-	15,758
Total Federal Assistance			<u>\$ -</u>	<u>\$ 3,231,686</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

Village of Ossining, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Ossining, New York ("Village") under programs of the federal government for the year ended December 31, 2015. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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 or cash flows 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

Village of Ossining, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2015

None

Village of Ossining, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on
whether the financial statements audited
were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish
between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$750,000
 X Yes ____ No

Village of Ossining, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None