

Village of Ossining, New York

Financial Report

December 31, 2016

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Financial Report

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Independent Auditor's Report

Mayor and Board of Trustees
Village of Ossining, New York
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, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as of and for the year ended December 31, 2016. The combining and individual fund financial statements and schedules and the project length schedule for the capital projects fund 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 project length schedule for the capital projects fund 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. The information as of and for the year ended December 31, 2016 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 combining and individual fund financial statements and schedules and the project length schedule for the capital projects fund as of and for the year ended December 31, 2016, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The combining and individual fund financial statements and schedules as of and for the year ended December 31, 2015, were audited by other auditors, whose report dated April 28, 2016, expressed an unmodified opinion on such information 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 August 7, 2017, 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 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.

BST & CO. CPAs, LLP

Albany, New York
August 7, 2017



Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

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, 2016, 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

- On the government-wide statement of net position, the assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$30.23 million. Of this amount, \$42.28 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$3.92 million was restricted for future capital improvements, debt service or other purposes. The remaining amount, which represents an unrestricted deficit, was \$15.97 million. 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 (for additional information on OPEB, see Note 10 in the notes to financial statements), and net pension liability cost in accordance with the provisions of GASB Statement No. 68 (see below).
- The Village's total net position decreased by \$3.25 million in 2016, from \$33.48 million as of December 31, 2015. The total decrease in net position resulted primarily from the increase in the accrual of OPEB obligations, which increased by \$4.70 million in 2016, and the increase in the net pension liability of \$10.50 million as of year-end, less the increase of \$11.64 million in pension deferred outflows of resources (second year of implementation of the provisions of GASB 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 \$22.32 million. Of this amount, \$13.21 million of the fund balance was classified as non-spendable, restricted, or assigned for specific purposes. The remaining amount, \$9.11 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$22.32 million at December 31, 2016, were \$2.25 million more than the amount reported in the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$9.11 million, was 28.4% of total General Fund expenditures and other financing uses (of \$32.13 million).
- The Internal Service Funds reported a combined restricted net position balance of \$1.53 million as of December 31, 2016.
- During the current fiscal year, the Village issued new serial bonds of \$6,425,000 to finance capital purchases and capital improvements (\$2,605,000), and to provide permanent financing for capital projects (\$3,820,000) previously funded through the issuance of short-term obligations (bond anticipation notes (BANs)). In 2016, the Village retired \$2,725,000 of general obligation debt from budgetary appropriations.
- As of December 31, 2016, the Village had an outstanding bond anticipation note liability of \$2,079,372, which was comprised of \$1,917,000 for authorized capital projects in 2016, plus \$162,372 for prior year capital project BANs. During 2016, the Village retired \$127,374 of BANs from budgetary appropriations.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Financial Highlights - Continued

- The Village implemented GASB Statement No. 77, *Tax Abatement Disclosures* (GASB 77). GASB 77 requires the disclosure of information about the nature and magnitude of tax abatements, so that users of the financial statements are better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations, and (2) the impact those abatements have on a government's financial position and economic condition. Please refer to Note 11 in the notes to financial statements for additional information.
- In addition to the impact of the Village's OPEB obligations, the government-wide financial statements for the year ended December 31, 2016, were also significantly impacted by the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). This pronouncement establishes accounting and financial reporting requirements associated with the Village's participation in the cost-sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS). Under the new standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At December 31, 2016, the Village reported in its statement of net position a liability of \$12.37 million for its proportionate share of the ERS and PFRS net pension liability, up from \$1.87 million at December 31, 2015. More detailed information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented Note 9 in the notes to financial statements.

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)).

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

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.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Fund Financial Statements - Continued

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 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 combining non-major governmental fund and internal service fund financial statements and schedules, and the project length schedule for the Capital Projects Fund. The OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* compliance audit of Federal awards program is presented in a separate report.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

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 \$30.23 million at the close of the 2016 fiscal year, a decrease of \$3.25 million from the prior fiscal year.

Table 1 - Net Position as of December 31, 2016 and 2015

	Governmental Activities			
	2016	2015	\$ Change	% Change
ASSETS				
Current assets	\$ 34,496,855	\$ 33,655,935	\$ 840,920	2.50%
Capital assets, net	75,741,473	71,862,637	3,878,836	5.40%
Total assets	110,238,328	105,518,572	4,719,756	4.47%
DEFERRED OUTFLOWS OF RESOURCES	15,008,037	3,721,891	11,286,146	303.24%
LIABILITIES				
Current liabilities	10,663,592	8,670,883	1,992,709	22.98%
Long-term liabilities	82,389,346	66,739,174	15,650,172	23.45%
Total liabilities	93,052,938	75,410,057	17,642,881	23.40%
DEFERRED INFLOWS OF RESOURCES	1,959,354	350,005	1,609,349	459.81%
NET POSITION				
Net investment in capital assets	42,279,799	47,907,759	(5,627,960)	-11.75%
Restricted	3,921,891	5,826,695	(1,904,804)	-32.69%
Unrestricted	(15,967,617)	(20,254,053)	4,286,436	-21.16%
Total net position	\$ 30,234,073	\$ 33,480,401	\$ (3,246,328)	-9.70%

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, \$42.28 million. 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, 2016, \$3.92 million, represented resources that were subject to external restrictions on how they may be used, and are restricted for various purposes such as capital improvements, debt service, crime control, and trusts.

The remaining balance of unrestricted net position, which was a deficit of \$15.97 million, 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 (\$1.15 million), net pension liability (\$12.37 million), and other post-employment benefit obligations (\$35.32 million), 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.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Government-Wide Financial Analysis - Continued

Table 2 - Changes in Net Position for the Fiscal Years Ended December 31, 2016 and 2015

	Governmental Activities			
	2016	2015	\$ Change	% Change
REVENUES				
Program revenues				
Charges for services	\$ 19,063,446	\$ 18,258,023	\$ 805,423	4.41%
Operating grants and contributions	3,285,467	3,448,648	(163,181)	-4.73%
Capital grants and contributions	424,182	262,144	162,038	61.81%
General revenues				
Real property tax and related tax items	21,639,754	21,089,682	550,072	2.61%
Other Tax Items	279,595	270,108	9,487	3.51%
Non-property taxes	4,449,367	4,342,722	106,645	2.46%
Other revenues	1,557,574	1,162,141	395,433	34.03%
Total revenues	<u>50,699,385</u>	<u>48,833,468</u>	<u>1,865,917</u>	<u>3.82%</u>
EXPENSES				
General government support	5,325,313	5,730,086	(404,773)	-7.06%
Public safety	18,926,488	19,301,221	(374,733)	-1.94%
Health	1,630	1,630	-	0.00%
Transportation	7,035,286	7,598,776	(563,490)	-7.42%
Economic opportunity and development	74,013	137,744	(63,731)	-46.27%
Culture and recreation	4,599,642	4,345,986	253,656	5.84%
Home and community service	17,013,378	16,481,445	531,933	3.23%
Interest	969,962	974,792	(4,830)	-0.50%
Total expenses	<u>53,945,713</u>	<u>54,571,680</u>	<u>(625,967)</u>	<u>-1.15%</u>
CHANGES IN NET POSITION	<u>(3,246,328)</u>	<u>(5,738,212)</u>	<u>2,491,884</u>	<u>-43.43%</u>
NET POSITION, <i>beginning of year</i>	<u>33,480,401</u>	<u>39,218,613</u>	<u>(5,738,212)</u>	<u>-14.63%</u>
NET POSITION, <i>end of year</i>	<u>\$ 30,234,073</u>	<u>\$ 33,480,401</u>	<u>\$ (3,246,328)</u>	<u>-9.70%</u>

Governmental Activities

During 2016, governmental activities decreased the Village's net position by \$3.25 million.

For the fiscal year ended December 31, 2016, revenues from governmental activities totaled \$50.70 million, an increase of \$1.87 million, or 3.8%, over prior year revenues of \$48.83 million. Tax revenues of \$26.37 million, comprised of real property taxes, other tax items, and non-property taxes, represented the largest revenue source, at 52.0%. Tax revenues in the prior year totaled \$25.70 million and represented 52.6% of total 2015 revenues.

Charges for services revenues in 2016, the second largest revenue source, totaled \$19.06 million and represented 37.6% of total revenues. In 2015, this revenue source aggregated \$18.26 million, which was 37.4% of total revenues.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Governmental Activities - Continued

Expenses incurred by governmental activities of the Village in 2016 totaled \$53.95 million, a decrease of about \$626,000 (1.15%) over prior year expenses of \$54.57 million. The largest components of governmental activities' expenses were public safety (35.1%), home and community services (31.6%), and transportation (13.1%). This was similar to last year when the largest components of government activities' expenses were public safety (35.4%), home and community services (30.2%), and transportation (13.9%). The major changes in 2016 vs. 2015 were as follows:

Revenue

- Charges for services were \$19.06 million in 2016, which was about \$805,000 (4.4%) more than the amount received in 2015 (\$18.26 million) and was due, in part, to increased water and sewer rents revenue rate increases of 5.5% over 2015 rates. The water and sewer rate increases were necessary to pay debt service costs on water and sewer infrastructure and capital improvements.
- Real property taxes increased by about \$550,000 to \$21.64 million, due primarily to the 1.65% real property tax increase in 2016.
- Non-property taxes increased by over \$106,000 in 2016, to \$4.45 million in 2016, due primarily to increased sales tax distribution revenues in 2016.

Expenses

- Public safety expenses decreased by over \$375,000 (1.94%), from approximately \$19.30 million in 2015 to \$18.93 million in 2016, due primarily to decreased salaries and overtime expenses for the police department, following the retirement of several officers who were replaced with newer officers at lower starting salaries.
- Energy and utility costs (electricity, heating oil, natural gas, propane, and gasoline/diesel fuel) were approximately \$305,000 lower in 2016 than in 2015, a decrease of 24.0% (to \$965,375). Of particular note was a decrease in street-lighting electricity costs of \$78,118 due to installation of LED lamps. These energy and utility expenses were spread throughout most program expense functions.
- Employee benefits: The Village's self-insured health and medical benefit claims expenses increased by nearly \$700,000 (13.2%), and aggregated \$5.98 million for 2016. The Village's self-insured workers' compensation benefit expenses were approximately \$920,000 less in 2016 as compared to 2015, due in part to the year-end actuarial estimate of claims payable at December 31, 2016 vs. 2015. These expenses were spread throughout most program expense functions. 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 2016 in the amount of \$6,680,000, as compared to \$6,230,000 in 2015.

Financial Analysis of the Village's Funds

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$22.32 million, a net increase of \$2.25 million from the prior year amount of \$20.07 million.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds - Continued

The non-spendable fund balance component was \$780,330 at December 31, 2016 (\$882,166 in 2015), consisting of amounts representing prepaid expenditures and inventories. The restricted fund balance component of \$3,921,891 at December 31, 2016 (\$4,195,108 in 2015) 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, \$11,864 at the end of 2016, consists of amounts set aside for economic development (\$9,899 in 2015). The assigned fund balance component of \$8,494,016 at the end of 2016 (\$7,919,657 in 2015) consists of amounts set aside for purchases on order (\$239,322), subsequent year expenditures (\$1,644,570), and amounts for Water Fund, Sewer Fund and Section 8 Housing Fund (\$6,610,124 total). The remainder of the fund balance at December 31, 2016, \$9,115,766, constitutes unassigned fund balance, all of which is in the General Fund. The amount of unassigned fund balance at December 31, 2015 (prior year) was \$7,066,593.

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 \$9,115,766, representing 83.1% of the total General Fund balance of \$10,962,984. 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 28.4% unassigned fund balance (\$9,115,766) to total expenditures and other financing uses (\$32,126,450), up from 21.5% at the end of 2015, while total fund balance (\$10,962,984) represented 34.1% of that same amount (up from 26.6% for 2015).

When the fiscal 2016 General Fund budget was adopted, it included the use of \$634,000 accumulated surplus fund balance to reduce property taxes to be levied. In addition, \$168,650 was appropriated for contract and purchase order commitments to be liquidated. During the year, the budget was amended, including accumulated and unreserved fund balance of \$430,000 for capital improvement expenditures (street resurfacing and engineering services for a bridge rehabilitation), to a revised anticipated use of fund balance aggregating \$1,232,650 for the year. For the 2016 year, actual results of operations resulted in an increase to fund balance of \$2,228,972, which was \$3,461,622 different from the decrease anticipated in the modified budget (\$1,232,650 appropriated fund balance plus \$2,228,972 excess of revenues over expenditures).

Revenues and other financing sources were \$34,355,422, which was \$970,591 more than the final budget. The primary revenues that were more than estimated in the adopted budget (original budget) were departmental income (by \$186,132), licenses and permits (by \$213,460), and insurance recoveries (by \$254,224 - mostly for health insurance stop-loss revenues). Real property tax revenues were \$173,310 more than the final modified budget.

Expenditures and other financing uses were \$32,126,450, which was \$2,491,031 less than the final budget. Significant positive expenditure variances were for public safety (\$887,059), general government support (\$279,103), and employee benefits (\$912,096). Continuing a trend from 2015, energy expenditures (electricity, heating oil, natural gas, and gasoline/diesel fuel) were \$246,235 less than budgeted (28.7% variance), which are reflected throughout most expenditure functions.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds - Continued

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' Compensation</u>	<u>Hospital, Medical and Dental</u>
2016	\$ 740,304	\$ 5,384,384
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

Generally, each year 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 \$397,390 during the year, and totaled \$6,157,093 at December 31, 2016. Of this amount, the assigned portion available for future year use was \$5,850,300 (was \$5,438,751 in 2015), of which \$500,000 was appropriated in the 2017 adopted budget. It is important to note that water rents receivables at year-end, aggregating approximately \$3.31 million, were billed through March 2017, and although included in fund balance, are not available as cash at year-end.

Revenues and other financing sources of \$10,605,608 were just \$29 more than estimated in the budget. Expenditures and other financing uses of \$10,208,218 were \$1,528,127 less than budgeted in 2016. A significant portion of the expenditures variance, \$1,048,286, was attributable to appropriations for purchase of water in connection with the delayed Indian Brook reservoir dam reconstruction capital project.

The 2016 Water Fund adopted budget included the use of \$500,000 fund balance, which was re-appropriated from the previous year for anticipated water purchases in conjunction with a capital project. In addition, \$160,766 was appropriated for contract and purchase order commitments to be liquidated. During the year, surplus fund balance of \$470,000 was appropriated for water capital project improvement expenditures. As of year-end, the appropriated fund balance aggregated \$1,130,766.

Sewer Fund - The fund balance of the Sewer Fund decreased by \$26,149 and aggregated \$1,444,611 at December 31, 2016. The portion of fund balance that was assigned and available for future year use at year-end was \$1,426,396, of which \$114,000 was appropriated in the 2017 adopted budget. Similar to the Water Fund, a significant portion of fund balance at year-end (\$473,558) is in the form of sewer rents receivables that are billed through March 2017.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds - Continued

Revenues of \$1,606,786 were \$47,724 less than estimated in the budget. Fiscal year expenditures and other uses of \$1,632,935 were \$99,293 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 a final estimated cost of \$5,349,156, and such project was completed in early 2016, with \$71,156 transferred from the Sewer Fund accumulated surplus in 2016 for related project expenditures.

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$535,329, a decrease of \$22,698 from the prior year, due primarily to the appropriation of fund balance in the 2016 adopted budget. Of the total fund balance at year-end, \$152,639 was appropriated in the 2017 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 \$45,512, a decrease of \$3,635 from the prior year, on revenues and other financing sources of \$3,309,228.

Special Purpose Fund - The fund balance of the Special Purpose Fund decreased by \$210,191 during the year, and totaled \$936,200 as of December 31, 2016, due primarily to \$260,000 authorized by the Village Board to be transferred to the Capital Projects Fund for a capital improvement expenditure.

Capital Projects Fund - The Capital Projects Fund ended its 2016 fiscal year with a fund balance of \$2,242,138, from a prior year fund balance of \$2,355,383. Revenues and other financing sources totaled \$9,116,971 for 2016, and expenditures and other financing uses totaled \$9,230,216.

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, 2016, was a combined net position balance of \$1,527,765, from a net position of \$1,040,643 for 2015. The Workers' Compensation Benefits Fund had a restricted net position balance of \$1,526,637, while the General Liability Claims Fund had a restricted net position balance of \$1,128 at year-end. Total assets were \$5,047,765, and total liabilities were \$3,520,000 at year-end.

In the Workers' Compensation Benefits Fund, total revenues were \$1,544,467 and operating expenses were \$1,110,744, resulting in a net position increase of \$433,723. Based on computations from the Village's actuary, the accrued liability at year-end for workers' compensation benefits was decreased by \$403,000, as compared to an increase of \$572,500 at the end of 2015 (prior year). In the General Liability Claims Fund, total revenues and transfers were \$944,843 and operating expenses were \$891,444, resulting in an increase in net position of \$53,399 for the year, to a net position of \$1,128 as of December 31, 2016. During the year, the Village Board authorized an additional funding of \$154,271 in 2016 from the operating funds in order to eliminate the 2015 net position deficit in the General Liability Claims Fund.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Budgetary Highlights

General Fund

For 2016, the difference between the appropriations originally budgeted (\$34,052,222) and the final appropriations for the General Fund (\$34,617,481) was an increase to the budget of \$565,259, for the following purposes:

- Prior year contract and purchase order commitments carried over to 2016, \$168,650;
- The appropriation of insurance recoveries revenues received during the year, including stop-loss insurance recoveries for health and medical benefit costs, \$228,484;
- Excess revenues appropriated for expenditures, \$58,125; and,
- The appropriation of accumulated surplus fund balance in the amount of \$430,000 for capital infrastructure improvements (to the Capital Projects Fund), instead of issuing serial bonds.

In addition to the above budget increases that aggregated \$885,259, the budget was also reduced by a net \$320,000 to eliminate serial bond borrowing for tax certiorari claims. When the 2016 budget was adopted, the Village anticipated issuing a serial bond in the amount of \$400,000 for tax certiorari claims. As the 2016 year progressed, it became evident that the amount of tax certiorari claims in 2016 would be significantly less. Consequently, the Village decided to not issue such bonds, and to instead use General Fund reserves to pay for tax certiorari claims that might arise.

During the 2016 fiscal year, General Fund Contingency appropriations aggregating \$805,328 were re-allocated for the following purposes:

- For current and prior year salaries and wages due to a negotiated police union agreement, \$431,470;
- Various building maintenance and repair expenditures, including capital repairs on boilers and HVAC systems, and additional repairs at the Community Center, \$177,105;
- Fire department equipment and apparatus repairs, \$76,753;
- Legal expenditures, \$50,000; and,
- Transfers to the Capital Projects Fund for capital improvements, \$70,000.

Other significant budget vs. actual expenditure variances in the General Fund were due to police department expenditures being \$800,249 less than budget (primarily for lower salaries due to retirements, and for reduced overtime) and for employee benefit costs being approximately \$912,000 less than budget.

Additionally, the Village Board approved a transfer of \$140,387 from the General Fund (plus \$13,884 from the Water and Sewer Funds, for a total of \$154,271) to the General Liability Claims Internal Service Fund to eliminate the net position deficit from 2015.

Water Fund

The Water Fund appropriations were increased by \$646,434 during 2016, to \$11,736,345. In the Water Fund, the Village appropriated \$160,766 for prior year contracts and purchase order commitments, appropriated stop-loss insurance proceeds of \$15,668 for health and medical benefits costs, and appropriated accumulated surplus fund balance in the amount of \$470,000 (to the Capital Projects Fund) to cement-line and/or replace water mains in portions of the Village and for other water capital improvements.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Budgetary Highlights - Continued

Water Fund - Continued

As noted previously, of the \$1,528,127 in unexpended appropriations for 2016, more than \$1 million was attributable to the purchased water appropriations accounts in connection with the Indian Brook reservoir and dam rehabilitation capital project, for which the anticipated increase in costs for purchased water will occur in 2017.

Sewer Fund

The Sewer Fund budget was also increased during 2016, by \$77,718, to \$1,732,228, primarily from the appropriation of accumulated surplus fund balance in the amount of \$71,156 for the Kill Brook sewer capital project.

Section 8 Housing Fund

The budget for the Section 8 Housing Fund was increased by \$18,712 during the year, to \$3,324,541, to reflect an increase in anticipated Federal aid during the year.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at December 31, 2016, net of \$151,850,702 of accumulated depreciation, was \$75,741,473. 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:

Table 3 - Capital Assets as of December 31, 2016 and 2015

	Governmental Activities	
	2016	2015
Land	\$ 2,486,362	\$ 2,486,362
Land Improvements	7,286,125	5,845,921
Buildings and Improvements	46,628,313	45,843,542
Machinery and equipment	148,250,538	16,668,896
Infrastructure	18,639,280	145,607,914
Construction in progress	4,301,557	1,157,063
Total capital	227,592,175	217,609,698
Accumulated depreciation	(151,850,702)	(145,747,061)
Total capital assets, net of depreciation	\$ 75,741,473	\$ 71,862,637

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Capital Asset and Debt Administration - Continued

Capital Assets - Continued

Increases in capital assets represent various land improvement, building, equipment, and infrastructure projects, including but not limited to, the Indian Brook water reservoir and dam capital project, water mains relining and replacement, street resurfacing and sidewalks, LED street lighting project, and the Harbor Square Henry Gourdin Park (Promenade Park).

Summary information on the changes in capital assets during the year can be found in Note 3 in the notes to financial statements.

Long-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$31,640,000. 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 2016 fiscal year, the Village issued general obligation bonds of \$6,425,000 that included \$2,605,000 to finance two refuse and garbage trucks (\$450,000), a sewer jet truck with camera (\$230,000), three additional trucks for the Department of Public Works (\$215,000), reconstruction and resurfacing of streets (\$250,000), and additional funding for the Indian Brook reservoir and dam reconstruction project (\$1,460,000). Also included in this bond was \$3,820,000 for the following projects that were previously funded through issuance of bond anticipation notes (BANs): reline/replace water mains (\$2,340,000), Indian Brook reservoir and dam reconstruction project (\$1,200,000), and fire apparatus rehabilitation (\$280,000). During the year, the Village retired \$2,725,000 of general obligation debt from budgetary appropriations.

Also during the current fiscal year, the Village issued short-term obligations (bond anticipation notes (BANs)) of \$2,079,372 to finance vehicles for various departments (\$211,500), mobile data terminals (\$70,000), the reservoir/dam project (\$700,000), Phase 1 engineering costs for a new water treatment plant facility (\$935,000), and to renew prior year capital projects BANs for \$162,372. The Village retired \$127,374 of short-term debt from budgetary appropriations during the year.

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

Due to the small size of the note borrowing, it was not cost-effective for the Village to seek a credit rating on the BAN. When the Village previously issued a BAN in November 2014, Moody's Investors Service assigned a MIG 1 rating (highest rating available) 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 2016 when the serial bond was issued, the Village had exhausted 14.48% of its constitutional debt limit, and had the authority to issue an additional \$112,334,273 of general obligation long-term debt.

Additional information on the Village's long-term and short-term debt can be found in Notes 4 and 5 in the notes to the financial statements.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Next Year's Budgets and Rates

In the 2017 General Fund adopted budget, the Village appropriated \$877,931 of unassigned fund balance for spending in fiscal 2017, which included \$227,931 carried over from the amount set aside in 2016 for the police union contract retroactive wage payments, and \$650,000 accumulated surplus fund balance. The real property tax rate for the 2017 Village General Fund is \$10.8492 per \$1,000 of taxable assessed value, which is effectively the same rate as for 2016 (\$192.0209/\$1,000 AV) after factoring in the change in assessments due to the 100% assessment revaluation in 2016. The real property tax levy increased by 1.90% from 2016 to 2017. Additionally, due to the 100% assessment revaluation, total full value taxable assessments also increased by 1.90% from 2016 to 2017. The 2017 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.

Village of Ossining, New York

Statement of Net Position

	December 31, 2016
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 27,838,009
Receivables	
Accounts	4,107,453
Taxes, net	305,275
Other governments	1,431,549
Other	33,784
Due from fiduciary fund	455
Inventory	18,765
Prepaid expenses	761,565
Capital assets, net	
Non-depreciable	6,787,919
Depreciable	68,953,554
Total assets	<u>110,238,328</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on bond refunding	366,699
Pension deferrals	14,641,338
Total deferred outflows of resources	<u>15,008,037</u>
Total assets and deferred outflows of resources	<u>125,246,365</u>
LIABILITIES	
Accounts payable and accrued expenses	4,083,825
Interest payable	171,799
Unearned revenue	889,073
Due to fiduciary fund	3,825
Bond anticipation notes	2,079,372
Long-term liabilities	
Due within one year	3,435,698
Due in more than one year	
Claims payable	3,168,000
Bonds payable	29,294,118
Energy performance contract debt	1,199,068
Compensated absences	1,036,887
Net pension liability	12,371,273
Other postemployment benefits	35,320,000
Total liabilities	<u>93,052,938</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	1,959,354
Total liabilities and deferred inflows of resources	<u>95,012,292</u>
NET POSITION	
Net investment in capital assets	42,279,799
Restricted for	
Capital improvements	2,573,515
Debt service	382,690
Crime control	29,486
Trusts	936,200
Unrestricted deficits	(15,967,617)
Total net position	<u><u>\$ 30,234,073</u></u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Activities

Year Ended December 31, 2016					
Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenues and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
General government support	\$ 5,325,313	\$ 1,720,154	\$ 26,742	\$ 78,143	\$ (3,500,274)
Public safety	18,926,488	3,207,537	14,602	-	(15,704,349)
Health	1,630	1,055	-	-	(575)
Transportation	7,035,286	552,727	-	346,039	(6,136,520)
Economic opportunity and development	74,013	-	-	-	(74,013)
Culture and recreation	4,599,642	1,134,889	5,851	-	(3,458,902)
Home and community services	17,013,378	12,447,084	3,238,272	-	(1,328,022)
Interest on long-term debt	969,962	-	-	-	(969,962)
Total governmental activities	<u>53,945,713</u>	<u>19,063,446</u>	<u>3,285,467</u>	<u>424,182</u>	<u>(31,172,618)</u>
General revenues					
Real property taxes					21,639,754
Real property tax items					279,595
Sales and use taxes					4,449,367
Use of money and property					463,926
Sale of property and compensation for loss					383,489
Miscellaneous local sources					208,160
Unrestricted State aid					426,999
Gifts and donations					75,000
Total general revenues					<u>27,926,290</u>
CHANGE IN NET POSITION					(3,246,328)
NET POSITION, <i>beginning of year</i>					<u>33,480,401</u>
NET POSITION, <i>end of year</i>					<u>\$ 30,234,073</u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Balance Sheet - Governmental Funds

	December 31, 2016						
	General	Water	Debt Service	Capital Projects	Other Governmental	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 10,728,934	\$ 3,390,789	\$ 535,329	\$ 6,007,398	\$ 2,160,593	\$ -	\$ 22,823,043
Receivables							
Accounts	292,930	3,308,166	-	-	473,558	-	4,074,654
Taxes, net	305,275	-	-	-	-	-	305,275
Other governments	1,196,678	10,849	-	78,144	145,878	-	1,431,549
Other	-	-	-	-	33,784	-	33,784
Due from other funds	22,374	-	-	-	-	(22,374)	-
Due from fiduciary fund	455	-	-	-	-	-	455
Inventory	18,765	-	-	-	-	-	18,765
Prepaid expenditures	645,692	90,359	-	-	25,514	-	761,565
	<u><u>\$ 13,211,103</u></u>	<u><u>\$ 6,800,163</u></u>	<u><u>\$ 535,329</u></u>	<u><u>\$ 6,085,542</u></u>	<u><u>\$ 2,839,327</u></u>	<u><u>\$ (22,374)</u></u>	<u><u>\$ 29,449,090</u></u>
LIABILITIES							
Accounts payable and accrued expenses	\$ 1,459,402	\$ 627,117	\$ -	\$ 1,764,032	\$ 82,980	\$ -	\$ 3,933,531
Due to other funds	-	-	-	-	22,374	(22,374)	-
Due to fiduciary fund	3,825	-	-	-	-	-	3,825
Unearned revenue	291,149	15,953	-	-	307,650	-	614,752
Bond anticipation notes	-	-	-	2,079,372	-	-	2,079,372
	<u>1,754,376</u>	<u>643,070</u>	<u>-</u>	<u>3,843,404</u>	<u>413,004</u>	<u>(22,374)</u>	<u>6,631,480</u>
DEFERRED INFLOWS OF RESOURCES	<u>493,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,743</u>
FUND BALANCES							
Nonspendable	664,457	90,359	-	-	25,514	-	780,330
Restricted	144,429	216,434	382,690	2,242,138	936,200	-	3,921,891
Committed	11,864	-	-	-	-	-	11,864
Assigned	1,026,468	5,850,300	152,639	-	1,464,609	-	8,494,016
Unassigned	9,115,766	-	-	-	-	-	9,115,766
Total fund balances	<u>10,962,984</u>	<u>6,157,093</u>	<u>535,329</u>	<u>2,242,138</u>	<u>2,426,323</u>	<u>-</u>	<u>22,323,867</u>
	<u><u>\$ 13,211,103</u></u>	<u><u>\$ 6,800,163</u></u>	<u><u>\$ 535,329</u></u>	<u><u>\$ 6,085,542</u></u>	<u><u>\$ 2,839,327</u></u>	<u><u>\$ (22,374)</u></u>	<u><u>\$ 29,449,090</u></u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

	December 31, 2016
Total fund balances in the fund financial statements for the governmental funds	\$ 22,323,867
This amount differs from the amount of net position shown in the statement of net position due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	75,741,473
Retainages payable are not reported in the governmental funds unless due and payable, but are required to be reported in the statement of net position.	(150,294)
Deferred outflows and inflows for pensions are included in the government-wide statements and are added.	
Deferred outflows - deferred amounts on refunding bonds	366,699
Deferred outflows - pension resources	14,641,338
Deferred inflows - pension resources	(1,959,354)
Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund	219,422
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 the governmental activities in the statement of net position.	1,527,765
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(32,171,055)
Energy performance contract debt	(1,290,619)
Other postemployment benefits	(35,320,000)
Net pension liability	(12,371,273)
Compensated absences	(1,152,097)
Accrued interest	(171,799)
Total net position, end of year	<u>\$ 30,234,073</u>

Village of Ossining, New York

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2016						
	General	Water	Debt Service	Capital Projects	Other Governmental	Eliminations	Total
REVENUES							
Real property taxes	\$ 21,540,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,540,922
Real property tax items	279,595	-	-	-	-	-	279,595
Non-property taxes	4,449,367	-	-	-	-	-	4,449,367
Departmental revenues	1,804,773	10,474,078	-	-	1,595,789	-	13,874,640
Intergovernmental charges	3,053,352	-	-	-	-	-	3,053,352
Use of money and property	370,683	4,399	86,158	-	2,686	-	463,926
Licenses and permits	445,460	-	-	-	-	-	445,460
Fines and forfeitures	526,967	-	-	-	-	-	526,967
Sale of property and compensation for loss	354,179	21,597	-	-	7,713	-	383,489
Miscellaneous local sources	154,814	30,534	-	78,143	76,872	-	340,363
Interfund revenues	851,116	-	-	-	-	-	851,116
State aid	474,194	-	-	346,039	-	-	820,233
Federal aid	-	-	-	-	3,238,272	-	3,238,272
Total revenues	<u>34,305,422</u>	<u>10,530,608</u>	<u>86,158</u>	<u>424,182</u>	<u>4,921,332</u>	<u>-</u>	<u>50,267,702</u>
EXPENDITURES							
General government support	3,165,660	470,893	-	-	102,496	-	3,739,049
Public safety	9,714,522	-	-	-	-	-	9,714,522
Health	1,630	-	-	-	-	-	1,630
Transportation	2,111,540	-	-	-	-	-	2,111,540
Economic opportunity and development	48,295	-	-	-	17,496	-	65,791
Culture and recreation	2,570,466	-	-	-	8,969	-	2,579,435
Home and community services	1,804,270	6,460,385	-	-	4,007,842	-	12,272,497
Employee benefits	9,512,870	1,086,245	-	-	376,320	-	10,975,435
Capital outlays	398,901	51,714	-	9,230,216	-	-	9,680,831
Debt service							
Principal	174,932	268,447	2,725,000	-	-	-	3,168,379
Interest	5,048	26,730	913,733	-	-	-	945,511
Total expenditures	<u>29,508,134</u>	<u>8,364,414</u>	<u>3,638,733</u>	<u>9,230,216</u>	<u>4,513,123</u>	<u>-</u>	<u>55,254,620</u>
Excess (deficiency) of revenues over expenditures	<u>4,797,288</u>	<u>2,166,194</u>	<u>(3,552,575)</u>	<u>(8,806,034)</u>	<u>408,209</u>	<u>-</u>	<u>(4,986,918)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	50,000	75,000	3,654,877	1,301,156	70,956	(5,151,989)	-
Operating transfers out	(2,618,316)	(1,843,804)	(125,000)	-	(719,140)	5,151,989	(154,271)
Bonds redeemed from appropriations	-	-	-	352,374	-	-	352,374
Proceeds from long-term debt issuance	-	-	-	7,039,259	-	-	7,039,259
	<u>(2,568,316)</u>	<u>(1,768,804)</u>	<u>3,529,877</u>	<u>8,692,789</u>	<u>(648,184)</u>	<u>-</u>	<u>7,237,362</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>2,228,972</u>	<u>397,390</u>	<u>(22,698)</u>	<u>(113,245)</u>	<u>(239,975)</u>	<u>-</u>	<u>2,250,444</u>
FUND BALANCES, beginning of year	<u>8,734,012</u>	<u>5,759,703</u>	<u>558,027</u>	<u>2,355,383</u>	<u>2,666,298</u>	<u>-</u>	<u>20,073,423</u>
FUND BALANCES, end of year	<u>\$ 10,962,984</u>	<u>\$ 6,157,093</u>	<u>\$ 535,329</u>	<u>\$ 2,242,138</u>	<u>\$ 2,426,323</u>	<u>\$ -</u>	<u>\$ 22,323,867</u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

	Year Ended December 31, 2016
Net change in fund balances shown for total governmental funds	\$ 2,250,444
This amount differs from the change in net position shown in the statement of activities because of the following:	
Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for acquisition of capital assets exceeded depreciation expense for the period.	
Capital expenditures and loss on disposal of capital assets	10,043,854
Depreciation expense	<u>(6,165,018)</u>
	3,878,836
Retainages are not reported in the governmental funds unless due and payable, and result in an expense in the statement of activities when accrued.	(150,294)
Other postemployment obligations are not reported in the governmental funds. This liability is shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.	(4,700,000)
Real property taxes that do not provide current financial resources are reported as revenues in the statement of activities, but not in the fund financial statements.	98,832
Transfers between governmental funds and internal service funds are eliminated in the statement of activities.	154,271
Revenues and expenditures of internal service funds are included in the governmental funds in the statement of activities.	332,851
Proceeds from the issuance of new debt are included in the statement of revenues, expenditures, and changes in fund balance as revenue, but increase bonds payable in the statement of net position.	(7,039,259)
Bond and energy contract debt principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities, and not shown as expenses in the statement of activities. Additionally, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities. This is the payment amount for the current year.	
Principal paid on bonds	2,725,000
Principal paid on energy performance contract	91,005
Amortization of loss on refunding bonds and issuance premium	7,831
Net pension liability is not reported in the governmental funds. This liability is shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.	(10,497,575)
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; this is the amount by which the current period expenditures exceed the costs allocated over the applicable periods.	
Accrued interest	(32,282)
Deferred outflows of resources - pension related	11,355,859
Deferred inflows of resources - pension related	(1,678,262)
Compensated absence	<u>(43,585)</u>
	9,601,730
Change in net position of governmental activities shown in the statement of activities	<u>\$ (3,246,328)</u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Net Position - Internal Service Funds

	December 31, 2016
	Governmental Activities
	Internal Service Funds
ASSETS	
Cash and cash equivalents	\$ 5,014,966
Accounts receivable, net	32,799
Total assets	<u>5,047,765</u>
LIABILITIES	
Claims payable, current	352,000
Claims payable, noncurrent	3,168,000
Total liabilities	<u>3,520,000</u>
NET POSITION	
Restricted	<u>1,527,765</u>
Total net position	<u>\$ 1,527,765</u>

Village of Ossining, New York

Statement of Revenues, Expenditures, and Changes in Net Position - Internal Service Funds

	Year Ended December 31, 2016
	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 1,694,710
Insurance recoveries	633,332
	<u>2,328,042</u>
OPERATING EXPENSES	
Insurance	874,838
Contractual expenses	275,594
Employee benefits	736,564
Judgments and claims	115,192
Total operating expenses	<u>2,002,188</u>
Operating income	325,854
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	<u>6,997</u>
Income before transfers	332,851
INTERFUND TRANSFERS	
Transfers in	<u>154,271</u>
CHANGE IN NET POSITION	487,122
NET POSITION, <i>beginning of year</i>	<u>1,040,643</u>
NET POSITION, <i>end of year</i>	<u><u>\$ 1,527,765</u></u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Cash Flows - Internal Service Funds

	Year Ended December 31, 2016 Governmental Activities Internal Service Funds
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Cash received from charges for services and insurance recoveries	\$ 3,277,471
Cash payments to insurance and claimants	(2,303,188)
	<u>974,283</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers from governmental funds	<u>154,271</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
Interest income	<u>6,997</u>
Net increase in cash and cash equivalents	1,135,551
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>3,879,415</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 5,014,966</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ 325,854
Change in assets and liabilities	
Accounts receivable	525,049
Due from other funds	424,380
Claims payable, current and noncurrent	<u>(301,000)</u>
	<u>\$ 974,283</u>

Village of Ossining, New York

Statement of Net Position - Fiduciary Fund

	December 31, 2016
	Trust and Agency
ASSETS	
Cash and cash equivalents	\$ 262,687
Receivables	3,062
Due from other funds	3,825
	\$ 269,574
LIABILITIES	
Accounts payable	\$ 16,835
Employee payroll deductions	44,267
Deposits	208,017
Due to other funds	455
	\$ 269,574

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and 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 charged with governance of the Village. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief fiscal officer. The Village provides services to residents including public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services.

The accompanying basic financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing government accounting and financial reporting principles in the United States of America.

The following is a summary of the Village's significant accounting policies:

a. Financial Reporting Entity

The reporting entity consists of: (a) the primary government, the Village, and (b) other organizational entities determined to be includable in the Village's financial reporting entity, based on the nature and significance of their relationship with the Village. The financial reporting entity is based on criteria set forth by GASB.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity within the governmental activities has been eliminated from these statements.

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 the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenue in the year in which they are earned. Grants, entitlements, and donations are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared 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. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 requires that expenditures and liabilities, such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies are recognized as revenues when all requirements of the grant and/or subsidy have been satisfied.

The Village reports the following major governmental funds:

General Fund - is the principal operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Water Fund - is used to record the water operations of the Village which render services on a user charge basis to the general public.

Capital Projects Fund - is used to account for and report financial resources to be used for the acquisition, construction, and renovation of major capital facilities or equipment.

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.

The Village reports the following non-major governmental funds:

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include differing measurement focuses and bases of accounting between the statements. The statement of activities reflects the net costs of each major function of Village operations, which differs from the presentation of expenditures in the statement of revenues, expenditures, and changes in fund balances - governmental funds, which closely matches the Village's budgetary presentation.

The Village reports the following proprietary fund:

Internal Service Fund - is used to 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's internal service fund reports activity of self-insurance activity for workers' compensation and general liability insurance.

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 operations. Operating expenses for proprietary funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund - The Village maintains an agency fund which is generally used to account for assets that the Village holds on behalf of others as their agent.

d. Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and other financing sources (uses) during the reporting period. Actual results could differ from those estimates.

e. Budgets

Budgets are adopted on the modified accrual basis as required by the State of New York. Annual appropriated budgets are adopted for each governmental and proprietary fund.

The Village employs the following budgetary procedures:

- i. 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.
- ii. The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Budgets - Continued

- iii. 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.
- iv. Formal budgetary integration is employed during the year as a management control device for General, Water, Sewer, Section 8 Housing, and Debt Service funds.

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 fund. 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.

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.

f. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and time deposits, which mature no more than three months after the date purchased.

The Village's investment policies are governed by State statutes and various resolutions of the Board of Trustees. Village monies must be maintained in demand accounts or certificates of deposit in a Federal Deposit Insurance Corporation (FDIC) insured commercial bank or trust company authorized to do business in New York State. Other permissible investments include obligations of the U.S. Treasury, U.S. Agencies, and New York State or its localities.

The Village is required to collateralize its cash deposits in excess of the FDIC limit. This collateral is in the form of government and government agencies' securities pledged by the bank, under a third-party trust agreement. As of December 31, 2016, the collateral was sufficient to secure the Village's deposits.

g. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and statement of net position.

h. Accounts Receivable

Accounts receivable consist primarily of billed and unbilled water and sewer rents and are carried at original invoice amount. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than a month. Interest is charged on accounts receivable for water and sewer billings that are outstanding for more than one month at 5 % initially followed by an additional 1% per month and is recognized as it is charged. Amounts which remain unpaid through June of each year are rolled to a customer's tax bill the following January.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Capital Assets

Governmental Funds

Capital assets in governmental activities consist of land, buildings, machinery and equipment, and infrastructure, and are used to carry out day-to-day government services. These assets are recorded at historical cost or estimated historical cost in instances where such records and information are not available. Major outlays for capital assets and improvements are capitalized as projects are constructed. Costs of routine maintenance and repairs that do not add to the value of an asset or extend an asset's useful life are expensed as incurred.

Depreciation of capital assets for governmental activities is computed using the straight-line method over useful lives ranging from five to fifty years, but is not recorded as an expenditure in the related funds.

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2016.

j. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of expense/expenditure until then. A deferred inflow of resources represents an acquisition of resources that applies to a future period and will not be recognized as revenue until that time. The Village reports deferred outflows of resources of \$366,699 for a deferred loss on refunding bonds in the government-wide statement of net position. This 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.

Additionally, pension related deferred outflows of resources and deferred inflows of resources may occur due to differences between expected and actual experience, changes in actuarial assumptions, the net difference between projected and actual investment earnings on pension plan investments, changes in proportion and difference between employer contributions and proportionate share of contributions and employer contributions made subsequent to the measurement date. These amounts are more fully disclosed in Note 9.

k. Employee Benefits

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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Employee Benefits - Continued

Compensated Absences - Continued

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 twenty 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 ten 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.

Postemployment Benefits

Other postemployment benefits are measured and disclosed using the alternative measurement method under the accrual basis of accounting in the government-wide statements (Note 10). The Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective fund when paid. Retiree health insurance contributions are allocated and paid based on each fund's payroll as a percentage of total payroll.

l. Long-Term Debt Obligations

Principal and interest payments are recognized as expenditures of a governmental fund when paid. Long-term debt is recognized as a liability of a governmental fund when due.

Governmental fund types recognize bond premiums, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. Net Position

The following terms are used in reporting net position:

Net Investment in Capital Assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted consists of amounts that have restraints that are either:

- a. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments, or

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

m. Net Position - Continued

b. Imposed by law through constitutional provisions or enabling legislation.

Unrestricted is the net amount of assets, liabilities, and deferred outflows and inflows of resources that is not included in the determination of net investment in capital assets or restricted components of net position described above.

n. Fund Balance

Fund balance for governmental funds is reported in the following classifications which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

Restricted - Amounts that have restraints that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.

Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Village's fund balance policy is set by the Village Board, the highest level of decision-making authority. The Village Board considers "formal action" for a committed fund balance to be the passing of a Board resolution. The Board has delegated the ability to assign fund balance to the Treasurer. The Village considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

Note 6 provides further details regarding the Village's fund balance classifications.

o. Property Taxes

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 collections of its taxes. The Village is also responsible for conducting in-rem foreclosure proceedings. The Village records an estimate for uncollectible taxes based upon collection rates from previous years.

p. New Accounting Pronouncements

Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* (GASB 72). GASB No. 72 defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information should be disclosed in the notes to the financial statements. The provisions of GASB No. 72 are effective for fiscal years beginning after June 15, 2015.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

p. New Accounting Pronouncements - Continued

There was no effect on the Village's financial statements as a result of adopting GASB 72.

GASB Statement No. 77, *Tax Abatement Disclosures*. GASB No. 77 requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by government, other than to abate taxes, as part of a tax abatement agreement.

As a result of adopting GASB 77, the Village reports additional footnote disclosures. The adoption of these statements did not have an effect on the Village's accounting policies.

q. Subsequent Events

The Village has evaluated subsequent events for potential recognition or disclosure through August 7, 2017, the date the financial statements were available to be issued.

Note 2 - Taxes Receivable

Taxes receivable at December 31, 2016 consist of the following:

	December 31, 2016
Taxes, current	\$ 239,473
Taxes, overdue	141,196
	<u>380,669</u>
Allowance for uncollectable taxes	<u>(75,394)</u>
	<u><u>\$ 305,275</u></u>

Taxes receivable in the fund financial statements are partially offset by deferred tax revenues of \$219,354 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 3 - Capital Assets

The following is a summary of changes in the governmental activities' capital assets during the year:

	Balance at January 1, 2016	Additions	Disposals	Balance at December 31, 2016
<i>Depreciable assets</i>				
Land improvements	\$ 5,845,921	\$ 1,440,204	\$ -	\$ 7,286,125
Buildings and improvements	45,843,542	784,771	-	46,628,313
Machinery and equipment	16,668,896	2,031,761	(61,377)	18,639,280
Infrastructure	145,607,914	2,642,624	-	148,250,538
	<u>213,966,273</u>	<u>6,899,360</u>	<u>(61,377)</u>	<u>220,804,256</u>
Accumulated depreciation	(145,747,061)	(6,165,018)	61,377	(151,850,702)
Total depreciable assets	<u>68,219,212</u>	<u>734,342</u>	<u>-</u>	<u>68,953,554</u>
<i>Non-depreciable assets</i>				
Land	2,486,362	-	-	2,486,362
Construction in progress	1,157,063	7,159,001	(4,014,507)	4,301,557
	<u>3,643,425</u>	<u>7,159,001</u>	<u>(4,014,507)</u>	<u>6,787,919</u>
Total net capital assets	<u>\$ 71,862,637</u>	<u>\$ 7,893,343</u>	<u>\$ (4,014,507)</u>	<u>\$ 75,741,473</u>

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

General Government Support	\$ 233,638
Public Safety	618,533
Transportation	3,165,926
Culture and Recreation	695,545
Home and Community Services	<u>1,451,376</u>
Total Depreciation Expense	<u>\$ 6,165,018</u>

Note 4 - BANs Payable

The following schedule details the changes in short-term capital borrowings:

Description	Issue Date	Maturity Date	Interest Rate	Balance January 1, 2016	New Issues	Principal Payments	Balance at December 31, 2016
Indian Brook Water Reservoir and Dam	9/2012	9/16	1.50%	\$ 1,275,000	\$ -	\$ (1,275,000)	\$ -
Fire Department SCBA Cylinders	9/2012	9/17	1.16%	14,080	-	(7,040)	7,040
Fire Chief's Vehicle	9/2013	9/16	1.50%	16,000	-	(16,000)	-
Police Vehicles 2012/2013	9/2013	9/16	1.50%	26,666	-	(26,666)	-
DPW Truck	9/2013	9/17	1.16%	24,000	-	(8,000)	16,000
Water Main Relining and Replacement	9/2014	9/16	1.50%	2,470,000	-	(2,470,000)	-
Fire Apparatus Rehabilitation	9/2015	9/16	1.50%	300,000	-	(300,000)	-
Police Vehicles - 2015	9/2015	9/17	1.16%	124,000	-	(41,334)	82,666
Fire Chief's Vehicle - 2015	9/2015	9/17	1.16%	50,000	-	(16,667)	33,333
Recreation Department Vehicle	9/2015	9/17	1.16%	35,000	-	(11,667)	23,333
IBW Reservoir Dam - 2016	9/2016	9/17	1.16%	-	700,000	-	700,000
Police Vehicles - 2016	9/2016	9/17	1.16%	-	136,500	-	136,500
Parking Enforcement Vans	9/2016	9/17	1.16%	-	50,000	-	50,000
Building Department Vehicle	9/2016	9/17	1.16%	-	25,000	-	25,000
Mobile Data Terminals	9/2016	9/17	1.16%	-	70,000	-	70,000
IBW Phase 1 Engineering Costs	9/2016	9/17	1.16%	-	935,500	-	935,500
				<u>\$ 4,334,746</u>	<u>\$ 1,917,000</u>	<u>\$ (4,172,374)</u>	<u>\$ 2,079,372</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 4 - BANs Payable - Continued

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 expense of \$64,660 was recorded in both the government-wide and fund financial statements.

Note 5 - Bonds and Long-term Liabilities

A summary of changes in bonds payable and other long-term liabilities is as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds and related premiums					
Bonds payable	\$ 27,940,000	\$ 6,425,000	\$ 2,725,000	\$ 31,640,000	\$ 2,800,000
Unamortized bond premiums	608,600	-	77,545	531,055	76,937
	<u>28,548,600</u>	<u>6,425,000</u>	<u>2,802,545</u>	<u>32,171,055</u>	<u>2,876,937</u>
Other long-term liabilities					
Energy performance contract debt	767,366	614,258	91,005	1,290,619	91,551
Claims payable	3,821,000	-	301,000	3,520,000	352,000
Other postemployment benefits	30,620,000	6,680,000	1,980,000	35,320,000	-
Net pension liability	1,873,696	13,822,539	3,324,962	12,371,273	-
Compensated absences	1,108,512	43,585	-	1,152,097	115,210
Total other long-term liabilities	<u>38,190,574</u>	<u>21,160,382</u>	<u>5,696,967</u>	<u>53,653,989</u>	<u>558,761</u>
Total long-term liabilities	<u>\$ 66,739,174</u>	<u>\$ 27,585,382</u>	<u>\$ 8,499,512</u>	<u>\$ 85,825,044</u>	<u>\$ 3,435,698</u>

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

A summary of the Village's bonds payable at December 31, 2016, is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Public Improvements	2007	Nov-27	3.75% to 5.00%	\$ 2,700,000
Refunding Bond	2009	Mar-19	3.00% to 5.00%	615,000
Refunding Bond	2009	Jun-21	3.00% to 5.00%	1,065,000
Public Improvements	2010	Nov-30	3.00% to 4.00%	4,555,000
Public Improvements	2011	Nov-31	2.25% to 3.75%	1,780,000
Refunding Bond	2012	Oct-24	3.00% to 4.00%	4,275,000
Public Improvements	2012	Nov-32	2.00% to 3.00%	2,830,000
Public Improvements	2013	Nov-33	3.00% to 4.00%	2,640,000
Public Improvements	2014	Nov-34	2.00% to 3.25%	4,080,000
Public Improvements	2015	Sep-26	2.08%	675,000
Refunding Bond	2016	Sep-36	2.00% to 2.50%	3,820,000
Public Improvements	2016	Sep-36	2.00% to 2.50%	2,605,000
Total bonds payable				<u>\$ 31,640,000</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 5 - Bonds and Long-term Liabilities - Continued

Bonds Payable

Interest paid of \$876,498 was recorded in the fund financial statements in the Debt Service Fund.

The Village's debt limit is approximately \$131.3 million, of which the Village has total outstanding debt obligations of approximately \$19 million, leaving a net debt contracting margin of approximately \$112.3 million.

Energy Performance Contract Debt

A summary of the Village's energy performance contract debt at December 31, 2016, is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Facilities Upgrade	2012	Jan-24	1.000%	<u>\$ 676,361</u>

The Village's contract for facilities upgrades is payable in monthly installments of \$7,946, with interest based on a variance rate that is reset each January.

In addition to the above reference contract, the Village has also entered into an energy performance contract for conversion of streetlights to LED bulbs. Work of \$614,258 has been performed on this project as of December 31, 2016. However, the Village is not required to make payment until the project is completed, and no payment schedule will be established until that time. The contracts contain options to pay over 5 or 7-year at market-rate interest.

Interest expense of \$4,353 pertaining to energy performance contract debt was recorded in both the government-wide and fund financial statements.

Payments to Maturity

The following is a summary of the future debt service requirements for bonds payable and energy performance contract debt:

	Bond		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
For the year ending December 31,						
2017	\$ 2,800,000	\$ 920,246	\$ 91,551	\$ 3,801	\$ 2,891,551	\$ 924,047
2018	2,740,000	836,173	92,102	3,250	2,832,102	839,423
2019	2,580,000	760,309	92,657	2,695	2,672,657	763,004
2020	2,520,000	689,469	93,214	2,138	2,613,214	691,607
2021	2,475,000	619,780	93,781	1,571	2,568,781	621,351
2022 through 2026	10,045,000	2,132,210	213,056	1,485	10,258,056	2,133,695
2027 through 2031	6,370,000	819,145	-	-	6,370,000	819,145
2032 through 2036	2,110,000	144,227	-	-	2,110,000	144,227
	<u>\$ 31,640,000</u>	<u>\$ 6,921,559</u>	<u>\$ 676,361</u>	<u>\$ 14,940</u>	<u>\$ 32,316,361</u>	<u>\$ 6,936,499</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 6 - Fund Balance

Fund balance is as follows:

	General	Water	Debt Service	Capital Projects	Other Governmental
Nonspendable					
Prepaid expenses	\$ 645,692	\$ 90,359	\$ -	\$ -	\$ 25,514
Inventories	18,765	-	-	-	-
	<u>664,457</u>	<u>90,359</u>	<u>-</u>	<u>-</u>	<u>25,514</u>
Restricted					
Capital reserve	114,943	216,434	-	2,242,138	-
Crime control	29,486	-	-	-	-
Debt Service	-	-	382,690	-	-
Trusts	-	-	-	-	936,200
	<u>144,429</u>	<u>216,434</u>	<u>382,690</u>	<u>2,242,138</u>	<u>936,200</u>
Committed					
Economic development	11,864	-	-	-	-
Assigned for					
Special revenue purposes	-	5,260,355	-	-	1,349,769
Encumbrances	148,537	89,945	-	-	840
Appropriated	877,931	500,000	152,639	-	114,000
	<u>1,026,468</u>	<u>5,850,300</u>	<u>152,639</u>	<u>-</u>	<u>1,464,609</u>
Unassigned	9,115,766	-	-	-	-
Total fund balance	<u>\$ 10,962,984</u>	<u>\$ 6,157,093</u>	<u>\$ 535,329</u>	<u>\$ 2,242,138</u>	<u>\$ 2,426,323</u>

Note 7 - Interfund Transactions

Interfund balances are as follows at December 31, 2016:

Due To Other Funds	Due From Other Funds	
	General Fund	Fiduciary
General	\$ -	\$ 3,825
Section 8 Housing	22,374	-
Fiduciary	455	-
Total governmental funds	<u>\$ 22,829</u>	<u>\$ 3,825</u>

Interfund transfers during the year are as follows:

Transfers From	Transfers To						
	General	Water	Capital	Workers' Compensation	Debt Service	Section 8	Total
General	\$ -	\$ -	\$ 500,000	\$ 140,387	\$ 1,906,973	\$ 70,956	\$ 2,618,316
Water	-	-	470,000	12,959	1,360,845	-	1,843,804
Sewer	-	-	71,156	925	387,059	-	459,140
Debt Service	50,000	75,000	-	-	-	-	125,000
Special Purpose	-	-	260,000	-	-	-	260,000
	<u>\$ 50,000</u>	<u>\$ 75,000</u>	<u>\$ 1,301,156</u>	<u>\$ 154,271</u>	<u>\$ 3,654,877</u>	<u>\$ 70,956</u>	<u>\$ 5,306,260</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 8 - 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:

	<u>Workers' Compensation</u>	<u>General Liability</u>
Balance, <i>beginning of year</i>	\$ 3,159,000	\$ 662,000
Provision for claims and claims adjustment expenses	736,564	115,192
Expenses paid	<u>(1,139,564)</u>	<u>(13,192)</u>
Balance, <i>end of year</i>	<u>\$ 2,756,000</u>	<u>\$ 764,000</u>
Current portion	<u>\$ 275,600</u>	<u>\$ 76,400</u>

Note 9 - New York State Retirement System

a. Plan Description and Benefits Provided

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 New York State and Local Retirement System (the System). The System is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System.

The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the System for the custody and control of its funds. The System issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 9 - New York State Retirement System - Continued

b. Contributions

The System is noncontributory except for: (1) employees who joined the New York State and Local Employees' Retirement System after July 26, 1976, who contribute 3% of their salary for the first ten years of membership, and (2) employees who join after January 1, 2010, and police and fire personnel who join after January 9, 2010, who generally contribute between 3% to 6% of their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which shall be used in computing the contributions.

The required contributions for the current year and the two preceding years were:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2016	\$ 1,396,969	\$ 1,645,851
2015	1,632,907	1,692,055
2014	1,756,590	1,795,744

Contributions made to the System were equal to 100% of the contributions required for each year.

The current System contribution for the Village was charged to various departments within the governmental and proprietary funds.

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

At December 31, 2016, the Village reported a total liability of \$12,371,273 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2016, and the total pension liability was determined by an actuarial valuation as of April 1, 2015. The Village's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2016 measurement date, the Village's proportionate share in the ERS was 0.0390983% and the PFRS was 0.2058871%.

For the year ended December 31, 2016, the Village recognized pension expense of \$4,418,003. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources as follows (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 86,386	\$ 1,665,467
Changes of assumptions	4,301,371	-
Net differences between projected and actual investment earnings on pension plan investments	7,139,155	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	71,596	293,887
Pension contributions subsequent to the measurement date	3,042,820	-
Total	<u>\$ 14,641,328</u>	<u>\$ 1,959,354</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 9 - New York State Retirement System - Continued

c. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2017	\$ 2,342,572
2018	2,342,572
2019	2,342,572
2020	2,255,860
2021	355,578
	<hr/>
Total	<u>\$ 9,639,154</u>

Actuarial Assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. Significant actuarial assumptions used in the valuation were as follows:

Actuarial cost method	Entry age normal
Inflation rate	2.50%
Salary scale	
ERS	3.8%, indexed by service
PFRS	4.5%, indexed by service
Investment rate of return	7.0% compounded annually, net of expenses
Cost of living adjustment	1.30%
Decrement	Based on FY 2011-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2014

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 9 - New York State Retirement System - Continued

c. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	ERS		
	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	<u>\$ 14,150,557</u>	<u>\$ 6,275,394</u>	<u>\$ (378,783)</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 9 - New York State Retirement System - Continued

c. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

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

	PFRS		
	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	\$ 13,615,786	\$ 6,095,879	\$ (207,434)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2016 were as follows (amounts in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 172,303,544	\$ 30,347,727	\$ 202,651,271
Plan net position	(156,253,265)	(27,386,940)	(183,640,205)
Employers' net pension liability	\$ 16,050,279	\$ 2,960,787	\$ 19,011,066
Ratio of plan net position to the employers' total pension liability	90.7%	90.2%	90.6%

Note 10 - Other Postemployment Benefits (OPEB)

Plan Overview

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.

	Number of Subscribers
Active	168
Retired	113
Total	281

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Plan Overview - Continued

The Village's annual other postemployment 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. 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.

Contributions

The Village has agreed to contribute a payment of 100% for individual coverage and 100% of the difference in benefits and premiums between individual and family coverage for most employees. The later amount is limited to 50% for retired police officers under the age of 50. Civil Service Employee Association (CSEA) employees hired after June 1, 2011, will pay 10% of their costs. CSEA and Management employees hired after June 1, 2014, and Police Benevolent Association (PBA) employees hired after April 4, 2012, are required to pay 15% toward their retirement coverage.

Funding Policy

The contribution requirements of plan members and the Village are established and may be amended by the Village Board. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended December 31, 2016, the Village paid approximately \$2,024,000 on behalf of the plan members.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding, that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously "required." The Village's actual OPEB cost for the year, the amount actually paid on behalf of the plan, and changes in the Village's OPEB obligation to the plan for the year ended December 31, 2016, are as follows:

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Annual OPEB Cost and Net OPEB Obligation - Continued

Annual required contribution (ARC)	\$ 7,100,000
Interest on net OPEB obligation (NOO)	1,380,000
Adjustment to ARC	<u>(1,800,000)</u>
Annual OPEB cost	6,680,000
Contributions made	<u>(1,980,000)</u>
Increase	4,700,000
NOO at beginning of year	<u>30,620,000</u>
NOO at end of year	<u>\$ 35,320,000</u>
Actuarial accrued liability	\$ 75,930,000
Funded OPEB plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 75,930,000</u>
Funded ratio	0%
Covered payroll	\$ 16,950,000
UAAL as a percentage of covered payroll	447.96%

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 preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 6,680,000	29.6%	\$ 35,320,000
2015	7,600,000	17.9%	30,620,000
2014	7,300,000	42.3%	24,390,000

Actuarial Methods and Assumptions

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 December 31, 2016

Note 11 - Tax Abatements

Certain property values in the Village have been reduced as the result of payment in-lieu of tax (PILOT) agreements entered into by the County of Westchester (County) for the purpose of providing affordable housing under Article V of Private Housing Finance Law (PHFL) and general economic development under Article 18-A of General Municipal Law (GML). These agreements reduce the assessed value of the properties for all taxing agencies in Westchester County, including the Village. As a result of the agreement, the Village receives a PILOT payment, which is equal to the reduced assessed value times the Village's levied tax rate.

Information relevant to disclosure of these agreements for the year ended December 31, 2016 is as follows:

Property Owner	SBL #	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
Affordable Housing						
Maple House	89.19-4-53	\$ 1,116,900	\$ 55,900	\$ 0.192021	\$ 10,734	\$ 203,734
The Pines at Narragansett	90.09-2-2	515,300	58,801	0.192021	11,291	87,027
General Economic Development						
Harbor Square	89-15-1-69/71	585,750	572,349	0.192021	109,903	2,574
Snowden House	97.06-1-9.1	1,151,400	82,616	0.192021	15,864	205,229
Total		<u>\$ 3,369,350</u>	<u>\$ 769,666</u>		<u>\$ 147,792</u>	<u>\$ 498,564</u>

Note 12 - Contingencies, Risks, and Uncertainties

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.

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 January 1 to December 31, 2016 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 plus \$900,000 primary insurance policy) to a maximum of \$10 million per occurrence for all liability losses and \$70,112,678 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 plus \$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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2016

Note 12 - Contingencies, Risks, and Uncertainties - Continued

b. Risk Management - Continued

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 \$6,510,888 for the 2016 plan year.

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

c. Grant Programs

The Village has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes disallowances, if any, will be immaterial.

d. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Village expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Village. The Village believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. GASB 75 establishes financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This standard replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016.

Management has not estimated the extent of potential impact of these statements on the Village's financial statements.

Village of Ossining, New York

Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2016			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 21,287,612	\$ 21,367,612	\$ 21,540,922	\$ 173,310
Real property tax items	299,218	299,218	279,595	(19,623)
Non-property taxes	4,325,000	4,325,000	4,449,367	124,367
Departmental income	1,698,700	1,723,825	1,804,773	80,948
Intergovernmental charges	3,063,554	3,063,554	3,053,352	(10,202)
Use of money and property	801,026	801,026	859,295	58,269
Licenses and permits	232,000	232,000	445,460	213,460
Fines and forfeitures	421,000	421,000	526,967	105,967
Sale of property and compensation for loss	35,000	263,484	354,179	90,695
Miscellaneous local sources	70,000	103,000	154,814	51,814
Interfund revenues	362,504	362,504	362,504	-
State aid	372,608	372,608	474,194	101,586
Total revenues	<u>32,968,222</u>	<u>33,334,831</u>	<u>34,305,422</u>	<u>970,591</u>
EXPENDITURES				
General government support	4,541,423	3,444,763	3,165,660	279,103
Public safety	10,109,687	10,601,581	9,714,522	887,059
Health	2,500	2,500	1,630	870
Transportation	2,201,056	2,252,553	2,111,540	141,013
Economic opportunity and development	63,040	93,040	48,295	44,745
Culture and recreation	2,496,959	2,613,290	2,570,466	42,824
Home and community services	1,940,987	1,870,952	1,804,270	66,682
Employee benefits	10,282,789	10,424,966	9,512,870	912,096
Capital outlays	318,899	495,131	398,901	96,230
Debt service				
Principal	174,483	174,933	174,932	1
Interest	12,807	12,357	5,048	7,309
Total expenditures	<u>32,144,630</u>	<u>31,986,066</u>	<u>29,508,134</u>	<u>2,477,932</u>
Excess of revenues over expenditures	<u>823,592</u>	<u>1,348,765</u>	<u>4,797,288</u>	<u>3,448,523</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	634,000	1,232,650	-	(1,232,650)
Operating transfers in	50,000	50,000	50,000	-
Operating transfers out	(1,907,592)	(2,631,415)	(2,618,316)	13,099
Proceeds from long-term debt issuance	400,000	-	-	-
Total other financing sources (uses)	<u>(823,592)</u>	<u>(1,348,765)</u>	<u>(2,568,316)</u>	<u>13,099</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,228,972</u>	<u>3,461,622</u>
FUND BALANCE, beginning of year			8,734,012	-
FUND BALANCE, end of year			<u>\$ 10,962,984</u>	<u>\$ 3,461,622</u>

See Independent Auditor's Report.

Village of Ossining, New York

Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund

	Year Ended December 31, 2016			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Departmental income	\$ 10,501,911	\$ 10,501,911	\$ 10,474,078	\$ (27,833)
Use of money and property	3,000	3,000	4,399	1,399
Sale of property and compensation for loss	-	15,668	21,597	5,929
Miscellaneous local sources	10,000	10,000	30,534	20,534
Total revenues	<u>10,514,911</u>	<u>10,530,579</u>	<u>10,530,608</u>	<u>29</u>
EXPENDITURES				
General government support	510,326	599,040	470,893	128,147
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	-	-	-	-
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	7,692,653	7,742,454	6,460,385	1,282,069
Employee benefits	1,144,177	1,146,886	1,086,245	60,641
Capital outlay	67,000	89,251	51,714	37,537
Debt service				
Principal	267,416	268,447	268,447	-
Interest	47,482	46,451	26,730	19,721
Total expenditures	<u>9,729,054</u>	<u>9,892,529</u>	<u>8,364,414</u>	<u>1,528,115</u>
Excess (deficiency) of revenues over expenditures	<u>785,857</u>	<u>638,050</u>	<u>2,166,194</u>	<u>1,528,144</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	500,000	1,130,766	-	(1,130,766)
Operating transfers in	75,000	75,000	75,000	-
Operating transfers out	(1,360,857)	(1,843,816)	(1,843,804)	12
Total other financing sources (uses)	<u>(785,857)</u>	<u>(638,050)</u>	<u>(1,768,804)</u>	<u>12</u>
Excess (deficiency) of revenues and other financing sources over expen- ditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>397,390</u>	<u>\$ 1,528,156</u>
FUND BALANCE, beginning of year			<u>5,759,703</u>	
FUND BALANCE, end of year			<u>\$ 6,157,093</u>	

Village of Ossining, New York

Required Supplementary Information Schedule of Funding Progress - Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
1/1/2016	\$ -	\$ 75,930,000	\$ 75,930,000	0.00%	\$ 16,950,000	447.96%
1/1/2015	-	86,020,000	86,020,000	0.00%	17,600,000	488.75%
1/1/2014	-	82,250,000	82,250,000	0.00%	15,800,000	520.57%

Village of Ossining, New York

Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability

	December 31,	
	2016	2015
Village's proportion of the net pension liability	0.0390983%	0.0400867%
Village's proportionate share of the net pension liability	\$ 6,275,394	\$ 1,354,226
Village's covered-employee payroll	\$ 9,328,956	\$ 9,505,657
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	67.27%	14.25%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.95%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Village of Ossining, New York

Required Supplementary Information Schedule of Pension Contributions

	December 31,	
	2016	2015
Contractually required contribution	\$ 1,396,969	\$ 1,632,907
Contributions in relation to the contractually required contribution	1,396,969	1,632,907
Contribution deficiency (excess)	-	-
Village's covered-employee payroll	9,328,956	9,505,657
Contributions as a percentage of covered-employee payroll	14.97%	17.18%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Village of Ossining, New York
Supplementary Information
Comparative Balance Sheet - General Fund

	December 31,	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 10,728,934	\$ 9,776,226
Receivables		
Accounts	292,930	236,239
Taxes, net	305,275	183,192
Other governments	1,196,678	1,094,307
Due from other funds	22,374	4,195
Due from fiduciary fund	455	-
Inventory	18,765	15,272
Prepaid expenditures	645,692	735,644
	<u>\$ 13,211,103</u>	<u>\$ 12,045,075</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,459,402	\$ 2,407,283
Due to other funds	-	390,324
Due to fiduciary fund	3,825	-
Unearned revenue	291,149	323,953
	<u>1,754,376</u>	<u>3,121,560</u>
DEFERRED INFLOWS OF RESOURCES	<u>493,743</u>	<u>189,503</u>
FUND BALANCES		
Nonspendable	664,457	750,916
Restricted	144,429	103,954
Committed	11,864	9,899
Assigned	1,026,468	802,650
Unassigned	9,115,766	7,066,593
Total fund balances	<u>10,962,984</u>	<u>8,734,012</u>
	<u>\$ 13,211,103</u>	<u>\$ 12,045,075</u>

Village of Ossining, New York

Supplementary Information Schedule of Revenues and Other Financing Sources Compared to Budget - General Fund

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
REAL PROPERTY TAXES	<u>\$ 21,287,612</u>	<u>\$ 21,367,612</u>	<u>\$ 21,540,922</u>	<u>\$ 173,310</u>	<u>\$ 21,114,784</u>
OTHER TAX ITEMS					
Payment in lieu of taxes	149,218	149,218	148,422	(796)	146,294
Interest and penalties on real property taxes	150,000	150,000	131,173	(18,827)	123,814
	<u>299,218</u>	<u>299,218</u>	<u>279,595</u>	<u>(19,623)</u>	<u>270,108</u>
NON-PROPERTY TAXES					
Utilities gross receipts taxes	300,000	300,000	250,765	(49,235)	261,240
Franchise fees	435,100	442,272	539,500	97,228	467,546
Non-property tax distribution from County	3,625,000	3,625,000	3,659,102	34,102	3,613,936
	<u>4,360,100</u>	<u>4,367,272</u>	<u>4,449,367</u>	<u>82,095</u>	<u>4,342,722</u>
DEPARTMENTAL INCOME					
Tax advertising	2,000	2,000	4,700	2,700	1,350
Clerk fees	750	750	745	(5)	960
Transportation of prisoners	32,000	32,000	34,722	2,722	34,272
Police fees	850	850	7,406	6,556	3,460
Safety inspection fees	26,000	26,000	53,850	27,850	45,041
False alarm fees	2,000	2,000	1,600	(400)	1,600
Health fees	500	500	1,055	555	627
Public service	8,000	8,000	4,605	(3,395)	6,925
Station tags and off-street parking	483,000	483,000	526,715	43,715	510,973
Non-criminal finger printing	3,000	3,000	1,260	(1,740)	1,085
Day camp fees	225,000	225,000	224,465	(535)	205,753
Parks and recreation fees	509,500	527,453	567,915	40,462	544,741
Zoning fees	6,000	6,000	11,610	5,610	13,930
Planning Board fees	8,000	8,000	6,935	(1,065)	12,835
Refuse and garbage charges	357,000	357,000	357,190	190	377,571
	<u>1,663,600</u>	<u>1,681,553</u>	<u>1,804,773</u>	<u>123,220</u>	<u>1,761,123</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Schedule of Revenues and Other Financing Sources Compared to Budget - General Fund - Continued

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
INTERGOVERNMENTAL CHARGES					
Finance and data processing services - Town	391,365	391,365	375,468	(15,897)	366,340
Engineering services - Town	85,390	85,390	85,390	-	71,400
Corporation counsel - Town	11,334	11,334	11,334	-	11,112
Street lighting - Town	5,000	5,000	1,233	(3,767)	1,776
Police services - Town	1,700,014	1,700,014	1,718,701	18,687	2,010,631
Fire protection services - Town	493,693	493,693	493,693	-	488,000
Snow removal services	34,000	34,000	24,774	(9,226)	88,738
Recreation services - Town	342,758	342,758	342,759	1	342,415
	<u>3,063,554</u>	<u>3,063,554</u>	<u>3,053,352</u>	<u>(10,202)</u>	<u>3,380,412</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	22,000	22,000	31,994	9,994	19,929
Rental of real property - Individuals	77,044	77,044	125,316	48,272	101,714
Rental of real property - Other governments	213,370	213,370	213,373	3	212,928
	<u>312,414</u>	<u>312,414</u>	<u>370,683</u>	<u>58,269</u>	<u>334,571</u>
LICENSES AND PERMITS					
Business and occupational licenses	40,000	40,000	71,168	31,168	53,125
Building permits	125,000	125,000	269,727	144,727	136,614
Other permits	67,000	67,000	104,565	37,565	93,206
	<u>232,000</u>	<u>232,000</u>	<u>445,460</u>	<u>213,460</u>	<u>282,945</u>
FINES AND FORFEITURES					
Finse and forfeited bail	420,000	420,000	525,137	105,137	462,378
Forfeiture of deposits	1,000	1,000	1,830	830	345
	<u>421,000</u>	<u>421,000</u>	<u>526,967</u>	<u>105,967</u>	<u>462,723</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	-	-	3,105	3,105	6,577
Minor sales	10,000	10,000	10,014	14	6,869
Insurance and other recoveries	25,000	253,484	341,060	87,576	322,144
	<u>35,000</u>	<u>263,484</u>	<u>354,179</u>	<u>90,695</u>	<u>335,590</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Schedule of Revenues and Other Financing Sources Compared to Budget - General Fund - Continued

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
INTERFUND REVENUES	851,116	851,116	851,116	-	834,835
MISCELLANEOUS LOCAL SOURCES					
Refund of prior years expenditures	2,000	2,000	655	(1,345)	21,270
Reimbursement of Medicare Part D	65,000	65,000	67,764	2,764	71,804
Gifts and donations	-	3,000	53,000	50,000	20
Other	3,000	33,000	33,395	395	5,557
	70,000	103,000	154,814	51,814	98,651
STATE AID					
Per capita	202,408	202,408	202,408	-	202,408
Mortgage tax	150,000	150,000	224,591	74,591	180,595
Youth programs	5,200	5,200	5,851	651	5,572
Emergency management assistance	-	-	-	-	32,151
Other	15,000	15,000	41,344	26,344	47,521
	372,608	372,608	474,194	101,586	468,247
Total revenues	32,968,222	33,334,831	34,305,422	970,591	33,686,711
OTHER FINANCING SOURCES					
Bonds issued	400,000	-	-	-	550,000
Transfers in	-	-	-	-	-
Debt Service Fund	50,000	50,000	50,000	-	125,000
Non-Major Funds	-	-	-	-	42,586
Total other financing sources	450,000	50,000	50,000	-	717,586
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 33,418,222	\$ 33,384,831	\$ 34,355,422	\$ 970,591	\$ 34,404,297

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 25,550	\$ 25,817	\$ 25,816	\$ 1	\$ 42,775
Traffic Violations Bureau	126,107	126,107	125,636	471	141,515
Mayor	9,750	9,483	9,148	335	8,061
Manager	367,948	367,948	340,322	27,626	402,127
Auditor	50,500	55,571	49,880	5,691	42,480
Treasurer	175,925	188,977	188,363	614	169,757
Budget	1,000	1,000	942	58	1,000
Clerk	214,178	214,178	200,765	13,413	208,751
Law	194,515	214,515	213,092	1,423	172,673
Personnel	177,699	177,699	174,800	2,899	163,378
Safety director	31,105	32,130	30,616	1,514	26,005
Engineer	47,077	47,981	32,980	15,001	33,509
Municipal building	197,583	263,476	241,281	22,195	191,374
Operations center	210,771	219,713	164,602	55,111	195,596
Central garage	372,010	366,585	336,298	30,287	357,944
Communications system	148,114	155,286	123,755	31,531	143,382
Data processing	304,491	293,868	282,548	11,320	258,136
Unallocated insurance	632,929	642,486	639,886	2,600	556,187
Municipal association dues	14,930	14,930	12,526	2,404	14,046
Judgments and claims	100,000	15,443	13,133	2,310	36,524
Town taxes and assessments	70	70	65	5	61
Property tax refunds	350,000	30,000	-	30,000	472,668
Metropolitan commuter transportation mobility tax	52,426	52,426	48,830	3,596	48,623
Contingency	831,418	26,090	-	26,090	-
	<u>4,636,096</u>	<u>3,541,779</u>	<u>3,255,284</u>	<u>286,495</u>	<u>3,686,572</u>

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund - Continued

Year Ended December 31, 2016					
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
PUBLIC SAFETY					
Police department	8,104,897	8,576,841	7,776,592	800,249	8,444,933
Jail	2,000	2,330	2,330	-	2,155
Traffic control	84,732	115,690	101,542	14,148	73,370
Public safety boat	12,250	14,132	13,903	229	6,817
Fire department	776,538	895,105	834,313	60,792	676,989
Demolition of unsafe buildings	500	500	-	500	1,280
Control of animals	121,303	121,303	116,950	4,353	113,405
Civilian police	587,749	587,749	575,600	12,149	548,111
Safety inspection	615,694	615,694	537,923	77,771	496,137
	<u>10,305,663</u>	<u>10,929,344</u>	<u>9,959,153</u>	<u>970,191</u>	<u>10,363,197</u>
HEALTH					
Weed and grass control	2,500	2,500	1,630	870	1,630
TRANSPORTATION					
Street administration	263,638	272,805	259,803	13,002	286,670
Street maintenance	1,358,649	1,572,384	1,531,294	41,090	1,391,965
Snow removal	327,150	266,150	177,822	88,328	397,862
Street lighting	230,144	146,834	145,980	854	218,244
Sidewalks	-	-	-	-	45,715
Off-street parking	33,975	34,782	34,542	240	34,050
	<u>2,213,556</u>	<u>2,292,955</u>	<u>2,149,441</u>	<u>143,514</u>	<u>2,374,506</u>
ECONOMIC OPPORTUNITY AND ASSISTANCE					
Publicity	37,800	37,800	986	36,814	33,555
Community development	25,240	55,240	47,309	7,931	17,930
Downtown development	-	-	-	-	42,586
	<u>63,040</u>	<u>93,040</u>	<u>48,295</u>	<u>44,745</u>	<u>94,071</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund - Continued

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
CULTURE AND RECREATION					
Parks	739,530	748,490	735,836	12,654	720,829
Recreation	1,665,433	1,534,892	1,502,912	31,980	1,608,379
Youth agencies	69,780	69,780	69,171	609	79,933
Camps	-	235,568	235,568	-	-
Urban cultural park	11,816	11,816	11,805	11	16,484
Celebrations	19,500	21,582	21,581	1	14,378
Adult recreation	5,900	6,162	6,162	-	4,996
	<u>2,511,959</u>	<u>2,628,290</u>	<u>2,583,035</u>	<u>45,255</u>	<u>2,444,999</u>
HOME AND COMMUNITY SERVICES					
Zoning	63,783	63,783	55,021	8,762	61,211
Planning	123,733	123,733	107,801	15,932	107,555
Storm sewers	108,137	131,723	130,973	750	80,495
Refuse and garbage	1,417,564	1,379,187	1,356,109	23,078	1,288,617
Street cleaning	94,770	94,770	90,995	3,775	84,710
Shade trees	127,750	86,706	72,878	13,828	71,821
Landlord Tenant Relations Council	250	250	-	250	-
Historic Review Commission	5,750	5,750	4,668	1,082	4,999
	<u>1,941,737</u>	<u>1,885,902</u>	<u>1,818,445</u>	<u>67,457</u>	<u>1,699,408</u>
EMPLOYEE BENEFITS					
State retirement	1,156,544	1,036,544	952,115	84,429	1,186,259
Police and fire retirement	1,928,111	1,892,724	1,426,198	466,526	1,926,725
Social security	1,185,587	1,185,587	1,000,444	185,143	1,047,684
Workers' compensation benefits	897,177	897,177	740,304	156,873	1,076,156
Unemployment benefits	20,000	20,000	9,425	10,575	27,765
Hospital, medical and dental benefits	5,095,370	5,392,934	5,384,384	8,550	4,751,567
	<u>10,282,789</u>	<u>10,424,966</u>	<u>9,512,870</u>	<u>912,096</u>	<u>10,016,156</u>

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund - Continued

	Year Ended December 31, 2016				2015 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
DEBT SERVICE					
Principal					
Bond anticipation notes	147,373	147,374	147,374	-	-
Installment purchase debt	27,110	27,559	27,559	-	27,507
	<u>174,483</u>	<u>174,933</u>	<u>174,933</u>	<u>-</u>	<u>27,507</u>
Interest					
Bond anticipation notes	3,733	3,732	3,731	1	515
Installment purchase debt	9,074	8,625	1,317	7,308	1,261
	<u>12,807</u>	<u>12,357</u>	<u>5,048</u>	<u>7,309</u>	<u>1,776</u>
	<u>187,290</u>	<u>187,290</u>	<u>179,981</u>	<u>7,309</u>	<u>29,283</u>
Total expenditures	<u>32,144,630</u>	<u>31,986,066</u>	<u>29,508,134</u>	<u>2,477,932</u>	<u>30,709,822</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,823,553	1,906,989	1,906,973	16	1,741,820
Capital Projects	-	500,000	500,000	-	310,787
Internal Service Fund	-	140,387	140,387	-	-
Section 8 Housing Fund	84,039	84,039	70,956	13,083	69,533
	<u>1,907,592</u>	<u>2,631,415</u>	<u>2,618,316</u>	<u>13,099</u>	<u>2,122,140</u>
Total other financing uses	<u>1,907,592</u>	<u>2,631,415</u>	<u>2,618,316</u>	<u>13,099</u>	<u>2,122,140</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 34,052,222</u>	<u>\$ 34,617,481</u>	<u>\$ 32,126,450</u>	<u>\$ 2,491,031</u>	<u>\$ 32,831,962</u>

Village of Ossining, New York
 Supplementary Information
 Comparative Balance Sheet - Water Fund

	December 31,	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 3,390,789	\$ 3,175,959
Receivables		
Accounts	3,308,166	3,277,369
Other governments	10,849	13,603
Prepaid expenditures	90,359	104,859
	<u>\$ 6,800,163</u>	<u>\$ 6,571,790</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 627,117	\$ 765,943
Due to other funds	-	35,603
Unearned revenue	15,953	10,541
	<u>643,070</u>	<u>812,087</u>
FUND BALANCES		
Nonspendable	90,359	104,859
Restricted	216,434	216,093
Assigned	5,850,300	5,438,751
Total fund balances	<u>6,157,093</u>	<u>5,759,703</u>
	<u>\$ 6,800,163</u>	<u>\$ 6,571,790</u>

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - Water Fund

Year Ended December 31, 2016

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ 60,000	\$ 161,113	\$ 101,039	\$ 60,074	135,758
Safety director	17,500	19,352	10,243	9,109	10,495
Communications system	25,050	25,050	17,672	7,378	9,182
Data processing	26,480	26,480	17,275	9,205	18,123
Unallocated insurance	100,940	100,940	98,995	1,945	85,302
Judgments and claims	5,000	5,000	-	5,000	1,509
Taxes and assessments on municipal property	225,000	225,000	224,672	328	220,265
Metropolitan commuter transportation mobility tax	8,406	8,406	8,248	158	7,853
Contingency	51,950	51,950	0	51,950	-
	<u>520,326</u>	<u>623,291</u>	<u>478,144</u>	<u>145,147</u>	<u>488,487</u>
HOME AND COMMUNITY SERVICES					
Water administration	1,387,372	1,392,744	1,363,359	29,385	1,272,908
Pumping, supply and power	3,816,681	3,698,375	2,462,514	1,235,861	2,788,011
Purification	1,312,078	1,316,590	1,298,865	17,725	1,253,216
Transmission and distribution	1,233,522	1,399,745	1,380,110	19,635	1,185,048
	<u>7,749,653</u>	<u>7,807,454</u>	<u>6,504,848</u>	<u>1,302,606</u>	<u>6,499,183</u>
EMPLOYEE BENEFITS					
State retirement	409,854	392,895	378,235	14,660	409,772
Social security	192,755	192,755	173,742	19,013	166,698
Workers' compensation benefits	150,877	150,877	125,379	25,498	156,655
Unemployment benefits	2,000	2,000	645	1,355	13,061
Hospital, medical and dental benefits	388,691	408,359	408,244	115	356,000
	<u>1,144,177</u>	<u>1,146,886</u>	<u>1,086,245</u>	<u>60,641</u>	<u>1,102,186</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Schedule of Expenditures and Other Financing Uses Compared to Budget - Water Fund - Continued

	Year Ended December 31, 2016				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2015 Actual
DEBT SERVICE					
Principal					
Bond anticipation notes	205,000	205,000	205,000	-	-
Installment purchase debt	62,416	63,447	63,447	-	63,332
	<u>267,416</u>	<u>268,447</u>	<u>268,447</u>	<u>-</u>	<u>63,332</u>
Interest					
Bond anticipation notes	23,695	23,695	23,694	1	12,560
Installment purchase debt	23,787	22,756	3,036	19,720	2,904
	<u>47,482</u>	<u>46,451</u>	<u>26,730</u>	<u>19,721</u>	<u>15,464</u>
	<u>314,898</u>	<u>314,898</u>	<u>295,177</u>	<u>19,721</u>	<u>78,796</u>
Total expenditures	<u>9,729,054</u>	<u>9,892,529</u>	<u>8,364,414</u>	<u>1,528,115</u>	<u>8,168,652</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,360,857	1,360,857	1,360,845	12	1,361,163
Capital Projects	-	470,000	470,000	-	333,739
Internal Service Fund	-	12,959	12,959	-	-
	<u>1,360,857</u>	<u>1,843,816</u>	<u>1,843,804</u>	<u>12</u>	<u>1,694,902</u>
Total other financing uses	<u>1,360,857</u>	<u>1,843,816</u>	<u>1,843,804</u>	<u>12</u>	<u>1,694,902</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 11,089,911	\$ 11,736,345	\$ 10,208,218	\$ 1,528,127	\$ 9,863,554

Village of Ossining, New York

Supplementary Information Project Length Schedule - Capital Projects Fund Inception of Project Through December 31, 2016

Project	Project Number	Project Budget	Expenditures and Transfers to Date	Unexpended Balance	Revenues to Date	Fund Balance (Deficit) at December 31, 2016	Bond Anticipation Notes Outstanding at December 31, 2016
Parking Meters	2057	\$ 225,000	\$ 187,871	\$ 37,129	\$ 225,000	\$ 37,129	\$ -
Security at Pump Station	2070	150,000	142,391	7,609	150,000	7,609	-
Community Center Sun Deck Playground	2105	173,500	171,922	1,578	173,500	1,578	-
Main Street/Secor Road Streetscape	2106	768,661	768,661	-	718,661	(50,000)	-
Indian Brook Water Reservoir and Dam Reconstruction	2122	6,225,845	3,569,314	2,656,531	5,525,845	1,956,531	700,000
Fire Department SCBA Cylinders	2124	35,200	35,200	-	28,160	(7,040)	7,040
Historic Building Markers	2133	33,112	19,965	13,147	33,112	13,147	-
Sing Sing Kill Sewer Improvements	2134	5,349,156	5,325,284	23,872	5,349,156	23,872	-
DPW Truck	2137	40,000	40,000	-	24,000	(16,000)	16,000
Generator at Operations Center	2142	166,900	148,454	18,446	166,900	18,446	-
Generator at Water Treatment Plant	2143	957,900	955,772	2,128	957,900	2,128	-
Streets Curb Machine	2146	20,000	12,271	7,729	20,000	7,729	-
Police Vehicles	2147	185,000	185,000	-	185,000	-	-
Water Mains Relining & Replacement	2149	3,192,500	2,808,277	384,223	3,000,000	191,723	-
Street Resurfacing and Sidewalks	2150	398,562	348,562	50,000	398,562	50,000	-
Police Vehicles	2153	124,000	124,000	-	41,334	(82,666)	82,666
Fire Chief's Vehicle	2154	50,000	50,000	-	16,667	(33,333)	33,333
Fire Apparatus Rehabilitation	2155	300,000	297,914	2,086	300,000	2,086	-
DPW Dump Truck	2156	190,000	190,000	-	190,000	-	-
Recreation Dept Vehicle	2157	35,000	35,000	-	11,667	(23,333)	23,333
Harbor Square Promenade Park	2158	485,000	485,000	-	-	(485,000)	-
Spring St./Main St. Intersection	2160	62,550	44,150	18,400	62,550	18,400	-
Street Resurfacing and Sidewalks	2161	249,915	150,772	99,143	160,849	10,077	-
LED Street Lighting Project	2162	650,000	614,259	35,741	614,259	-	-
MUNIS Accounting System Implementation	2163	538,610	330,976	207,634	502,408	171,432	-
Police Vehicles	2164	186,500	176,814	9,686	-	(176,814)	186,500
Police Mobile Data Terminals	2165	70,000	50,785	19,215	-	(50,785)	70,000
Fire Apparatus Engine Pumper	2166	675,000	-	675,000	-	-	-
Building Dep't Vehicle	2167	25,000	24,827	173	-	(24,827)	25,000
DPW and Water Dept Truck	2168	215,000	195,207	19,793	215,000	19,793	-
DPW Sanitation Trucks	2169	450,000	416,452	33,548	450,000	33,548	-
DPW Sewer Jet Truck with Camer	2170	230,000	227,827	2,173	230,000	2,173	-
Broadway Bridge Rehabilitation (engineering)	2171	211,000	62,411	148,589	211,000	148,589	-
New Indian Brook Water Treatment Plant (engineering)	2172	3,800,000	35,653	3,764,347	-	(35,653)	935,500
Street Resurfacing and Sidewalks	2173	680,000	544,440	135,560	796,039	251,599	-
Caputo Center Gym Floor Replacement	2174	260,000	-	260,000	260,000	260,000	-
		<u>\$ 27,408,911</u>	<u>\$ 18,775,431</u>	<u>\$ 8,633,480</u>	<u>\$ 21,017,569</u>	<u>\$ 2,242,138</u>	<u>\$ 2,079,372</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2016			
	Sewer	Section 8 Housing	Special Purpose	Total Other Governmental
ASSETS				
Cash and cash equivalents	\$ 859,153	\$ 349,749	\$ 951,691	\$ 2,160,593
Receivables				
Accounts	473,558	-	-	473,558
Due from other governments	143,977	1,901	-	145,878
Other	-	33,784	-	33,784
Prepaid expenditures	18,215	7,299	-	25,514
	<u>\$ 1,494,903</u>	<u>\$ 392,733</u>	<u>\$ 951,691</u>	<u>\$ 2,839,327</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 50,292	\$ 17,197	\$ 15,491	\$ 82,980
Due to other funds	-	22,374	-	22,374
Unearned revenue	-	307,650	-	307,650
	<u>50,292</u>	<u>347,221</u>	<u>15,491</u>	<u>413,004</u>
FUND BALANCES				
Nonspendable	18,215	7,299	-	25,514
Restricted	-	-	936,200	936,200
Assigned	1,426,396	38,213	-	1,464,609
Total fund balances	<u>1,444,611</u>	<u>45,512</u>	<u>936,200</u>	<u>2,426,323</u>
	<u>\$ 1,494,903</u>	<u>\$ 392,733</u>	<u>\$ 951,691</u>	<u>\$ 2,839,327</u>

Village of Ossining, New York

Supplementary Information

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds

	Year Ended December 31, 2016			
	Sewer	Section 8 Housing	Special Purpose	Total
REVENUES				
Departmental revenues	\$ 1,595,789	\$ -	\$ -	\$ 1,595,789
Use of money and property	1,412	-	1,274	2,686
Sale of property and compensation for loss	7,713	-	-	7,713
Miscellaneous local sources	1,872	-	75,000	76,872
Federal aid	-	3,238,272	-	3,238,272
Total revenues	<u>1,606,786</u>	<u>3,238,272</u>	<u>76,274</u>	<u>4,921,332</u>
EXPENDITURES				
General government support	102,496	-	-	102,496
Economic opportunity and development	-	-	17,496	17,496
Culture and recreation	-	-	8,969	8,969
Home and community services	774,427	3,233,415	-	4,007,842
Employee benefits	296,872	79,448	-	376,320
Total expenditures	<u>1,173,795</u>	<u>3,312,863</u>	<u>26,465</u>	<u>4,513,123</u>
Excess (deficiency) of revenues over expenditures	<u>432,991</u>	<u>(74,591)</u>	<u>49,809</u>	<u>408,209</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	70,956	-	70,956
Operating transfers out	(459,140)	-	(260,000)	(719,140)
	<u>(459,140)</u>	<u>70,956</u>	<u>(260,000)</u>	<u>(648,184)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>(26,149)</u>	<u>(3,635)</u>	<u>(210,191)</u>	<u>(239,975)</u>
FUND BALANCE, beginning of year	<u>1,470,760</u>	<u>49,147</u>	<u>1,146,391</u>	<u>2,666,298</u>
FUND BALANCE, end of year	<u><u>\$ 1,444,611</u></u>	<u><u>\$ 45,512</u></u>	<u><u>\$ 936,200</u></u>	<u><u>\$ 2,426,323</u></u>

Village of Ossining, New York

Supplementary Information Combining Statement of Net Position - Internal Service Funds

	Workers' Compensation Benefits	General Liability Claims	Totals	
			December 31,	
			2016	2015
ASSETS				
Cash and cash equivalents	\$ 4,249,838	\$ 765,128	\$ 5,014,966	\$ 3,879,415
Accounts receivable, net	32,799	-	32,799	557,848
Due from other funds	-	-	-	424,380
Total assets	<u>4,282,637</u>	<u>765,128</u>	<u>5,047,765</u>	<u>4,861,643</u>
LIABILITIES				
Claims payable, current	275,600	76,400	352,000	382,100
Claims payable, noncurrent	2,480,400	687,600	3,168,000	3,438,900
Total liabilities	<u>2,756,000</u>	<u>764,000</u>	<u>3,520,000</u>	<u>3,821,000</u>
NET POSITION				
Restricted	1,526,637	1,128	1,527,765	1,092,914
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,271)</u>
Total net position	<u>\$ 1,526,637</u>	<u>\$ 1,128</u>	<u>\$ 1,527,765</u>	<u>\$ 1,040,643</u>

Village of Ossining, New York

Supplementary Information Combining Statement of Activities - Internal Service Funds

	Workers' Compensation Benefits	General Liability Claims	Totals	
			December 31,	
			2016	2015
OPERATING REVENUES				
Charges for services	\$ 905,266	\$ 789,444	\$ 1,694,710	\$ 1,988,226
Insurance recoveries	633,332	-	633,332	991,003
	<u>1,538,598</u>	<u>789,444</u>	<u>2,328,042</u>	<u>2,979,229</u>
OPERATING EXPENSES				
Insurance	299,365	575,473	874,838	991,532
Contractual expenses	74,815	200,779	275,594	206,757
Employee benefits	736,564	-	736,564	1,656,831
Judgments and claims	-	115,192	115,192	165,847
Total operating expenses	<u>1,110,744</u>	<u>891,444</u>	<u>2,002,188</u>	<u>3,020,967</u>
Operating income (loss)	427,854	(102,000)	325,854	(41,738)
NONOPERATING REVENUES				
Interest revenue	<u>5,869</u>	<u>1,128</u>	<u>6,997</u>	<u>5,456</u>
Income (loss) before transfers	433,723	(100,872)	332,851	(36,282)
INTERFUND TRANSFERS				
Transfers in	<u>-</u>	<u>154,271</u>	<u>154,271</u>	<u>-</u>
CHANGE IN NET POSITION	433,723	53,399	487,122	(36,282)
NET POSITION, <i>beginning of year</i>	<u>1,092,914</u>	<u>(52,271)</u>	<u>1,040,643</u>	<u>1,076,925</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,526,637</u>	<u>\$ 1,128</u>	<u>\$ 1,527,765</u>	<u>\$ 1,040,643</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Combining Statement of Cash Flows - Internal Service Funds

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2016	2015
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash received from charges for services and insurance recoveries	\$ 2,488,027	\$ 789,444	\$ 3,277,471	\$ 2,169,432
Cash payments to insurance and claimants	(1,513,744)	(789,444)	(2,303,188)	(2,326,467)
	974,283	-	974,283	(157,035)
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from governmental funds	-	154,271	154,271	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES				
Interest income	5,869	1,128	6,997	5,456
Net increase (decrease) in cash and cash equivalents	980,152	155,399	1,135,551	(151,579)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	3,269,686	609,729	3,879,415	4,030,994
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 4,249,838	\$ 765,128	\$ 5,014,966	\$ 3,879,415
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 427,854	\$ (102,000)	\$ 325,854	\$ (41,738)
Change in assets and liabilities				
Accounts receivable	525,049	-	525,049	(385,417)
Due from other funds	424,380	-	424,380	(424,380)
Claims payable, current and noncurrent	(403,000)	102,000	(301,000)	694,500
	\$ 974,283	\$ -	\$ 974,283	\$ (157,035)

See Independent Auditor's Report.

Village of Ossining, New York

Single Audit Reports

Year Ended December 31, 2016

Village of Ossining, New York

Single Audit Reports

Year Ended December 31, 2016

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Village of Ossining, New York

Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-through Grantor/ Contract Number	Federal Expenditures
U.S. Department of Housing and Urban Development/ Section 8 Housing Choice Vouchers	14.871	N/A	<u>\$ 3,312,863</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards, 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*, and Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

Village of Ossining, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (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, 2016. The information in this Schedule is presented in accordance with the 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). The purpose of the Schedule is to present a summary of those activities of the Village funded by the federal government or pass-through entities for the year ended December 31, 2016, using the modified accrual basis of accounting. For purposes of the Schedule, federal awards include assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans and loan guarantees, and other non-cash assistance.

Negative amounts, if any, on the Schedule represent adjustments made to prior year expenditures in the normal course of business.

b. Relationship to Financial Statements

Federal award revenues are reported in the Village's financial statements as government grants. The Village's financial statements are presented using the modified accrual basis. The Schedule presents only a selected portion of the activities of the Village. It is not intended to, and does not, present either the financial position, statement of activities, or other changes in fund balance of the Village.

c. Direct and Indirect Costs

Expenditures for direct and indirect costs are recognized as incurred using the accrual method of accounting and in accordance with OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* and the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 - Noncash Assistance

The Village did not expend federal awards in the form of noncash assistance during the year ended December 31, 2016.

Note 3 - Loans and Loan Guarantees

The Village had no federal loans or federal loan guarantees outstanding as of December 31, 2016.

Note 4 - Insurance

The Village did not participate in any federal insurance programs during the year ended December 31, 2016.

Note 5 - Subrecipients

The Village did not pass through any federal awards to subrecipients during the year ended December 31, 2016.



**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***

Mayor and Board of Trustees
Village of Ossining, New York
Ossining, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits 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, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 7, 2017.

Internal Control Over Financial Reporting

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

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

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

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 that are required to be reported under *Government Auditing Standards*.

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

BST & CO. CPAs, LLP

Albany, New York
August 7, 2017





**Report on Compliance for Each Major Federal
Program; Report on Internal Control Over Compliance;
and Report on Schedule of Expenditures of Federal
Awards Required by the Uniform Guidance**

Mayor and Board of Trustees
Village of Ossining, New York
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 the Village's major federal program for the year ended December 31, 2016. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Village's major federal program 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 the 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 its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Village as of and for the year ended December 31, 2016, and have issued our report thereon dated August 7, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BST & CO. CPAs, LLP

Albany, New York
August 7, 2017



Village of Ossining, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2016

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

Noncompliance material to financial statements? _____ Yes X No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

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

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

_____ Yes X No

Identification of major program:

Section 8 Housing Choice Vouchers

14.871

Dollar threshold used to distinguish between type A and type B programs

 \$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Audit Findings

No findings noted.

Section III - Findings and Questioned Costs for Federal Awards

No findings noted.