

Village of Ossining, New York

Financial Report

December 31, 2018

Village of Ossining, New York

Financial Report

December 31, 2018

CONTENTS

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-14
Basic Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	20
Statement of Net Position - Internal Service Funds	21
Statement of Revenues, Expenditures, and Changes in Net Position - Internal Service Funds	22
Statement of Cash Flows - Internal Service Funds	23
Statement of Net Position - Fiduciary Fund	24
Notes to Financial Statements	25-47
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	48
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund	49
Schedule of Other Postemployment Benefits Liability	50
Schedule of Proportionate Share of Net Pension Liability - ERS	51
Schedule of Pension Contributions - ERS	52
Schedule of Proportionate Share of Net Pension Liability - PFRS	53
Schedule of Pension Contributions - PFRS	54

CONTENTS

	Page
Supplementary Information	
Comparative Balance Sheet - General Fund	55
Schedule of Revenues and Other Financing Sources Compared to Budget - General Fund	56-58
Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund	59-62
Comparative Balance Sheet - Water Fund	63
Schedule of Expenditures and Other Financing Uses Compared to Budget - Water Fund	64-65
Project Length Schedule - Capital Projects Fund	66
Combining Balance Sheet - Non-Major Governmental Funds	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	68
Combining Statement of Net Position - Internal Service Funds	69
Combining Statement of Activities - Internal Service Funds	70
Combining Statement of Cash Flows - Internal Service Funds	71



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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 1p to the financial statements, in 2018 the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

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. The other supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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 30, 2019



Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

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 year ended December 31, 2018, 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

Key financial highlights for the year 2018 are as follows:

- On the government-wide statement of net position, the liabilities and deferred inflows of the Village exceeded its assets and deferred outflows at the close of the most recent year by \$40.84 million. Of this amount, \$40.35 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$7.61 million was restricted for future capital improvements, debt service or other purposes. The remaining amount, which represents an unrestricted deficit, was \$88.81 million. This deficit resulted primarily from the accrual of certain operating liabilities, which will be satisfied in future years, including compensated absences, other postemployment benefits (OPEB), and net pension liability (see below).
- For the year ended December 31, 2018, the Village implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("OPEB"). This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*. The primary distinction between the two standards is that since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their total OPEB liability as opposed to the net OPEB liability that has been reported under the prior standard. As a result, the net position for governmental activities on the government-wide financial statements reflects a change in accounting principle adjustment (of \$62,610,900) to the opening net position originally reported as of January 1, 2018 of \$25,619,249, thereby restating the opening net position to a \$36,991,651 deficit.
- The Village's total net position decreased by \$3.85 million in 2018, from a restated \$36.99 million deficit as of December 31, 2017. The total decrease in net position resulted primarily from the increase of \$4.68 million in the accrual of OPEB obligations during the year.
- As of the close of the current year, the Village's governmental funds reported combined ending fund balances of \$27.83 million. Of this amount, \$14.24 million of the fund balance was classified as nonspendable, restricted, or assigned for specific purposes. The remaining amount, \$13.59 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$27.83 million at December 31, 2018 were \$5.30 million more than the amount reported in the prior year.
- At the end of the current year, unassigned fund balance for the General Fund, \$13.59 million, was 40.5% of total General Fund expenditures and other financing uses (of \$33.52 million).

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Financial Highlights - Continued

- The Internal Service Funds reported a combined restricted net position balance of \$1.54 million as of December 31, 2018.
- During the current year, the Village issued new serial bonds of \$4,731,518 to finance capital projects (of \$2,685,000) and to provide permanent financing for capital projects (of \$2,046,518) previously funded through the issuance of bond anticipation notes (BANs). Also in 2018, the Village issued new serial bonds of \$6,125,000 to refund callable bonds for lower interest rates. In 2018, the Village retired \$2,795,000 of general obligation debt from budgetary appropriations and \$6,455,000 from the proceeds of the refunding bond.
- As of December 31, 2018, the Village had an outstanding BAN liability of \$2,344,699, which was comprised of \$600,000 for authorized capital projects in 2018, plus \$1,744,699 for prior year capital project BANs. During 2018, the Village retired \$666,652 of BANs from budgetary appropriations.
- In addition to the impact of the Village's OPEB obligations, the government-wide financial statements for the year ended December 31, 2018, 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 standards that became effective for the 2015 year, 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, 2018, the Village reported in its statement of net position a liability of \$3.26 million for its proportionate share of the ERS and PFRS net pension liability, down from \$7.67 million at December 31, 2017, a decrease of \$4.41 million. Additionally, the pension deferred outflows of resources increased by \$1.74 million to \$10.15 million at December 31, 2018. However, the deferred pension inflows of resources increased by nearly \$6.40 million to \$8.04 million at year-end. Overall, the net impact on net position for the year was a decrease of approximately \$252,000. 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.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Government-Wide Financial Statements - Continued

The *statement of activities* presents information showing how the Village's net position changed during the most recent 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 periods (for example, uncollected taxes, depreciation expense, and earned but unused vacation leave and OPEB obligations).

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 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 (Other Governmental).

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, 2018

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 OPEB obligation to its employees and its proportionate share of the net pension liability for its participation in the New York State and Local Retirement System (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. The Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* audit of Federal awards program and the Draft Part 43 of the New York State Codification of Rules and Regulations audit of New York State Department of Transportation awards are presented in separate reports.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$40.84 million at the close of the 2018 year, a decrease of \$3.85 million from the restated prior year net position.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Table 1 - Net Position as of December 31, 2018 and 2017

	Governmental Activities			
	2018	2017 (Restated)	\$ Change	% Change
ASSETS				
Current assets	\$ 38,348,398	\$ 37,733,099	\$ 615,299	1.63%
Capital assets, net	73,072,794	74,810,301	(1,737,507)	-2.32%
Total assets	111,421,192	112,543,400	(1,122,208)	-1.00%
DEFERRED OUTFLOWS OF RESOURCES	10,747,377	8,715,699	2,031,678	23.31%
LIABILITIES				
Current liabilities	9,846,140	11,418,698	(1,572,558)	-13.77%
Long-term liabilities	145,131,132	143,094,235	2,036,897	1.42%
Total liabilities	154,977,272	154,512,933	464,339	0.30%
DEFERRED INFLOWS OF RESOURCES	8,035,958	3,737,817	4,298,141	114.99%
NET POSITION				
Net investment in capital assets	40,352,128	44,035,649	(3,683,521)	-8.36%
Restricted	7,611,388	4,951,527	2,659,861	53.72%
Unrestricted deficit	(88,808,177)	(85,978,827)	(2,829,350)	3.29%
Total net position	\$ (40,844,661)	\$ (36,991,651)	\$ (3,853,010)	10.42%

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, \$40.35 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 are 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, 2018, \$7.61 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 \$88.81 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 (\$1.31 million), net pension liability (\$3.26 million), and other postemployment benefit obligations (\$108.21 million), that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Table 2 - Changes in Net Position for the Years Ended December 31, 2018 and 2017

	Governmental Activities			
	2018	2017	\$ Change	% Change
REVENUES				
Program revenues				
Charges for services	\$ 18,992,239	\$ 18,051,543	\$ 940,696	5.21%
Operating grants and contributions	3,392,677	3,439,434	(46,757)	-1.36%
Capital grants and contributions	602,895	722,140	(119,245)	-16.51%
General revenues				
Real property taxes	22,232,937	21,837,613	395,324	1.81%
Real property tax items	234,095	265,072	(30,977)	-11.69%
Sales and use taxes	4,756,757	4,563,499	193,258	4.23%
Other revenues	1,289,383	1,410,476	(121,093)	-8.59%
Total revenues	<u>51,500,983</u>	<u>50,289,777</u>	<u>1,211,206</u>	<u>2.41%</u>
EXPENSES				
General government support	5,398,415	5,288,588	109,827	2.08%
Public safety	19,587,156	19,995,375	(408,219)	-2.04%
Health	2,378	2,023	355	17.55%
Transportation	6,984,604	6,851,810	132,794	1.94%
Economic opportunity and development	95,235	105,044	(9,809)	-9.34%
Culture and recreation	4,742,733	4,733,296	9,437	0.20%
Home and community services	17,769,985	17,015,357	754,628	4.43%
Interest	773,487	913,108	(139,621)	-15.29%
Total expenses	<u>55,353,993</u>	<u>54,904,601</u>	<u>449,392</u>	<u>0.82%</u>
CHANGES IN NET POSITION	(3,853,010)	(4,614,824)	761,814	-16.51%
NET POSITION, <i>beginning of year</i>	<u>(36,991,651)</u>	<u>30,234,073</u>	<u>(67,225,724)</u>	<u>-222.35%</u>
NET POSITION, <i>end of year, as previously stated</i>	<u>(40,844,661)</u>	<u>25,619,249</u>	<u>(66,463,910)</u>	<u>-259.43%</u>
Adjustment for adoption of GASB 75	-	(62,610,900)	62,610,900	-100.00%
NET POSITION, <i>end of year, as restated</i>	<u>\$ (40,844,661)</u>	<u>\$ (36,991,651)</u>	<u>\$ (3,853,010)</u>	<u>10.42%</u>

Governmental Activities

During 2018, governmental activities decreased the Village's net position by \$3.85 million.

For the year ended December 31, 2018, revenues from governmental activities totaled \$51.50 million, an increase of \$1.21 million (2.41%) over prior year revenues of \$50.29 million. Tax revenues of \$27.22 million, comprised of real property taxes, real property tax items, and sales and use taxes, represented the largest revenue source, at 52.9%. Tax revenues in the prior year totaled \$26.67 million and represented 53.0% of total 2017 revenues.

Charges for services revenues in 2018, the second largest revenue source, totaled \$18.99 million and represented 36.9% of total revenues. In 2017, this revenue source aggregated \$18.05 million, which was 35.9% of total revenues.

Expenses incurred by governmental activities of the Village in 2018 totaled \$55.35 million, an increase of about \$449,400 (0.82%) over prior year expenses of \$54.90 million. The largest components of governmental activities' expenses were public safety (35.4%), home and community services (32.1%), and transportation (12.6%). This was similar to last year when the largest components of government activities' expenses were public safety (36.4%), home and community services (31.0%), and transportation (12.5%).

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Governmental Activities - Continued

The major changes in 2018 vs. 2017 were as follows:

Revenue

- Charges for services were \$18.99 million in 2018, which was nearly \$941,000 (5.21%) more than the amount received in 2017, due primarily to water and sewer rates being increased by 5.0% in 2018 to pay debt service costs on water and sewer infrastructure and capital improvements.
- Real property taxes increased by about \$395,000 to \$22.23 million, due primarily to the 1.09% increase in the real property tax levy in 2018, with the same tax rate in 2018 as in 2017.
- Sales and use taxes increased by over \$193,000 in 2018, to \$4.76 million, due primarily to increased sales tax distribution revenues in 2018.

Expenses

- Public safety expenses decreased by approximately \$408,000 from \$19.99 million in 2017 to \$19.59 million in 2018, due primarily to the decrease in net pension expense year-to-year. Home and community services expenses increased by approximately \$755,000 to \$17.77 million for 2018, due primarily to increased expenses overall, including higher depreciation expense in 2018 for recently completed capital projects.
- Employee benefits: The Village's self-insured health and medical benefit claims expenses decreased by approximately \$438,000 (8.2%), and aggregated \$4.93 million for 2018. The Village's self-insured workers' compensation benefit expenses were approximately \$200,000 more in 2018 (at approximately \$1,092,000) as compared to 2017. 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.
- Postemployment health care benefit expenses, net of contributions made, were recorded in 2018 in the amount of \$4.68 million, as compared to \$5.36 million in 2017, a decrease of almost \$680,000. These expenses are also spread throughout most program expense functions.
- In addition to the \$3.10 million recorded in the operating funds for the employer's share of retirement system benefits in 2018 (\$2.95 million for 2017), the additional amount of pension liability, net of pension resources deferred outflows and inflows of resources, recorded in the entity-wide financial statements due to the application of GASB 68 (see Note 9 in the notes to financial statements) was nearly \$252,000 for 2018, as compared to an increase of \$1.2 million for 2017.

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 year. As of the end of the current year, the Village's governmental funds reported combined ending fund balances of \$27.83 million, a net increase of \$5.30 million from the prior year amount of \$22.53 million.

The nonspendable fund balance component was \$779,663 at December 31, 2018 (\$807,631 in 2017), consisting of amounts representing prepaid expenditures and inventories. The restricted fund balance component of \$6,067,148 at December 31, 2018 (\$3,310,417 in 2017) 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, \$15,544 at the end of 2018, consists of amounts set aside for economic development (\$13,650 in 2017). The assigned fund balance component of \$7,377,896 at the end of 2018 (\$6,829,725 in 2017) consists of amounts set aside for purchases on order (\$391,348), subsequent year expenditures (\$1,094,580), and amounts for the Water Fund, Sewer Fund and Section 8 Housing Fund (\$5,891,968 total). The remainder of the fund balance at December 31, 2018, \$13,593,384, constitutes unassigned fund balance, all of which is in the General Fund. The amount of unassigned fund balance at December 31, 2017 (prior year) was \$11,569,132.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Governmental Funds - Continued

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 year, unassigned fund balance of the General Fund was \$13,593,384, representing 86.7% of the total General Fund balance of \$15,675,450. 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 year, the General Fund showed a 40.6% unassigned fund balance (\$13,593,384) to total expenditures and other financing uses (\$33,515,105), up from 35.8% at the end of 2017, while total fund balance (\$15,675,450) represented 46.8% of that same amount (up from 42.4% for 2017).

When the 2018 General Fund budget was adopted, it included the use of \$1,108,406 accumulated surplus fund balance to reduce property taxes to be levied. In addition, \$158,723 was appropriated for contract and purchase order commitments (of the prior year) to be liquidated. During the year, the budget was amended, including accumulated and unreserved fund balance of \$1,262,386 for capital improvement expenditures, to a revised anticipated use of fund balance aggregating \$2,529,515 for the year. For the 2018 year, actual results of operations resulted in an increase to fund balance of \$1,967,908, consisting of \$4,497,423 favorable revenue, expenditure and other financing sources and uses variances, less \$2,529,515 appropriated fund balance.

Revenues and other financing sources were \$35,483,013, which was \$891,516 more than the final budget. The primary revenues that were more than estimated in the adopted budget (original budget) were non-property taxes (by \$371,757 - mostly for sales tax distribution revenues), use of money and property (by \$237,145), and licenses and permits revenues (by \$136,833). Real property tax revenues were \$112,614 less than the final modified budget.

Expenditures and other financing uses totaled \$33,515,105, which was \$3,605,907 less than the final budget. Significant positive expenditure variances were for public safety (\$565,292), general government support (\$463,652), and employee benefits (\$2,178,568 - due in part to unfilled employee positions).

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>
2018	\$ 651,889	\$ 4,429,239
2017	658,185	4,819,858
2016	740,304	5,384,384
2015	1,076,156	4,751,567
2014	1,037,148	5,710,874

For 2018, workers' compensation and health care benefits were \$339,560 and \$1,197,288, respectively, less than the modified budget amounts. Also in 2018, the employer share of retirement employee benefits were less than the amount estimated in the adopted budget - by \$496,229 - due primarily to position vacancies during the year.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Governmental Funds - Continued

Due to the anticipated excess revenues and unexpended appropriations for the 2018 year, at year-end the Board of Trustees appropriated available excess funds of \$1,004,275 from the 2018 budget for purchase of vehicles and equipment approved in the 2019 Capital Plan. This amount is included as transfers out to the Capital Projects Fund in the 2018 financial statements.

Water Fund - The fund balance of the Water Fund increased by \$635,326 during the year to \$4,981,089 at December 31, 2018. Of this amount, the assigned portion available for future year use was \$4,670,151 (was \$4,037,680 in 2017). No moneys were appropriated in the 2019 adopted budget. It is important to note that water rents receivables at year-end, aggregating approximately \$3.10 million, were billed through March 2019, and although included in fund balance, are not available as cash at year-end.

Revenues and other financing sources of \$10,976,228 were \$103,552 (0.95%) more than estimated in the budget. Expenditures and other financing uses of \$10,340,902 were \$834,226 (7.7%) less than budgeted in 2018.

The 2018 Water Fund adopted budget did not appropriate any fund balance. However, \$143,257 was appropriated for prior year contract and purchase order commitments to be liquidated. During the year, surplus fund balance of \$159,195 was appropriated for water capital project improvement expenditures. As of year-end, the appropriated fund balance aggregated \$302,452.

Sewer Fund - The fund balance of the Sewer Fund increased by \$27,431 and aggregated \$1,498,528 at December 31, 2018. The portion of fund balance that was assigned and available for future year use at year-end was \$1,479,245, of which \$115,000 was appropriated in the 2019 adopted budget. Similar to the Water Fund, a significant portion of fund balance at year-end (\$499,766) is in the form of sewer rents receivables that are billed through March 2019.

Revenues of \$1,690,585 were \$97,813 less than estimated in the adopted budget. Year expenditures and other uses of \$1,663,154 were \$225,244 less than budgeted.

Debt Service Fund - The Debt Service Fund ended its year with a fund balance of \$543,791, an increase of \$10,633 from the prior year. Of the total fund balance at year-end, \$112,083 was appropriated in the 2019 budget.

Section 8 Housing Fund - The Section 8 Housing Fund, which provides Housing Assistance Payments (HAP) for eligible tenants, ended its year with a fund balance of \$66,009, a decrease of \$12,290 from the prior year, on revenues and other financing sources of \$3,436,355. During 2018, the General Fund transferred \$67,211 to the Section 8 Housing Fund to help finance operations.

Special Purpose Fund - The fund balance of the Special Purpose Fund decreased by \$32,477 during the year, and totaled \$831,207 as of December 31, 2018, due primarily to \$39,885 authorized by the Village Board for expenditure. At year-end, the balances in the Special Purpose Fund included restricted for downtown development (\$350,631), restricted for affordable housing (\$56,816), and restricted for parklands (\$398,874).

Capital Projects Fund - The Capital Projects Fund ended its 2018 year with a fund balance of \$4,237,561, from a prior year fund balance of \$1,531,012. Revenues and other financing sources totaled \$7,817,008 for 2018, and expenditures and other financing uses totaled \$5,110,459. The primary reasons for the increase in fund balance was the issuance of serial bonds during the year to finance capital projects, including some that had been previously financed through issuance of bond anticipation notes (considered as temporary financing until redeemed by budgetary appropriations or until replaced by serial bonds), plus from the transfer of \$1,759,943 cash from the operating funds to finance certain capital projects.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

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, 2018, was a combined net position balance of \$1,544,240, from a net position of \$1,641,110 for 2017. The Workers' Compensation Benefits Fund had a restricted net position balance of \$1,621,606, while the General Liability Claims Fund had a deficit net position balance of \$77,366 at year-end. Total assets were \$5,047,728, and total liabilities were \$3,503,488 at year-end.

In the Workers' Compensation Benefits Fund, total revenues were \$1,087,767 and operating expenses were \$1,091,851, resulting in a net position decrease of \$4,084. Based on computations from the Village's actuary, the accrued liability at year-end for workers' compensation benefits was decreased by \$99,500, as compared to a decrease of \$14,000 at the end of 2017 (prior year). In the General Liability Claims Fund, total revenues and transfers were \$778,948 and operating expenses were \$871,734, resulting in a decrease in net position of \$92,786 for the year, to a deficit net position of \$77,366 as of December 31, 2018. The Village intends to fund this deficit in 2019 from available resources.

Budgetary Highlights

General Fund

For 2018, the difference between the appropriations originally budgeted (\$35,718,654) and the final appropriations for the General Fund (\$37,121,012) was an increase to the budget of \$1,402,359, due primarily to the following reasons:

- Prior year contract and purchase order commitments carried over to 2018, \$158,723;
- Excess revenues appropriated for departmental expenditures, \$81,249; and,
- The appropriation of accumulated surplus fund balance and unexpended appropriations from departmental operations aggregating \$1,379,275 for capital infrastructure improvements (to the Capital Projects Fund), instead of issuing serial bonds. Of this amount, \$1,004,275 pertained to 2019 Capital Plan vehicles and equipment.

In addition to the above budget increases, the budget was also reduced by a net \$100,000 to eliminate serial bond borrowing for tax certiorari claims that was not needed.

Also, unexpended appropriations of \$105,001 for installment purchase debt was transferred to the Debt Service Fund to pay LED streetlight installment purchase debt in a future year, and refunded bond savings of \$12,680 was transferred to the Debt Service Fund.

Significant budget vs. actual expenditure variances in the General Fund were due to unexpended appropriations for police department (\$334,978), retirement employee benefit costs (\$496,229), workers' compensation benefits (\$339,560), and for hospital, medical and dental benefits (\$1,197,288).

Water Fund

The Water Fund appropriations were increased by \$302,452 during 2018, from \$10,872,676 in the adopted budget, to \$11,175,128. In the Water Fund, the Village appropriated \$143,256 for prior year contracts and purchase order commitments, and appropriated accumulated surplus fund balance in the amount of \$373,201 (to the Capital Projects Fund) to replace water mains and for other water capital improvements, instead of issuing serial bonds.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Budgetary Highlights - Continued

Sewer Fund

The Sewer Fund budget was also increased during 2018, by \$5,866, to \$1,894,264, for prior year contracts and purchase order commitments.

Section 8 Housing Fund

The budget for the Section 8 Housing Fund was increased by \$17,531 during the year, to \$3,449,159, 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, 2018, net of \$164,525,428 of accumulated depreciation, was \$73,072,794. 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 year included the following:

Table 3 - Capital Assets as of December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
Land	\$ 2,541,562	\$ 2,541,562
Land Improvements	7,392,050	7,392,050
Buildings and Improvements	47,206,603	47,206,603
Machinery and equipment	156,766,194	154,566,838
Infrastructure	20,245,845	18,918,493
Construction in progress	3,445,968	2,180,100
Total capital	237,598,222	232,805,646
Accumulated depreciation	(164,525,428)	(157,995,345)
Total capital assets, net of depreciation	\$ 73,072,794	\$ 74,810,301

Increases in capital assets represent various land improvement, building, equipment, and infrastructure projects, including but not limited to, water mains relining and replacement, street resurfacing and sidewalks, and various vehicle and equipment purchases.

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

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2018

Long-Term Debt

At the end of the current year, the Village had total bonded debt outstanding of \$30,446,518. 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 2018 year, the Village issued general obligation bonds of \$4,731,518 for reconstruction of the Broadway Bridge (\$2,000,000), for purchase of a fire engine pumper apparatus and equipment (\$685,000), and for capital purposes previously funded through issuance of bond anticipation notes (\$2,046,518). In 2018, the Village also issued serial bonds in the amount of \$6,125,000 to refund callable bonds originally issued in 2007 and 2010 for lower interest rates. The refunding saved the Village \$40,407 in 2018 and \$497,063 overall through the year 2030. During the year, the Village retired \$2,795,000 of general obligation debt from budgetary appropriations, and \$6,455,000 from the proceeds of the refunding bond.

During the current year, the Village issued short-term obligations [bond anticipation notes (BANs)] of \$2,344,699 to finance a portion of the Broadway Bridge reconstruction project for \$600,000, and to renew prior year capital projects BANs for \$1,744,699. The Village retired \$666,652 of short-term debt from budgetary appropriations during the year, plus \$295,000 from unexpended capital project funds.

With the issuance of the serial bonds in 2018, Moody's Investors Service assigned an Aa2 rating on the bonds, and affirmed the Aa2 credit rating on all outstanding debt of the Village. The Village did not seek a credit rating on the BAN in 2018, as Village management did not believe that a rating would be cost-effective.

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 2018 when the serial bond was issued, the Village had exhausted 16.44% of its constitutional debt limit, and had the authority to issue an additional \$113,128,308 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.

Next Year's Budgets and Rates

In the 2019 General Fund adopted budget, the Village appropriated \$979,580 of unassigned fund balance for spending in 2019, which included \$329,580 for one-time, non-recurring purposes. The real property tax rate for the 2019 Village General Fund is \$10.8492 per \$1,000 of taxable assessed value (AV), which was the same rate as for 2018 and 2017, and 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 3.17% from 2018 to 2019. The 2019 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, 2018
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 32,802,603
Receivables	
Accounts	3,887,496
Taxes, net	315,195
Other governments	1,304,654
Other	17,246
Due from fiduciary fund	3,508
Inventory	15,836
Prepaid expenses	1,860
Capital assets, net	
Non-depreciable	5,987,530
Depreciable	67,085,264
Total assets	<u>111,421,192</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on bond refunding	355,859
OPEB resources	243,595
Pension resources	10,147,923
Total deferred outflows of resources	<u>10,747,377</u>
Total assets and deferred outflows of resources	<u>122,168,569</u>
LIABILITIES	
Accounts payable and accrued expenses	3,102,872
Due to other governments	2,653
Interest payable	153,438
Unearned revenue	374,442
Bond anticipation notes	2,344,699
Long-term liabilities	
Due within one year	3,868,036
Due in more than one year	
Claims payable	2,962,800
Bonds payable	28,214,796
Energy performance contract debt	1,298,213
Compensated absences	1,180,613
Net pension liability	3,259,986
Other postemployment benefits	108,214,724
Total liabilities	<u>154,977,272</u>
DEFERRED INFLOWS OF RESOURCES	
Pension resources	8,035,958
Total liabilities and deferred inflows of resources	<u>163,013,230</u>
NET POSITION	
Net investment in capital assets	40,352,128
Restricted for	
Capital improvements	4,662,349
Self-insurance claims	1,544,240
Debt service	543,791
Crime control	29,801
Trusts	831,207
Unrestricted deficit	(88,808,177)
Total net position	<u><u>\$ (40,844,661)</u></u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Activities

Functions/Programs	Year Ended December 31, 2018				Net (Expenses) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
General government support	\$ 5,398,415	\$ 1,521,158	\$ -	\$ -	\$ (3,877,257)
Public safety	19,587,156	2,745,671	13,419	-	(16,828,066)
Health	2,378	1,137	-	-	(1,241)
Transportation	6,984,604	407,687	-	307,050	(6,269,867)
Economic opportunity and development	95,235	-	-	-	(95,235)
Culture and recreation	4,742,733	1,439,232	10,114	-	(3,293,387)
Home and community services	17,769,985	12,877,354	3,369,144	295,845	(1,227,642)
Interest on long-term debt	773,487	-	-	-	(773,487)
Total governmental activities	55,353,993	18,992,239	3,392,677	602,895	(32,366,182)
General revenues					
Real property taxes					22,232,937
Real property tax items					234,095
Sales and use taxes					4,756,757
Use of money and property					617,196
Sale of property and compensation for loss					127,136
Miscellaneous local sources					101,614
Unrestricted State aid					437,337
Gifts and donations					6,100
Total general revenues					28,513,172
CHANGE IN NET POSITION					(3,853,010)
NET POSITION, <i>beginning of year, as restated</i>					(36,991,651)
NET POSITION, <i>end of year</i>					\$ (40,844,661)

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Balance Sheet - Governmental Funds

	December 31, 2018						
	Major Funds						
	General	Water	Debt Service	Capital Projects	Other Governmental	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 15,426,975	\$ 2,993,082	\$ 538,565	\$ 7,019,239	\$ 1,790,233	\$ -	\$ 27,768,094
Receivables							
Accounts	269,417	3,098,874	5,226	12,482	499,766	-	3,885,765
Taxes, net	315,195	-	-	-	-	-	315,195
Other governments	1,146,118	1,881	-	-	156,655	-	1,304,654
Other	-	-	-	-	17,246	-	17,246
Due from other funds	12,356	-	-	-	-	(12,356)	-
Due from fiduciary fund	3,508	-	-	-	-	-	3,508
Inventory	15,836	-	-	-	-	-	15,836
Prepaid expenditures	646,066	92,197	-	-	25,564	-	763,827
	<u>\$ 17,835,471</u>	<u>\$ 6,186,034</u>	<u>\$ 543,791</u>	<u>\$ 7,031,721</u>	<u>\$ 2,489,464</u>	<u>\$ (12,356)</u>	<u>\$ 34,074,125</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ 1,287,993	\$ 1,187,347	\$ -	\$ 449,461	\$ 63,614	\$ -	\$ 2,988,415
Due to other governments	2,653	-	-	-	-	-	2,653
Due to other funds	-	-	-	-	12,356	(12,356)	-
Due to internal service funds	9,393	1,591	-	-	504	-	11,488
Unearned revenue	341,189	16,007	-	-	17,246	-	374,442
Bond anticipation notes	-	-	-	2,344,699	-	-	2,344,699
	<u>1,641,228</u>	<u>1,204,945</u>	<u>-</u>	<u>2,794,160</u>	<u>93,720</u>	<u>(12,356)</u>	<u>5,721,697</u>
DEFERRED INFLOWS OF RESOURCES	<u>518,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,793</u>
FUND BALANCES							
Nonspendable	661,902	92,197	-	-	25,564	-	779,663
Restricted	235,848	218,741	543,791	4,237,561	831,207	-	6,067,148
Committed	15,544	-	-	-	-	-	15,544
Assigned	1,168,772	4,670,151	-	-	1,538,973	-	7,377,896
Unassigned	13,593,384	-	-	-	-	-	13,593,384
Total fund balances	<u>15,675,450</u>	<u>4,981,089</u>	<u>543,791</u>	<u>4,237,561</u>	<u>2,395,744</u>	<u>-</u>	<u>27,833,635</u>
	<u>\$ 17,835,471</u>	<u>\$ 6,186,034</u>	<u>\$ 543,791</u>	<u>\$ 7,031,721</u>	<u>\$ 2,489,464</u>	<u>\$ (12,356)</u>	<u>\$ 34,074,125</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, 2018
Total fund balances in the fund financial statements for the governmental funds.	\$ 27,833,635
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.	73,072,794
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.	(102,969)
Deferred outflows and inflows are included in the government-wide statements and are added:	
Deferred outflows - deferred amounts on refunding bonds	355,859
Deferred outflows - OPEB resources	243,595
Deferred outflows - pension resources	10,147,923
Deferred inflows - pension resources	(8,035,958)
Prepaid pension contributions (prepaid expenditures) are reported as a component of deferred outflows of resources - pension resources, in the government-wide financial statements:	(761,967)
Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	518,793
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.	1,544,240
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(31,329,796)
Energy performance contract debt	(1,390,870)
Other postemployment benefits	(108,214,724)
Net pension liability	(3,259,986)
Compensated absences	(1,311,792)
Accrued interest	(153,438)
Total net position, end of year	<u>\$ (40,844,661)</u>

Village of Ossining, New York

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

	Year Ended December 31, 2018						
	Major Funds						
	General	Water	Debt Service	Capital Projects	Other Governmental	Eliminations	Total
REVENUES							
Real property taxes	\$ 21,913,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,913,826
Real property tax items	234,095	-	-	-	-	-	234,095
Sales and use taxes	4,756,757	-	-	-	-	-	4,756,757
Departmental revenues	2,066,680	10,853,362	-	-	1,684,101	-	14,604,143
Intergovernmental charges	3,389,356	-	-	-	-	-	3,389,356
Use of money and property	568,991	17,240	19,794	-	11,171	-	617,196
Licenses and permits	391,633	-	-	-	-	-	391,633
Fines and forfeitures	607,107	-	-	-	-	-	607,107
Sale of property and compensation for loss	118,564	6,316	-	-	2,256	-	127,136
Miscellaneous local sources	26,939	24,310	-	56,000	465	-	107,714
Interfund revenues	898,195	-	-	-	-	-	898,195
State aid	460,870	-	-	307,050	-	-	767,920
Federal aid	-	-	-	295,845	3,369,144	-	3,664,989
Total revenues	35,433,013	10,901,228	19,794	658,895	5,067,137	-	52,080,067
EXPENDITURES							
General government support	3,239,947	428,228	80,050	-	129,685	-	3,877,910
Public safety	10,830,857	-	-	-	-	-	10,830,857
Health	2,364	-	-	-	-	-	2,364
Transportation	2,232,971	-	-	-	-	-	2,232,971
Economic opportunity and development	45,951	-	-	-	39,885	-	85,836
Culture and recreation	2,805,195	-	-	-	-	-	2,805,195
Home and community services	1,817,332	6,379,319	-	-	4,218,617	-	12,415,268
Employee benefits	8,799,285	1,020,534	-	-	367,973	-	10,187,792
Capital outlays	182,279	166,363	-	5,110,459	-	-	5,459,101
Debt service							
Principal	368,397	385,612	2,795,000	-	2,915	-	3,551,924
Interest	22,952	36,165	746,394	-	477	-	805,988
Total expenditures	30,347,530	8,416,221	3,621,444	5,110,459	4,759,552	-	52,255,206
Excess (deficiency) of revenues over expenditures	5,085,483	2,485,007	(3,601,650)	(4,451,564)	307,585	-	(175,139)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	50,000	75,000	3,657,234	1,759,943	67,211	(5,609,388)	-
Operating transfers out	(3,167,575)	(1,924,681)	(125,000)	-	(392,132)	5,609,388	-
Bonds redeemed from appropriations	-	-	-	666,652	-	-	666,652
Proceeds from long-term debt issuance	-	-	-	4,731,518	-	-	4,731,518
Refunding debt issued	-	-	6,125,000	-	-	-	6,125,000
Payments to escrow agents for refunding	-	-	(6,561,937)	-	-	-	(6,561,937)
Premium on refunding debt issued	-	-	516,986	-	-	-	516,986
	(3,117,575)	(1,849,681)	3,612,283	7,158,113	(324,921)	-	5,478,219
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,967,908	635,326	10,633	2,706,549	(17,336)	-	5,303,080
FUND BALANCES, beginning of year	13,707,542	4,345,763	533,158	1,531,012	2,413,080	-	22,530,555
FUND BALANCES, end of year	\$ 15,675,450	\$ 4,981,089	\$ 543,791	\$ 4,237,561	\$ 2,395,744	\$ -	\$ 27,833,635

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, 2018
Net change in fund balances shown for total governmental funds.	\$ 5,303,080
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. In the current period these amounts are:	
Purchase of assets	5,047,333
Disposal of assets	(42,247)
Depreciation expense	<u>(6,742,593)</u>
	(1,737,507)
Retainages are not reported in the governmental funds unless due and payable, and result in an expense in the statement of activities when accrued.	7,111
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.	319,111
Revenues and expenditures of internal service funds are included in the governmental funds in the statement of activities.	(96,870)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:	
Long-term debt proceeds	(11,286,286)
Principal paid on bonds	9,250,000
Principal paid on energy performance contract	90,272
Deferred loss on refunding	106,937
Amortization of deferred loss on refunding	<u>(54,638)</u>
	(1,893,715)
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	(79)
Net pension liability, net of deferrals	(1,013,696)
Other postemployment benefits, net of deferrals	(4,680,229)
Compensated absences	<u>(60,216)</u>
	(5,754,220)
Change in net position of governmental activities shown in the statement of activities	<u>\$ (3,853,010)</u>

Village of Ossining, New York

Statement of Net Position - Internal Service Funds

	December 31, 2018
	Internal Service Funds
ASSETS	
Cash and cash equivalents	\$ 5,034,509
Accounts receivable	1,731
Due from other funds	11,488
Total assets	<u>5,047,728</u>
LIABILITIES	
Accounts payable	11,488
Claims payable, current	529,200
Claims payable, noncurrent	2,962,800
Total liabilities	<u>3,503,488</u>
NET POSITION	
Restricted	<u><u>\$ 1,544,240</u></u>

Village of Ossining, New York

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

	Year Ended December 31, 2018
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 1,582,846
Insurance recoveries	263,469
	<u>1,846,315</u>
OPERATING EXPENSES	
Insurance	1,111,147
Contractual expenses	194,512
Employee benefits	657,926
Total operating expenses	<u>1,963,585</u>
Operating loss	(117,270)
NONOPERATING REVENUES	
Interest revenue	<u>20,400</u>
CHANGE IN NET POSITION	(96,870)
NET POSITION, <i>beginning of year</i>	<u>1,641,110</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,544,240</u>

Village of Ossining, New York

Statement of Cash Flows - Internal Service Funds

	Year Ended December 31, 2018
	Internal Service Funds
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Cash received from charges for services and insurance recoveries	\$ 1,916,027
Cash payments to insurance and claimants	(2,083,588)
	(167,561)
NET CASH PROVIDED BY INVESTING ACTIVITIES	
Interest income	20,400
Net decrease in cash and cash equivalents	(147,161)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	5,181,670
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 5,034,509
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating loss	\$ (117,270)
Change in assets and liabilities	
Accounts receivable	(1,731)
Due from other funds	66,918
Due from other governments	4,525
Accounts payable	(119,003)
Claims payable, current and noncurrent	(1,000)
	\$ (167,561)

Village of Ossining, New York

Statement of Net Position - Fiduciary Fund

	<u>December 31,</u> <u>2018</u> <u>Trust and</u> <u>Agency</u>
ASSETS	
Cash and cash equivalents	<u><u>\$ 287,837</u></u>
LIABILITIES	
Accounts payable	\$ 32,496
Employee payroll deductions	10,157
Deposits	241,676
Due to other funds	<u>3,508</u>
	<u><u>\$ 287,837</u></u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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.

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency, and financial accountability. Based upon the application of these criteria, there are no other entities that would be included in the financial statements.

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 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, 2018

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 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, 2018

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 funds:

Internal Service Funds - are 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 funds report 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 Funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. The Fiduciary Fund type of the Village consists of the following:

Trust and Agency - is used to report resources held by the Village in a purely custodial capacity.

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 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, 2018

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 the General, Water, Sewer, Section 8 Housing, and Debt Service funds are legally adopted annually on a basis consistent with U.S. GAAP. 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 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, 2018, 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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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

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.

i. Capital Assets

Governmental Activities

Capital assets in governmental activities consist of land, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress, 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 2018.

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 \$355,859 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 and other postemployment benefits (OPEB) related deferred outflows of resources and deferred inflows of resources occur as described in Notes 9 and 10, respectively.

Deferred tax revenues reported within the General Fund represent tax receivable balances that were not collected within the availability period for revenue recognition purposes. Real property taxes received in advance within the General Fund and governmental activities represent payments for property taxes received prior to the lien date.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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

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.

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, employees with ten years of service are 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. The value for compensated absences has been reflected in the government-wide financial statements.

Postemployment Benefits

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

In the government-wide financial statements and internal service funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. 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, 2018

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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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

p. New Accounting Pronouncement

During 2018, the Village implemented the provisions of GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 establishes financial reporting standards for OPEB plans for state and local governments. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows 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.

The adoption of GASB 75 was applied retroactively. As a result of the adoption of GASB 75, the Village measured and recognized OPEB amounts in accordance with GASB 75, included additional disclosures in Note 10, presented a schedule of other postemployment benefits liability as required supplementary information, and restated the opening net position of the Governmental Activities as follows:

	Net Position December 31, 2017	Adoption of GASB 75	Restated Net Position December 31, 2017
Governmental Activities	<u>\$ 25,619,249</u>	<u>\$ (62,610,900)</u>	<u>\$ (36,991,651)</u>

q. Subsequent Events

The Village has evaluated subsequent events for potential recognition or disclosure through August 30, 2019, the date the financial statements were available to be issued.

Note 2 - Taxes Receivable

Taxes receivable at December 31, 2018 consist of the following:

Taxes, current	\$ 240,087
Taxes, overdue	132,961
	<u>373,048</u>
Allowance for uncollectable taxes	<u>(57,853)</u>
	<u>\$ 315,195</u>

Taxes receivable in the fund financial statements are partially offset by deferred tax revenues of \$286,682 which represents the taxes receivable that were not collected within the first sixty days of the subsequent year.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 3 - Capital Assets

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

	Balance at January 1, 2018	Additions	Disposals	Balance at December 31, 2018
<i>Depreciable assets</i>				
Land improvements	\$ 7,392,050	\$ -	\$ -	\$ 7,392,050
Buildings and improvements	47,206,603	-	-	47,206,603
Machinery and equipment	18,918,493	1,582,109	(254,757)	20,245,845
Infrastructure	154,566,838	2,199,356	-	156,766,194
	<u>228,083,984</u>	<u>3,781,465</u>	<u>(254,757)</u>	<u>231,610,692</u>
Accumulated depreciation	(157,995,345)	(6,742,593)	212,510	(164,525,428)
Total depreciable assets	<u>70,088,639</u>	<u>(2,961,128)</u>	<u>(42,247)</u>	<u>67,085,264</u>
<i>Non-depreciable assets</i>				
Land	2,541,562	-	-	2,541,562
Construction in progress	2,180,100	3,486,843	(2,220,975)	3,445,968
	<u>4,721,662</u>	<u>3,486,843</u>	<u>(2,220,975)</u>	<u>5,987,530</u>
Total capital assets, net	<u>\$ 74,810,301</u>	<u>\$ 525,715</u>	<u>\$ (2,263,222)</u>	<u>\$ 73,072,794</u>

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

General government support	\$ 233,784
Public safety	722,387
Transportation	3,223,581
Culture and recreation	782,373
Home and community services	<u>1,780,468</u>
Total depreciation expense	<u>\$ 6,742,593</u>

Note 4 - BANs Payable

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

Description	Issue Date	Maturity Date	Interest Rate	Balance on January 1, 2018	New Issues	Principal Payments	Balance on December 31, 2018
DPW Truck	9/2013	9/2018	1.09%	\$ 8,000	\$ -	\$ (8,000)	\$ -
Police Vehicles - 2015	9/2015	9/2018	1.09%	41,333	-	(41,333)	-
Fire Chief's Vehicle - 2015	9/2015	9/2018	1.09%	16,666	-	(16,666)	-
Recreation Department Vehicle	9/2015	9/2018	1.09%	11,666	-	(11,666)	-
IBW Reservoir Dam - 2016	9/2016	9/2018	1.09%	665,000	-	(665,000)	-
Police Vehicles - 2016	9/2016	9/2018	1.09%	91,000	-	(91,000)	-
Parking Enforcement Vans	9/2016	9/2018	1.09%	33,333	-	(33,333)	-
Building Department Vehicle	9/2016	9/2018	1.09%	16,666	-	(16,666)	-
Mobile Data Terminals	9/2016	9/2018	1.09%	56,000	-	(56,000)	-
Storage Structure	9/2017	9/2018	1.09%	10,000	-	(10,000)	-
Fire Engine Pumper	9/2017	9/2018	1.09%	650,000	-	(650,000)	-
Purchase of Equipment	9/2017	9/2018	1.09%	505,000	-	(505,000)	-
Purchase of Vehicles	9/2017	9/2018	1.09%	292,580	-	(292,580)	-
Reconstruction/Resurfacing of Streets	9/2017	9/2018	1.09%	250,000	-	(250,000)	-
Replacement/Reconstruction of Roofs	9/2017	9/2018	1.09%	72,000	-	(72,000)	-
Purchase of Equipment - Park Mowers	9/2017	9/2018	1.09%	10,000	-	(10,000)	-
IBWTP Phase 1 Engineering Costs	9/2016	9/2019	1.68%	888,725	-	(222,181)	666,544
IBWTP Phase 2 Engineering Costs	9/2017	9/2019	1.68%	1,134,900	-	(56,745)	1,078,155
Broadway Bridge Reconstruction	2/2018	9/2019	1.68%	-	600,000	-	600,000
				<u>\$ 4,752,869</u>	<u>\$ 600,000</u>	<u>\$ (3,008,170)</u>	<u>\$ 2,344,699</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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 \$51,807 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 (Restated)	Additions	Deletions	Ending Balance	Due Within One Year
Bonds and related premiums					
Bonds payable	\$ 28,840,000	\$ 10,856,518	\$ 9,250,000	\$ 30,446,518	\$ 2,991,518
Unamortized bond premiums	453,510	516,986	87,218	883,278	123,482
	<u>29,293,510</u>	<u>11,373,504</u>	<u>9,337,218</u>	<u>31,329,796</u>	<u>3,115,000</u>
Other long-term liabilities					
Energy performance contract debt	1,481,142	-	90,272	1,390,870	92,657
Claims payable	3,493,000	1,762,585	1,763,585	3,492,000	529,200
Other postemployment benefits	103,290,900	6,805,531	1,881,707	108,214,724	-
Net pension liability	7,668,212	-	4,408,226	3,259,986	-
Compensated absences	1,251,576	185,374	125,158	1,311,792	131,179
	<u>117,184,830</u>	<u>8,753,490</u>	<u>8,268,948</u>	<u>117,669,372</u>	<u>753,036</u>
Total long-term liabilities	<u>\$ 146,478,340</u>	<u>\$ 20,126,994</u>	<u>\$ 17,606,166</u>	<u>\$ 148,999,168</u>	<u>\$ 3,868,036</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, 2018 is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Refunding Bond	2009	Mar-19	3.00% to 5.00%	\$ 95,000
Refunding Bond	2009	Jun-21	3.00% to 5.00%	625,000
Public Improvements	2011	Nov-31	2.25% to 3.75%	1,550,000
Refunding Bond	2012	Oct-24	3.00% to 4.00%	3,180,000
Public Improvements	2012	Nov-32	2.00% to 3.00%	2,350,000
Public Improvements	2013	Nov-33	3.00% to 4.00%	2,340,000
Public Improvements	2014	Nov-34	2.00% to 3.25%	3,490,000
Public Improvements	2015	Sep-26	2.08%	550,000
Refunding and Public Improvements	2016	Sep-36	2.00% to 2.50%	5,730,000
Refunding Bond	2018	Nov-30	4.00%	5,805,000
Public Improvements	2018	Sep-38	3.00% to 3.375%	4,731,518
Total bonds payable				<u>\$ 30,446,518</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 5 - Bonds and Long-Term Liabilities - Continued

Bonds Payable - Continued

Interest expense of \$746,394 was recorded in the fund financial statements in the Debt Service Fund.

The Village's constitutional debt limit is approximately \$135.4 million. Excluding certain debt issued for water supply and distribution and sewer projects, the Village has outstanding debt obligations of approximately \$22.25 million toward this limit.

Energy Performance Contract Debt

A summary of the Village's energy performance contract debt at December 31, 2018 is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Facilities Upgrade	2012	Jan-24	1.43%	<u>\$ 495,730</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-referenced contract, the Village has entered into an energy performance contract for conversion of streetlights to LED bulbs. Work of \$895,140 has been performed on this project as of December 31, 2018. 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 five or seven years at market-rate interest.

Interest expense of \$7,789 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,						
2019	\$ 2,991,518	\$ 900,324	\$ 92,657	\$ 2,031	\$ 3,084,175	\$ 902,355
2020	2,875,000	827,601	93,214	1,633	2,968,214	829,234
2021	2,730,000	747,261	93,781	1,229	2,823,781	748,490
2022	2,460,000	673,784	95,354	819	2,555,354	674,603
2023	2,445,000	605,438	96,728	404	2,541,728	605,842
2024 through 2028	9,369,561	1,995,944	23,996	44	9,393,557	1,995,988
2029 through 2033	5,800,439	723,863	-	-	5,800,439	723,863
2034 through 2038	1,775,000	130,931	-	-	1,775,000	130,931
	<u>\$ 30,446,518</u>	<u>\$ 6,605,146</u>	<u>\$ 495,730</u>	<u>\$ 6,160</u>	<u>\$ 30,942,248</u>	<u>\$ 6,611,306</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 6 - Fund Balance

Fund balance is as follows:

	General	Water	Capital Projects	Debt Service	Other Governmental
Nonspendable					
Prepaid expenditures	\$ 646,066	\$ 92,197	\$ -	\$ -	\$ 25,564
Inventories	15,836	-	-	-	-
	<u>661,902</u>	<u>92,197</u>	<u>-</u>	<u>-</u>	<u>25,564</u>
Restricted					
Capital reserve	206,047	218,741	4,237,561	-	-
Crime control	29,801	-	-	-	-
Debt Service	-	-	-	543,791	-
Trusts	-	-	-	-	831,207
	<u>235,848</u>	<u>218,741</u>	<u>4,237,561</u>	<u>543,791</u>	<u>831,207</u>
Committed					
Economic development	15,544	-	-	-	-
Assigned for					
Special revenue purposes	-	4,476,754	-	-	1,415,214
Encumbrances	189,192	193,397	-	-	8,759
Appropriated	979,580	-	-	-	115,000
	<u>1,168,772</u>	<u>4,670,151</u>	<u>-</u>	<u>-</u>	<u>1,538,973</u>
Unassigned	13,593,384	-	-	-	-
Total fund balance	<u>\$ 15,675,450</u>	<u>\$ 4,981,089</u>	<u>\$ 4,237,561</u>	<u>\$ 543,791</u>	<u>\$ 2,395,744</u>

Note 7 - Interfund Transactions

Interfund balances are as follows at December 31, 2018:

Due To Other Funds	Due From Other Funds	
	General Fund	Internal Service
General	\$ -	\$ 9,393
Water	-	1,591
Sewer	-	504
Section 8 Housing	12,356	-
Fiduciary	3,508	-
	<u>\$ 15,864</u>	<u>\$ 11,488</u>

Interfund transfers during the year are as follows:

Transfers From	Transfers To					
	General	Capital	Water	Debt Service	Section 8	Total
General	\$ -	\$ 1,379,275	\$ -	\$ 1,721,089	\$ 67,211	\$ 3,167,575
Water	-	373,201	-	1,551,480	-	1,924,681
Sewer	-	7,467	-	384,665	-	392,132
Debt Service	50,000	-	75,000	-	-	125,000
	<u>\$ 50,000</u>	<u>\$ 1,759,943</u>	<u>\$ 75,000</u>	<u>\$ 3,657,234</u>	<u>\$ 67,211</u>	<u>\$ 5,609,388</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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:

	Workers' Compensation	General Liability	Total
Balance, <i>beginning of year</i>	\$ 2,742,000	\$ 751,000	\$ 3,493,000
Provision for claims and claims adjustment expenses	992,351	770,234	1,762,585
Expenses paid	<u>(1,091,851)</u>	<u>(671,734)</u>	<u>(1,763,585)</u>
Balance, <i>end of year</i>	<u>\$ 2,642,500</u>	<u>\$ 849,500</u>	<u>\$ 3,492,000</u>
Current portion	<u>\$ 264,250</u>	<u>\$ 264,950</u>	<u>\$ 529,200</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. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System.

The Comptroller of the State of New York serves as the Trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 9 - New York State Retirement System - Continued

a. Plan Description and Benefits Provided - Continued

The amount of benefit earned by an employee is dependent upon their "Tier" which is driven by the membership date in the System and number of years of service. A full description of the membership tiers for ERS and PFRS can be found within the State's financial report. Benefits are calculated using years of service, final average salary as defined by the plans, and benefit percentages ranging from 1.67% to 3.5% per year of service.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

b. Contributions

The Village is required under RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2018 was 15.3% and 24.4% of payroll, respectively. Generally, Tier 3, 4, and 5 members (hire dates between July 27, 1976 and April 1, 2012) must contribute 3 percent of their salary to the System. Tier 3 and 4 employees with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members (hired on or after April 1, 2012), the contribution rate varies from 3 percent to 6 percent depending upon salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Contributions made to the System of \$1,431,297 (ERS) and \$1,711,252 (PFRS) were equal to 100% of the actuarially required contributions for the plan year ended March 31, 2018. The current System contributions for the Village were charged to various departments within the governmental funds.

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

At December 31, 2018, the Village reported a total liability of \$3,259,986 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. 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 December 31, 2018, the Village's proportion was .0362019% in the Employee Retirement System and .2069328% in the Police and Fire Retirement System.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 9 - New York State Retirement System - Continued

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

For the year ended December 31, 2018, the Village recognized pension expense of \$3,299,597. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,277,607	\$ 900,153
Changes of assumptions	2,359,501	6,759,117
Net differences between projected and actual investment earnings on pension plan investments	3,389,900	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,046	376,688
Pension contributions subsequent to the measurement date	3,047,869	-
Total	<u>\$ 10,147,923</u>	<u>\$ 8,035,958</u>

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other 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,	
2019	\$ 567,453
2020	485,531
2021	(1,336,000)
2022	(725,909)
2023	73,021
Total	<u>\$ (935,904)</u>

d. Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. Significant actuarial assumptions used in the valuation were as follows:

Actuarial cost method	Entry age normal
Inflation rate	2.50%
Salary scale	
ERS	3.80%, indexed by service
PFRS	4.50%, indexed by service
Investment rate of return	7.00% compounded annually, net of expenses
Decrement	Based on FY 2011-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2014

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 9 - New York State Retirement System - Continued

d. Actuarial Assumptions - Continued

Annuitant mortality rates are based on the April 1, 2010 to March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015.

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.

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 below.

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	-0.25%
Inflation-indexed bonds	4.00%	1.25%
	<u>100.00%</u>	

e. 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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 9 - New York State Retirement System - Continued

f. 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 or 1 percentage point higher 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>\$ 8,840,412</u>	<u>\$ 1,168,398</u>	<u>\$ (5,321,820)</u>

	PFRS		
	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	<u>\$ 10,245,164</u>	<u>\$ 2,091,588</u>	<u>\$ (4,747,350)</u>

g. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018 were as follows (amounts in thousands):

	ERS	PFRS	Total
Employer's total pension liability	\$ 183,400,590	\$ 32,914,423	\$ 216,315,013
Plan net position	<u>(180,173,145)</u>	<u>(31,903,666)</u>	<u>(212,076,811)</u>
Employer's net pension liability	<u>\$ 3,227,445</u>	<u>\$ 1,010,757</u>	<u>\$ 4,238,202</u>
Ratio of plan net position to the employers' total pension liability	<u>98.2%</u>	<u>96.9%</u>	<u>98.0%</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

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 OPEB obligations payable is recognized as an expenditure as claims are paid in the governmental funds. The Village recognizes OPEB expenses as the benefits are earned on the accrual basis of accounting in the Governmental Activities. The Village has recognized revenues and expenditures of \$17,220 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees. A summary of active employees and retired employees covered under the plan as of the January 1, 2018 valuation date is as follows:

Active	174
Retired	<u>119</u>
Total	<u><u>293</u></u>

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 and family coverage for most current retirees. The latter amount is limited to 50% for retired police officers under the age of 50. All Civil Service Employee Association (CSEA) and Management employees contributed either 10% or 15% of the health insurance premium equivalent cost in 2018, depending on their date of employment. All Police Benevolent Association (PBA) employees contributed 12% of the health insurance premium equivalent costs for the first half of 2018, and 13% for the second half of 2018. CSEA and Management employees hired after March 31, 2014, and PBA employees hired after April 4, 2012, will be required to pay 15% toward their health insurance coverage through retirement.

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 year ended December 31, 2018, the Village paid approximately \$1,881,707 on behalf of the plan members.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 10 - Other Postemployment Benefits (OPEB) - Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB

At December 31, 2018, the Village reported a liability of \$108,214,724 in the governmental activities for its OPEB liability. The OPEB liability was measured as of December 31, 2018 by an actuarial valuation as of January 1, 2018. For the year ended December 31, 2018, the Village recognized OPEB expense of \$6,805,531 in the governmental activities. At December 31, 2018, the Village reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 243,595	\$ -

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

Year ending December 31,	
2019	\$ 34,799
2020	34,799
2021	34,799
2022	34,799
2023	34,799
Thereafter	69,600
Total	\$ 243,595

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	Factor
Valuation date	January 1, 2018
Discount rate	3.64% per annum
Salary scale	3.00% per annum
Mortality	RP-2014 mortality table with MP-2016 projection
Withdrawal	Sarasson T-5 Table
Inflation rate	3.00% per annum
Marital rate	Wife is assumed to be the same age as the husband. 70% of males and 50% of females are assumed to be married.
Assumed increase in health care cost trend rate	Year 1 - 8.0% Year 2 - 7.5% Year 3 - 7.0% Year 4 - 6.5% Year 5 - 6.0% Year 6 - 5.5% Year 7+ - 5.0%

The discount rate used to measure the liability was 3.64%, based on the S&P 20 AA Municipal Bond Index.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Changes in OPEB Liability

Changes in the OPEB liability are as follows:

Balance as of January 1, 2018	\$ 103,290,900
Changes for the year	
Service cost	2,801,595
Interest	3,725,542
Difference between expected and actual experience	278,394
Benefit payments	(1,881,707)
Net changes	4,923,824
Balance as of December 31, 2018	\$ 108,214,724

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates and Discount Rate

The following presents the OPEB liability as of December 31, 2018 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current rates:

	1% Decrease	Current Rates	1% Increase
OPEB liability	\$ 97,864,904	\$ 108,214,724	\$ 120,465,730

The following presents the OPEB liability as of December 31, 2018, calculated using the discount rate of 3.64%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 2.64%	Current Discount 3.64%	1% Increase 4.64%
OPEB liability	\$ 127,241,230	\$ 108,214,724	\$ 89,188,217

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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 11 - Tax Abatements - Continued

Information relevant to disclosure of these agreements for the year ended December 31, 2018 is as follows:

Property Owner	SBL #	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
Affordable Housing						
The Pines at Narragansett	90.09-2-2	\$ 9,082,200	\$ 98,535	10.849200	\$ 12,508	\$ 86,027
General Economic Development						
Maple House Renewal LLC	89.19-4-53	10,951,200	118,812	10.849200	14,149	104,663
Harbor Square Crossings LLC	97.06-1-9.1	46,284,100	502,145	10.849200	110,082	392,063
Standard Snowden Venture LP	89-15-1-69/71	10,566,800	114,641	10.849200	15,902	98,739
Total		<u>\$ 76,884,300</u>	<u>\$ 834,133</u>		<u>\$ 152,641</u>	<u>\$ 681,492</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, 2018 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 \$74,336,615 for property. The Workers' Compensation self-insured retention level is \$300,000 with primary insurance coverage limit of \$200,000. Excess Workers' Compensation insurance is purchased for losses in excess of \$500,000 (\$300,000 Retention plus \$200,000 Primary Limit). Excess Workers' Compensation is written for Statutory Limits (unlimited in New York), with a \$1 million cap on employer's liability claims. The governmental funds are charged premiums by the respective internal service fund. Claims payable in the internal service funds include provisions for claims reported and claims incurred but not reported.

The Village is also self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Village has specific stop-loss insurance which establishes a maximum exposure limit of \$135,000 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 \$6,853,425 for the 2018 plan year.

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 12 - Contingencies, Risks, and Uncertainties - Continued

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. 83, *Certain Asset Retirement Obligations*. This statement establishes criteria for determining the timing and pattern of recognition for a liability and corresponding deferred outflow of resources for asset retirement obligations. This statement required that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines-of-credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Village of Ossining, New York

Notes to Financial Statements December 31, 2018

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interest*. This statement will provide financial reporting users with information related to the presentation of majority equity interests in legally separate organizations. In addition, this statement requires the reporting of information about component units if the government acquires a 100% equity interest about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The requirements for this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves note disclosures. The requirements for this statement are effective for reporting periods beginning after December 15, 2020.

Management has not estimated the extent of the potential impact, if any, 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, 2018			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 22,026,440	\$ 22,026,440	\$ 21,913,826	\$ (112,614)
Real property tax items	302,623	302,623	234,095	(68,528)
Sales and use taxes	4,385,000	4,385,000	4,756,757	371,757
Departmental revenues	1,851,700	1,932,949	2,066,680	133,731
Intergovernmental charges	3,375,036	3,375,036	3,389,356	14,320
Use of money and property	331,846	331,846	568,991	237,145
Licenses and permits	254,800	254,800	391,633	136,833
Fines and forfeitures	476,000	476,000	607,107	131,107
Sale of property and compensation for loss	68,000	68,000	118,564	50,564
Miscellaneous local sources	68,000	68,000	26,939	(41,061)
Interfund revenues	898,195	898,195	898,195	-
State aid	422,608	422,608	460,870	38,262
Total revenues	<u>34,460,248</u>	<u>34,541,497</u>	<u>35,433,013</u>	<u>891,516</u>
EXPENDITURES				
General government support	3,934,117	3,703,599	3,239,947	463,652
Public safety	11,277,862	11,396,149	10,830,857	565,292
Health	2,500	2,864	2,364	500
Transportation	2,232,351	2,292,422	2,232,971	59,451
Economic opportunity and development	138,537	146,037	45,951	100,086
Culture and recreation	2,716,182	2,819,306	2,805,195	14,111
Home and community services	2,054,357	2,018,612	1,817,332	201,280
Employee benefits	10,977,853	10,977,853	8,799,285	2,178,568
Capital outlays	182,279	182,279	182,279	-
Debt service				
Principal	446,903	368,397	368,397	-
Interest	56,063	29,568	22,952	6,616
Total expenditures	<u>34,019,004</u>	<u>33,937,086</u>	<u>30,347,530</u>	<u>3,589,556</u>
Excess of revenues over expenditures	<u>441,244</u>	<u>604,411</u>	<u>5,085,483</u>	<u>4,481,072</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	1,108,406	2,529,515	-	(2,529,515)
Operating transfers in	50,000	50,000	50,000	-
Operating transfers out	(1,699,650)	(3,183,926)	(3,167,575)	16,351
Proceeds from long-term debt issuance	100,000	-	-	-
Total other financing sources (uses)	<u>(441,244)</u>	<u>(604,411)</u>	<u>(3,117,575)</u>	<u>(2,513,164)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,967,908</u>	<u>1,967,908</u>
FUND BALANCE, beginning of year			<u>13,707,542</u>	<u>-</u>
FUND BALANCE, end of year			<u>\$ 15,675,450</u>	<u>\$ 1,967,908</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, 2018			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Departmental revenues	\$ 10,780,826	\$ 10,780,826	\$ 10,853,362	\$ 72,536
Use of money and property	3,000	3,000	17,240	14,240
Sale of property and compensation for loss	3,850	3,850	6,316	2,466
Miscellaneous local sources	10,000	10,000	24,310	14,310
Total revenues	10,797,676	10,797,676	10,901,228	103,552
EXPENDITURES				
General government support	647,591	801,989	428,228	373,761
Home and community services	6,902,765	6,585,184	6,379,319	205,865
Employee benefits	1,225,976	1,225,976	1,020,534	205,442
Capital outlay	105,250	197,683	166,363	31,320
Debt service				
Principal	385,092	385,612	385,612	-
Interest	54,524	54,003	36,165	17,838
Total expenditures	9,321,198	9,250,447	8,416,221	834,226
Excess of revenues over expenditures	1,476,478	1,547,229	2,485,007	937,778
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	-	302,452	-	(302,452)
Operating transfers in	75,000	75,000	75,000	-
Operating transfers out	(1,551,478)	(1,924,681)	(1,924,681)	-
Total other financing sources (uses)	(1,476,478)	(1,547,229)	(1,849,681)	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	635,326	\$ 937,778
FUND BALANCE, <i>beginning of year</i>			4,345,763	
FUND BALANCE, <i>end of year</i>			\$ 4,981,089	

Village of Ossining, New York

Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	<u>2018</u>
<i>Beginning of year</i>	\$ 103,290,900
Changes for the year	
Service cost	2,801,595
Interest	3,725,542
Difference between expected and actual experience	278,394
Benefit payments	<u>(1,881,707)</u>
Net changes	<u>4,923,824</u>
 <i>End of year</i>	 <u><u>\$ 108,214,724</u></u>
 Covered payroll	 \$ 18,363,611
 OPEB liability as a percentage of covered payroll	 589.29%

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 Proportionate Share of Net Pension Liability - ERS

	December 31,			
	2018	2017	2016	2015
Village's proportion of the net pension liability	0.0362019%	0.0368903%	0.0390983%	0.0400867%
Village's proportionate share of the net pension liability	\$ 1,168,398	\$ 3,466,292	\$ 6,275,394	\$ 1,354,226
Village's covered payroll	9,332,328	9,328,956	9,505,657	9,015,478
Village's proportionate share of the net pension liability as a percentage of its covered payroll	12.5%	37.2%	66.0%	15.0%
Plan fiduciary net position as a percentage of the total pension liability	98.2%	94.7%	90.7%	98.0%

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 - ERS

	Years Ended December 31,			
	2018	2017	2016	2015
Contractually required contribution	\$ 1,431,297	\$ 1,396,969	\$ 1,632,907	\$ 1,756,590
Contributions in relation to the contractually required contribution	1,431,297	1,396,969	1,632,907	1,756,590
Contribution deficiency (excess)	-	-	-	-
Village's covered payroll	9,332,328	9,328,956	9,505,657	9,015,478
Contributions as a percentage of covered payroll	15.3%	15.0%	17.2%	19.5%

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 Proportionate Share of Net Pension Liability - PFRS

	December 31,			
	2018	2017	2016	2015
Village's proportion of the net pension liability	0.2069328%	0.2027316%	0.2058871%	0.1887199%
Village's proportionate share of the net pension liability	\$ 2,091,588	\$ 4,201,920	\$ 6,095,879	\$ 519,470
Village's covered payroll	7,528,226	7,467,450	7,508,109	6,439,175
Village's proportionate share of the net pension liability as a percentage of its covered payroll	27.8%	56.3%	81.2%	8.1%
Plan fiduciary net position as a percentage of the total pension liability	96.9%	93.5%	90.2%	99.0%

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 - PFRS

	December 31,			
	2018	2017	2016	2015
Contractually required contribution	\$ 1,711,252	\$ 1,645,851	\$ 1,692,055	\$ 1,795,744
Contributions in relation to the contractually required contribution	1,711,252	1,645,851	1,692,055	1,795,744
Contribution deficiency (excess)	-	-	-	-
Village's covered payroll	7,528,226	7,467,450	7,508,109	6,439,175
Contributions as a percentage of covered payroll	22.7%	22.0%	22.5%	27.9%

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,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 15,426,975	\$ 15,288,801
Receivables		
Accounts	269,417	391,549
Taxes, net	315,195	230,465
Other governments	1,146,118	1,242,153
Due from other funds	12,356	20,343
Due from fiduciary fund	3,508	2,476
Inventory	15,836	20,134
Prepaid expenditures	646,066	671,736
	\$ 17,835,471	\$ 17,867,657
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,287,993	\$ 1,425,190
Due to other governments	2,653	-
Due to other funds	-	67,813
Due to internal service funds	9,393	65,312
Unearned revenue	341,189	304,520
	1,641,228	1,862,835
DEFERRED INFLOWS OF RESOURCES	518,793	2,297,280
FUND BALANCES		
Nonspendable	661,902	691,870
Restricted	235,848	165,762
Committed	15,544	13,650
Assigned	1,168,772	1,267,128
Unassigned	13,593,384	11,569,132
Total fund balances	15,675,450	13,707,542
	\$ 17,835,471	\$ 17,867,657

Village of Ossining, New York

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

	Year Ended December 31, 2018				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
REAL PROPERTY TAXES	<u>\$ 22,026,440</u>	<u>\$ 22,026,440</u>	<u>\$ 21,913,826</u>	<u>\$ (112,614)</u>	<u>\$ 21,857,353</u>
REAL PROPERTY TAX ITEMS					
Payment in lieu of taxes	152,623	152,623	152,641	18	149,865
Interest and penalties on real property taxes	<u>150,000</u>	<u>150,000</u>	<u>81,454</u>	<u>(68,546)</u>	<u>115,207</u>
	<u>302,623</u>	<u>302,623</u>	<u>234,095</u>	<u>(68,528)</u>	<u>265,072</u>
SALES AND USE TAXES					
Utilities gross receipts taxes	300,000	300,000	285,483	(14,517)	263,862
Franchise fees	410,000	410,000	459,034	49,034	476,107
Non-property tax distribution from County	<u>3,675,000</u>	<u>3,675,000</u>	<u>4,012,240</u>	<u>337,240</u>	<u>3,823,530</u>
	<u>4,385,000</u>	<u>4,385,000</u>	<u>4,756,757</u>	<u>371,757</u>	<u>4,563,499</u>
DEPARTMENTAL REVENUES					
Tax advertising	2,000	2,000	1,000	(1,000)	1,950
Clerk fees	750	750	945	195	999
Transportation of prisoners	34,000	34,000	30,667	(3,333)	36,361
Police fees	850	850	1,057	207	4,056
Access fees	35,100	35,100	93,536	58,436	65,492
Safety inspection fees	40,000	40,000	47,935	7,935	44,705
False alarm fees	1,000	1,000	1,824	824	1,400
Health fees	500	500	1,137	637	595
Public works services	5,000	5,000	7,178	2,178	5,590
Station tags and off-street parking	565,000	567,781	580,705	12,924	592,917
Non-criminal finger printing	2,000	2,000	265	(1,735)	1,790
Day camp fees	220,000	245,456	273,341	27,885	216,579
Parks and recreation fees	570,500	623,512	622,356	(1,156)	548,532
Zoning fees	10,000	10,000	9,515	(485)	29,800
Planning Board fees	8,000	8,000	37,592	29,592	13,564
Refuse and garbage charges	<u>357,000</u>	<u>357,000</u>	<u>357,627</u>	<u>627</u>	<u>352,224</u>
	<u>1,851,700</u>	<u>1,932,949</u>	<u>2,066,680</u>	<u>133,731</u>	<u>1,916,554</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, 2018				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
INTERGOVERNMENTAL CHARGES					
Finance and data processing services, Town	406,853	406,853	404,930	(1,923)	393,034
Engineering services, Town	88,839	88,839	88,839	-	87,098
Corporation counsel, Town	11,792	11,792	11,792	-	11,561
Street lighting, Town	2,500	2,500	4,180	1,680	-
Police services, Town	1,975,429	1,975,429	1,981,210	5,781	1,835,385
Fire protection services, Town	503,203	503,203	503,203	-	493,329
Snow removal services	34,000	34,000	42,782	8,782	45,908
Recreation services, Town	352,420	352,420	352,420	-	346,529
	<u>3,375,036</u>	<u>3,375,036</u>	<u>3,389,356</u>	<u>14,320</u>	<u>3,212,844</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	22,000	22,000	152,253	130,253	41,531
Rental of real property, Individuals	90,028	90,028	196,997	106,969	199,202
Rental of real property, Other governments	219,818	219,818	219,741	(77)	215,897
	<u>331,846</u>	<u>331,846</u>	<u>568,991</u>	<u>237,145</u>	<u>456,630</u>
LICENSES AND PERMITS					
Business and occupational licenses	45,000	45,000	57,510	12,510	48,444
Building permits	125,000	125,000	205,200	80,200	209,088
Other permits	84,800	84,800	128,923	44,123	131,685
	<u>254,800</u>	<u>254,800</u>	<u>391,633</u>	<u>136,833</u>	<u>389,217</u>
FINES AND FORFEITURES					
Fines and forfeited bail	475,000	475,000	605,607	130,607	525,555
Forfeiture of deposits	1,000	1,000	1,500	500	563
	<u>476,000</u>	<u>476,000</u>	<u>607,107</u>	<u>131,107</u>	<u>526,118</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	-	-	21,275	21,275	18,745
Minor sales	8,000	8,000	13,719	5,719	13,333
Insurance and other recoveries	60,000	60,000	83,570	23,570	173,572
	<u>68,000</u>	<u>68,000</u>	<u>118,564</u>	<u>50,564</u>	<u>205,650</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, 2018				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
INTERFUND REVENUES	898,195	898,195	898,195	-	873,050
MISCELLANEOUS LOCAL SOURCES					
Refund of prior years expenditures	-	-	17,220	17,220	-
Reimbursement of Medicare Part D	65,000	65,000	-	(65,000)	67,532
Gifts and donations	-	-	6,100	6,100	50,100
Other	3,000	3,000	3,619	619	2,129
	<u>68,000</u>	<u>68,000</u>	<u>26,939</u>	<u>(41,061)</u>	<u>119,761</u>
STATE AID					
Per capita	202,408	202,408	202,408	-	202,408
Mortgage tax	180,000	180,000	234,929	54,929	360,282
Youth programs	5,200	5,200	10,114	4,914	10,219
Emergency management assistance	15,000	15,000	13,419	(1,581)	24,118
Other	20,000	20,000	-	(20,000)	16,861
	<u>422,608</u>	<u>422,608</u>	<u>460,870</u>	<u>38,262</u>	<u>613,888</u>
Total revenues	<u>34,460,248</u>	<u>34,541,497</u>	<u>35,433,013</u>	<u>891,516</u>	<u>34,999,636</u>
OTHER FINANCING SOURCES					
Bonds issued	100,000	-	-	-	-
Transfers in					
Debt Service Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total other financing sources	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 34,610,248</u>	<u>\$ 34,591,497</u>	<u>\$ 35,483,013</u>	<u>\$ 891,516</u>	<u>\$ 35,049,636</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

	Year Ended December 31, 2018				2017 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 37,230	\$ 37,230	\$ 34,388	\$ 2,842	\$ 27,227
Traffic Violations Bureau	130,041	131,324	131,324	-	127,187
Mayor	11,130	11,130	10,052	1,078	9,831
Manager	329,974	323,676	313,834	9,842	262,093
Auditor	42,150	42,150	33,000	9,150	34,650
Treasurer	189,984	191,185	191,185	-	182,535
Budget	1,000	1,161	1,161	-	991
Clerk	219,601	225,899	225,899	-	215,538
Law	215,219	215,219	169,334	45,885	160,334
Personnel	165,661	171,985	171,985	-	153,101
Safety director	27,172	25,971	23,880	2,091	17,570
Engineer	35,339	35,586	35,586	-	33,679
Municipal building	184,841	242,877	242,786	91	203,365
Operations center	185,768	174,877	174,355	522	206,929
Central garage	378,673	374,077	328,560	45,517	347,782
Communications system	148,126	148,126	117,106	31,020	115,467
Finance department	368,962	377,632	376,115	1,517	336,750
Unallocated insurance	633,877	633,877	551,951	81,926	520,325
Municipal association dues	13,080	13,080	10,881	2,199	9,478
Judgments and claims	100,000	100,000	26,861	73,139	41,834
Town taxes and assessments	70	70	-	70	-
Property tax refunds	120,000	20,000	18,281	1,719	-
Metropolitan commuter transportation mobility tax	54,844	54,844	51,423	3,421	48,322
Contingency	341,375	151,623	-	151,623	-
	<u>3,934,117</u>	<u>3,703,599</u>	<u>3,239,947</u>	<u>463,652</u>	<u>3,054,988</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, 2018

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
PUBLIC SAFETY					
Police department	9,102,698	9,181,310	8,872,701	308,609	8,231,865
Jail	2,000	2,000	1,435	565	2,600
Traffic control	76,275	76,275	66,449	9,826	97,450
Public safety boat	13,670	13,670	13,297	373	13,814
Metered parking	2,500	2,500	308	2,192	754
Fire department	778,156	811,781	801,322	10,459	777,522
Control of animals	121,634	121,634	118,848	2,786	124,374
Civilian police	600,303	600,303	577,658	22,645	581,743
Safety inspection	746,857	752,907	545,069	207,838	533,239
	<u>11,444,093</u>	<u>11,562,380</u>	<u>10,997,087</u>	<u>565,293</u>	<u>10,363,361</u>
HEALTH					
Weed and grass control	2,500	2,864	2,364	500	2,033
TRANSPORTATION					
Street administration	270,977	259,459	259,151	308	251,108
Street maintenance	1,441,543	1,571,683	1,571,683	-	1,402,202
Snow removal	343,850	284,677	265,853	18,824	311,134
Street lighting	155,680	155,680	115,362	40,318	165,012
Off-street parking	36,349	36,971	36,971	-	34,658
	<u>2,248,399</u>	<u>2,308,470</u>	<u>2,249,020</u>	<u>59,450</u>	<u>2,164,114</u>
ECONOMIC OPPORTUNITY AND ASSISTANCE					
Publicity	36,000	43,500	15,158	28,342	-
Community development	102,537	102,537	30,793	71,744	19,065
	<u>138,537</u>	<u>146,037</u>	<u>45,951</u>	<u>100,086</u>	<u>19,065</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, 2018

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
CULTURE AND RECREATION					
Parks	716,298	736,357	727,803	8,554	759,621
Recreation	1,378,686	1,472,407	1,466,850	5,557	1,299,178
Youth agencies	194,884	177,949	177,949	-	161,994
Camps	315,660	309,102	309,102	-	312,275
Urban cultural park	12,254	8,495	8,495	-	7,840
Celebrations	19,500	14,240	14,240	-	15,681
Adult recreation	78,900	100,756	100,756	-	83,764
	<u>2,716,182</u>	<u>2,819,306</u>	<u>2,805,195</u>	<u>14,111</u>	<u>2,640,353</u>
HOME AND COMMUNITY SERVICES					
Zoning	149,344	149,344	66,433	82,911	127,515
Planning	169,339	174,407	142,235	32,172	128,438
Storm sewers	127,060	141,720	130,748	10,972	117,467
Refuse and garbage	1,395,835	1,356,923	1,292,357	64,566	1,334,080
Street cleaning	97,029	95,443	95,443	-	88,684
Shade trees	102,750	87,342	87,342	-	55,952
Historic Review Commission	13,000	13,433	2,774	10,659	8,347
	<u>2,054,357</u>	<u>2,018,612</u>	<u>1,817,332</u>	<u>201,280</u>	<u>1,860,483</u>
EMPLOYEE BENEFITS					
State retirement	1,100,792	1,100,792	944,452	156,340	934,375
Police and fire retirement	2,020,754	2,020,754	1,680,865	339,889	1,563,334
Social security	1,218,331	1,218,331	1,085,254	133,077	1,037,187
Workers' compensation benefits	991,449	991,449	651,889	339,560	658,185
Unemployment benefits	20,000	20,000	7,586	12,414	8,777
Hospital, medical and dental benefits	5,626,527	5,626,527	4,429,239	1,197,288	4,819,858
	<u>10,977,853</u>	<u>10,977,853</u>	<u>8,799,285</u>	<u>2,178,568</u>	<u>9,021,716</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, 2018			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
				2017 Actual
DEBT SERVICE				
Principal				
Bond anticipation notes	341,061	341,061	341,061	-
Installment purchase debt	105,842	27,336	27,336	-
	<u>446,903</u>	<u>368,397</u>	<u>368,397</u>	<u>-</u>
Interest				
Bond anticipation notes	20,720	20,720	20,593	127
Installment purchase debt	35,343	8,848	2,359	6,489
	<u>56,063</u>	<u>29,568</u>	<u>22,952</u>	<u>6,616</u>
	<u>502,966</u>	<u>397,965</u>	<u>391,349</u>	<u>6,616</u>
Total expenditures	<u>34,019,004</u>	<u>33,937,086</u>	<u>30,347,530</u>	<u>3,589,556</u>
OTHER FINANCING USES				
Transfers out				
Debt Service Fund	1,616,100	1,721,101	1,721,089	12
Capital Projects	-	1,379,275	1,379,275	-
Internal Service Fund	-	-	-	-
Section 8 Housing Fund	83,550	83,550	67,211	16,339
	<u>1,699,650</u>	<u>3,183,926</u>	<u>3,167,575</u>	<u>16,351</u>
Total other financing uses	<u>1,699,650</u>	<u>3,183,926</u>	<u>3,167,575</u>	<u>16,351</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 35,718,654</u>	<u>\$ 37,121,012</u>	<u>\$ 33,515,105</u>	<u>\$ 3,605,907</u>
				<u>\$ 32,305,078</u>

Village of Ossining, New York

Supplementary Information Comparative Balance Sheet - Water Fund

	December 31,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 2,993,082	\$ 1,620,959
Receivables		
Accounts	3,098,874	3,292,963
Other governments	1,881	12,166
Prepaid expenditures	92,197	91,282
	\$ 6,186,034	\$ 5,017,370
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,187,347	\$ 636,461
Due to internal service funds	1,591	10,350
Unearned revenue	16,007	24,796
	1,204,945	671,607
FUND BALANCES		
Nonspendable	92,197	91,282
Restricted	218,741	216,801
Assigned	4,670,151	4,037,680
Total fund balances	4,981,089	4,345,763
	\$ 6,186,034	\$ 5,017,370

Village of Ossining, New York

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

	Year Ended December 31, 2018				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ 20,000	\$ 199,343	\$ 40,937	\$ 158,406	\$ 102,859
Safety director	18,000	23,123	12,979	10,144	7,542
Communications system	73,085	73,085	43,290	29,795	33,391
Auditor	19,510	19,510	16,200	3,310	17,010
Finance department	64,725	68,664	43,590	25,074	35,150
Unallocated insurance	97,940	91,338	91,121	217	101,121
Judgments and claims	8,000	67,602	67,602	-	25,000
Taxes and assessments on municipal property	245,000	245,000	204,316	40,684	237,313
Metropolitan commuter transportation mobility tax	9,143	9,143	8,976	167	8,480
Contingency	92,188	5,181	-	5,181	-
	<u>647,591</u>	<u>801,989</u>	<u>529,011</u>	<u>272,978</u>	<u>567,866</u>
HOME AND COMMUNITY SERVICES					
Water administration	1,492,695	1,492,695	1,421,182	71,513	1,353,752
Pumping, supply and power	2,874,195	2,533,113	2,318,816	214,297	2,632,533
Purification	1,304,683	1,275,787	1,240,066	35,721	1,201,549
Transmission and distribution	1,336,442	1,481,272	1,464,835	16,437	1,246,188
	<u>7,008,015</u>	<u>6,782,867</u>	<u>6,444,899</u>	<u>337,968</u>	<u>6,434,022</u>
EMPLOYEE BENEFITS					
State retirement	414,829	414,829	373,714	41,115	358,504
Social security	205,712	205,712	191,628	14,084	181,153
Workers' compensation benefits	167,356	167,356	116,335	51,021	111,631
Unemployment benefits	2,000	2,000	-	2,000	1,998
Hospital, medical and dental benefits	436,079	436,079	338,857	97,222	373,626
	<u>1,225,976</u>	<u>1,225,976</u>	<u>1,020,534</u>	<u>205,442</u>	<u>1,026,912</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, 2018				2017 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
DEBT SERVICE					
Principal					
Bond anticipation notes	322,676	322,676	322,676	-	81,775
Installment purchase debt	62,416	62,936	62,936	-	62,997
	<u>385,092</u>	<u>385,612</u>	<u>385,612</u>	<u>-</u>	<u>144,772</u>
Interest					
Bond anticipation notes	30,737	30,737	30,737	-	18,972
Installment purchase debt	23,787	23,266	5,428	17,838	4,458
	<u>54,524</u>	<u>54,003</u>	<u>36,165</u>	<u>17,838</u>	<u>23,430</u>
	<u>439,616</u>	<u>439,615</u>	<u>421,777</u>	<u>17,838</u>	<u>168,202</u>
Total expenditures	<u>9,321,198</u>	<u>9,250,447</u>	<u>8,416,221</u>	<u>834,226</u>	<u>8,197,002</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,551,478	1,551,480	1,551,480	-	1,574,828
Capital Projects	-	373,201	373,201	-	2,556,534
	<u>1,551,478</u>	<u>1,924,681</u>	<u>1,924,681</u>	<u>-</u>	<u>4,131,362</u>
Total other financing uses	<u>1,551,478</u>	<u>1,924,681</u>	<u>1,924,681</u>	<u>-</u>	<u>4,131,362</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 10,872,676</u>	<u>\$ 11,175,128</u>	<u>\$ 10,340,902</u>	<u>\$ 834,226</u>	<u>\$ 12,328,364</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Project Length Schedule - Capital Projects Fund Inception of Project Through December 31, 2018

Project	Project Number	Project Budget	Expenditures and Transfers to Date	Unexpended Balance	Revenues to Date	Fund Balance (Deficit) at December 31, 2018	Bond Anticipation Notes Outstanding at December 31, 2018
Parking Meters	2057	\$ 225,000	\$ 197,539	\$ 27,461	\$ 225,000	\$ 27,461	\$ -
Security at Pump Station	2070	150,000	150,000	-	150,000	-	-
Indian Brook Water Reservoir and Dam Reconstruction	2122	6,225,845	5,915,006	310,839	5,930,845	15,839	-
Historic Building Markers	2133	33,112	19,965	13,147	33,112	13,147	-
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	-
Water Mains Relining & Replacement	2149	3,192,500	3,043,627	148,873	3,000,000	(43,627)	-
Spring St./Main St. Intersection	2160	130,363	114,850	15,513	130,363	15,513	-
LED Street Lighting Project	2162	906,326	895,140	11,186	895,140	-	-
MUNIS Accounting System Implementation	2163	538,610	372,888	165,722	502,408	129,520	-
Police Vehicles	2164	186,500	186,500	-	186,500	-	-
Police Mobile Data Terminals	2165	70,000	70,000	-	70,000	-	-
Fire Apparatus Engine Pumper	2166	675,000	651,497	23,503	650,000	(1,497)	-
Building Dept Vehicle	2167	25,000	24,827	173	25,000	173	-
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 Camera	2170	230,000	227,827	2,173	230,000	2,173	-
Broadway Bridge Rehabilitation (engineering)	2171	211,000	960,394	(749,394)	2,211,000	1,250,606	-
New Indian Brook Water Treatment Plant (engineering)	2172	38,375,552	2,025,476	36,350,076	405,701	(1,619,775)	1,744,699
Street Resurfacing and Sidewalks	2173	680,000	796,139	(116,139)	796,039	(100)	-
Caputo Center Gym Floor Replacement	2174	260,000	258,243	1,757	260,000	1,757	-
Fire Chief's Vehicle	2175	52,500	52,500	52,500	52,500	-	-
Police Department Vehicles	2176	190,080	190,070	10	190,080	10	-
Recreation Department Bus	2177	50,000	-	50,000	50,000	50,000	-
Recreation Department Pool Pump	2178	40,000	2,648	37,352	40,000	37,352	-
DPW Street Sweeper	2179	290,000	242,413	47,587	242,413	-	-
Water/Sewer Department Backhoes	2180	175,000	104,000	71,000	104,000	-	-
Fire Apparatus Engine Pumper	2181	675,000	2,833	672,167	675,000	672,167	-
Fire Department Roof Repairs	2182	60,000	-	60,000	120,000	120,000	-
Parks Department Equipment	2183	20,000	20,000	-	20,000	-	-
Parks Department Storage Shed	2184	22,000	11,350	10,650	22,000	10,650	-
Street Resurfacing and Sidewalks	2185	480,000	437,141	42,859	437,141	-	-
Gordon Avenue Water Main Replacement	2186	1,347,988	1,194,757	153,231	1,347,988	153,231	-
Route 9A Water Main Replacement	2187	1,192,840	82,330	1,110,510	1,192,840	1,110,510	-
CDBG Affordable Housing	2188	295,845	288,412	7,433	295,845	7,433	-
DPW Trucks	2189	118,587	118,587	-	118,587	-	-
Sing Sing Prison Museum Grants	2190	1,000,000	-	1,000,000	-	-	-
J.P. Rodrigues Operations Center Renovations	2191	470,380	144,276	326,104	470,380	326,104	-
Police Department Vehicles	2192	166,000	139,483	26,517	166,000	26,517	-
Police Department Animal Control Van	2193	25,500	25,500	-	25,500	-	-
Fire Department Command Vehicle/Bus	2194	65,000	65,000	-	65,000	-	-
Parks Department Equipment	2195	60,000	24,886	35,114	60,000	35,114	-
Planning Department Comprehensive Plan	2196	300,000	-	300,000	300,000	300,000	-
Recreation Department Air Conditioning	2197	125,000	-	125,000	125,000	125,000	-
DPW Water Dept Utility Truck	2198	57,000	46,911	10,089	57,000	10,089	-
DPW Dump Truck	2199	180,993	180,993	-	180,993	-	-
Street Resurfacing and Sidewalks	2200	989,514	595,444	394,070	1,066,557	471,113	600,000
200 Main Street Renovations	2201	25,000	25,010	(10)	25,000	(10)	-
Water Demand Management Program	2202	56,000	800	55,200	56,000	55,200	-
Village Manager's Vehicle	2203	35,976	-	35,976	35,976	35,976	-
Police Department Vehicles	2204	196,000	-	196,000	196,000	196,000	-
Fire Chief's Vehicle	2205	55,000	-	55,000	55,000	55,000	-
Parks Department Pick-Up Truck	2206	50,000	-	50,000	50,000	50,000	-
Refuse/Sanitation Utility Truck	2207	50,000	-	50,000	50,000	50,000	-
Water Department Utility Truck	2208	60,000	-	60,000	60,000	60,000	-
Central Garage Heavy Vehicle Lift	2209	100,000	-	100,000	100,000	100,000	-
DPW Sidewalk Skid Loader	2210	25,000	-	25,000	25,000	25,000	-
Planning Department - Route 9 Complete Streets Design	2211	150,000	-	150,000	150,000	150,000	-
Community Center - Functionality/Redesign Assessment	2212	100,000	-	100,000	100,000	100,000	-
Water Department Booster Station Shaft	2213	40,000	-	40,000	40,000	40,000	-
		\$ 63,296,811	\$ 21,621,147	\$ 41,728,164	\$ 25,858,708	\$ 4,237,561	\$ 2,344,699

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2018			
	Sewer	Section 8 Housing	Special Purpose	Total Other Governmental
ASSETS				
Cash and cash equivalents	\$ 875,699	\$ 83,327	\$ 831,207	\$ 1,790,233
Receivables				
Accounts	499,766	-	-	499,766
Other governments	149,216	7,439	-	156,655
Other	-	17,246	-	17,246
Prepaid expenditures	19,283	6,281	-	25,564
	<u>\$ 1,543,964</u>	<u>\$ 114,293</u>	<u>\$ 831,207</u>	<u>\$ 2,489,464</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 44,932	\$ 18,682	\$ -	\$ 63,614
Due to other funds	-	12,356	-	12,356
Due to internal service funds	504	-	-	504
Unearned revenue	-	17,246	-	17,246
	<u>45,436</u>	<u>48,284</u>	<u>-</u>	<u>93,720</u>
FUND BALANCES				
Nonspendable	19,283	6,281	-	25,564
Restricted	-	-	831,207	831,207
Assigned	1,479,245	59,728	-	1,538,973
Total fund balances	<u>1,498,528</u>	<u>66,009</u>	<u>831,207</u>	<u>2,395,744</u>
	<u>\$ 1,543,964</u>	<u>\$ 114,293</u>	<u>\$ 831,207</u>	<u>\$ 2,489,464</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, 2018			
	Sewer	Section 8 Housing	Special Purpose	Total
REVENUES				
Departmental revenues	\$ 1,684,101	\$ -	\$ -	\$ 1,684,101
Use of money and property	3,763	-	7,408	11,171
Sale of property and compensation for loss	2,256	-	-	2,256
Miscellaneous local sources	465	-	-	465
Federal aid	-	3,369,144	-	3,369,144
Total revenues	<u>1,690,585</u>	<u>3,369,144</u>	<u>7,408</u>	<u>5,067,137</u>
EXPENDITURES				
General government support	122,282	7,403	-	129,685
Economic opportunity and development	-	-	39,885	39,885
Home and community services	860,186	3,358,431	-	4,218,617
Employee benefits	285,162	82,811	-	367,973
Debt service				
Principal	2,915	-	-	2,915
Interest	477	-	-	477
Total expenditures	<u>1,271,022</u>	<u>3,448,645</u>	<u>39,885</u>	<u>4,759,552</u>
Excess (deficiency) of revenues over expenditures	<u>419,563</u>	<u>(79,501)</u>	<u>(32,477)</u>	<u>307,585</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	67,211	-	67,211
Operating transfers out	(392,132)	-	-	(392,132)
	<u>(392,132)</u>	<u>67,211</u>	<u>-</u>	<u>(324,921)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>27,431</u>	<u>(12,290)</u>	<u>(32,477)</u>	<u>(17,336)</u>
FUND BALANCE, beginning of year	<u>1,471,097</u>	<u>78,299</u>	<u>863,684</u>	<u>2,413,080</u>
FUND BALANCE, end of year	<u>\$ 1,498,528</u>	<u>\$ 66,009</u>	<u>\$ 831,207</u>	<u>\$ 2,395,744</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Combining Statement of Net Position - Internal Service Funds

	Workers' Compensation Benefits	General Liability Claims	Totals December 31,	
			2018	2017
ASSETS				
Cash and cash equivalents	\$ 4,262,375	\$ 772,134	\$ 5,034,509	\$ 5,181,670
Accounts receivable	1,731	-	1,731	-
Due from other governments	-	-	-	4,525
Due from other funds	11,488	-	11,488	78,406
Total assets	<u>4,275,594</u>	<u>772,134</u>	<u>5,047,728</u>	<u>5,264,601</u>
LIABILITIES				
Accounts payable	11,488	-	11,488	130,491
Claims payable, current	264,250	264,950	529,200	349,300
Claims payable, noncurrent	2,378,250	584,550	2,962,800	3,143,700
Total liabilities	<u>2,653,988</u>	<u>849,500</u>	<u>3,503,488</u>	<u>3,623,491</u>
NET POSITION				
Restricted	<u><u>\$ 1,621,606</u></u>	<u><u>\$ (77,366)</u></u>	<u><u>\$ 1,544,240</u></u>	<u><u>\$ 1,641,110</u></u>

Village of Ossining, New York

Supplementary Information Combining Statement of Activities - Internal Service Funds

	Workers' Compensation Benefits	General Liability Claims	Totals Years Ended December 31,	
			2018	2017
OPERATING REVENUES				
Charges for services	\$ 809,611	\$ 773,235	\$ 1,582,846	\$ 1,538,233
Insurance recoveries	263,469	-	263,469	225,569
	<u>1,073,080</u>	<u>773,235</u>	<u>1,846,315</u>	<u>1,763,802</u>
OPERATING EXPENSES				
Insurance	336,983	774,164	1,111,147	878,347
Contractual expenses	96,942	97,570	194,512	205,082
Employee benefits	657,926	-	657,926	520,129
Judgments and claims	-	-	-	54,874
Total operating expenses	<u>1,091,851</u>	<u>871,734</u>	<u>1,963,585</u>	<u>1,658,432</u>
Operating income (loss)	(18,771)	(98,499)	(117,270)	105,370
NONOPERATING REVENUES				
Interest revenue	<u>14,687</u>	<u>5,713</u>	<u>20,400</u>	<u>7,975</u>
CHANGE IN NET POSITION	(4,084)	(92,786)	(96,870)	113,345
NET POSITION, <i>beginning of year</i>	<u>1,625,690</u>	<u>15,420</u>	<u>1,641,110</u>	<u>1,527,765</u>
NET POSITION, <i>end of year</i>	<u><u>\$ 1,621,606</u></u>	<u><u>\$ (77,366)</u></u>	<u><u>\$ 1,544,240</u></u>	<u><u>\$ 1,641,110</u></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 Years Ended December 31,	
			2018	2017
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash received from charges for services and insurance recoveries	\$ 1,142,792	\$ 773,235	\$ 1,916,027	\$ 1,713,670
Cash payments to insurance and claimants	(1,310,354)	(773,234)	(2,083,588)	(1,554,941)
	<u>(167,562)</u>	<u>1</u>	<u>(167,561)</u>	<u>158,729</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES				
Interest income	<u>14,687</u>	<u>5,713</u>	<u>20,400</u>	<u>7,975</u>
Net increase (decrease) in cash and cash equivalents	(152,875)	5,714	(147,161)	166,704
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>4,415,250</u>	<u>766,420</u>	<u>5,181,670</u>	<u>5,014,966</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 4,262,375</u>	<u>\$ 772,134</u>	<u>\$ 5,034,509</u>	<u>\$ 5,181,670</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (18,771)	\$ (98,499)	\$ (117,270)	\$ 105,370
Change in assets and liabilities				
Accounts receivable	(1,731)	-	(1,731)	32,799
Due from other funds	66,918	-	66,918	(78,406)
Due from other governments	4,525	-	4,525	(4,525)
Accounts payable	(119,003)	-	(119,003)	130,491
Claims payable, current and noncurrent	(99,500)	98,500	(1,000)	(27,000)
	<u>\$ (167,562)</u>	<u>\$ 1</u>	<u>\$ (167,561)</u>	<u>\$ 158,729</u>

See Independent Auditor's Report.



August 30, 2019

Mayor and Board of Trustees
Village of Ossining, New York
16 Croton Avenue
Ossining, New York 10562

Dear Mayor and Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Village of Ossining, New York (Village) as of and for the year ended December 31, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Village's financial reporting process.

This report is intended solely for the information and use of the Mayor, Board of Trustees, and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Village.

Very truly yours,

BST & Co. CPAs, LLP

Brendan K. Kennedy, Partner

BKK/dmc



Village of Ossining, New York

Communication With Those Charged With Governance Year Ended December 31, 2018

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under 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 have been described to you in our arrangement letter dated January 7, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Village. Following is a description of a new accounting standard that was adopted by the Village for the purposes of complying with accounting principles generally accepted in the United States of America (U.S. GAAP):

Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement established financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This 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, this statement lays out requirements for additional note disclosures and required supplementary information. The adoption of this statement is applied retroactively. As a result of the adoption of this statement, the Village's December 31, 2017 governmental activities net position decreased by \$62,610,900.

Village of Ossining, New York

Communication With Those Charged With Governance Year Ended December 31, 2018

Accounting Policies and Practices

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Exhibit A, Summary of Significant Accounting Estimates.

Audit Adjustments

Audit adjustments proposed by us and recorded by the Village are shown in the attached Exhibit B, Summary of Recorded Audit Adjustments.

Uncorrected Misstatements

There were no uncorrected misstatements for the period ended December 31, 2018.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communications Between Management and Our Firm

Copies of material written communications between our firm and the management of the Village, including the representation letter provided to us by management, are attached as Exhibit C.



Village of Ossining, New York

Summary of Significant Accounting Estimates Year Ended December 31, 2018

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Village's December 31, 2018 financial statements:

Estimate	Accounting Policy	Estimation Process
Allowance for Uncollectible Tax	An allowance is created for potentially uncollectible taxes.	Management determines the allowance for uncollectible taxes based upon past experience and amounts outstanding on prior years' receivables.
Unbilled Water Receivables	The Village recognizes receivables for water services provided but not billed at year end.	Amounts are based on bills generated and sent subsequent to year-end.
Depreciation Expense	Depreciation is computed based on asset groups, using the straight-line method.	The estimated useful lives used in determining depreciation are based on past experience, lives of similar assets, and length of the associated borrowing.
Other Postemployment Benefits (OPEB)	The Village recognizes a net OPEB obligation in long-term liabilities for its single-employer defined benefit healthcare plan it offers retirees and their spouses.	The estimate is developed with the assistance of an actuarial firm using assumptions applied to census and plan information provided by the Village.
Net Pension Liability	The Village recognizes its proportionate share of the New York State and Local Employees' Retirement System net pension liability and related deferred inflows and outflows of resources.	The Village's net pension liability is estimated by the New York State Office of the State Comptroller using census data supplied by participating employers and various actuarial assumptions, including but not limited to, rate of return, mortality, and inflation. The Village's proportionate percentage of the liability is determined on an annual basis.

Village of Ossining, New York

Summary of Significant Accounting Estimates Year Ended December 31, 2018

Estimate	Accounting Policy	Estimation Process
Claims Payable	The Village recognizes a liability for incurred but not reported claims and judgements.	The estimate is developed by management with the assistance of a third-party administrator applied to claim data provided by the Village.

We have evaluated management's significant accounting estimates noted above as part of our audit and concluded that management's estimates and the estimation process appear reasonable in the context of the financial statements taken as a whole.

Village of Ossining, New York

Summary of Recorded Audit Adjustments Year Ended December 31, 2018

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expenses
Government-wide					
To adjust bonds payable	\$ -	\$ 330,000	\$ (330,000)	\$ -	\$ -
To adjust deferred loss on refunding	355,859	355,859	-	-	-
Total Combined Statement of Activities Effect			-	\$ -	\$ -
Total Combined Statement of Net Position Effect	\$ 355,859	\$ 685,859	\$ (330,000)		

Village of Ossining, New York

Significant Written Communications
Between Management and our Firm
Year Ended December 31, 2018

Representation Letter





VILLAGE OF OSSINING

16 Croton Avenue
Ossining, N. Y. 10562

(914) 941-2581 FAX (914) 941-3812
www.villageofossining.org

August 30, 2019

BST & Co. CPAs, LLP
26 Computer Drive West
Albany, New York 12205

This representation letter is provided in connection with your audit of the basic financial statements of the Village of Ossining, New York (Village) as of and for the year ended December 31, 2018, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of August 30, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 15, 2019, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have not completed the process of evaluating the effect that will result from adopting the guidance in Governmental Accounting Standards Board (GASB) Statements Nos. 83, 84, 87, 88, 89, 90 and 91 as discussed in Note 13. The Village is, therefore, unable to disclose the effect that adopting the guidance of these GASB Statements will have on its financial position and the results of operations when such guidance is adopted.
9. We agree with the findings of specialists in evaluating the net pension liability, OPEB liability, and claims payable, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
10. We believe that the actuarial assumptions and methods used to measure pension liabilities, OPEB liabilities, and claims payable, and costs for financial accounting purposes, are appropriate in the circumstances.
11. We agree with the restatement of the previously issued financial statements discussed in Note 1 of the financial statements due to the implementation of GASB 75.
12. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;

- b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
18. We have no knowledge of allegations of fraud or suspected fraud affecting the Village's financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Village's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing the financial statements.
21. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
22. We have disclosed to you the identity of the Village's related parties and all the related-party relationships and transactions of which we are aware.
23. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Village's ability to record, process, summarize and report financial data.
24. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

25. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

26. With respect to the supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
27. With respect to Management's Discussion and Analysis, the schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund, the schedule of other postemployment benefits liability and OPEB as a percentage of covered payroll, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions presented as required by GASB to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement and presentation have changed from those used in the prior period due to the adoption of GASB 75 as disclosed in Note 1 of the financial statements.

Compliance Considerations

28. In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- b. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Village.
- c. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- d. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- e. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
- f. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- g. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- h. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that you report.
- i. Has a process to track the status of audit findings and recommendations.
- j. Has identified for you previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
- k. Has provided views on your reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

1. Acknowledges its responsibilities as they relate to non-audit services performed by you, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.
29. In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and your audit of the New York State Department of Transportation (State DOT) awards for compliance with the types of compliance requirements described in preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (Draft Part 43 of NYCRR), we confirm:
- a. Management is responsible for complying, and has complied, with the requirements of the Uniform Guidance and Draft 43 of NYCRR.
 - b. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal and State DOT programs.
 - c. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal and State DOT programs that provides reasonable assurance that the auditee is managing federal and State DOT awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal and State DOT programs.
 - d. Management has prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and the schedule of state transportation expended in accordance with Draft 43 of NYCRR and has included expenditures made during the period being audited for all awards provided by federal agencies and the State DOT in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.
 - e. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance and Draft 43 of NYCRR compliance audits.
 - f. Management has identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

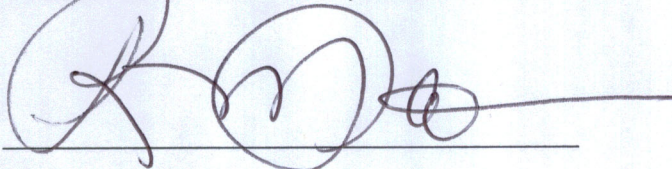
- g. Management has made available all federal and State DOT awards (including amendments, if any) and any other correspondence relevant to federal and State DOT programs and related activities that have taken place with federal and State DOT agencies or pass-through entities.
- h. Management has identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and State DOT awards or stated that there was not such noncompliance.
- i. Management believes that Village has complied with the direct and material compliance requirements (except for noncompliance it has disclosed to you).
- j. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and State DOT financial reports and claims for advances and reimbursements.
- k. Management has provided to you its interpretations of any compliance requirements that are subject to varying interpretations.
- l. Management has disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of your report.
- m. Management has disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of your report.
- n. Management has provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies, pass-through entities, and State DOT awards, including all management decisions.
- o. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- p. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by your report or stated that there were no such known instances.
- q. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material

weaknesses in internal control over compliance, have occurred subsequent to the period covered by your report.

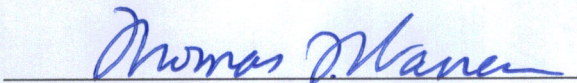
- r. Federal program financial reports and State DOT award financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s. The copies of federal program financial reports and State DOT financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
- t. Management has charged costs to federal awards in accordance with applicable cost principles.
- u. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and Draft 43 of NYCRR.
- v. The reporting package does not contain protected personally identifiable information.
- w. Management has accurately completed the appropriate sections of the data collection form.

Very truly yours,

VILLAGE OF OSSINING, NEW YORK

A handwritten signature in dark ink, appearing to read 'Karen D'Attore', written over a horizontal line.

Karen D'Attore, Village Manager

A handwritten signature in blue ink, appearing to read 'Thomas E. Warren', written over a horizontal line.

Thomas E. Warren, Village Treasurer

Village of Ossining, New York

New York State Department of
Transportation Single Audit Report

Year Ended December 31, 2018

Village of Ossining, New York

New York State Department of Transportation Single Audit Report

Year Ended December 31, 2018

C O N T E N T S

	Page
Report on Compliance for Each Major State Transportation Program; Report on Internal Control Over Compliance; and Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43 of the New York State Codification of Rules and Regulations	1-3
Schedule of State Transportation Assistance Expended	4
Notes to Schedule of State Transportation Assistance Expended	5
Schedule of Findings and Questioned Costs for State Transportation Assistance Expended	6



Report on Compliance for Each Major State Transportation Program; Report on Internal Control Over Compliance; and Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43 of the New York State Codification of Rules and Regulations

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

Report on Compliance for Each Major State Transportation Program

We have audited the Village of Ossining, New York's (Village) compliance with the types of compliance requirements described in Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to the state transportation assistance programs tested for the year ended December 31, 2018. The Village's major state transportation assistance program is identified in the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state transportation assistance programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Village's major state transportation assistance 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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 of NYCRR 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 the major state transportation assistance 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 Village's major state transportation assistance program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Major State Transportation 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 state transportation assistance program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on its state transportation assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state transportation assistance program and to test and report on internal control over compliance in accordance with Draft Part 43 of NYCRR, 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 state transportation assistance 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 state transportation assistance 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 state transportation assistance 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 the 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 Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Transportation Assistance Expended

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated August 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BST & CO. CPAs, LLP

Albany, New York
August 30, 2019



Village of Ossining, New York

Schedule of State Transportation Assistance Expended

	<u>Year Ended December 31, 2018</u>	
	<u>New York State</u>	
<u>Program Title</u>	<u>Contract/ Identification Number</u>	<u>Expenditures</u>
Consolidated Highway Improvement Program	871368 (a)	<u>\$ 307,050</u>

(a) Municipal Code used for Consolidated Highway Program.

See accompanying Notes to Schedule of State Transportation Assistance Expended and Report on Compliance for Each Major State Transportation Program; Report on Internal Control Over Compliance; and Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43 of the New York State Codification of Rules and Regulations.

Village of Ossining, New York

Notes to Schedule of State Transportation Assistance Expended Year Ended December 31, 2018

Note 1 - General

The accompanying schedule of Schedule of State Transportation Assistance Expended (Schedule) includes the New York State Department of Transportation (State DOT) award activity of the Village of Ossining, New York (Village) under programs of the State DOT government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Draft Part 43 of the New York State Codification of Rules and Regulations. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position, of the Village.

Note 2 - Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in Draft Part 43 of the New York State Codification of Rules and Regulations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Costs

There were no indirect costs charged to any of the projects that expended state transportation assistance for the year ended December 31, 2018.

Note 4 - Amounts Paid to Subrecipients

There were no payments made to subrecipients for the year ended December 31, 2018.

Village of Ossining, New York

Schedule of Findings and Questioned Costs for State Transportation Assistance Expended Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Internal control over state transportation assistance expended:

Material weakness(es) identified?

None reported

Significant deficiency(ies) identified?

None reported

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

Unmodified

Summary of audit findings:

N/A

Identification of State Transportation Assistance Programs tested:

Consolidated Highway Improvement Program

Section II - Compliance Findings and Questioned Costs

No matters were reported.

Village of Ossining, New York

Single Audit Reports

Year Ended December 31, 2018

Village of Ossining, New York

Single Audit Reports

Year Ended December 31, 2018

CONTENTS

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3-4
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	5-7
Schedule of Findings and Questioned Costs	8

Village of Ossining, New York

Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-Through Grantor/ Program Title	December 31, 2018			
	CFDA Number	Pass-through Grantor/ Contract Number	Passed Through To Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development/ Section 8 Housing Choice Vouchers	14.871	N/A	\$ -	<u><u>\$ 3,381,433</u></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, 2018

Note 1 - 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, 2018. 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). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position, of the Village.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate

The Village has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Subrecipients

The Village did not provide any funding to subrecipients during the year ended December 31, 2018.



**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Ossining, New York (Village), as of and for the year ended December 31, 2018, 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 30, 2019.

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 or other matters 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 30, 2019





**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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 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, 2018.

Report on Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on 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 governmental activities, each major fund, and the aggregate remaining fund information of the Village as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated August 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BST & CO. CPAs, LLP

Albany, New York
August 30, 2019



Village of Ossining, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

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

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

_____ Yes X No

Identification of major federal program:

CFDA Number

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

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

 \$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Award Findings and Questioned Costs

No findings noted.