

Village of Ossining, New York

Financial Report

December 31, 2017

Village of Ossining, New York

Financial Report

December 31, 2017

CONTENTS

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-16
Basic Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
Statement of Net Position - Internal Service Funds	23
Statement of Revenues, Expenditures, and Changes in Net Position - Internal Service Funds	24
Statement of Cash Flows - Internal Service Funds	25
Statement of Net Position - Fiduciary Fund	26
Notes to Financial Statements	27-48
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	49
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund	50
Schedule of Funding Progress - Other Postemployment Benefits	51
Schedule of Proportionate Share of Net Pension Liability - ERS	52
Schedule of Pension Contributions - ERS	53
Schedule of Proportionate Share of Net Pension Liability - PFRS	54
Schedule of Pension Contributions - PFRS	55

CONTENTS

	Page
Supplementary Information	
Comparative Balance Sheet - General Fund	56
Schedule of Revenues and Other Financing Sources Compared to Budget - General Fund	57-59
Schedule of Expenditures and Other Financing Uses Compared to Budget - General Fund	60-63
Comparative Balance Sheet - Water Fund	64
Schedule of Expenditures and Other Financing Uses Compared to Budget - Water Fund	65-66
Project Length Schedule - Capital Projects Fund	67
Combining Balance Sheet - Non-Major Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	69
Combining Statement of Net Position - Internal Service Funds	70
Combining Statement of Activities - Internal Service Funds	71
Combining Statement of Cash Flows - Internal Service Funds	72



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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules, and the project length schedule for the capital projects fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the project length schedule for the capital projects fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual fund financial statements and schedules, and the project length schedule for the capital projects fund are 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 July 31, 2018, 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
July 31, 2018



Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

The Village of Ossining, New York (Village) presents this Management's Discussion and Analysis (MD&A) as an overview of the Village's financial activities for the fiscal year ended December 31, 2017, as prescribed by the Government Accounting Standards Board (GASB). This MD&A focuses on current year activities, resulting changes to net position, and currently known facts. This narrative overview and analysis of the financial activities of the Village should be read in conjunction with the basic financial statements and accompanying notes to those statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

- On the government-wide statement of net position, the assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$25.62 million. Of this amount, \$44.04 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$4.95 million was restricted for future capital improvements, debt service or other purposes. The remaining amount, which represents an unrestricted deficit, was \$23.37 million. This deficit resulted primarily from the accrual of certain operating liabilities, which will be satisfied in future years, including compensated absences, other post-employment benefits (OPEB), and net pension liability (see below).
- The Village's total net position decreased by \$4.61 million in 2017, from \$30.23 million as of December 31, 2016. The total decrease in net position resulted primarily from the increase of \$5.36 million in the accrual of OPEB obligations, the decrease of \$6.23 million in pension deferred outflows of resources, and less the decrease in the net pension liability of \$4.70 million as of year-end.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$22.53 million. Of this amount, \$10.96 million of the fund balance was classified as non-spendable, restricted, or assigned for specific purposes. The remaining amount, \$11.57 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$22.53 million at December 31, 2017, were approximately \$207,000 more than the amount reported in the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$11.57 million, was 35.8% of total General Fund expenditures and other financing uses (of \$32.31 million).
- The Internal Service Funds reported a combined restricted net position balance of \$1.64 million as of December 31, 2017.
- During the current fiscal year, the Village did not issue any new serial bonds, and retired \$2,800,000 of general obligation debt from budgetary appropriations.
- As of December 31, 2017, the Village had an outstanding bond anticipation note liability of \$4,752,869, which was comprised of \$2,924,480 for authorized capital projects in 2017, plus \$1,828,389 for prior year capital project BANs. During 2017, the Village retired \$250,983 of BANs from budgetary appropriations.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Financial Highlights - Continued

- In 2016 (prior year), the Village implemented GASB Statement No. 77, *Tax Abatement Disclosures* (GASB 77). GASB 77 requires the disclosure of information about the nature and magnitude of tax abatements, so that users of the financial statements are better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations, and (2) the impact those abatements have on a government's financial position and economic condition. Please refer to Note 11 in the notes to financial statements for additional information.
- In addition to the impact of the Village's OPEB obligations, the government-wide financial statements for the year ended December 31, 2017, 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 fiscal 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, 2017, the Village reported in its statement of net position a liability of \$7.67 million for its proportionate share of the ERS and PFRS net pension liability, down from \$12.37 million at December 31, 2016. More detailed information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented Note 9 in the notes to financial statements.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, depreciation expense, and earned but unused vacation leave and OPEB obligations).

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services, and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The Village, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. The Village's basic services are reported in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains seven individual governmental funds: the General Fund, Water Fund, Sewer Fund, Debt Service Fund, Section 8 Housing Fund, Special Purpose Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Water, and Capital Projects Funds. These funds are considered to be major funds. The Sewer, Section 8 Housing, Special Purpose, and Debt Service 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, 2017

Overview of the Financial Statements - Continued

Fund Financial Statements - Continued

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

Both internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining fund schedules and statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains only one type of fiduciary fund that is known as an agency fund. The Village holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

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

Other Information

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplementary information (RSI) concerning the Village's progress in funding its 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. Included are the combining non-major governmental fund and internal service fund financial statements and schedules, and the project length schedule for the Capital Projects Fund. The 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.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$25.62 million at the close of the 2017 fiscal year, a decrease of \$4.61 million from the prior fiscal year.

Table 1 - Net Position as of December 31, 2017 and 2016

	Governmental Activities			
	2017	2016	\$ Change	% Change
ASSETS				
Current assets	\$ 37,733,099	\$ 34,496,855	\$ 3,236,244	9.38%
Capital assets, net	74,810,301	75,741,473	(931,172)	-1.23%
Total assets	112,543,400	110,238,328	2,305,072	2.09%
DEFERRED OUTFLOWS OF RESOURCES	8,715,699	15,008,037	(6,292,338)	-41.93%
LIABILITIES				
Current liabilities	11,418,698	10,663,592	755,106	7.08%
Long-term liabilities	80,483,335	82,389,346	(1,906,011)	-2.31%
Total liabilities	91,902,033	93,052,938	(1,150,905)	-1.24%
DEFERRED INFLOWS OF RESOURCES	3,737,817	1,959,354	1,778,463	90.77%
NET POSITION				
Net investment in capital assets	44,035,649	42,279,799	1,755,850	4.15%
Restricted	4,951,527	3,921,891	1,029,636	26.25%
Unrestricted deficit	(23,367,927)	(15,967,617)	(7,400,310)	46.35%
Total net position	\$ 25,619,249	\$ 30,234,073	\$ (4,614,824)	-15.26%

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, \$44.04 million. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

A portion of the Village's net position at December 31, 2017, \$4.95 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, self-insurance claims, debt service, crime control, and trusts.

The remaining balance of unrestricted net position, which was a deficit of \$23.37 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 (\$1.25 million), net pension liability (\$7.67 million), and other post-employment benefit obligations (\$40.68 million), that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made. At the end of the current fiscal year, the Village was able to report positive net position balances in the government as a whole, and in the governmental funds.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Government-Wide Financial Analysis - Continued

Table 2 - Changes in Net Position for the Fiscal Years Ended December 31, 2017 and 2016

	Governmental Activities			
	2017	2016	\$ Change	% Change
REVENUES				
Program revenues				
Charges for services	\$ 18,051,543	\$ 18,212,330	\$ (160,787)	-0.88%
Operating grants and contributions	3,439,434	3,285,467	153,967	4.69%
Capital grants and contributions	722,140	424,182	297,958	70.24%
General revenues				
Real property tax and related tax items	21,837,613	21,639,754	197,859	0.91%
Other tax items	265,072	279,595	(14,523)	-5.19%
Non-property taxes	4,563,499	4,449,367	114,132	2.57%
Other revenues	1,410,476	1,557,574	(147,098)	-9.44%
Total revenues	<u>50,289,777</u>	<u>49,848,269</u>	<u>441,508</u>	<u>0.89%</u>
EXPENSES				
General government support	5,288,588	5,304,373	(15,785)	-0.30%
Public safety	19,995,375	18,726,488	1,268,887	6.78%
Health	2,023	1,630	393	24.11%
Transportation	6,851,810	6,875,286	(23,476)	-0.34%
Economic opportunity and development	105,044	74,013	31,031	41.93%
Culture and recreation	4,733,296	4,499,642	233,654	5.19%
Home and community service	17,015,357	16,643,202	372,155	2.24%
Interest	913,108	969,963	(56,855)	-5.86%
Total expenses	<u>54,904,601</u>	<u>53,094,597</u>	<u>1,810,004</u>	<u>3.41%</u>
CHANGES IN NET POSITION	<u>(4,614,824)</u>	<u>(3,246,328)</u>	<u>(1,368,496)</u>	<u>42.16%</u>
NET POSITION, <i>beginning of year</i>	<u>30,234,073</u>	<u>33,480,401</u>	<u>(3,246,328)</u>	<u>-9.70%</u>
NET POSITION, <i>end of year</i>	<u>\$ 25,619,249</u>	<u>\$ 30,234,073</u>	<u>\$ (4,614,824)</u>	<u>-15.26%</u>

Governmental Activities

During 2017, governmental activities decreased the Village's net position by \$4.61 million.

For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$50.29 million, decrease of about \$442,000 (0.89%) over prior year revenues of \$49.85 million. Tax revenues of \$26.67 million, comprised of real property taxes, other tax items, and non-property taxes, represented the largest revenue source, at 53.0%. Tax revenues in the prior year totaled \$26.37 million and represented 52.9% of total 2016 revenues.

Charges for services revenues in 2017, the second largest revenue source, totaled \$18.05 million and represented 35.9% of total revenues. In 2016, this revenue source aggregated \$18.21 million, which was 36.5% of total revenues.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Governmental Activities - Continued

Expenses incurred by governmental activities of the Village in 2017 totaled \$54.90 million, an increase of \$1.8 million (3.41%) over prior year expenses of \$53.09 million. The largest components of governmental activities' expenses were public safety (36.4%), home and community services (31.0%), and transportation (12.5%). This was similar to last year when the largest components of government activities' expenses were public safety (35.3%), home and community services (31.3%), and transportation (12.9%). The major changes in 2017 vs. 2016 were as follows:

Revenues

- Charges for services were \$18.05 million in 2017, which was about \$160,800 (-0.88%) less than the amount received in 2016 (\$18.21 million). Although the water and sewer rates were increased by 5.0% in 2017 to pay debt service costs on water and sewer infrastructure and capital improvements, water consumption decreased approximately 4.9% between 2017 and 2016, leaving water and sewer rent revenues virtually unchanged year-to-year.
- Real property taxes increased by about \$198,000 to \$21.84 million, due primarily to the 1.90% increase in the real property tax levy in 2017, with the same tax rate in 2017 as in 2016.
- Non-property taxes increased by over \$114,000 in 2017, to \$4.56 million in 2017, due primarily to increased sales tax distribution revenues in 2017.

Expenses

- Public safety expenses increased by \$1.27 million from approximately \$18.73 million in 2016 to \$20.00 million in 2017, due primarily to increased salaries and operating expenses (by approximately \$404,000), OPEB expenses (by approximately \$366,000), and GASB 68 pension expenses (by approximately \$251,000).
- Employee benefits: The Village's self-insured health and medical benefit claims expenses decreased by approximately \$600,000 (10.1%), and aggregated \$5.37 million for 2017. The Village's self-insured workers' compensation benefit expenses were approximately \$220,000 less in 2017 (at approximately \$891,000) as compared to 2016 (\$1.11 million). These expenses were spread throughout most program expense functions. Because the Village is self-insured for health care and workers' compensation expenses, expenses can vary significantly year-to-year.
- Post-employment health care benefit expenses, net of contributions made, were recorded in 2017 in the amount of \$5.36 million, as compared to \$4.70 million in 2016, an increase of \$660,000. These expenses are allocated throughout most program expense functions.
- In addition to the \$2.95 million recorded in the operating funds for the employer's share of retirement system benefits in 2017 (\$2.86 million for 2016), the additional amount of pension liability recorded in the entity-wide financial statements due to the application of GASB 68 (see Note 9 in the notes to financial statements) was \$1.2 million for 2017, as compared to nearly \$820,000 for 2016, an increase of approximately \$387,000.

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.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$22.53 million, a net increase of approximately \$207,000 from the prior year amount of \$22.32 million.

The non-spendable fund balance component was \$807,631 at December 31, 2017 (\$780,330 in 2016), consisting of amounts representing prepaid expenditures and inventories. The restricted fund balance component of \$3,310,417 at December 31, 2017 (\$3,921,891 in 2016) 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, \$13,650 at the end of 2017, consists of amounts set aside for economic development (\$11,864 in 2016). The assigned fund balance component of \$6,829,725 at the end of 2017 (\$8,494,016 in 2016) consists of amounts set aside for purchases on order (\$307,846), subsequent year expenditures (\$1,355,488), and amounts for Water Fund, Sewer Fund and Section 8 Housing Fund (\$5,166,391 total). The remainder of the fund balance at December 31, 2017, \$11,569,132, constitutes unassigned fund balance, all of which is in the General Fund. The amount of unassigned fund balance at December 31, 2016 (prior year) was \$9,115,766.

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

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,569,132, representing 84.4% of the total General Fund balance of \$13,707,542. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures, and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 35.8% unassigned fund balance (\$11,569,132) to total expenditures and other financing uses (\$32,305,078), up from 28.4% at the end of 2016, while total fund balance (\$13,707,542) represented 42.4% of that same amount (up from 34.1% for 2016).

When the fiscal 2017 General Fund budget was adopted, it included the use of \$877,931 accumulated surplus fund balance to reduce property taxes to be levied. In addition, \$148,537 was appropriated for contract and purchase order commitments to be liquidated. During the year, the budget was amended, including accumulated and unreserved fund balance of \$590,450 for capital improvement expenditures, to a revised anticipated use of fund balance aggregating \$1,616,918 for the year. For the 2017 year, actual results of operations resulted in an increase to fund balance of \$2,744,558, consisting of \$4,375,342 excess of revenues over expenditures and \$2,388 in favorable operating transfers out, less \$1,616,918 appropriated fund balance.

Revenues and other financing sources were \$35,049,636, which was \$824,244 more than the final budget. The primary revenues that were more than estimated in the adopted budget (original budget) were non-property taxes (by \$228,499 - mostly for sales tax distribution revenues), departmental income (by \$122,116), and insurance recoveries (by \$147,875 - mostly for health insurance stop-loss revenues). Real property tax revenues were \$93,825 more than the final modified budget.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds - Continued

Expenditures and other financing uses were \$32,305,078, which was \$3,520,968 less than the final budget. Significant positive expenditure variances were for public safety (\$409,215), general government support (\$934,096 - mostly for unexpended legal and contingency appropriations), and employee benefits (\$2,052,586).

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>
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
2013	1,208,627	5,165,804

For 2017, workers' compensation and health care benefits were \$339,003 and \$983,535, respectively, less than the modified budget amounts. Generally, each year the Village receives stop-loss insurance recovery revenues for hospital and medical benefits expenditures, which may be appropriated for such purpose.

Also in 2017, the employer share of retirement employee benefits were less than the amount estimated in the adopted budget - by \$562,446 - due primarily to position vacancies during the year.

Due to the anticipated excess revenues and unexpended appropriations for the 2017 fiscal year, the Board of Trustees appropriated available excess funds of \$744,950 from the 2017 budget for purchase of vehicles and equipment approved in the 2018 Capital Plan. This amount is included as transfers out to the Capital Projects Fund in the 2017 financial statements.

Water Fund - The fund balance of the Water Fund decreased by \$1,811,330 during the year to \$4,345,763 at December 31, 2017. Of this amount, the assigned portion available for future year use was \$4,037,680 (was \$5,850,300 in 2016). No moneys were appropriated in the 2018 adopted budget. It is important to note that water rents receivables at year-end, aggregating approximately \$3.29 million, were billed through March 2018, and although included in fund balance, are not available as cash at year-end.

Revenues and other financing sources of \$10,517,034 were \$242,369 (2.3%) less than estimated in the budget. Expenditures and other financing uses of \$12,328,364 were \$1,577,519 less than budgeted in 2017. A significant portion of the expenditures variance, \$804,363, was attributable to unexpended appropriations for purchase of water, following completion of the Indian Brook reservoir dam reconstruction capital project.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Governmental Funds - Continued

The 2017 Water Fund adopted budget included the use of \$500,000 fund balance, which was reappropriated from the previous year for anticipated water purchases in conjunction with a capital project. In addition, \$89,946 was appropriated for contract and purchase order commitments to be liquidated. During the year, surplus fund balance of \$2,556,534 was appropriated for water capital project improvement expenditures. As of year-end, the appropriated fund balance aggregated \$3,146,480.

Sewer Fund - The fund balance of the Sewer Fund increased by \$26,486 to \$1,471,097 at December 31, 2017. The portion of fund balance that was assigned and available for future year use at year-end was \$1,452,931, of which \$100,000 was appropriated in the 2018 adopted budget. Similar to the Water Fund, a significant portion of fund balance at year-end (\$489,095) is in the form of sewer rents receivables that are billed through March 2018.

Revenues of \$1,619,397 were \$84,665 less than estimated in the budget. Fiscal year expenditures and other uses of \$1,592,911 were \$245,641 less than budgeted. During 2017, available appropriations and surplus fund balance aggregating \$50,800 was transferred to the Capital Projects Fund for the Sewer Fund's proportionate share of capital expenditures.

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$533,158, a decrease of \$2,171 from the prior year, due primarily to the appropriation of fund balance in the 2017 adopted budget. Of the total fund balance at year-end, \$147,083 was appropriated in the 2018 budget.

Section 8 Housing Fund - The Section 8 Housing Fund, which provides Housing Assistance Payments (HAP) for eligible tenants, ended its fiscal year with a fund balance of \$78,299, an increase of \$32,787 from the prior year, on revenues and other financing sources of \$3,461,936.

Special Purpose Fund - The fund balance of the Special Purpose Fund decreased by \$72,516 during the year to \$863,684 as of December 31, 2017, due primarily to \$80,243 authorized by the Village Board for expenditure. At year-end, the balances in the Special Purpose Fund included restricted for downtown development (\$397,845), restricted for affordable housing (\$63,984), and restricted for parklands (\$399,197).

Capital Projects Fund - The Capital Projects Fund ended its 2017 fiscal year with a fund balance of \$1,531,012, from a prior year fund balance of \$2,242,138. Revenues and other financing sources totaled \$4,929,552 for 2017, and expenditures and other financing uses totaled \$5,640,678. The primary reason for the decrease in fund balance was the issuance of bond anticipation notes (BAN's) during the year to finance capital projects which were recorded as a fund liability at year-end in accordance with generally accepted accounting principles.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Proprietary Fund

The Village's proprietary fund provides 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, 2017, was a combined net position balance of \$1,641,110, from a net position of \$1,527,765 for 2016. The Workers' Compensation Benefits Fund had a restricted net position balance of \$1,625,690, while the General Liability Claims Fund had a restricted net position balance of \$15,420 at year-end. Total assets were \$5,264,601, and total liabilities were \$3,623,491 at year-end.

In the Workers' Compensation Benefits Fund, total revenues were \$1,037,691 and operating expenses were \$938,638, resulting in a net position increase of \$99,053. Based on computations from the Village's actuary, the accrued liability at year-end for workers' compensation benefits was decreased by \$14,000, as compared to a decrease of \$403,000 at the end of 2016 (prior year). In the General Liability Claims Fund, total revenues and transfers were \$734,086 and operating expenses were \$719,794, resulting in an increase in net position of \$14,292 for the year, to a net position of \$15,420 as of December 31, 2017.

Budgetary Highlights

General Fund

For 2017, the difference between the appropriations originally budgeted (\$35,152,860) and the final appropriations for the General Fund (\$35,842,310) was an increase to the budget of \$689,450, for the following purposes:

- Prior year contract and purchase order commitments carried over to 2017, \$148,537;
- Excess revenues appropriated for departmental expenditures, \$65,463; and
- The appropriation of accumulated surplus fund balance (of \$590,450), excess revenues received (of \$125,000), and unexpended appropriations from departmental operations (of \$352,763) aggregating \$1,068,213 for capital infrastructure improvements (transferred to the Capital Projects Fund), instead of issuing serial bonds. Of this amount, \$744,950 pertained to 2018 Capital Plan vehicles and equipment.

In addition to the above budget increases that aggregated \$1,282,213, the budget was also reduced by a net \$240,000 to eliminate serial bond borrowing for tax certiorari claims. When the 2017 budget was adopted, the Village anticipated issuing a serial bond in the amount of \$270,000 for potential tax certiorari claims. As the 2017 year progressed, it became evident that the amount of tax certiorari claims in 2017 would be significantly less. Consequently, the Village decided to not issue such bonds, and to instead use General Fund reserves of \$85,863 to pay for tax certiorari claims.

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.

Other significant budget vs. actual expenditure variances in the General Fund were due to unexpended appropriations for police department (\$333,509), law (\$223,210), and for retirement employee benefit costs (\$562,446).

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Budgetary Highlights - Continued

Water Fund

The Water Fund appropriations were increased by \$2,646,480 during 2017, from \$11,259,403 in the adopted budget, to \$13,905,883. In the Water Fund, the Village appropriated \$89,945 for prior year contracts and purchase order commitments, and appropriated accumulated surplus fund balance in the amount of \$2,556,534 (to the Capital Projects Fund) to replace water mains and for other water capital improvements, instead of issuing serial bonds.

As noted previously, of the \$1,577,519 in unexpended appropriations for 2017, more than \$800,000 was attributable to the purchased water appropriation accounts in connection with the Indian Brook reservoir and dam rehabilitation capital project.

Sewer Fund

The Sewer Fund budget was also increased during 2017, by \$20,490, to \$1,838,552, primarily from the appropriation of accumulated surplus fund balance in the amount of \$19,650 for transfer to the Capital Projects Fund.

Section 8 Housing Fund

The budget for the Section 8 Housing Fund was increased by \$92,348 during the year, to \$3,429,148, 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, 2017, net of \$157,995,345 of accumulated depreciation, was \$74,810,301. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress.

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

Table 3 - Capital Assets as of December 31, 2017 and 2016

	Governmental Activities	
	2017	2016
Land	\$ 2,541,562	\$ 2,486,362
Land Improvements	7,392,050	7,286,125
Buildings and Improvements	47,206,603	46,628,313
Machinery and equipment	154,566,838	18,639,280
Infrastructure	18,918,493	148,250,538
Construction in progress	2,180,100	4,301,557
Total capital	232,805,646	227,592,175
Accumulated depreciation	(157,995,345)	(151,850,702)
Total capital assets, net of depreciation	\$ 74,810,301	\$ 75,741,473

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

Financial Analysis of the Village's Funds - Continued

Capital Asset and Debt Administration - Continued

Increases in capital assets represent various land improvement, building, equipment, and infrastructure projects, including but not limited to, the Indian Brook water reservoir and dam capital project, water mains relining and replacement, street resurfacing and sidewalks, and continuation of the LED street lighting project.

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

Long-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$28,840,000. As required by New York State law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

The Village did not issue any general obligation bonds in 2017. During the year, the Village retired \$2,800,000 of general obligation debt from budgetary appropriations.

During the current fiscal year, the Village issued short-term obligations (bond anticipation notes (BANs)) of \$4,752,869 to finance vehicles and equipment for various departments (\$807,580), fire apparatus (\$650,000), capital repairs and improvements to municipal facilities (\$82,000), reconstruction and resurfacing of streets (\$250,000), Phase 2 engineering costs for a new water treatment plant facility (\$1,134,900), and to renew prior year capital projects BANs for \$1,828,389. The Village retired \$250,983 of short-term debt from budgetary appropriations during the year.

With the issuance of serial bonds in 2016, 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 2017, 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 2016 when the last serial bond was issued, the Village had exhausted 14.48% of its constitutional debt limit, and had the authority to issue an additional \$112,334,273 of general obligation long-term debt.

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

Next Year's Budgets and Rates

In the 2018 General Fund adopted budget, the Village appropriated \$1,108,405 of unassigned fund balance for spending in fiscal 2018, which included \$458,405 for one-time, non-recurring purposes. The real property tax rate for the 2018 Village General Fund is \$10.8492 per \$1,000 of taxable assessed value (AV), which was the same rate as for 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 1.09% from 2017 to 2018. The 2018 adopted budget was within the property tax levy limitations. No local law was considered to authorize an override of the property tax levy limitations.

Village of Ossining, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements - Continued

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, 2017
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 30,415,946
Receivables	
Accounts	4,173,607
Taxes, net	230,465
Other governments	2,081,824
Other	21,150
Due from fiduciary fund	2,476
Inventory	20,134
Prepaid expenses	787,497
Capital assets, net	
Non-depreciable	4,721,662
Depreciable	70,088,639
Total assets	<u>112,543,400</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on bond refunding	303,560
Pension deferrals	8,412,139
Total deferred outflows of resources	<u>8,715,699</u>
Total assets and deferred outflows of resources	<u>121,259,099</u>
LIABILITIES	
Accounts payable and accrued expenses	2,777,899
Interest payable	153,359
Unearned revenue	350,466
Bond anticipation notes	4,752,869
Long-term liabilities	
Due within one year	3,384,105
Due in more than one year	
Claims payable	3,143,700
Bonds payable	26,475,965
Energy performance contract debt	1,389,040
Compensated absences	1,126,418
Net pension liability	7,668,212
Other postemployment benefits	40,680,000
Total liabilities	<u>91,902,033</u>
DEFERRED INFLOWS OF RESOURCES	
Real property taxes received in advance	2,097,598
Pension deferrals	1,640,219
Total liabilities and deferred inflows of resources	<u>3,737,817</u>
Total liabilities and deferred inflows of resources	<u>95,639,850</u>
NET POSITION	
Net investment in capital assets	44,035,649
Restricted for	
Capital improvements	1,884,039
Self-insurance claims	1,641,110
Debt service	533,158
Crime control	29,536
Trusts	863,684
Unrestricted deficit	(23,367,927)
Total net position	<u>\$ 25,619,249</u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Activities

Functions/Programs	Year Ended December 31, 2017				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	\$ 5,288,588	\$ 1,139,668	\$ 24,118	\$ -	\$ (4,124,802)
Public safety	19,995,375	2,437,294	16,861	-	(17,541,220)
Health	2,023	595	-	-	(1,428)
Transportation	6,851,810	545,428	-	237,140	(6,069,242)
Economic opportunity and development	105,044	93,397	-	-	(11,647)
Culture and recreation	4,733,296	1,110,590	10,219	485,000	(3,127,487)
Home and community services	17,015,357	12,724,571	3,388,236	-	(902,550)
Interest on long-term debt	913,108	-	-	-	(913,108)
Total governmental activities	54,904,601	18,051,543	3,439,434	722,140	(32,691,484)
General revenues					
Real property taxes					21,837,613
Real property tax items					265,072
Sales and use taxes					4,563,499
Use of money and property					471,177
Sale of property and compensation for loss					221,975
Miscellaneous local sources					104,534
Unrestricted State aid					562,690
Gifts and donations					50,100
Total general revenues					28,076,660
CHANGE IN NET POSITION					(4,614,824)
NET POSITION, beginning of year					30,234,073
NET POSITION, end of year					\$ 25,619,249

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Balance Sheet - Governmental Funds

	December 31, 2017					
	Major Funds			Other	Eliminations	Total
	General	Water	Capital Projects	Governmental		
ASSETS						
Cash and cash equivalents	\$ 15,288,801	\$ 1,620,959	\$ 5,966,010	\$ 2,358,506	\$ -	\$ 25,234,276
Receivables						
Accounts	391,549	3,292,963	-	489,095	-	4,173,607
Taxes, net	230,465	-	-	-	-	230,465
Other governments	1,242,153	12,166	672,141	150,839	-	2,077,299
Other	-	-	-	21,150	-	21,150
Due from other funds	20,343	-	68,190	-	(88,533)	-
Due from fiduciary fund	2,476	-	-	-	-	2,476
Inventory	20,134	-	-	-	-	20,134
Prepaid expenditures	671,736	91,282	-	24,479	-	787,497
	<u>\$ 17,867,657</u>	<u>\$ 5,017,370</u>	<u>\$ 6,706,341</u>	<u>\$ 3,044,069</u>	<u>\$ (88,533)</u>	<u>\$ 32,546,904</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,425,190	\$ 636,461	\$ 422,460	\$ 53,217	\$ -	\$ 2,537,328
Due to other funds	67,813	-	-	20,720	(88,533)	-
Due to internal service funds	65,312	10,350	-	2,744	-	78,406
Unearned revenue	304,520	24,796	-	21,150	-	350,466
Bond anticipation notes	-	-	4,752,869	-	-	4,752,869
	<u>1,862,835</u>	<u>671,607</u>	<u>5,175,329</u>	<u>97,831</u>	<u>(88,533)</u>	<u>7,719,069</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred tax revenues	199,682	-	-	-	-	199,682
Real property taxes received in advance	2,097,598	-	-	-	-	2,097,598
	<u>2,297,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,297,280</u>
FUND BALANCES						
Nonspendable	691,870	91,282	-	24,479	-	807,631
Restricted	165,762	216,801	1,531,012	1,396,842	-	3,310,417
Committed	13,650	-	-	-	-	13,650
Assigned	1,267,128	4,037,680	-	1,524,917	-	6,829,725
Unassigned	11,569,132	-	-	-	-	11,569,132
Total fund balances	<u>13,707,542</u>	<u>4,345,763</u>	<u>1,531,012</u>	<u>2,946,238</u>	<u>-</u>	<u>22,530,555</u>
	<u>\$ 17,867,657</u>	<u>\$ 5,017,370</u>	<u>\$ 6,706,341</u>	<u>\$ 3,044,069</u>	<u>\$ (88,533)</u>	<u>\$ 32,546,904</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, 2017
Total fund balances in the fund financial statements for the governmental funds.	\$ 22,530,555
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.	74,810,301
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.	(110,080)
Deferred outflows and inflows are included in the government-wide statements and are added:	
Deferred outflows - deferred amounts on refunding bonds	303,560
Deferred outflows - pension resources	8,412,139
Deferred inflows - pension resources	(1,640,219)
Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	199,682
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.	1,641,110
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(29,293,510)
Energy performance contract debt	(1,481,142)
Other postemployment benefits	(40,680,000)
Net pension liability	(7,668,212)
Compensated absences	(1,251,576)
Accrued interest	(153,359)
Total net position, end of year	\$ 25,619,249

Village of Ossining, New York

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

	Year Ended December 31, 2017					
	Major Funds					
	General	Water	Capital Projects	Other Governmental	Eliminations	Total
REVENUES						
Real property taxes	\$ 21,857,353	\$ -	\$ -	\$ -	\$ -	\$ 21,857,353
Real property tax items	265,072	-	-	-	-	265,072
Non-property taxes	4,563,499	-	-	-	-	4,563,499
Departmental revenues	1,916,554	10,393,845	-	1,612,965	-	13,923,364
Intergovernmental charges	3,212,844	-	-	-	-	3,212,844
Use of money and property	456,630	6,979	-	7,568	-	471,177
Licenses and permits	389,217	-	-	-	-	389,217
Fines and forfeitures	526,118	-	-	-	-	526,118
Sale of property and compensation for loss	205,650	11,312	-	5,013	-	221,975
Miscellaneous local sources	119,761	29,898	-	4,975	-	154,634
Interfund revenues	873,050	-	-	-	-	873,050
State aid	613,888	-	722,140	-	-	1,336,028
Federal aid	-	-	-	3,388,236	-	3,388,236
Total revenues	34,999,636	10,442,034	722,140	5,018,757	-	51,182,567
EXPENDITURES						
General government support	3,054,988	558,793	-	119,408	-	3,733,189
Public safety	10,141,483	-	-	-	-	10,141,483
Health	2,033	-	-	-	-	2,033
Transportation	2,143,526	-	-	-	-	2,143,526
Economic opportunity and development	19,065	-	-	75,772	-	94,837
Culture and recreation	2,600,247	-	-	4,471	-	2,604,718
Home and community services	1,860,483	6,377,276	-	4,100,366	-	12,338,125
Employee benefits	9,021,716	1,026,912	-	360,105	-	10,408,733
Capital outlays	282,572	65,819	5,605,413	-	-	5,953,804
Debt service						
Principal	196,570	144,772	-	2,800,000	-	3,141,342
Interest	7,085	23,430	-	915,439	-	945,954
Total expenditures	29,329,768	8,197,002	5,605,413	8,375,561	-	51,507,744
Excess (deficiency) of revenues over expenditures	5,669,868	2,245,032	(4,883,273)	(3,356,804)	-	(325,177)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	50,000	75,000	3,675,547	3,908,571	(7,709,118)	-
Operating transfers out	(2,975,310)	(4,131,362)	(35,265)	(567,181)	7,709,118	-
Bonds redeemed from appropriations	-	-	250,983	-	-	250,983
Proceeds from long-term debt issuance	-	-	280,882	-	-	280,882
	(2,925,310)	(4,056,362)	4,172,147	3,341,390	-	531,865
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,744,558	(1,811,330)	(711,126)	(15,414)	-	206,688
FUND BALANCES, beginning of year	10,962,984	6,157,093	2,242,138	2,961,652	-	22,323,867
FUND BALANCES, end of year	\$ 13,707,542	\$ 4,345,763	\$ 1,531,012	\$ 2,946,238	\$ -	\$ 22,530,555

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, 2017
Net change in fund balances shown for total governmental funds.	\$ 206,688
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	5,626,209
Disposal of assets	(17,738)
Depreciation expense	<u>(6,539,643)</u>
	(931,172)
Retainages are not reported in the governmental funds unless due and payable, and result in an expense in the statement of activities when accrued.	40,214
Other postemployment obligations are not reported in the governmental funds. This liability is shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.	(5,360,000)
Real property taxes that do not provide current financial resources are reported as revenues in the statement of activities, but not in the fund financial statements.	(19,740)
Revenues and expenditures of internal service funds are included in the governmental funds in the statement of activities.	113,345
Proceeds from the issuance of new debt are included in the statement of revenues, expenditures, and changes in fund balance as revenue, but increase bonds payable and energy performance contract principal in the statement of net position.	(280,882)
Bond and energy contract debt principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities, and not shown as expenses in the statement of activities. Additionally, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities. The payment amounts and amortization for the current year are as follows:	
Principal paid on bonds	2,800,000
Principal paid on energy performance contract	90,359
Amortization of premium	77,545
Amortization of deferred loss on refunding	(63,139)
Net pension liability is not reported in the governmental funds. This liability is shown in the statement of net position as a noncurrent liability and in the statement of activities as an expense.	4,703,061
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	18,440
Deferred outflows of resources - pension related	319,135
Deferred inflows of resources - pension related	(6,229,199)
Compensated absence	<u>(99,479)</u>
	(5,991,103)
Change in net position of governmental activities shown in the statement of activities	<u>\$ (4,614,824)</u>

See accompanying Notes to Financial Statements.

Village of Ossining, New York

Statement of Net Position - Internal Service Funds

	December 31, 2017
	Internal Service Funds
ASSETS	
Cash and cash equivalents	\$ 5,181,670
Due from other governments	4,525
Due from other funds	78,406
Total assets	<u>5,264,601</u>
LIABILITIES	
Accounts payable	130,491
Claims payable, current	349,300
Claims payable, noncurrent	<u>3,143,700</u>
Total liabilities	<u>3,623,491</u>
NET POSITION	
Restricted	<u>1,641,110</u>
Total net position	<u>\$ 1,641,110</u>

Village of Ossining, New York

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

	Year Ended December 31, 2017
	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 1,538,233
Insurance recoveries	225,569
	<u>1,763,802</u>
OPERATING EXPENSES	
Insurance	878,347
Contractual expenses	205,082
Employee benefits	520,129
Judgments and claims	54,874
Total operating expenses	<u>1,658,432</u>
Operating income	105,370
NONOPERATING REVENUES	
Interest revenue	<u>7,975</u>
CHANGE IN NET POSITION	113,345
NET POSITION, <i>beginning of year</i>	<u>1,527,765</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,641,110</u>

Village of Ossining, New York

Statement of Cash Flows - Internal Service Funds

	Year Ended December 31, 2017
	Internal Service Funds
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Cash received from charges for services and insurance recoveries	\$ 1,713,670
Cash payments to insurance and claimants	(1,554,941)
	158,729
NET CASH PROVIDED BY INVESTING ACTIVITIES	
Interest income	7,975
Net increase in cash and cash equivalents	166,704
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	5,014,966
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 5,181,670
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ 105,370
Change in assets and liabilities	
Accounts receivable	32,799
Due from other governments	(4,525)
Due from other funds	(78,406)
Accounts payable	130,491
Claims payable, current and noncurrent	(27,000)
	\$ 158,729

Village of Ossining, New York

Statement of Net Position - Fiduciary Fund

	December 31, 2017
	Trust and Agency
ASSETS	
Cash and cash equivalents	\$ 293,836
Receivables	<u>22,000</u>
	<u>\$ 315,836</u>
LIABILITIES	
Accounts payable	\$ 21,579
Employee payroll deductions	46,842
Deposits	244,939
Due to other funds	<u>2,476</u>
	<u>\$ 315,836</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 1 - Organization and Summary of Significant Accounting Policies

The Village of Ossining, New York (Village) was established in 1813 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body charged with governance of the Village. The Village Manager serves as the chief executive officer, and the Village Treasurer serves as the chief fiscal officer. The Village provides services to residents including public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services.

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

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

a. Financial Reporting Entity

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

b. Government-Wide and Fund Financial Statements

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

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

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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

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

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

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 requires that expenditures and liabilities, such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies are recognized as revenues when all requirements of the grant and/or subsidy have been satisfied.

The Village reports the following major governmental funds:

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

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

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

The Village reports the following non-major governmental funds:

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.

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, 2017

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 fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- ii. The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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 generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose fund. The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

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

f. Cash and Cash Equivalents

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

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

The Village is required to collateralize its cash deposits in excess of the FDIC limit. This collateral is in the form of government and government agencies' securities pledged by the bank, under a third-party trust agreement. As of December 31, 2017, the collateral was sufficient to secure the Village's deposits.

g. Short-Term Interfund Receivables/Payables

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

h. Accounts Receivable

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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

i. Capital Assets

Governmental Funds

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

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

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2017.

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 \$303,560 for a deferred loss on refunding bonds in the government-wide statement of net position. This results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Additionally, pension related deferred outflows of resources and deferred inflows of resources occur as described in Note 9.

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.

k. Employee Benefits

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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

k. Employee Benefits - Continued

Compensated Absences - Continued

Certain employees are entitled to accumulate up to 275 days of sick leave. Additionally, after three years of service, unused personal time can be accumulated as sick time, to a maximum of twenty days. Upon retirement or termination, 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. It has been the Village's practice to compensate employees for unused vacation time upon separation of service. The value for compensated absences has been reflected in the government-wide financial statements.

Postemployment Benefits

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

l. Long-Term Debt Obligations

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

Governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. Net Position

The following terms are used in reporting net position:

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

Restricted consists of amounts that have restraints that are either:

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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

m. Net Position - Continued

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

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

n. Fund Balance

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

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

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

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

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

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

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

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

o. Property Taxes

Real property taxes attach as an enforceable lien on real property as of January 1st and are levied and payable in two installments due in January and July. The Village is responsible for the billing and collections of its taxes. The Village is also responsible for conducting in-rem foreclosure proceedings. The Village records an estimate for uncollectible taxes based upon collection rates from previous years.

p. Subsequent Events

The Village has evaluated subsequent events for potential recognition or disclosure through July 31, 2018, the date the financial statements were available to be issued.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 2 - Taxes Receivable

Taxes receivable at December 31, 2017 consist of the following:

Taxes, current	\$ 191,924
Taxes, overdue	82,134
	<u>274,058</u>
Allowance for uncollectable taxes	<u>(43,593)</u>
	<u><u>\$ 230,465</u></u>

Taxes receivable in the fund financial statements are partially offset by deferred tax revenues of \$199,682 which represents the taxes receivable that were not collected within the first sixty days of the subsequent year.

Note 3 - Capital Assets

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

	Balance at January 1, 2017	Additions	Disposals	Balance at December 31, 2017
<i>Depreciable assets</i>				
Land improvements	\$ 7,286,125	\$ 105,925	\$ -	\$ 7,392,050
Buildings and improvements	46,628,313	578,290	-	47,206,603
Machinery and equipment	18,639,280	691,951	(412,738)	18,918,493
Infrastructure	148,250,538	6,316,300	-	154,566,838
	<u>220,804,256</u>	<u>7,692,466</u>	<u>(412,738)</u>	<u>228,083,984</u>
Accumulated depreciation	<u>(151,850,702)</u>	<u>(6,539,643)</u>	<u>395,000</u>	<u>(157,995,345)</u>
Total depreciable assets	<u>68,953,554</u>	<u>1,152,823</u>	<u>(17,738)</u>	<u>70,088,639</u>
<i>Non-depreciable assets</i>				
Land	2,486,362	55,200	-	2,541,562
Construction in progress	4,301,557	4,841,243	(6,962,700)	2,180,100
	<u>6,787,919</u>	<u>4,896,443</u>	<u>(6,962,700)</u>	<u>4,721,662</u>
Total net capital assets	<u>\$ 75,741,473</u>	<u>\$ 6,049,266</u>	<u>\$ (6,980,438)</u>	<u>\$ 74,810,301</u>

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

General government support	\$ 239,860
Public safety	675,498
Transportation	3,234,339
Culture and recreation	760,506
Home and community services	<u>1,629,440</u>
Total depreciation expense	<u><u>\$ 6,539,643</u></u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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, 2017	New Issues	Principal Payments	Balance on December 31, 2017
Fire Department SCBA Cylinders	9/2012	-	1.16%	\$ 7,040	\$ -	\$ (7,040)	\$ -
DPW Truck	9/2013	9/2018	1.09%	16,000	-	(8,000)	8,000
Police Vehicles - 2015	9/2015	9/2018	1.09%	82,666	-	(41,333)	41,333
Fire Chief's Vehicle - 2015	9/2015	9/2018	1.09%	33,333	-	(16,667)	16,666
Recreation Department Vehicle	9/2015	9/2018	1.09%	23,333	-	(11,667)	11,666
IBW Reservoir Dam - 2016	9/2016	9/2018	1.09%	700,000	-	(35,000)	665,000
Police Vehicles - 2016	9/2016	9/2018	1.09%	136,500	-	(45,500)	91,000
Parking Enforcement Vans	9/2016	9/2018	1.09%	50,000	-	(16,667)	33,333
Building Department Vehicle	9/2016	9/2018	1.09%	25,000	-	(8,334)	16,666
Mobile Data Terminals	9/2016	9/2018	1.09%	70,000	-	(14,000)	56,000
IBWTP Phase 1 Engineering Costs	9/2016	9/2018	1.09%	935,500	-	(46,775)	888,725
IBWTP Phase 2 Engineering Costs	9/2017	9/2018	1.09%	-	1,134,900	-	1,134,900
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
Storage Structure	9/2017	9/2018	1.09%	-	10,000	-	10,000
				<u>\$ 2,079,372</u>	<u>\$ 2,924,480</u>	<u>\$ (250,983)</u>	<u>\$ 4,752,869</u>

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

Interest expense of \$24,121 was recorded in both the government-wide and fund financial statements.

Note 5 - Bonds and Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds and related premiums					
Bonds payable	\$ 31,640,000	\$ -	\$ 2,800,000	\$ 28,840,000	\$ 2,740,000
Unamortized bond premiums	531,055	-	77,545	453,510	77,545
	<u>32,171,055</u>	<u>-</u>	<u>2,877,545</u>	<u>29,293,510</u>	<u>2,817,545</u>
Other long-term liabilities					
Energy performance contract debt	1,290,619	280,882	90,359	1,481,142	92,102
Claims payable	3,520,000	674,371	701,371	3,493,000	349,300
Other postemployment benefits	35,320,000	7,030,000	1,670,000	40,680,000	-
Net pension liability	12,371,273	-	4,703,061	7,668,212	-
Compensated absences	1,152,097	214,689	115,210	1,251,576	125,158
Total other long-term liabilities	<u>53,653,989</u>	<u>8,199,942</u>	<u>7,280,001</u>	<u>54,573,930</u>	<u>566,560</u>
Total long-term liabilities	<u>\$ 85,825,044</u>	<u>\$ 8,199,942</u>	<u>\$ 10,157,546</u>	<u>\$ 83,867,440</u>	<u>\$ 3,384,105</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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 5 - Bonds and Long-Term Liabilities - Continued

Bonds Payable

A summary of the Village's bonds payable at December 31, 2017 is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Public Improvements	2007	Nov-27	3.75% to 5.00%	\$ 2,425,000
Refunding Bond	2009	Mar-19	3.00% to 5.00%	355,000
Refunding Bond	2009	Jun-21	3.00% to 5.00%	845,000
Public Improvements	2010	Nov-30	3.00% to 4.00%	4,295,000
Public Improvements	2011	Nov-31	2.25% to 3.75%	1,665,000
Refunding Bond	2012	Oct-24	3.00% to 4.00%	3,725,000
Public Improvements	2012	Nov-32	2.00% to 3.00%	2,590,000
Public Improvements	2013	Nov-33	3.00% to 4.00%	2,490,000
Public Improvements	2014	Nov-34	2.00% to 3.25%	3,755,000
Public Improvements	2015	Sep-26	2.08%	615,000
Refunding Bond	2016	Sep-36	2.00% to 2.50%	3,623,000
Public Improvements	2016	Sep-36	2.00% to 2.50%	2,457,000
Total bonds payable				<u>\$ 28,840,000</u>

Interest expense of \$915,439 was recorded in the fund financial statements in the Debt Service Fund.

The Village's constitutional debt limit is approximately \$131.3 million. Excluding certain debt issued for water supply and distribution and sewer projects, the Village has outstanding debt obligations of approximately \$19 million toward this limit.

Energy Performance Contract Debt

A summary of the Village's energy performance contract debt at December 31, 2017 is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Facilities Upgrade	2012	Jan-24	1.43%	<u>\$ 586,002</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, 2017. 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 \$6,394 pertaining to energy performance contract debt was recorded in both the government-wide and fund financial statements.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 5 - Bonds and Long-Term Liabilities - Continued

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,						
2018	\$ 2,740,000	\$ 836,173	\$ 92,102	\$ 2,294	\$ 2,832,102	\$ 838,467
2019	2,580,000	760,309	92,657	2,031	2,672,657	762,340
2020	2,520,000	689,469	93,214	1,633	2,613,214	691,102
2021	2,475,000	619,780	93,781	1,229	2,568,781	621,009
2022	2,220,000	553,953	95,354	819	2,315,354	554,772
2023 through 2027	9,410,000	1,831,532	118,894	448	9,528,894	1,831,980
2028 through 2032	5,460,000	623,520	-	-	5,460,000	623,520
2033 through 2036	1,435,000	86,577	-	-	1,435,000	86,577
	<u>\$ 28,840,000</u>	<u>\$ 6,001,313</u>	<u>\$ 586,002</u>	<u>\$ 8,454</u>	<u>\$ 29,426,002</u>	<u>\$ 6,009,767</u>

Note 6 - Fund Balance

Fund balance is as follows:

	General	Water	Capital Projects	Other Governmental
Nonspendable				
Prepaid expenditures	\$ 671,736	\$ 91,282	\$ -	\$ 24,479
Inventories	20,134	-	-	-
	<u>691,870</u>	<u>91,282</u>	<u>-</u>	<u>24,479</u>
Restricted				
Capital reserve	136,226	216,801	1,531,012	-
Crime control	29,536	-	-	-
Debt Service	-	-	-	533,158
Trusts	-	-	-	863,684
	<u>165,762</u>	<u>216,801</u>	<u>1,531,012</u>	<u>1,396,842</u>
Committed				
Economic development	13,650	-	-	-
Assigned for				
Special revenue purposes	-	3,894,423	-	1,271,968
Encumbrances	158,723	143,257	-	5,866
Appropriated	1,108,405	-	-	247,083
	<u>1,267,128</u>	<u>4,037,680</u>	<u>-</u>	<u>1,524,917</u>
Unassigned	11,569,132	-	-	-
Total fund balance	<u>\$ 13,707,542</u>	<u>\$ 4,345,763</u>	<u>\$ 1,531,012</u>	<u>\$ 2,946,238</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 7 - Interfund Transactions

Interfund balances are as follows at December 31, 2017:

Due To Other Funds	Due From Other Funds		
	General Fund	Capital Projects	Internal Service
General	\$ -	\$ 67,813	\$ 65,312
Water	-	-	10,350
Sewer	-	377	2,744
Section 8 Housing	20,343	-	-
Fiduciary	2,476	-	-
	<u>\$ 22,819</u>	<u>\$ 68,190</u>	<u>\$ 78,406</u>

Interfund transfers during the year are as follows:

Transfers From	Transfers To						
	General	Special Purpose	Capital	Water	Debt Service	Section 8	Total
General	\$ -	\$ -	\$ 1,068,213	\$ -	\$ 1,833,466	\$ 73,631	\$ 2,975,310
Water	-	-	2,556,534	-	1,574,828	-	4,131,362
Sewer	-	-	50,800	-	391,381	-	442,181
Capital	-	1,578	-	-	33,687	-	35,265
Debt Service	50,000	-	-	75,000	-	-	125,000
	<u>\$ 50,000</u>	<u>\$ 1,578</u>	<u>\$ 3,675,547</u>	<u>\$ 75,000</u>	<u>\$ 3,833,362</u>	<u>\$ 73,631</u>	<u>\$ 7,709,118</u>

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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 8 - Claims Payable - Continued

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

	Workers' Compensation	General Liability	Total
Balance, <i>beginning of year</i>	\$ 2,756,000	\$ 764,000	\$ 3,520,000
Provision for claims and claims adjustment expenses	520,129	154,242	674,371
Expenses paid	<u>(534,129)</u>	<u>(167,242)</u>	<u>(701,371)</u>
Balance, <i>end of year</i>	<u>\$ 2,742,000</u>	<u>\$ 751,000</u>	<u>\$ 3,493,000</u>
Current portion	<u>\$ 274,200</u>	<u>\$ 75,100</u>	<u>\$ 349,300</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.

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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 9 - New York State Retirement System - Continued

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, 2017, was 15.5% and 24.3% 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 \$1,396,969 (ERS) and \$1,645,851 (PFRS) were equal to 100% of the actuarially required contributions for the plan year ended March 31, 2017. The current System contributions for the Village were charged to various departments within the governmental funds and proprietary fund.

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

At December 31, 2017, the Village reported a total liability of \$7,668,212 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. 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, 2017, the Village's proportion was .0368903% in the Employee Retirement System and .2027316% in the Police and Fire Retirement System.

For the year ended December 31, 2017, the Village recognized pension expense of \$4,349,552. At December 31, 2017, 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	\$ 638,082	\$ 1,252,375
Changes of assumptions	3,254,321	-
Net differences between projected and actual investment earnings on pension plan investments	1,319,910	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,277	387,844
Pension contributions subsequent to the measurement date	3,142,549	-
Total	<u>\$ 8,412,139</u>	<u>\$ 1,640,219</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. 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,	
2018	\$ 1,381,675
2019	1,381,675
2020	1,299,528
2021	(524,743)
2022	91,236
	<hr/>
Total	<u>\$ 3,629,371</u>

d. Actuarial Assumptions

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. 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

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, 2016 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.

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 9 - New York State Retirement System - Continued

d. Actuarial Assumptions - Continued

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%	4.60%
International equity	14.00%	6.40%
Private equity	10.00%	7.80%
Real estate	10.00%	5.80%
Bonds and mortgages	17.00%	1.30%
Other	13.00%	1.50% - 5.90%
	<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.

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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	ERS		
	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	<u>\$ 11,070,649</u>	<u>\$ 3,466,292</u>	<u>\$ (2,963,178)</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>\$ 11,912,200</u>	<u>\$ 4,201,920</u>	<u>\$ (2,265,117)</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 9 - New York State Retirement System - Continued

g. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows (amounts in thousands):

	ERS	PFRS	Total
Employer's total pension liability	\$ 177,400,586	\$ 31,670,483	\$ 209,071,069
Plan net position	(168,004,363)	(29,597,830)	(197,602,193)
Employer's net pension liability	<u>\$ 9,396,223</u>	<u>\$ 2,072,653</u>	<u>\$ 11,468,876</u>
Ratio of plan net position to the employers' total pension liability	<u>94.7%</u>	<u>93.5%</u>	<u>94.5%</u>

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 \$67,532 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

	Number of Subscribers
Active	168
Retired	<u>113</u>
Total	<u>281</u>

The Village's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Contributions

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

Funding Policy

The contribution requirements of plan members and the Village are established and may be amended by the Village Board. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended December 31, 2017, the Village paid approximately \$1,670,000 on behalf of the plan members.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding, that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously "required." The Village's actual OPEB cost for the year, the amount actually paid on behalf of the plan, and changes in the Village's OPEB obligation to the plan for the year ended December 31, 2017, are as follows:

Annual required contribution (ARC)	\$ 7,520,000
Interest on net OPEB obligation (NOO)	1,590,000
Adjustment to ARC	<u>(2,080,000)</u>
Annual OPEB cost	7,030,000
Contributions made	<u>(1,670,000)</u>
Increase	5,360,000
NOO at beginning of year	<u>35,320,000</u>
NOO at end of year	<u>\$ 40,680,000</u>
Actuarial accrued liability	\$ 80,290,000
Funded OPEB plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 80,290,000</u>
Funded ratio	0%
Covered payroll	\$ 17,290,000
UAAL as a percentage of covered payroll	464.37%

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 10 - Other Postemployment Benefits (OPEB) - Continued

Annual OPEB Cost and Net OPEB Obligation - Continued

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 7,030,000	23.8%	\$ 40,680,000
2016	6,680,000	29.6%	35,320,000
2015	7,600,000	17.9%	30,620,000

Actuarial Methods and Assumptions

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the OPEB plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is 9.5% for the first year, decreases in years two through ten by .5% per year through year ten then continues at 5% thereafter. The amortization basis is the level percentage of payroll method with an open amortization approach with 24 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, a 3% inflation rate and a 3% annual payroll growth. The Village currently has no assets set aside for the purpose of paying post-employment benefits. The actuarial cost method utilized was the projected unit credit method.

Note 11 - Tax Abatements

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

Information relevant to disclosure of these agreements for the year ended December 31, 2017 is as follows:

Property Owner	SBL #	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
Affordable Housing						
Maple House	89.19-4-53	\$ 10,951,200	\$ 118,812	10.849200	\$ 13,719	\$ 105,093
The Pines at Narragansett	90.09-2-2	9,082,200	98,535	10.849200	12,137	86,398
General Economic Development						
Harbor Square	89-15-1-69/71	26,099,100	283,154	10.849200	108,360	174,794
Snowden House	97.06-1-9.1	10,566,800	114,641	10.849200	15,650	98,991
Total		<u>\$ 56,699,300</u>	<u>\$ 615,142</u>		<u>\$ 149,866</u>	<u>\$ 465,276</u>

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

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, 2017 policy year. Primary insurance coverage is purchased for losses in excess of the retention levels, to a maximum limit of \$900,000. Excess insurance policies have been secured for losses in excess of \$1 million (\$100,000 retention plus \$900,000 primary insurance policy) to a maximum of \$10 million per occurrence for all liability losses and \$70,112,678 for property. The Workers' Compensation self-insured retention level is \$250,000 with primary insurance coverage limit of \$250,000. Excess Workers' Compensation insurance is purchased for losses in excess of \$500,000 (\$250,000 Retention plus \$250,000 Primary Limit). Excess Workers' Compensation is written for Statutory Limits (unlimited in New York), with a \$1 million cap on employer's liability claims. The governmental funds are charged premiums by the respective internal service fund. Claims payable in the internal service funds include provisions for claims reported and claims incurred but not reported.

The Village is also self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Village has specific stop-loss insurance which establishes a maximum exposure limit of \$130,000 for each individual covered in the plan up to a maximum of \$1 million reimbursement to the Village. The Village also has aggregate stop-loss insurance which established a maximum exposure limit of \$7,143,673 for the 2017 plan year.

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

c. Grant Programs

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

d. Environmental Risks

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

Village of Ossining, New York

Notes to Financial Statements December 31, 2017

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented

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

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, 2017

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 June 15, 2018.

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, 2017				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 21,733,528	\$ 21,763,528	\$ 21,857,353	\$ 93,825
Real property tax items	300,086	300,086	265,072	(35,014)
Non-property taxes	4,335,000	4,335,000	4,563,499	228,499
Departmental income	1,767,775	1,794,438	1,916,554	122,116
Intergovernmental charges	3,196,347	3,196,347	3,212,844	16,497
Use of money and property	327,962	327,962	456,630	128,668
Licenses and permits	499,800	499,800	389,217	(110,583)
Fines and forfeitures	421,000	421,000	526,118	105,118
Sale of property and compensation for loss	57,775	57,775	205,650	147,875
Miscellaneous local sources	70,000	70,000	119,761	49,761
Interfund revenues	873,048	873,048	873,050	2
State aid	372,608	536,408	613,888	77,480
Total revenues	<u>33,954,929</u>	<u>34,175,392</u>	<u>34,999,636</u>	<u>824,244</u>
EXPENDITURES				
General government support	4,211,198	3,989,084	3,054,988	934,096
Public safety	10,596,526	10,550,698	10,141,483	409,215
Health	2,000	2,034	2,033	1
Transportation	2,203,046	2,187,298	2,143,526	43,772
Economic opportunity and development	32,301	30,976	19,065	11,911
Culture and recreation	2,549,630	2,607,169	2,600,247	6,922
Home and community services	2,003,234	1,914,048	1,860,483	53,565
Employee benefits	11,142,115	11,074,302	9,021,716	2,052,586
Capital outlays	295,196	298,460	282,572	15,888
Debt service				
Principal	275,051	196,571	196,570	1
Interest	40,493	13,972	7,085	6,887
Total expenditures	<u>33,350,790</u>	<u>32,864,612</u>	<u>29,329,768</u>	<u>3,534,844</u>
Excess of revenues over expenditures	<u>604,139</u>	<u>1,310,780</u>	<u>5,669,868</u>	<u>4,359,088</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	877,931	1,616,918	-	(1,616,918)
Operating transfers in	50,000	50,000	50,000	-
Operating transfers out	(1,802,070)	(2,977,698)	(2,975,310)	2,388
Proceeds from long-term debt issuance	270,000	-	-	-
Total other financing sources (uses)	<u>(604,139)</u>	<u>(1,310,780)</u>	<u>(2,925,310)</u>	<u>(1,614,530)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,744,558</u>	<u>2,744,558</u>
FUND BALANCE, beginning of year			10,962,984	-
FUND BALANCE, end of year			<u>\$ 13,707,542</u>	<u>\$ 2,744,558</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, 2017			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Departmental revenues	\$ 10,667,553	\$ 10,667,553	\$ 10,393,845	\$ (273,708)
Use of money and property	3,000	3,000	6,979	3,979
Sale of property and compensation for loss	3,850	3,850	11,312	7,462
Miscellaneous local sources	10,000	10,000	29,898	19,898
Total revenues	<u>10,684,403</u>	<u>10,684,403</u>	<u>10,442,034</u>	<u>(242,369)</u>
EXPENDITURES				
General government support	613,190	688,128	558,793	129,335
Home and community services	7,445,335	7,461,288	6,377,276	1,084,012
Employee benefits	1,233,160	1,233,160	1,026,912	206,248
Capital outlay	77,013	76,068	65,819	10,249
Debt service				
Principal	284,516	273,687	144,772	128,915
Interest	42,759	42,178	23,430	18,748
Total expenditures	<u>9,695,973</u>	<u>9,774,509</u>	<u>8,197,002</u>	<u>1,577,507</u>
Excess of revenues over expenditures	<u>988,430</u>	<u>909,894</u>	<u>2,245,032</u>	<u>1,335,138</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	500,000	3,146,480	-	(3,146,480)
Operating transfers in	75,000	75,000	75,000	-
Operating transfers out	(1,563,430)	(4,131,374)	(4,131,362)	12
Total other financing sources (uses)	<u>(988,430)</u>	<u>(909,894)</u>	<u>(4,056,362)</u>	<u>12</u>
Excess (deficiency) of revenues and other financing sources over expen- ditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,811,330)</u>	<u>\$ 1,335,150</u>
FUND BALANCE, <i>beginning of year</i>			<u>6,157,093</u>	
FUND BALANCE, <i>end of year</i>			<u>\$ 4,345,763</u>	

Village of Ossining, New York

Required Supplementary Information Schedule of Funding Progress - Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
1/1/2017	\$ -	\$ 80,290,000	\$ 80,290,000	0.00%	\$ 16,950,000	473.69%
1/1/2016	-	75,930,000	75,930,000	0.00%	16,950,000	447.96%
1/1/2015	-	86,020,000	86,020,000	0.00%	17,600,000	488.75%

Village of Ossining, New York

Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability - ERS

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

	December 31,		
	2017	2016	2015
Contractually required contribution	\$ 1,396,969	\$ 1,632,907	\$ 1,756,590
Contributions in relation to the contractually required contribution	\$ 1,396,969	\$ 1,632,907	\$ 1,756,590
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 9,328,956	\$ 9,505,657	\$ 9,015,478
Contributions as a percentage of covered-employee payroll	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,		
	2017	2016	2015
Village's proportion of the net pension liability	0.2027316%	0.2058871%	0.1887199%
Village's proportionate share of the net pension liability	\$ 4,201,920	\$ 6,095,879	\$ 519,470
Village's covered-employee payroll	\$ 7,467,450	\$ 7,508,109	\$ 6,439,175
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.3%	81.2%	8.1%
Plan fiduciary net position as a percentage of the total pension liability	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,		
	2017	2016	2015
Contractually required contribution	\$ 1,645,851	\$ 1,692,055	\$ 1,795,744
Contributions in relation to the contractually required contribution	\$ 1,645,851	\$ 1,692,055	\$ 1,795,744
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 7,467,450	\$ 7,508,109	\$ 6,439,175
Contributions as a percentage of covered-employee payroll	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,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 15,288,801	\$ 10,728,934
Receivables		
Accounts	391,549	292,930
Taxes, net	230,465	305,275
Other governments	1,242,153	1,196,678
Due from other funds	20,343	22,374
Due from fiduciary fund	2,476	455
Inventory	20,134	18,765
Prepaid expenditures	671,736	645,692
	\$ 17,867,657	\$ 13,211,103
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,425,190	\$ 1,459,402
Due to other funds	67,813	-
Due to internal service funds	65,312	-
Due to fiduciary fund	-	3,825
Unearned revenue	304,520	291,149
	1,862,835	1,754,376
DEFERRED INFLOWS OF RESOURCES	2,297,280	493,743
FUND BALANCES		
Nonspendable	691,870	664,457
Restricted	165,762	144,429
Committed	13,650	11,864
Assigned	1,267,128	1,026,468
Unassigned	11,569,132	9,115,766
Total fund balances	13,707,542	10,962,984
	\$ 17,867,657	\$ 13,211,103

Village of Ossining, New York

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

	Year Ended December 31, 2017				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2016 Actual
REAL PROPERTY TAXES	\$ 21,733,528	\$ 21,763,528	\$ 21,857,353	\$ 93,825	\$ 21,540,922
OTHER TAX ITEMS					
Payment in lieu of taxes	150,086	150,086	149,865	(221)	148,422
Interest and penalties on real property taxes	150,000	150,000	115,207	(34,793)	131,173
	300,086	300,086	265,072	(35,014)	279,595
NON-PROPERTY TAXES					
Utilities gross receipts taxes	300,000	300,000	263,862	(36,138)	250,765
Franchise fees	410,000	410,000	476,107	66,107	539,500
Non-property tax distribution from County	3,625,000	3,625,000	3,823,530	198,530	3,659,102
	4,335,000	4,335,000	4,563,499	228,499	4,449,367
DEPARTMENTAL INCOME					
Tax advertising	2,000	2,000	1,950	(50)	4,700
Clerk fees	750	750	999	249	745
Transportation of prisoners	34,000	34,000	36,361	2,361	34,722
Police fees	850	850	4,056	3,206	7,406
Access fees	35,100	42,763	65,492	22,729	-
Safety inspection fees	31,175	31,175	44,705	13,530	53,850
False alarm fees	1,000	1,000	1,400	400	1,600
Health fees	500	500	595	95	1,055
Public works services	5,000	5,000	5,590	590	4,605
Station tags and off-street parking	522,900	522,900	592,917	70,017	526,715
Non-criminal finger printing	2,000	2,000	1,790	(210)	1,260
Day camp fees	225,000	225,000	216,579	(8,421)	224,465
Parks and recreation fees	535,000	554,000	548,532	(5,468)	567,915
Zoning fees	7,500	7,500	29,800	22,300	11,610
Planning Board fees	8,000	8,000	13,564	5,564	6,935
Refuse and garbage charges	357,000	357,000	352,224	(4,776)	357,190
	1,767,775	1,794,438	1,916,554	122,116	1,804,773

Village of Ossining, New York

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

	Year Ended December 31, 2017				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2016 Actual
INTERGOVERNMENTAL CHARGES					
Finance and data processing services, Town	396,929	396,929	393,034	(3,895)	375,468
Engineering services, Town	87,098	87,098	87,098	-	85,390
Corporation counsel, Town	11,562	11,562	11,561	(1)	11,334
Street lighting, Town	2,500	2,500	-	(2,500)	1,233
Police services, Town	1,824,400	1,824,400	1,835,385	10,985	1,718,701
Fire protection services, Town	493,328	493,328	493,329	1	493,693
Snow removal services	34,000	34,000	45,908	11,908	24,774
Recreation services, Town	346,530	346,530	346,529	(1)	342,759
	<u>3,196,347</u>	<u>3,196,347</u>	<u>3,212,844</u>	<u>16,497</u>	<u>3,053,352</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	22,000	22,000	41,531	19,531	31,994
Rental of real property, Individuals	90,028	90,028	199,202	109,174	125,316
Rental of real property, Other governments	215,934	215,934	215,897	(37)	213,373
	<u>327,962</u>	<u>327,962</u>	<u>456,630</u>	<u>128,668</u>	<u>370,683</u>
LICENSES AND PERMITS					
Business and occupational licenses	40,000	40,000	48,444	8,444	71,168
Building permits	325,000	325,000	209,088	(115,912)	269,727
Other permits	134,800	134,800	131,685	(3,115)	104,565
	<u>499,800</u>	<u>499,800</u>	<u>389,217</u>	<u>(110,583)</u>	<u>445,460</u>
FINES AND FORFEITURES					
Fines and forfeited bail	420,000	420,000	525,555	105,555	525,137
Forfeiture of deposits	1,000	1,000	563	(437)	1,830
	<u>421,000</u>	<u>421,000</u>	<u>526,118</u>	<u>105,118</u>	<u>526,967</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	-	-	18,745	18,745	3,105
Minor sales	8,000	8,000	13,333	5,333	10,014
Insurance and other recoveries	49,775	49,775	173,572	123,797	341,060
	<u>57,775</u>	<u>57,775</u>	<u>205,650</u>	<u>147,875</u>	<u>354,179</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, 2017			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
				2016 Actual
INTERFUND REVENUES	873,048	873,048	873,050	2
MISCELLANEOUS LOCAL SOURCES				
Refund of prior years expenditures	2,000	2,000	-	(2,000)
Reimbursement of Medicare Part D	65,000	65,000	67,532	2,532
Gifts and donations	3,000	3,000	50,100	47,100
Other	-	-	2,129	2,129
	70,000	70,000	119,761	49,761
STATE AID				
Per capita	202,408	202,408	202,408	-
Mortgage tax	150,000	313,800	360,282	46,482
Youth programs	5,200	5,200	10,219	5,019
Emergency management assistance	15,000	15,000	24,118	9,118
Other	-	-	16,861	16,861
	372,608	536,408	613,888	77,480
Total revenues	33,954,929	34,175,392	34,999,636	824,244
OTHER FINANCING SOURCES				
Bonds issued	270,000	-	-	-
Transfers in				
Debt Service Fund	50,000	50,000	50,000	-
Total other financing sources	320,000	50,000	50,000	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 34,274,929	\$ 34,225,392	\$ 35,049,636	\$ 824,244
				\$ 34,355,422

Village of Ossining, New York

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

	Year Ended December 31, 2017				2016 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 28,750	\$ 28,750	\$ 27,227	\$ 1,523	\$ 25,816
Traffic Violations Bureau	128,296	128,296	127,187	1,109	125,636
Mayor	10,950	10,950	9,831	1,119	9,148
Manager	326,861	326,861	262,093	64,768	340,322
Auditor	50,500	35,700	34,650	1,050	49,880
Treasurer	186,294	186,294	182,535	3,759	188,363
Budget	1,000	1,000	991	9	942
Clerk	218,184	218,184	215,538	2,646	200,765
Law	383,544	383,544	160,334	223,210	213,092
Personnel	160,766	160,766	153,101	7,665	174,800
Safety director	26,670	26,670	17,570	9,100	30,616
Engineer	34,690	33,682	33,679	3	32,980
Municipal building	223,914	242,277	203,365	38,912	241,281
Operations center	205,197	235,765	206,929	28,836	164,602
Central garage	374,860	347,980	347,782	198	336,298
Communications system	121,868	133,331	115,467	17,864	123,755
Finance department	372,728	372,728	336,750	35,978	282,548
Unallocated insurance	632,929	635,523	520,325	115,198	639,886
Municipal association dues	13,080	13,080	9,478	3,602	12,526
Judgments and claims	100,000	100,000	41,834	58,166	13,133
Town taxes and assessments	70	70	-	70	65
Property tax refunds	240,000	-	-	-	-
Metropolitan commuter transportation mobility tax	53,047	53,047	48,322	4,725	48,830
Contingency	317,000	314,586	-	314,586	-
	<u>4,211,198</u>	<u>3,989,084</u>	<u>3,054,988</u>	<u>934,096</u>	<u>3,255,284</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, 2017					
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2016 Actual
PUBLIC SAFETY					
Police department	8,678,263	8,565,374	8,231,865	333,509	7,776,592
Jail	2,000	2,600	2,600	-	2,330
Traffic control	75,385	97,451	97,450	1	101,542
Public safety boat	19,900	19,900	13,814	6,086	13,903
Metered parking	7,500	7,500	754	6,746	-
Fire department	765,831	819,033	777,522	41,511	834,313
Control of animals	119,519	126,686	124,374	2,312	116,950
Civilian police	600,679	584,705	581,743	2,962	575,600
Safety inspection	549,326	549,326	533,239	16,087	537,923
	<u>10,818,403</u>	<u>10,772,575</u>	<u>10,363,361</u>	<u>409,214</u>	<u>9,959,153</u>
HEALTH					
Weed and grass control	<u>2,000</u>	<u>2,034</u>	<u>2,033</u>	<u>1</u>	<u>1,630</u>
TRANSPORTATION					
Street administration	265,532	251,716	251,108	608	259,803
Street maintenance	1,419,463	1,435,128	1,402,202	32,926	1,531,294
Snow removal	347,150	319,703	311,134	8,569	177,822
Street lighting	155,449	166,049	165,012	1,037	145,980
Off-street parking	35,664	34,914	34,658	256	34,542
	<u>2,223,258</u>	<u>2,207,510</u>	<u>2,164,114</u>	<u>43,396</u>	<u>2,149,441</u>
ECONOMIC OPPORTUNITY AND ASSISTANCE					
Publicity	10,000	10,000	-	10,000	986
Community development	<u>22,301</u>	<u>20,976</u>	<u>19,065</u>	<u>1,911</u>	<u>47,309</u>
	<u>32,301</u>	<u>30,976</u>	<u>19,065</u>	<u>11,911</u>	<u>48,295</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, 2017

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2016 Actual
CULTURE AND RECREATION					
Parks	739,259	763,338	759,621	3,717	735,836
Recreation	1,335,892	1,305,016	1,299,178	5,838	1,502,912
Youth agencies	118,491	167,313	161,994	5,319	69,171
Camps	301,660	312,738	312,275	463	235,568
Urban cultural park	12,035	12,035	7,840	4,195	11,805
Celebrations	19,500	19,250	15,681	3,569	21,581
Adult recreation	75,900	83,850	83,764	86	6,162
	<u>2,602,737</u>	<u>2,663,540</u>	<u>2,640,353</u>	<u>23,187</u>	<u>2,583,035</u>
HOME AND COMMUNITY SERVICES					
Zoning	145,327	138,839	127,515	11,324	55,021
Planning	119,619	134,432	128,438	5,994	107,801
Storm sewers	109,604	117,621	117,467	154	130,973
Refuse and garbage	1,394,450	1,351,019	1,334,080	16,939	1,356,109
Street cleaning	94,909	91,409	88,684	2,725	90,995
Shade trees	127,750	69,153	55,952	13,201	72,878
Historic Review Commission	11,575	11,575	8,347	3,228	4,668
	<u>2,003,234</u>	<u>1,914,048</u>	<u>1,860,483</u>	<u>53,565</u>	<u>1,818,445</u>
EMPLOYEE BENEFITS					
State retirement	1,090,434	1,090,434	934,375	156,059	952,115
Police and fire retirement	1,969,721	1,969,721	1,563,334	406,387	1,426,198
Social security	1,193,566	1,193,566	1,037,187	156,379	1,000,444
Workers' compensation benefits	1,065,001	997,188	658,185	339,003	740,304
Unemployment benefits	20,000	20,000	8,777	11,223	9,425
Hospital, medical and dental benefits	5,803,393	5,803,393	4,819,858	983,535	5,384,384
	<u>11,142,115</u>	<u>11,074,302</u>	<u>9,021,716</u>	<u>2,052,586</u>	<u>9,512,870</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, 2017				2016 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
DEBT SERVICE					
Principal					
Bond anticipation notes	169,209	169,209	169,208	1	147,374
Installment purchase debt	105,842	27,362	27,362	-	27,559
	<u>275,051</u>	<u>196,571</u>	<u>196,570</u>	<u>1</u>	<u>174,933</u>
Interest					
Bond anticipation notes	5,150	5,150	5,149	1	515
Installment purchase debt	35,343	8,822	1,936	6,886	1,261
	<u>40,493</u>	<u>13,972</u>	<u>7,085</u>	<u>6,887</u>	<u>1,776</u>
	<u>315,544</u>	<u>210,543</u>	<u>203,655</u>	<u>6,888</u>	<u>29,335</u>
Total expenditures	<u>33,350,790</u>	<u>32,864,612</u>	<u>29,329,768</u>	<u>3,534,844</u>	<u>29,357,488</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,726,065	1,833,480	1,833,464	16	1,906,973
Capital Projects	-	1,068,213	1,068,213	-	500,000
Internal Service Fund	76,005	76,005	73,633	2,372	140,387
Section 8 Housing Fund	-	-	-	-	70,956
	<u>1,802,070</u>	<u>2,977,698</u>	<u>2,975,310</u>	<u>2,388</u>	<u>2,618,316</u>
Total other financing uses	<u>1,802,070</u>	<u>2,977,698</u>	<u>2,975,310</u>	<u>2,388</u>	<u>2,618,316</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 35,152,860</u>	<u>\$ 35,842,310</u>	<u>\$ 32,305,078</u>	<u>\$ 3,537,232</u>	<u>\$ 31,975,804</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Comparative Balance Sheet - Water Fund

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 1,620,959	\$ 3,390,789
Receivables		
Accounts	3,292,963	3,308,166
Other governments	12,166	10,849
Prepaid expenditures	91,282	90,359
	\$ 5,017,370	\$ 6,800,163
LIABILITIES		
Accounts payable and accrued expenses	\$ 636,461	\$ 627,117
Due to internal service funds	10,350	-
Unearned revenue	24,796	15,953
	671,607	643,070
FUND BALANCES		
Nonspendable	91,282	90,359
Restricted	216,801	216,434
Assigned	4,037,680	5,850,300
Total fund balances	4,345,763	6,157,093
	\$ 5,017,370	\$ 6,800,163

Village of Ossining, New York

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

	Year Ended December 31, 2017				
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ 20,000	\$ 124,287	\$ 102,859	\$ 21,428	\$ 101,039
Safety director	20,000	20,000	7,542	12,458	10,243
Communications system	52,123	53,390	33,391	19,999	17,672
Data processing	25,500	25,500	17,010	8,490	17,275
Finance department	71,032	71,032	35,150	35,882	-
Unallocated insurance	100,940	110,091	101,121	8,970	98,995
Judgments and claims	5,000	25,000	25,000	-	-
Taxes and assessments on municipal property	230,000	237,313	237,313	-	224,672
Metropolitan commuter transportation mobility tax	8,595	8,595	8,480	115	8,248
Contingency	80,000	12,920	-	12,920	-
	<u>613,190</u>	<u>688,128</u>	<u>567,866</u>	<u>120,262</u>	<u>478,144</u>
HOME AND COMMUNITY SERVICES					
Water administration	1,411,156	1,406,690	1,353,752	52,938	1,363,359
Pumping, supply and power	3,570,240	3,509,734	2,632,533	877,201	2,462,514
Purification	1,297,316	1,238,423	1,201,549	36,874	1,298,865
Transmission and distribution	1,243,636	1,382,509	1,246,188	136,321	1,380,110
	<u>7,522,348</u>	<u>7,537,356</u>	<u>6,434,022</u>	<u>1,103,334</u>	<u>6,504,848</u>
EMPLOYEE BENEFITS					
State retirement	393,064	393,064	358,504	34,560	378,235
Social security	199,614	199,614	181,153	18,461	173,742
Workers' compensation benefits	188,757	188,757	111,631	77,126	125,379
Unemployment benefits	2,000	2,000	1,998	2	645
Hospital, medical and dental benefits	449,725	449,725	373,626	76,099	408,244
	<u>1,233,160</u>	<u>1,233,160</u>	<u>1,026,912</u>	<u>206,248</u>	<u>1,086,245</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, 2017				2016 Actual
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)	
DEBT SERVICE					
Principal					
Bond anticipation notes	222,100	210,690	81,775	128,915	205,000
Installment purchase debt	62,416	62,997	62,997	-	63,447
	<u>284,516</u>	<u>273,687</u>	<u>144,772</u>	<u>128,915</u>	<u>268,447</u>
Interest					
Bond anticipation notes	18,972	18,972	18,972	-	23,694
Installment purchase debt	23,787	23,206	4,458	18,748	3,036
	<u>42,759</u>	<u>42,178</u>	<u>23,430</u>	<u>18,748</u>	<u>26,730</u>
	<u>327,275</u>	<u>315,865</u>	<u>168,202</u>	<u>147,663</u>	<u>295,177</u>
Total expenditures	<u>9,695,973</u>	<u>9,774,509</u>	<u>8,197,002</u>	<u>1,577,507</u>	<u>8,364,414</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,563,430	1,574,840	1,574,828	12	1,360,845
Capital Projects	-	2,556,534	2,556,534	-	470,000
Internal Service Fund	-	-	-	-	12,959
	<u>1,563,430</u>	<u>4,131,374</u>	<u>4,131,362</u>	<u>12</u>	<u>1,843,804</u>
Total other financing uses	<u>1,563,430</u>	<u>4,131,374</u>	<u>4,131,362</u>	<u>12</u>	<u>1,843,804</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 11,259,403</u>	<u>\$ 13,905,883</u>	<u>\$ 12,328,364</u>	<u>\$ 1,577,519</u>	<u>\$ 10,208,218</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, 2017

Project	Project Number	Project Budget	Expenditures and Transfers to Date	Unexpended Balance	Revenues to Date	Fund Balance (Deficit) at December 31, 2017	Bond Anticipation Notes Outstanding at December 31, 2017
Parking Meters	2057	\$ 225,000	\$ 190,159	\$ 34,841	\$ 225,000	\$ 34,841	\$ -
Security at Pump Station	2070	150,000	142,391	7,609	150,000	7,609	-
Main Street/Secor Road Streetscape	2106	768,661	768,661	-	768,661	-	-
Indian Brook Water Reservoir and Dam Reconstruction	2122	6,225,845	5,665,250	560,595	5,560,845	(104,405)	665,000
Fire Department SCBA Cylinders	2124	35,200	35,200	-	35,200	-	-
Historic Building Markers	2133	33,112	19,965	13,147	33,112	13,147	-
DPW Truck	2137	40,000	40,000	-	32,000	(8,000)	8,000
Generator at Operations Center	2142	166,900	148,454	18,446	166,900	18,446	-
Generator at Water Treatment Plant	2143	957,900	955,772	2,128	957,900	2,128	-
Water Mains Relining & Replacement	2149	3,192,500	3,038,627	153,873	3,000,000	(38,627)	-
Street Resurfacing and Sidewalks	2150	398,562	398,562	-	398,562	-	-
Police Vehicles	2153	124,000	124,000	-	82,667	(41,333)	41,333
Fire Chief's Vehicle	2154	50,000	50,000	-	33,334	(16,666)	16,666
Recreation Dept Vehicle	2157	35,000	35,000	-	23,334	(11,666)	11,666
Harbor Square Promenade Park	2158	485,000	485,000	-	485,000	-	-
Spring St./Main St. Intersection	2160	130,363	114,850	15,513	130,363	15,513	-
Street Resurfacing and Sidewalks	2161	249,915	160,849	89,066	160,849	-	-
LED Street Lighting Project	2162	906,326	895,140	11,186	895,140	-	-
MUNIS Accounting System Implementation	2163	538,610	369,677	168,933	502,408	132,731	-
Police Vehicles	2164	186,500	186,500	-	62,167	(124,333)	124,333
Police Mobile Data Terminals	2165	70,000	70,000	-	14,000	(56,000)	56,000
Fire Apparatus Engine Pumper	2166	675,000	1,619	673,381	-	(1,619)	650,000
Building Dept Vehicle	2167	25,000	24,827	173	8,334	(16,493)	16,666
DPW and Water Dept Truck	2168	215,000	195,207	19,793	215,000	19,793	-
DPW Sanitation Trucks	2169	450,000	416,452	33,548	450,000	33,548	-
DPW Sewer Jet Truck with Camer	2170	230,000	227,827	2,173	230,000	2,173	-
Broadway Bridge Rehabilitation (engineering)	2171	211,000	139,170	71,830	211,000	71,830	-
New Indian Brook Water Treatment Plant (engineering)	2172	3,800,000	857,723	2,942,277	46,775	(810,948)	2,023,625
Street Resurfacing and Sidewalks	2173	680,000	635,903	44,097	796,039	160,136	250,000
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	96,188	93,892	-	(96,188)	190,080
Recreation Department Bus	2177	50,000	-	50,000	-	-	50,000
Recreation Department Pool Pump	2178	40,000	100	39,900	-	(100)	40,000
DPW Street Sweeper	2179	242,413	242,413	-	-	(242,413)	242,413
Water/Sewer Department Backhoes	2180	104,000	104,000	-	-	(104,000)	104,000
Fire Apparatus Engine Pumper	2181	675,000	-	675,000	-	-	-
Fire Department Roof Repairs	2182	120,000	-	120,000	60,000	60,000	60,000
Parks Department Equipment	2183	20,000	19,985	15	-	(19,985)	10,000
Parks Department Storage Shed	2184	22,000	11,350	10,650	-	(11,350)	22,000
Street Resurfacing and Sidewalks	2185	480,000	187,764	292,236	187,141	(623)	-
Gordon Avenue Water Main Replacement	2186	1,334,949	468,137	866,812	1,334,947	866,810	-
Route 9A Water Main Replacement	2187	1,046,685	76,574	970,111	1,046,685	970,111	-
CDBG Affordable Housing	2188	295,845	288,412	7,433	-	(288,412)	-
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	393,000	-	393,000	393,000	393,000	-
Police Department Vehicles	2192	166,000	-	166,000	166,000	166,000	-
Police Department Animal Control Van	2193	25,500	-	25,500	25,500	25,500	-
Fire Department Command Vehicle/Bus	2194	65,000	-	65,000	65,000	65,000	-
Parks Department Equipment	2195	60,000	-	60,000	60,000	60,000	-
Planning Department Comprehensive Plan	2196	150,000	-	150,000	150,000	150,000	-
Recreation Department Air Conditioning	2197	125,000	-	125,000	125,000	125,000	-
DPW Water Dept Utility Truck	2198	57,000	-	57,000	57,000	57,000	-
DPW Dump Truck	2199	124,600	-	124,600	124,600	124,600	-
		<u>\$ 28,473,553</u>	<u>\$ 18,198,451</u>	<u>\$ 10,275,102</u>	<u>\$ 19,729,463</u>	<u>\$ 1,531,012</u>	<u>\$ 4,752,869</u>

See Independent Auditor's Report.

Village of Ossining, New York

Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2017				
	Sewer	Section 8 Housing	Special Purpose	Debt Service	Total Other Governmental
ASSETS					
Cash and cash equivalents	\$ 862,497	\$ 99,167	\$ 863,684	\$ 533,158	\$ 2,358,506
Receivables					
Accounts	489,095	-	-	-	489,095
Other governments	149,447	1,392	-	-	150,839
Other	-	21,150	-	-	21,150
Prepaid expenditures	18,166	6,313	-	-	24,479
	<u>\$ 1,519,205</u>	<u>\$ 128,022</u>	<u>\$ 863,684</u>	<u>\$ 533,158</u>	<u>\$ 3,044,069</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 44,987	\$ 8,230	\$ -	\$ -	\$ 53,217
Due to other funds	377	20,343	-	-	20,720
Due to internal service funds	2,744	-	-	-	2,744
Unearned revenue	-	21,150	-	-	21,150
	<u>48,108</u>	<u>49,723</u>	<u>-</u>	<u>-</u>	<u>97,831</u>
FUND BALANCES					
Nonspendable	18,166	6,313	-	-	24,479
Restricted	-	-	863,684	533,158	1,396,842
Assigned	1,452,931	71,986	-	-	1,524,917
Total fund balances	<u>1,471,097</u>	<u>78,299</u>	<u>863,684</u>	<u>533,158</u>	<u>2,946,238</u>
	<u>\$ 1,519,205</u>	<u>\$ 128,022</u>	<u>\$ 863,684</u>	<u>\$ 533,158</u>	<u>\$ 3,044,069</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, 2017				
	Sewer	Section 8 Housing	Special Purpose	Debt Service	Total
REVENUES					
Departmental revenues	\$ 1,612,965	\$ -	\$ -	\$ -	\$ 1,612,965
Use of money and property	1,419	69	1,174	4,906	7,568
Sale of property and compensation for loss	5,013	-	-	-	5,013
Miscellaneous local sources	-	-	4,975	-	4,975
Federal aid	-	3,388,236	-	-	3,388,236
Total revenues	1,619,397	3,388,305	6,149	4,906	5,018,757
EXPENDITURES					
General government support	111,405	8,003	-	-	119,408
Economic opportunity and development	-	-	75,772	-	75,772
Culture and recreation	-	-	4,471	-	4,471
Home and community services	763,363	3,337,003	-	-	4,100,366
Employee benefits	275,962	84,143	-	-	360,105
Debt service					
Principal	-	-	-	2,800,000	2,800,000
Interest	-	-	-	915,439	915,439
Total expenditures	1,150,730	3,429,149	80,243	3,715,439	8,375,561
Excess (deficiency) of revenues over expenditures	468,667	(40,844)	(74,094)	(3,710,533)	(3,356,804)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	73,631	1,578	3,833,362	3,908,571
Operating transfers out	(442,181)	-	-	(125,000)	(567,181)
	(442,181)	73,631	1,578	3,708,362	3,341,390
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	26,486	32,787	(72,516)	(2,171)	(15,414)
FUND BALANCE, beginning of year	1,444,611	45,512	936,200	535,329	2,961,652
FUND BALANCE, end of year	\$ 1,471,097	\$ 78,299	\$ 863,684	\$ 533,158	\$ 2,946,238

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,	
			2017	2016
ASSETS				
Cash and cash equivalents	\$ 4,415,250	\$ 766,420	\$ 5,181,670	\$ 5,014,966
Accounts receivable, net	-	-	-	32,799
Due from other governments	4,525	-	4,525	-
Due from other funds	78,406	-	78,406	-
Total assets	<u>4,498,181</u>	<u>766,420</u>	<u>5,264,601</u>	<u>5,047,765</u>
LIABILITIES				
Accounts payable	130,491	-	130,491	-
Claims payable, current	274,200	75,100	349,300	352,000
Claims payable, noncurrent	2,467,800	675,900	3,143,700	3,168,000
Total liabilities	<u>2,872,491</u>	<u>751,000</u>	<u>3,623,491</u>	<u>3,520,000</u>
NET POSITION				
Restricted	<u><u>\$ 1,625,690</u></u>	<u><u>\$ 15,420</u></u>	<u><u>\$ 1,641,110</u></u>	<u><u>\$ 1,527,765</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,	
			2017	2016
OPERATING REVENUES				
Charges for services	\$ 805,439	\$ 732,794	\$ 1,538,233	\$ 1,694,710
Insurance recoveries	225,569	-	225,569	633,332
	<u>1,031,008</u>	<u>732,794</u>	<u>1,763,802</u>	<u>2,328,042</u>
OPERATING EXPENSES				
Insurance	319,140	559,207	878,347	874,838
Contractual expenses	99,369	105,713	205,082	275,594
Employee benefits	520,129	-	520,129	736,564
Judgments and claims	-	54,874	54,874	115,192
Total operating expenses	<u>938,638</u>	<u>719,794</u>	<u>1,658,432</u>	<u>2,002,188</u>
Operating income	92,370	13,000	105,370	325,854
NONOPERATING REVENUES				
Interest revenue	<u>6,683</u>	<u>1,292</u>	<u>7,975</u>	<u>6,997</u>
Income before transfers	99,053	14,292	113,345	332,851
INTERFUND TRANSFERS				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,271</u>
CHANGE IN NET POSITION	99,053	14,292	113,345	487,122
NET POSITION, <i>beginning of year</i>	<u>1,526,637</u>	<u>1,128</u>	<u>1,527,765</u>	<u>1,040,643</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,625,690</u>	<u>\$ 15,420</u>	<u>\$ 1,641,110</u>	<u>\$ 1,527,765</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,	
			2017	2016
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash received from charges for services and insurance recoveries	\$ 980,876	\$ 732,794	\$ 1,713,670	\$ 3,277,471
Cash payments to insurance and claimants	(822,147)	(732,794)	(1,554,941)	(2,303,188)
	<u>158,729</u>	<u>-</u>	<u>158,729</u>	<u>974,283</u>
NET CASH PROVIDED BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers from governmental funds	-	-	-	154,271
NET CASH PROVIDED BY INVESTING ACTIVITIES				
Interest income	<u>6,683</u>	<u>1,292</u>	<u>7,975</u>	<u>6,997</u>
Net increase in cash and cash equivalents	165,412	1,292	166,704	1,135,551
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>4,249,838</u>	<u>765,128</u>	<u>5,014,966</u>	<u>3,879,415</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 4,415,250</u>	<u>\$ 766,420</u>	<u>\$ 5,181,670</u>	<u>\$ 5,014,966</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ 92,370	\$ 13,000	\$ 105,370	\$ 325,854
Change in assets and liabilities				
Accounts receivable	32,799	-	32,799	525,049
Due from other funds	(78,406)	-	(78,406)	424,380
Due from other governments	(4,525)	-	(4,525)	-
Accounts payable	130,491	-	130,491	-
Claims payable, current and noncurrent	(14,000)	(13,000)	(27,000)	(301,000)
	<u>\$ 158,729</u>	<u>\$ -</u>	<u>\$ 158,729</u>	<u>\$ 974,283</u>

See Independent Auditor's Report.