

Town of Ossining, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2012

Town of Ossining, New York

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Independent Auditors' Report

The Honorable Supervisor and Town Board of the Town of Ossining, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Ossining, New York ("Town") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town'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 Town, as of December 31, 2012, and the respective changes in financial position, and where applicable cash flows thereof, and the respective budgetary comparison for the General, Town Outside Villages, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

May 14, 2013

Town of Ossining, New York

Management's Discussion and Analysis (MD&A) December 31, 2012

Introduction

As management of the Town of Ossining, New York ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2012. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Town's financial performance.

Financial Highlights

- The Town's government-wide financial statements reflect assets exceeding liabilities by \$5,826,939 at the close of the most recent fiscal year, which is an increase of \$486,137 in 2012. A deficit of \$404,993 exists for unrestricted net position, and is reflective of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 requiring the accrual of certain operating liabilities which will be satisfied in future years. The Town had significant increases in bond anticipation notes for capital improvements (\$662,000) and other post-employment benefit (OPEB) obligations (\$574,941) which resulted in the reduction of unrestricted net position government-wide.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,205,592, of which \$110,745 is nonspendable. Restricted funds total \$530,552 primarily for tax certioraris claims, debt, parklands and trust. Assigned fund balance totals \$3,061,356, of which \$328,956 is assigned for subsequent year's expenditures. Unassigned fund balance for the General Fund totaled \$1,063,297, which was then reduced by \$560,988 for a deficit in the Capital Projects Fund unassigned fund balance reflective of short-term debt funding for the Town water main project.
- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$1,063,297, was 20% of total General Fund expenditures and other financing uses.
- During the current fiscal year, the Town retired \$430,000 of general obligation debt. The Town issued new serial bonds of \$2,425,000 to convert \$920,000 of short-term bond anticipation notes (BAN's), and \$1,450,000 loans payable held by EFC to long-term debt. Additionally, the serial bond included new debt of \$55,000 for capital equipment. The Town's total outstanding general obligation bonds payable at December 31, 2012 totaled \$6,825,000.
- Throughout the current fiscal year, the Town retired \$143,060 of short-term capital debt in the form of bond anticipation notes. The Town issued short-term debt (\$662,000), and renewed debt (\$31,983) for capital projects. Short-term loan principal balances held by New York State ("NYS") Environmental Facilities Corporation for Stormytown Sewer Pump Station (\$925,908), Stonegate Sewer Pump Station (\$524,092), and tax certiorari BAN's converted were converted to permanent financing through the issuance of serial bonds. Short-term obligations totaled \$693,983 at the end of the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town'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 statement of net position presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town'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, real property taxes, earned but unused vacation leave and other post employment benefit (OPEB) obligations).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town 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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains seven individual governmental funds: the General Fund, Town Outside Villages Fund, Highway Fund, Special Districts Funds, Debt Service Fund, Capital Projects Fund and Special Purpose 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, Town Outside Villages, Highway, Special Districts and Capital Projects Funds. These funds are considered to be major funds. The Debt Service and Special Purpose funds are not considered major funds and are combined into a single aggregated presentation.

The Town adopts annual budgets for the General Fund, Town Outside Villages Fund, Highway Fund and Special Districts Funds. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Proprietary Funds

The Town maintains one type of proprietary fund. The Internal Service Fund is used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its workers' compensation benefits (the Workers' Compensation Benefits Fund) for claims incurred through December 31, 2008 when the Town was self-insured. The liability for claims incurred prior to January 1, 2009 is recorded in the Internal Service Fund. In 2009, the Town changed its workers' compensation program to a municipal consortium program. These services are now classified as governmental activities in the government-wide financial statements.

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 Town programs. The Town maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in this fund by the Town 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.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the town's other post employment benefit obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. For the Town, assets exceeded liabilities by \$5,826,939 at the close of the most recent fiscal year.

The following table reflects the condensed Statement of Net Position:

	December 31,	
	2012	2011
Current Assets	\$ 52,019,992	\$ 50,623,704
Capital Assets, net	10,411,139	10,119,016
Total Assets	62,431,131	60,742,720
Current Liabilities	46,674,417	46,850,724
Long-term Liabilities	9,929,775	8,551,194
Total Liabilities	56,604,192	55,401,918
Net Position:		
Invested in Capital Assets, net of related debt	3,945,151	3,663,249
Restricted	2,286,781	2,258,354
Unrestricted (deficit)	(404,993)	(580,801)
Total Net Position	\$ 5,826,939	\$ 5,340,802

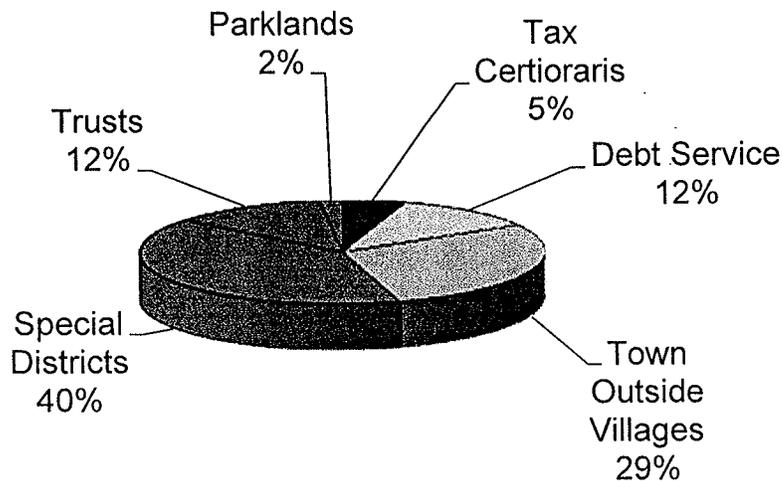
Net Position Distribution

The net position of the Town for the current reporting period includes infrastructure amounts for items such as roads, sewer and drainage acquired or constructed after January, 2004. The current improvements for these infrastructure items are reported in the capital asset section. Although the Town'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.

The restricted net position, of \$2,286,781, represents resources that are subject to external restrictions on their use, or the respective fund that the restricted resources are allocated. In following the guidelines set forth by GASB 54 the restricted categories are summarized as follows:

	December 31,	
	2012	2011
Capital Projects	\$ -	\$ 19,202
Tax Certioraris	114,518	353,072
Debt Service	265,884	317,174
Town Outside Villages	661,277	500,262
Special Districts	923,128	952,542
Trusts	281,061	75,240
Parklands	40,913	40,862
	<u>\$ 2,286,781</u>	<u>\$ 2,258,354</u>

Restricted Net Position



The remaining balance of unrestricted net position, which is a deficit of \$404,993, must be financed from future operations. This deficit does not mean that the Town does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including certain claims, compensated absences and other post employment benefit obligations that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payments are made.

At the end of the current fiscal year, the Town was able to report positive net position balances for the government as a whole as well as for its governmental activities at fiscal year end.

**Changes in Net Position
December 31,**

	2012	2011
Program Revenues		
Charges for Services	\$ 1,971,519	\$ 1,114,195
Operating Grants and Contributions	342,044	376,894
Capital Grants and Contributions	111,099	14,273
General Revenues		
Real Property Taxes	9,794,694	9,872,923
Other Tax Items	653,799	671,007
Non-Property Taxes	713,217	703,253
Unrestricted Use of Money and Property	30,625	48,819
Sale of Property and Compensation for Loss	33,116	11,552
Unrestricted State Aid	669,900	673,021
Miscellaneous	36,555	52,522
	14,356,568	13,538,459
Total Revenues		
Program Expenses		
General Government Support	3,805,824	4,031,325
Public Safety	3,741,677	3,431,672
Health	678,942	516,807
Transportation	2,053,630	2,513,178
Economic Opportunity and Development	767,655	791,939
Culture and Recreation	1,226,777	1,167,005
Home and Community Services	1,367,504	1,401,406
Interest	228,422	224,321
	13,870,431	14,077,653
Total Expenses		
Change in Net Position	486,137	(539,194)
Net Position - Beginning	5,340,802	5,879,996
Net Position - Ending	\$ 5,826,939	\$ 5,340,802

Governmental Activities

Governmental activities increased the Town's net position during 2012 by \$486,137. For the fiscal year ended December 31, 2012, revenues from governmental activities totaled \$14,356,568. Tax revenues of \$11,161,710, comprised of real property taxes, other tax items and non-property taxes, represented the largest revenue source (78%).

The largest components of governmental activities' expenses were general government support \$3,805,824 (27%), public safety \$3,741,677 (27%), and transportation \$2,053,630 (15%).

The major changes in 2012 vs. 2011 were as follows:

Revenues:

- ❖ The decrease in real property taxes resulted from an increase in deferred tax revenue of \$197,656 from the General Fund, and a tax rate decrease of 0.14%. The Town Outside Village tax rate increased 0.15%, and a tax rate reduction of 39.10% for the Town-Wide Water special district, which reflects reduced debt payments in 2012.
- ❖ Charges for services revenue increased government-wide 77%, from \$1,114,195 to \$1,971,519, with revenues for home and community services increasing from \$665,211 to \$825,490 due to bulk sales of cemetery plots. Public safety service revenue increased from \$201,999 to \$714,023 due to building permits sales (\$230,770) and inter-municipal revenue for parking violation services (\$230,768). Health revenues of \$165,128 were recognized for Inter-municipal Ambulance Services.
- ❖ Non-property tax distribution from County in the form of sales tax increased by 1.5% and reflects the current economic growth pattern.
- ❖ Revenues categorized as capital grants and contributions increased from \$14,273 to \$111,099 at year end with significant increases in transportation for NYS Consolidated Local Street and Highway Improvement Program ("CHIPS") grant funding of \$79,992.

Expenses:

- ❖ General government support expenditures in all funds decreased by \$225,501, overall attributable to expenses decreasing \$116,832 for all personnel other than court (\$1,682,403 in 2011, to \$1,565,571 in 2012), and elimination of transfer to Dale Cemetery (\$57,248 in 2011). The Town justice expenses increased by \$233,470 to \$431,917, and expenses for traffic violations bureau of \$152,614 were incurred with the Town absorbing the Village court in 2012.
- ❖ Public safety expenses increased by 9% overall, or \$310,005 in 2012, due to contractual increases for fire services (\$50,023), and police services being performed by Westchester County (\$116,342). Other Post Employment Benefit (OPEB) obligations increased 24%, or \$114,988.
- ❖ A decrease of 18% (\$459,548) for transportation expenses resulted from decreases in snow services (\$97,858) and decreased expenditures for personnel, repair and maintenance, consultant and road paving/drainage totaling \$114,904 partially attributed to Hurricane Irene expenses recognized in 2011. Tax certiorari expenses decreased \$73,944 (\$110,449 in 2011 vs. \$35,505 in 2012).
- ❖ Health expenditures increased by \$162,135 to \$678,942 due to the inter-municipal agreement for ambulance services.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,205,592, a net increase of \$1,417,270 from the prior year amount. Nonspendable fund balance totaled \$110,745 at the end of the period. Restricted fund balance of \$530,552 is for tax certiorari claims (\$114,518), debt service (\$94,060), parklands (\$40,913), and trust (\$281,061). Assigned fund balance for outstanding purchases (\$18,568), subsequent year expenditures (\$328,956) and major funds (\$2,713,832) totaled \$3,061,356. Unassigned fund balance retains a balance of \$502,939 comprised of a deficit in short-term financing for capital projects of \$560,988, off-setting the positive unassigned fund balance in the General Fund of \$1,063,927 at year end.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,063,927, representing 85% of the total General Fund balance of \$1,250,611. The nonspendable fund balance component is \$72,540 and consists of amounts representing prepaid expenditures. Prepaid expenditures have been established to account for a portion of the New York State retirement payments made in advance. The assigned fund balance classification aggregates \$114,000, consisting of amounts appropriated for subsequent year's expenditures.

The Town Outside Villages Fund contains activity primarily for public safety expenditures, and assigned fund balance at fiscal year end totaled \$1,263,883, representing 96% of the total Town Outside Villages Fund balance of \$1,312,700. Restricted fund balance of \$46,610 is for tax certiorari claims, and prepaid expenditures classified as nonspendable at year end total \$2,207.

The Highway Fund contains activity for transportation expenditures, and assigned fund balance at fiscal year end totaled \$578,673, representing 89% of the total Highway Fund balance amount of \$648,934. Restricted fund balance of \$35,277 for tax certiorari claims and nonspendable fund balance of \$34,984 for prepaid expenditures.

General Fund Budgetary Highlights

The General Fund appropriated fund balance of \$152,752 for the 2012 fiscal year to apply carry over cemetery revenue from 2011. Actual results of operations resulted in a decrease of \$11,190 in total fund balance with an increase of \$41,483 for unassigned fund balance at the close of the fiscal year. Revenues and other financing sources were \$5,264,646, which was \$63,891 higher than the final budget. The major areas where revenues exceeded anticipated budget amounts were Other tax items (\$485,959 vs. \$653,172) resulting from increased revenues for property tax penalties and sale of property and compensation for loss (\$33,116) representing insurance recoveries. Expenditures and other financing uses were \$5,275,836, which was \$293,058 less than the final budget. The major areas where spending was less than budgeted was General Government Support (\$139,224), Economic Opportunity and Development (\$24,890), and Employee Benefits (\$106,988).

The difference between the appropriations originally budgeted and the final appropriation budget for the General Fund was \$189,187 (\$5,297,137 vs. \$5,567,894). The appropriation budgets for culture and recreation increased \$57,988 to fund unanticipated expenditures from Hurricane Sandy, and general government support increased by \$75,904 for tax certiorari judgment expenditures funded by restricted fund balance.

Town Outside Villages Fund Budgetary Highlights

The Town Outside Villages Fund (“TOV”) operations for the fiscal year resulted in an increase to fund balance of \$214,135 due to revenues and other financing sources of \$4,079,716 being higher than expenditures and other financing uses of \$3,865,581.

Actual revenues of \$4,079,716 were higher than the final budget amount of \$3,970,311, an increase of \$109,405. Building permit revenue of \$230,770 exceeded budget by \$175,770 due to a large property modification, and sales tax distribution revenues of \$713,217 were lower than budgeted by \$86,783. Expenditures for the TOV Fund were lower than budgeted with actual expenses totaling \$3,865,581. This was a decrease of \$121,568 from the original budget of \$3,987,149. Expenditures showing the largest variance from budget to actual were Public Safety (\$94,331), and Employee Benefits (\$55,299).

Highway Fund Budgetary Highlights

The Highway Fund actual results of operation resulted in an increase to fund balance of \$85,295 due to expenditures and other financing uses of \$2,374,251 being lower than revenues and other financing sources of \$2,459,546.

Revenues received for the Highway Fund were higher than budgeted with actual revenues and other financing sources totaling \$2,459,546, which was an increase of \$23,350 from the final budget amount of \$2,436,196. Actual expenditures and other financing uses for the fiscal year were \$2,374,251. This was a decrease of \$121,900 from the final budget of \$2,496,151. Actual results of operation resulted in decreased expenditures for snow services (\$97,858) and employee benefits (\$37,392). Actual revenues exceeded budget for state aid (\$6,380), street opening permits (\$1,900), and interest and earnings (\$2,262).

Capital Assets and Indebtedness

The Town’s net investment in capital assets for its governmental activities as of December 31, 2012, amounted to \$10,411,139 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Town of Ossining Capital Assets (Net of Depreciation)

	2012	2011
Land	\$ 1,360,073	\$ 1,360,073
Buildings and Improvements	5,185,511	5,376,161
Machinery and Equipment	700,351	842,018
Infrastructure	2,771,858	2,016,142
Construction-in-Progress	393,346	524,622
	\$ 10,411,139	\$ 10,119,016

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Amounts expended resulted in an increase to infrastructure (\$755,716), and decreases to buildings and improvements (\$190,650), machinery and equipment (\$141,667), and construction-in-progress (\$131,276). These items resulted in a net increase of \$292,123 in capital assets net of accumulated depreciation.
- The Stonegate Sewer Pump Station, which was recorded as construction-in-progress (CIP) for \$504,092 in the prior year, incurred additional expenses of \$29,480 and was transferred to infrastructure (\$533,572). Old Albany Post Road "S" Curve project totaled \$128,356 with \$20,530 brought forward from CIP and additional expenditures of \$107,826 increasing infrastructure and decreasing CIP. CIP increased for Cedar Lane and Stormytown Water Mains (\$378,730), and surplus rolling stock was sold and deleted (\$39,128) from machinery and equipment at year end.

Additional information on the Town's capital assets can be found in Note 3 of this report.

Long-Term / Short-Term Indebtedness

At the end of the current fiscal year, the Town had total bonded indebtedness of \$6,825,000 classified as long-term debt. The Town paid \$430,000 in principal on outstanding obligations, and borrowed additional long-term debt during the fiscal year of \$2,425,000. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

Short-term debt for the Town totaled \$693,983 in the form of bond anticipation notes (BAN's). The Town redeemed \$143,060 of short-term debt, and renewed various BAN's totaling \$31,983 to mature in 2013. The Town also issued new BAN's totaling \$662,000 for capital improvements.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which a Town may incur. The State Constitution provides that the Town may not contract indebtedness in any amount greater than seven percent of the average full value of taxable real property in the Town for the most recent five years. Certain indebtedness is excluded in ascertaining the Town's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the Town's authority to issue debt subject to the limit. The Town had used \$6,058,333, or 1.71%, of the constitutional debt limit leaving \$347,597,398 remaining to be used when the constitutional debt limit was calculated in September 2012.

Additional information on the Town's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town of Ossining, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Dale M. Ferreira, 16 Croton Avenue, Ossining, New York 10562.

Town of Ossining, New York

Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 16,636,910
Investments	32,800
Receivables	
Taxes, net	34,729,400
Accounts	203,673
State and Federal aid	48,205
Due from other governments	258,259
Prepaid expenses	110,745
Capital assets	
Not being depreciated	1,753,419
Being depreciated, net	<u>8,657,720</u>
Total Assets	<u>62,431,131</u>
LIABILITIES	
Accounts payable	1,573,356
Accrued liabilities	153,426
Retainage payable	15,596
Due to school districts	44,132,333
Unearned revenues	58,731
Bond anticipation notes payable	693,983
Accrued interest payable	46,992
Non-current liabilities	
Due within one year	554,347
Due in more than one year	<u>9,375,428</u>
Total Liabilities	<u>56,604,192</u>
NET POSITION	
Net investment in capital assets	3,945,151
Restricted for	
Tax certioraris	114,518
Debt service	265,884
Town outside villages	661,277
Special Districts	
Water	19,111
Sewer	652,537
Lighting	30,082
Fire	55,400
Refuse	161,606
Ambulance	4,392
Trusts	281,061
Parklands	40,913
Unrestricted	<u>(404,993)</u>
Total Net Position	<u>\$ 5,826,939</u>

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

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Town of Ossining, New York

Statement of Activities
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities					
General government support	\$ 3,805,824	\$ 257,628	\$ 28,826	\$ 12,922	\$ (3,506,448)
Public safety	3,741,677	714,023	58,864	17,458	(2,951,332)
Health	678,942	165,128	489	-	(513,325)
Transportation	2,053,630	7,900	26,227	79,992	(1,939,511)
Economic opportunity and development	767,655	-	200,277	-	(567,378)
Culture and recreation	1,226,777	1,350	-	-	(1,225,427)
Home and community services	1,367,504	825,490	27,361	-	(514,653)
Interest	228,422	-	-	727	(227,695)
Total Governmental Activities	\$ 13,870,431	\$ 1,971,519	\$ 342,044	\$ 111,099	(11,445,769)
General revenues					
Real property taxes					9,794,694
Other tax items					
Franchise fees					116,627
Payments in lieu of taxes					18,301
Interest and penalties on real property taxes					518,871
Non-property taxes					
Non-property tax distribution from County					713,217
Unrestricted use of money and property					30,625
Sale of property and compensation for loss					33,116
Unrestricted State aid					669,900
Miscellaneous					36,555
Total General Revenues					11,931,906
Change in Net Position					486,137
Net Position - Beginning					5,340,802
Net Position - Ending					\$ 5,826,939

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

Town of Ossining, New York

Balance Sheet
Governmental Funds
December 31, 2012

	General	Town Outside Villages	Highway	Special Districts
ASSETS				
Cash and equivalents	\$ 11,716,905	\$ 2,594,922	\$ 699,270	\$ 1,019,035
Investments	-	-	-	-
Taxes receivable, net of allowance for uncollectible taxes	34,729,400	-	-	-
Other receivables				
Accounts	162,970	23,693	85	850
State and Federal aid	41,744	-	-	-
Due from other governments	49,894	185,089	4,829	17,376
Due from other funds	-	-	-	-
	254,608	208,782	4,914	18,226
Prepaid expenditures	72,540	2,207	34,984	1,014
Total Assets	\$ 46,773,453	\$ 2,805,911	\$ 739,168	\$ 1,038,275
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 128,703	\$ 1,179,811	\$ 25,634	\$ 71,630
Accrued liabilities	124,139	8,317	20,970	-
Retainage payable	-	-	-	-
Due to school districts	44,132,333	-	-	-
Due to other funds	3,765	305,083	43,630	68
Unearned revenues - Taxes	1,096,502	-	-	-
Unearned revenues - Other	37,400	-	-	100
Bond anticipation notes payable	-	-	-	-
Total Liabilities	45,522,842	1,493,211	90,234	71,798
Fund balances (deficits)				
Nonspendable	72,540	2,207	34,984	1,014
Restricted	144	46,610	35,277	32,487
Assigned	114,000	1,263,883	578,673	932,976
Unassigned	1,063,927	-	-	-
Total Fund Balances (Deficits)	1,250,611	1,312,700	648,934	966,477
Total Liabilities and Fund Balances (Deficits)	\$ 46,773,453	\$ 2,805,911	\$ 739,168	\$ 1,038,275

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

<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 313,586	\$ 290,070	\$ 16,633,788
-	32,800	32,800
-	-	34,729,400
-	16,075	203,673
6,461	-	48,205
-	1,071	258,259
-	265,884	265,884
6,461	283,030	776,021
-	-	110,745
<u>\$ 320,047</u>	<u>\$ 605,900</u>	<u>\$ 52,282,754</u>
\$ 161,851	\$ 5,727	\$ 1,573,356
-	-	153,426
15,596	-	15,596
-	-	44,132,333
689	-	353,235
-	-	1,096,502
8,916	12,315	58,731
693,983	-	693,983
881,035	18,042	48,077,162
-	-	110,745
-	416,034	530,552
-	171,824	3,061,356
(560,988)	-	502,939
(560,988)	587,858	4,205,592
<u>\$ 320,047</u>	<u>\$ 605,900</u>	<u>\$ 52,282,754</u>

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Town of Ossining, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2012

Fund Balances - Total Governmental Funds	<u>\$ 4,205,592</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>10,411,139</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	<u>1,096,502</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(46,992)
Bonds payable	(6,825,000)
Compensated absences	(53,225)
Other post employment benefit obligations payable	<u>(2,961,077)</u>
	<u>(9,886,294)</u>
Net Position of Governmental Activities	<u><u>\$ 5,826,939</u></u>

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

Town of Ossining, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2012

	General	Town Outside Villages	Highway	Special Districts
REVENUES				
Real property taxes	\$ 2,652,602	\$ 2,737,859	\$ 2,185,534	\$ 2,021,043
Other tax items	653,172	-	-	627
Non-property taxes	-	713,217	-	-
Departmental income	42,074	240,973	7,900	169,037
Intergovernmental charges	419,530	-	-	165,128
Use of money and property	55,671	15,101	7,262	22,968
Licenses and permits	3,071	25	-	-
Fines and forfeitures	245,457	-	-	-
Sale of property and compensation for loss	33,116	17,576	-	-
State aid	728,776	-	6,380	-
Federal aid	76,474	-	-	-
Miscellaneous	106,148	49,188	12,358	2,053
Total Revenues	5,016,091	3,773,939	2,219,434	2,380,856
EXPENDITURES				
Current				
General government support	2,373,930	182,300	151,545	125,288
Public safety	-	2,653,380	-	588,545
Health	-	-	-	681,548
Transportation	-	-	1,159,036	65,121
Economic opportunity and development	556,860	-	-	-
Culture and recreation	912,470	-	-	-
Home and community services	6,729	66,589	-	826,051
Employee benefits	1,071,210	298,298	546,118	-
Debt service				
Principal	218,678	340,678	258,474	207,170
Interest	1,944	2,658	3,615	13,034
Capital outlay	-	-	-	-
Total Expenditures	5,141,821	3,543,903	2,118,788	2,506,757
Excess (Deficiency) of Revenues Over Expenditures	(125,730)	230,036	100,646	(125,901)
OTHER FINANCING SOURCES (USES)				
Bonds issued	195,864	305,777	232,000	186,359
Transfers in	52,691	-	8,112	5,115
Transfers out	(134,015)	(321,678)	(255,463)	(133,242)
Total Other Financing Sources (Uses)	114,540	(15,901)	(15,351)	58,232
Net Change in Fund Balances	(11,190)	214,135	85,295	(67,669)
Fund Balances (Deficits) - Beginning of Year	1,261,801	1,098,565	563,639	1,034,146
Fund Balances (Deficits) - End of Year	\$ 1,250,611	\$ 1,312,700	\$ 648,934	\$ 966,477

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 9,597,038
-	-	653,799
-	-	713,217
-	642,403	1,102,387
-	-	584,658
-	14,595	115,597
-	-	3,096
-	-	245,457
-	-	50,692
110,372	-	845,528
-	-	76,474
-	1,222	170,969
<u>110,372</u>	<u>658,220</u>	<u>14,158,912</u>
-	-	2,833,063
-	-	3,241,925
-	-	681,548
-	-	1,224,157
-	-	556,860
-	-	912,470
-	451,621	1,350,990
-	-	1,915,626
-	443,513	1,468,513
-	195,463	216,714
764,776	-	764,776
<u>764,776</u>	<u>1,090,597</u>	<u>15,166,642</u>
<u>(654,404)</u>	<u>(432,377)</u>	<u>(1,007,730)</u>
1,505,000	-	2,425,000
200,307	647,762	913,987
(8,786)	(60,803)	(913,987)
<u>1,696,521</u>	<u>586,959</u>	<u>2,425,000</u>
1,042,117	154,582	1,417,270
(1,603,105)	433,276	2,788,322
<u>\$ (560,988)</u>	<u>\$ 587,858</u>	<u>\$ 4,205,592</u>

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Town of Ossining, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2012

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,417,270</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	798,145
Depreciation expense	<u>(495,545)</u>
	<u>302,600</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>197,656</u>
<p>Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Bonds issued	(2,425,000)
Principal paid on serial bonds	430,000
Principal paid on bond anticipation notes	1,025,000
Principal paid on installment purchase debt	<u>13,513</u>
	<u>(956,487)</u>
<p>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.</p>	
Accrued interest	(11,708)
Claims payable	113,776
Compensated absences	(2,029)
Other post employment benefit obligations	<u>(574,941)</u>
	<u>(474,902)</u>
Change in Net Position of Governmental Activities	<u>\$ 486,137</u>

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

Town of Ossining, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Town Outside Villages, Highway and Special Districts Funds
Year Ended December 31, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,863,248	\$ 2,844,376	\$ 2,652,602	\$ (191,774)
Other tax items	485,959	485,959	653,172	167,213
Non-property taxes	-	-	-	-
Departmental income	34,800	34,800	42,074	7,274
Intergovernmental charges	424,071	424,071	419,530	(4,541)
Use of money and property	90,800	90,800	55,671	(35,129)
Licenses and permits	-	-	3,071	3,071
Fines and forfeitures	225,000	225,000	245,457	20,457
Sale of property and compensation for loss	-	-	33,116	33,116
State aid	805,000	817,275	728,776	(88,499)
Federal aid	66,500	66,500	76,474	9,974
Miscellaneous	91,200	91,200	106,148	14,948
Total Revenues	5,086,578	5,079,981	5,016,091	(63,890)
EXPENDITURES				
Current				
General government support	2,437,250	2,513,154	2,373,930	139,224
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	-	-	-	-
Economic opportunity and development	570,525	581,750	556,860	24,890
Culture and recreation	863,959	921,947	912,470	9,477
Home and community services	7,500	7,500	6,729	771
Employee benefits	1,251,151	1,178,198	1,071,210	106,988
Debt service				
Principal	22,814	218,678	218,678	-
Interest	8,438	8,438	1,944	6,494
Total Expenditures	5,161,637	5,429,665	5,141,821	287,844
Excess (Deficiency) of Revenues Over Expenditures	(75,059)	(349,684)	(125,730)	223,954
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	195,864	195,864	-
Transfers in	52,692	52,692	52,691	(1)
Transfers out	(135,500)	(138,229)	(134,015)	4,214
Total Other Financing Sources (Uses)	(82,808)	110,327	114,540	4,213
Net Change in Fund Balances	(157,867)	(239,357)	(11,190)	228,167
Fund Balances - Beginning of Year	157,867	239,357	1,261,801	1,022,444
Fund Balances - End of Year	\$ -	\$ -	\$ 1,250,611	\$ 1,250,611

Town Outside Villages Fund				Highway Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,751,845	\$ 2,737,859	\$ 2,737,859	\$ -	\$ 2,196,699	\$ 2,185,534	\$ 2,185,534	\$ -
-	-	-	-	-	-	-	-
800,000	800,000	713,217	(86,783)	-	-	-	-
103,300	103,300	240,973	137,673	5,550	5,550	7,900	2,350
-	-	-	-	-	-	-	-
9,000	9,000	15,101	6,101	5,000	5,000	7,262	2,262
3,000	3,000	25	(2,975)	-	-	-	-
-	-	-	-	-	-	-	-
5,000	11,375	17,576	6,201	-	-	-	-
-	-	-	-	-	-	6,380	6,380
-	-	-	-	-	-	-	-
-	-	49,188	49,188	-	-	12,358	12,358
<u>3,672,145</u>	<u>3,664,534</u>	<u>3,773,939</u>	<u>109,405</u>	<u>2,207,249</u>	<u>2,196,084</u>	<u>2,219,434</u>	<u>23,350</u>
147,606	195,600	182,300	13,300	132,984	164,308	151,545	12,763
2,746,089	2,747,711	2,653,380	94,331	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,264,351	1,226,825	1,159,036	67,789
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
66,557	70,568	66,589	3,979	-	-	-	-
357,529	353,597	298,298	55,299	583,510	583,510	546,118	37,392
35,007	340,784	340,678	106	26,474	258,474	258,474	-
4,353	2,981	2,658	323	4,920	4,928	3,615	1,313
<u>3,357,141</u>	<u>3,711,241</u>	<u>3,543,903</u>	<u>167,338</u>	<u>2,012,239</u>	<u>2,238,045</u>	<u>2,118,788</u>	<u>119,257</u>
315,004	(46,707)	230,036	276,743	195,010	(41,961)	100,646	142,607
-	305,777	305,777	-	-	232,000	232,000	-
-	-	-	-	-	8,112	8,112	-
(315,004)	(321,678)	(321,678)	-	(207,295)	(258,106)	(255,463)	2,643
(315,004)	(15,901)	(15,901)	-	(207,295)	(17,994)	(15,351)	2,643
-	(62,608)	214,135	276,743	(12,285)	(59,955)	85,295	145,250
-	62,608	1,098,565	1,035,957	12,285	59,955	563,639	503,684
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,312,700</u>	<u>\$ 1,312,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,934</u>	<u>\$ 648,934</u>

(Continued)

Town of Ossining, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Continued)
General, Town Outside Villages, Highway and Special Districts Funds
Year Ended December 31, 2012

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,031,807	\$ 2,021,494	\$ 2,021,043	\$ (451)
Other tax items	-	-	627	627
Non-property taxes	-	-	-	-
Departmental income	162,764	162,764	169,037	6,273
Intergovernmental charges	-	165,130	165,128	(2)
Use of money and property	8,200	8,200	22,968	14,768
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
State aid	-	-	-	-
Federal aid	-	-	-	-
Miscellaneous	-	-	2,053	2,053
Total Revenues	2,202,771	2,357,588	2,380,856	23,268
EXPENDITURES				
Current				
General government support	78,976	130,545	125,288	5,257
Public safety	567,431	588,547	588,545	2
Health	516,418	681,548	681,548	-
Transportation	63,000	66,306	65,121	1,185
Economic opportunity and development	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	856,375	877,811	826,051	51,760
Employee benefits	-	-	-	-
Debt service				
Principal	19,949	207,687	207,170	517
Interest	12,590	13,045	13,034	11
Total Expenditures	2,114,739	2,565,489	2,506,757	58,732
Excess (Deficiency) of Revenues Over Expenditures	88,032	(207,901)	(125,901)	82,000
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	186,359	186,359	-
Transfers in	-	-	5,115	5,115
Transfers out	(104,938)	(133,246)	(133,242)	4
Total Other Financing Sources (Uses)	(104,938)	53,113	58,232	5,119
Net Change in Fund Balances	(16,906)	(154,788)	(67,669)	87,119
Fund Balances - Beginning of Year	16,906	154,788	1,034,146	879,358
Fund Balances - End of Year	\$ -	\$ -	\$ 966,477	\$ 966,477

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

Town of Ossining, New York

Statement of Net Position
Internal Service Fund - Workers' Compensation Benefits Fund
December 31, 2012

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Cash	
Demand deposits	\$ 3,122
Due from other funds	<u>87,351</u>
Total Assets	<u>90,473</u>
LIABILITIES	
Current liabilities	
Current portion of claims payable	9,000
Claims payable, less current portion	<u>81,473</u>
Total Liabilities	<u>\$ 90,473</u>

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

Town of Ossining, New York

Statement of Revenues, Expenses and Changes
in Net Position

Internal Service Fund - Workers' Compensation Benefits Fund
Year Ended December 31, 2012

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Departmental charges	\$ 18,125
OPERATING EXPENSES	
Employee benefits	<u>18,125</u>
Income from Operations	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

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

Town of Ossining, New York

Statement of Cash Flows
Internal Service Fund - Workers' Compensation Benefits Fund
Year Ended December 31, 2012

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from departmental charges	\$ 48,748
Cash payments to insurance carriers, claimants and other	<u>(48,748)</u>
Net Cash from Operating Activities	-
Cash - Beginning of Year	<u>3,122</u>
Cash - End of Year	<u><u>\$ 3,122</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	\$ -
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Due from other funds	30,623
Claims payable	<u>(30,623)</u>
Net Cash from Operating Activities	<u><u>\$ -</u></u>

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

Town of Ossining, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2012

	<u>Agency</u>
ASSETS	
Cash	
Demand deposits	\$ 55,177
Accounts receivable	<u>1,228</u>
Total Assets	<u><u>\$ 56,405</u></u>
LIABILITIES	
Deposits	\$ 56,208
Employee payroll deductions	<u>197</u>
Total Liabilities	<u><u>\$ 56,405</u></u>

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

Town of Ossining, New York

Notes to Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies

The Town of Ossining, New York ("Town") was established in 1845 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

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

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Town Outside Villages Fund - The Town Outside Villages Fund is used to account for transactions which by statute affect only those areas outside the boundaries of the villages located within the Town. The major revenues of this fund are real property taxes, non-property taxes and departmental income.

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and State aid.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, lighting, fire protection, refuse and garbage and ambulance districts. The major revenues of this fund are real property taxes, departmental income and use of money and property.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

The Town also reports the following non-major governmental funds.

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

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Deposits, Investments and Risk Disclosure

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

The Town's investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations

Note 1 - Summary of Significant Accounting Policies (Continued)

include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2012.

Investments - All investments are stated at fair value. Investments consist of certificates of deposits which are fixed rate investments maturing in more than three months and are secured by FDIC coverage and collateral is posted by the respective depository.

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement, insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets consist of assets that were acquired or constructed subsequent to January 1, 2004.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

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

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

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$1,096,502 for real property taxes in the General Fund. The Town also has reported unearned revenues of \$37,400 for payments received in advance in the General Fund, \$100 for payments received in advance in the Special Districts Fund, \$8,916 for State aid received in advance in the Capital Projects Fund and \$12,315 for payments received in advance in the Special Purpose Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

As of December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include, net investment in capital assets, restricted for tax certiorari, debt service, town outside villages, special districts, trusts and parklands. The balance is classified as unrestricted.

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

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

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative,

Note 1 - Summary of Significant Accounting Policies (Continued)

since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is May 14, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 2 - Stewardship, Compliance and Accountability (Continued)

- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Town Outside Villages, Highway, Special Districts and Debt Service funds.
- i) Budgets for General, Town Outside Villages, Highway, Special Districts 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 for the Proprietary or Special Purpose funds.
- j) The Town Board 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 Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in General, Town Outside Villages, Highway, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended December 31, 2012, the Town implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$560,988 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2012 consisted of the following:

Town and County taxes - Current	\$	284,559	
School districts taxes - Current		33,546,923	
Taxes receivable - Overdue		897,918	
Property acquired for taxes		<u>38,148</u>	
		34,767,548	
Allowance for uncollectible taxes		<u>(38,148)</u>	
	\$	<u>34,729,400</u>	

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2013. Taxes receivable in the fund financial statements are also partially offset by unearned tax revenues of \$1,096,502, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2012 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 3,765
Town Outside Villages	-	305,083
Highway	-	43,630
Special Districts	-	68
Capital Projects	-	689
Non-Major Governmental	265,884	-
Internal Service - Workers' Compensation Benefits	<u>87,351</u>	<u>-</u>
	<u>\$ 353,235</u>	<u>\$ 353,235</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Capital Assets, not being depreciated				
Land	\$ 1,360,073	\$ -	\$ -	\$ 1,360,073
Construction-in-Progress	524,622	530,651	661,927	393,346
Total Capital Assets, not being depreciated	<u>\$ 1,884,695</u>	<u>\$ 530,651</u>	<u>\$ 661,927</u>	<u>\$ 1,753,419</u>
Capital Assets, being depreciated				
Buildings and Improvements	\$ 7,020,232	\$ 7,460	\$ -	\$ 7,027,692
Machinery and Equipment	3,084,983	83,861	39,128	3,129,716
Infrastructure	2,194,403	827,623	-	3,022,026
Total Capital Assets, being depreciated	<u>12,299,618</u>	<u>918,944</u>	<u>39,128</u>	<u>13,179,434</u>
Less Accumulated Depreciation for				
Buildings and Improvements	1,644,071	198,110	-	1,842,181
Machinery and Equipment	2,242,965	225,528	39,128	2,429,365
Infrastructure	178,261	71,907	-	250,168
Total Accumulated Depreciation	<u>4,065,297</u>	<u>495,545</u>	<u>39,128</u>	<u>4,521,714</u>
Total Capital Assets, being depreciated, net	<u>\$ 8,234,321</u>	<u>\$ 423,399</u>	<u>\$ -</u>	<u>\$ 8,657,720</u>
Capital Assets, net	<u>\$ 10,119,016</u>	<u>\$ 954,050</u>	<u>\$ 661,927</u>	<u>\$ 10,411,139</u>

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

Governmental Activities:	
General Government Support	\$ 49,527
Public Safety	115,997
Transportation	147,465
Economic Opportunity and Development	4,659
Culture and Recreation	121,399
Home and Community Services	<u>56,498</u>
Total Depreciation Expense	<u>\$ 495,545</u>

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

Accrued liabilities at December 31, 2012 were as follows:

	Fund			Total
	General	Town Outside Villages	Highway	
Payroll and Employee Benefits	\$ 19,354	\$ 8,317	\$ 20,970	\$ 48,641
Other	104,785	-	-	104,785
	<u>\$ 124,139</u>	<u>\$ 8,317</u>	<u>\$ 20,970</u>	<u>\$ 153,426</u>

E. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2013 are as follows:

	Tier/Plan	Rate
ERS	3 A14	18.6 %
	4 A15	18.6
	5 A15	15.1
	6 A15	10.1
PFRS	2 384D	25.1

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>PFRS</u>
2012	\$ 398,864	\$ 19,614
2011	381,734	37,351
2010	227,078	283,017

The ERS and PFRS contributions were equal to 100% of the actuarially required contribution for each respective fiscal year.

The current ERS contribution for the Town was charged to the funds identified below. The current PFRS contribution was charged to the Town Outside Villages Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 261,499
Town Outside Villages	7,896
Highway	<u>129,469</u>
	<u>\$ 398,864</u>

F. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2012</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance December 31, 2012</u>
Bond Anticipation Notes							
Stonegate Lift Station	1985	-	-	\$ 29,850	\$ -	\$ 29,850	\$ -
Engle Park Improvements	2007	-	-	9,438	-	9,438	-
Dump Truck	2007	-	-	9,157	-	9,157	-
Highway Dump Truck	2007	-	-	11,000	-	11,000	-
55 Old Albany Post Road	2007	-	-	11,000	-	11,000	-
Highway Packer Truck	2007	-	-	9,725	-	9,725	-
Garage Doors	2008	-	-	5,590	-	5,590	-
Samstag Retaining Wall	2008	08/15/2013	0.97	31,101	-	16,000	15,101
Highway Dump Trucks	2008	08/15/2013	0.97	19,582	-	17,000	2,582
Highway Dump Truck	2008	08/15/2013	0.97	18,000	-	9,000	9,000
Highway - Confined Space	2008	-	-	10,000	-	10,000	-
Leaf Machine	2008	08/15/2013	0.97	10,600	-	5,300	5,300
North State Street Road Drainage	2012	09/27/2013	0.76	-	50,000	-	50,000
Old Albany Post Road "S" Curve	2012	09/27/2013	0.76	-	162,000	-	162,000
Water Mains Cedar Lane	2012	09/27/2013	0.76	-	450,000	-	450,000
				<u>175,043</u>	<u>662,000</u>	<u>143,060</u>	<u>693,983</u>
Loans Payable							
Stormytown Pump Station	2010	-	-	991,807	-	991,807	-
Stonegate Pump Station	2010	-	-	505,715	-	505,715	-
				<u>1,497,522</u>	<u>-</u>	<u>1,497,522</u>	<u>-</u>
				<u>\$ 1,672,565</u>	<u>\$ 662,000</u>	<u>\$ 1,640,582</u>	<u>\$ 693,983</u>

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

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

Interest expenditures were recorded in the fund financial statements as identified below. Interest expense of \$2,865 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 192
Highway	1,601
Special Districts	<u>683</u>
	<u>\$ 2,476</u>

The State of New York has authorized the establishment of the New York State Environmental Facilities Corporation. The Corporation was created in-part to administer a water pollution control revolving fund for purposes of complying with the Clean Water Act. The Town originally received a loan from the Corporation in the amount of \$1,501,923 with interest at 0.71%. The loan is to be repaid no later than December 9, 2013. The liability for the loan has been redeemed with the issuance of a bond during the year. Interest expense/expenditures of \$11,032 were recorded in the fund financial statements in the Special District Fund and in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2012:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
Bonds Payable					
Capital construction	\$ 4,830,000	\$ 1,505,000	\$ 430,000	\$ 5,905,000	\$ 478,000
Other	-	920,000	-	920,000	62,000
	<u>4,830,000</u>	<u>2,425,000</u>	<u>430,000</u>	<u>6,825,000</u>	<u>540,000</u>
Bond Anticipation Notes	1,025,000	-	1,025,000	-	-
Installment Purchase Debt	23,990	-	23,990	-	-
Claims Payable	234,872	18,125	162,524	90,473	9,000
Compensated Absences	51,196	7,129	5,100	53,225	5,300
Other Post Employment Benefit Obligations Payable	<u>2,386,136</u>	<u>971,990</u>	<u>397,049</u>	<u>2,961,077</u>	<u>-</u>
	<u>\$ 8,551,194</u>	<u>\$ 3,422,244</u>	<u>\$ 2,043,663</u>	<u>\$ 9,929,775</u>	<u>\$ 554,300</u>

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for compensated absences and other post employment benefit obligations is liquidated by the respective fund. The Town's indebtedness for bonds, bond anticipation notes and installment purchase debt is satisfied by the Debt Service Fund, which is funded primarily by the General, Town Outside Villages, Highway and Special Districts funds. Claims are paid by the Internal Service Fund - Workers' Compensation Benefits Fund, which is funded by the various governmental funds

Bonds Payable

Bonds payable at December 31, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2012
Public Improvements	2000	\$ 1,561,000	June, 2020	5.250 - 5.50 %	\$ 665,000
Public Improvements	2003	4,736,000	May, 2023	3.500 - 4.50	2,435,000
Public Improvements	2007	1,695,000	April, 2027	4.125 - 4.25	1,300,000
Public Improvements	2012	2,425,000	February, 2032	2.000 - 3.00	2,425,000
					<u>\$ 6,825,000</u>

Interest expenditures of \$194,513, were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$207,215 was recorded in the government-wide financial statements for governmental activities.

Bond Anticipation Notes Payable

The Town, in February, 2012, renewed a bond anticipation note in the amount of \$920,000 used to finance tax certiorari refunds. The note was due February, 2013, but was redeemed with the issuance of a bond in September, 2012.

Interest expenditures of \$7,743, were recorded in the funds identified below. Interest expense of \$6,360 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
General	\$ 1,752
Town Outside Villages	2,658
Highway	2,014
Special Districts	1,319
	<u>\$ 7,743</u>

Note 3 - Detailed Notes on All Funds (Continued)

Installment Purchase Debt

The Town, in 2009, entered into various agreements to lease certain vehicles. The terms of the agreement provide for annual payments ranging from \$5,321 to \$7,304 through March 2013. Payments include interest at rates ranging from 6% to 7.15%. The terms of the agreements provide options to purchase the vehicles at the end of the lease term. The leases meet the criteria of capital leases as defined by Statement of Financial Accounting Standards Board No. 13. The lease was terminated in February 2012, thus no balance is outstanding at December 31, 2012.

Interest expenditures/expenses of \$950 were recorded in the fund financial statements in the Debt Service Fund and in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2012 including interest payments of \$1,666,527 are as follows:

Year Ended December 31,	Principal	Interest
2013	\$ 540,000	\$ 226,131
2014	550,000	216,357
2015	555,000	197,157
2016	565,000	177,260
2017	560,000	156,719
2018-2022	2,370,000	488,978
2023-2027	1,145,000	165,813
2028-2032	540,000	38,112
	<u>\$ 6,825,000</u>	<u>\$ 1,666,527</u>

The above general obligation bonds and installment purchase debt are direct obligations of the Town, for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Claims Payable

The Internal Service Fund reflects workers' compensation 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

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

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

	<u>2012</u>	<u>2011</u>
Balance - Beginning of Year	\$ 121,096	\$ 132,607
Provision for Claims and Claims Adjustment Expenses	18,125	24,070
Claims and Claims Adjustment Expenses Paid	<u>(48,748)</u>	<u>(35,581)</u>
Balance - End of Year	<u>\$ 90,473</u>	<u>\$ 121,096</u>
Due Within One Year	<u>\$ 9,000</u>	<u>\$ 12,110</u>

Compensated Absences

Sick leave for all Town employees may be accumulated, however, the Town is not required to pay accumulated sick leave upon retirement or termination. Vacation time for police may be carried forward and any days not used by March 31st of the subsequent year shall be paid to the employee. Employees covered under the Teamsters bargaining agreement may accumulate a maximum of 10 days of vacation which will be paid upon separation of service. Employees covered under the CSEA bargaining agreement forfeit vacation days not used by June 30th of the subsequent year. Certain employees are also eligible for compensation for terminal leave upon retirement. The value of compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town 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 Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employee's may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements. The Town has recognized revenues and expenditures of \$30,598 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

The Town 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 Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Assumed</u> <u>Increase</u>
2012	9.0 %
2013	8.0
2014	7.0
2015	6.0
2016+	5.0

The amortization basis is the level percentage of payroll with a closed amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 4% investment rate of return, a 3.5% inflation rate and a 2.5% annual payroll growth rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age method.

The number of participants as of December 31, 2012 was as follows:

Active Employees	46
Retired Employees	<u>44</u>
Total	<u><u>90</u></u>

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component	
Actuarial Accrued Liability as of January 1, 2012	\$ 12,116,081
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 12,116,081</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,477,264</u>
UAAL as a Percentage of Covered Payroll	<u>489.09%</u>
Annual Required Contribution	\$ 988,063
Adjustment to annual required contribution	(111,518)
Interest on Net OPEB Obligation	<u>95,445</u>
Annual OPEB Cost	971,990
Contributions Made	<u>(397,049)</u>
Increase in Net OPEB Obligation	574,941
Net OPEB Obligation - Beginning of Year	<u>2,386,136</u>
Net OPEB Obligation - End of Year	<u>\$ 2,961,077</u>

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

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 1,289,372	30.17 %	\$ 1,781,844
2011	1,026,420	41.10	2,386,136
2012	971,990	40.80	2,961,077

H. Revenues and Expenditures

Interfund Transfers

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

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In					Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 20,839	\$ 113,176	\$ 134,015
Town Outside Villages Fund	-	-	-	-	321,678	321,678
Highway Fund	-	-	-	130,318	125,145	255,463
Special Districts Fund	-	-	5,115	49,150	78,977	133,242
Capital Projects Fund	-	-	-	-	8,786	8,786
Non-Major Governmental Funds	52,691	8,112	-	-	-	60,803
	<u>\$ 52,691</u>	<u>\$ 8,112</u>	<u>\$ 5,115</u>	<u>\$ 200,307</u>	<u>\$ 647,762</u>	<u>\$ 913,987</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for General, Highway, Special Districts and Capital Projects funds expenditures.

I. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Tax Certioraris - the component of net position that has been established pursuant to Town Law Section 55-b to put aside unexpended bond anticipation note proceeds to be used for the payment of future tax certiorari refunds.

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

Restricted for Town Outside Villages - the component of net position that represents funds restricted for Town Outside Villages purposes.

Restricted for Special Districts Funds - the component of net position that represents funds restricted for specific purposes under New York State Law or by external parties and/or statutes.

Restricted for Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the grants.

Town of Ossining, New York

Notes to Financial Statements (Continued)

December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Town of Ossining, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2012						2011						
	General Fund	Town Outside Villages Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	General Fund	Town Outside Villages Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable	\$ 72,540	\$ 2,207	\$ 34,984	\$ 1,014	\$ -	\$ -	\$ -	\$ 8,620	\$ -	\$ -	\$ -	\$ -	\$ 8,620
Prepaid expenditures													
Restricted													
Tax certioraris	144	46,610	35,277	32,487	-	-	81,490	108,958	82,751	79,873	-	-	353,072
Debt service	-	-	-	-	-	94,060	-	-	-	-	-	284,482	284,482
Parklands	-	-	-	-	-	40,913	-	-	-	-	-	40,862	40,862
Trusts	-	-	-	-	-	281,061	-	-	-	-	-	75,240	75,240
Total Restricted	144	46,610	35,277	32,487	-	416,034	81,490	108,958	82,751	79,873	-	380,564	793,656
Assigned													
Purchases on order	-	-	-	-	-	-	5,115	-	-	-	-	-	5,115
General government support	-	-	-	-	-	-	-	-	12,285	-	-	-	12,285
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Home and community services	-	-	-	18,568	-	-	-	-	-	-	-	-	-
Total Assigned	-	-	-	18,568	-	-	5,115	-	12,285	-	-	-	17,400
Subsequent year's expenditures	114,000	-	-	43,132	-	171,824	152,752	-	-	16,906	-	52,692	222,350
Major Funds	-	1,263,883	578,673	871,276	-	-	-	980,987	468,603	937,367	-	-	2,386,957
Total Assigned	114,000	1,263,883	578,673	932,976	-	171,824	157,867	980,987	480,888	954,273	-	52,692	2,626,707
Unassigned	1,063,927	-	-	-	(560,988)	-	1,022,444	-	-	(1,603,105)	-	-	(680,661)
Total Fund Balances	\$ 1,250,611	\$ 1,312,700	\$ 648,934	\$ 966,477	\$ (560,988)	\$ 587,858	\$ 1,291,801	\$ 1,098,565	\$ 563,639	\$ 1,034,146	\$ (1,603,105)	\$ 433,276	\$ 2,788,322

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for retirement, insurance and certain other payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Purchases on order represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions. The amounts are reflected as assigned fund balance except where the assignment would cause a negative unassigned fund balance.

Subsequent year's expenditures represent that at December 31, 2012, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in the capital projects.

Note 4 - Summary Disclosure of Significant Contingencies

Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims pending, none are expected to have a material effect on the financial position of the Town, if adversely settled.

There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits. Accordingly, the Town's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Risk Management

The Town purchases various conventional insurance policies to limit its exposure to loss. The general liability policy provides coverage of \$1 million per occurrence and \$2 million in the aggregate. The public officials liability policy provides coverage up to \$10 million. In addition, the Town has an excess liability policy which provides coverage up to \$10 million per occurrence and \$20 million in the aggregate. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Effective January 1, 2009, the Town purchased conventional workers' compensation insurance. Previous to that, the Town was self-insured for workers' compensation benefits. The Town is responsible for outstanding claims under the previous self-insured plan. The Town retains the risk for these claims up to \$125,000 per year. Insurance coverage has been secured for losses in excess of \$125,000. The governmental funds are charged premiums by the Internal Service Fund.

The Town purchases conventional health insurance for its employees.

Town of Ossining, New York

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

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2012	\$ -	\$ 12,116,081	\$ 12,116,081	- %	\$ 2,477,264	489.09 %
January 1, 2011	-	13,246,437	13,246,437	-	2,693,928	491.71
January 1, 2010	-	13,911,746	13,911,746	-	4,353,694	319.54

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Town of Ossining, New York

General Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	\$ 11,716,335	\$ 11,085,320
Petty cash	570	570
	<u>11,716,905</u>	<u>11,085,890</u>
Taxes receivable		
Town and County taxes	284,559	240,764
School districts taxes	33,546,923	34,222,635
Taxes receivable overdue	897,918	785,033
Property acquired for taxes	38,148	38,148
	<u>34,767,548</u>	<u>35,286,580</u>
Allowance for uncollectible taxes	(38,148)	(38,148)
	<u>34,729,400</u>	<u>35,248,432</u>
Other receivables		
Accounts	162,970	198,947
State and Federal aid	41,744	39,451
Due from other governments	49,894	71,655
Due from other funds	-	28,395
	<u>254,608</u>	<u>338,448</u>
Prepaid expenditures	<u>72,540</u>	<u>-</u>
Total Assets	<u>\$ 46,773,453</u>	<u>\$ 46,672,770</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 128,703	\$ 694,794
Accrued liabilities	124,139	138,742
Due to school districts	44,132,333	42,823,433
Due to other funds	3,765	855,154
Unearned revenues - Taxes	1,096,502	898,846
Unearned revenues - Other	37,400	-
Total Liabilities	<u>45,522,842</u>	<u>45,410,969</u>
Fund balance		
Nonspendable	72,540	-
Restricted	144	81,490
Assigned	114,000	157,867
Unassigned	<u>1,063,927</u>	<u>1,022,444</u>
Total Fund Balance	<u>1,250,611</u>	<u>1,261,801</u>
Total Liabilities and Fund Balance	<u>\$ 46,773,453</u>	<u>\$ 46,672,770</u>

Town of Ossining, New York

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

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,863,248	\$ 2,844,376	\$ 2,652,602	\$ (191,774)
Other tax items	485,959	485,959	653,172	167,213
Departmental income	34,800	34,800	42,074	7,274
Intergovernmental charges	424,071	424,071	419,530	(4,541)
Licenses and permits	-	-	3,071	3,071
Use of money and property	90,800	90,800	55,671	(35,129)
Fines and forfeitures	225,000	225,000	245,457	20,457
Sale of property and compensation for loss	-	-	33,116	33,116
State aid	805,000	817,275	728,776	(88,499)
Federal aid	66,500	66,500	76,474	9,974
Miscellaneous	91,200	91,200	106,148	14,948
Total Revenues	5,086,578	5,079,981	5,016,091	(63,890)
EXPENDITURES				
Current				
General government support	2,437,250	2,513,154	2,373,930	139,224
Economic opportunity and development	570,525	581,750	556,860	24,890
Culture and recreation	863,959	921,947	912,470	9,477
Home and community services	7,500	7,500	6,729	771
Employee benefits	1,251,151	1,178,198	1,071,210	106,988
Debt service				
Principal	22,814	218,678	218,678	-
Interest	8,438	8,438	1,944	6,494
Total Expenditures	5,161,637	5,429,665	5,141,821	287,844
Excess (Deficiency) of Revenues Over Expenditures	(75,059)	(349,684)	(125,730)	223,954
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	195,864	195,864	-
Bond anticipation notes issued	-	-	-	-
Transfers in	52,692	52,692	52,691	(1)
Transfers out	(135,500)	(138,229)	(134,015)	4,214
Total Other Financing Sources (Uses)	(82,808)	110,327	114,540	4,213
Net Change in Fund Balance	(157,867)	(239,357)	(11,190)	228,167
Fund Balance - Beginning of Year	157,867	239,357	1,261,801	1,022,444
Fund Balance - End of Year	\$ -	\$ -	\$ 1,250,611	\$ 1,250,611

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,903,852	\$ 2,873,837	\$ 2,841,762	\$ (32,075)
566,000	566,000	670,394	104,394
31,800	31,801	36,198	4,397
188,126	188,126	177,130	(10,996)
-	-	-	-
96,800	96,800	63,244	(33,556)
110,000	110,000	126,384	16,384
-	-	11,552	11,552
686,000	697,250	731,672	34,422
87,500	87,500	75,761	(11,739)
93,700	107,782	119,033	11,251
<u>4,763,778</u>	<u>4,759,096</u>	<u>4,853,130</u>	<u>94,034</u>
2,082,190	2,323,420	2,181,217	142,203
591,996	562,639	530,551	32,088
857,631	872,833	843,630	29,203
8,000	8,141	6,789	1,352
1,059,360	1,014,347	981,197	33,150
5,832	5,832	5,832	-
19,241	19,328	3,363	15,965
<u>4,624,250</u>	<u>4,806,540</u>	<u>4,552,579</u>	<u>253,961</u>
<u>139,528</u>	<u>(47,444)</u>	<u>300,551</u>	<u>347,995</u>
-	-	-	-
-	165,777	165,777	-
53,928	53,928	206,680	152,752
(194,776)	(201,673)	(198,297)	3,376
<u>(140,848)</u>	<u>18,032</u>	<u>174,160</u>	<u>156,128</u>
(1,320)	(29,412)	474,711	504,123
<u>1,320</u>	<u>29,412</u>	<u>787,090</u>	<u>757,678</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,261,801</u>	<u>\$ 1,261,801</u>

Town of Ossining, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	\$ 2,863,248	\$ 2,844,376	\$ 2,652,602	\$ (191,774)	\$ 2,841,762
OTHER TAX ITEMS					
Franchise fees	98,000	98,000	116,627	18,627	114,354
Payments in lieu of taxes	17,959	17,959	17,674	(285)	17,959
Interest and penalties on real property taxes	370,000	370,000	518,871	148,871	538,081
	485,959	485,959	653,172	167,213	670,394
DEPARTMENTAL INCOME					
Reimbursement for tax sale advertising	6,500	6,500	18,790	12,290	18,080
Clerk fees	7,300	7,300	8,404	1,104	10,098
Public health fees	-	-	11,620	11,620	-
Parks and recreation fees	16,000	16,000	1,350	(14,650)	5,850
Marina and dock fees	5,000	5,000	1,910	(3,090)	2,170
	34,800	34,800	42,074	7,274	36,198
INTERGOVERNMENTAL CHARGES					
Reimbursement for election expenses	17,000	17,000	20,737	3,737	14,450
Reimbursement for parking violations	227,904	227,904	230,768	2,864	-
Reimbursement for clerk services	179,167	179,167	168,025	(11,142)	162,680
	424,071	424,071	419,530	(4,541)	177,130
LICENSES AND PERMITS					
Dog license fees	-	-	3,071	3,071	-
USE OF MONEY AND PROPERTY					
Earnings on investments	70,000	70,000	30,625	(39,375)	48,819
Rental of real property	20,800	20,800	25,046	4,246	14,425
	90,800	90,800	55,671	(35,129)	63,244

FINES AND FORFEITURES

Fines and forfeited bail	225,000	225,000	245,457	20,457	126,384
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Insurance recoveries	-	-	33,116	33,116	11,552
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STATE AID

Per capita	149,000	149,000	151,987	2,987	151,987
Mortgage tax	620,000	620,000	517,913	(102,087)	521,034
Supplemental Nutrition Assistance Program	36,000	36,000	46,314	10,314	46,089
Other	-	12,275	12,562	287	12,562

FEDERAL AID

Title III B	8,500	8,500	10,025	1,525	8,506
Title III C-1	18,000	18,000	25,423	7,423	25,214
Title III C-2	19,000	19,000	25,776	6,776	26,578
Commodity funding	21,000	21,000	15,250	(5,750)	15,463
	66,500	66,500	76,474	9,974	75,761

MISCELLANEOUS

Call-A-Cab	37,500	37,500	31,933	(5,567)	36,456
Senior Nutrition Program	39,200	39,200	44,244	5,044	48,358
Medicare Part D subsidy	-	-	17,309	17,309	14,082
Refund of prior year's expenditures	-	-	977	977	427
Other	14,500	14,500	11,685	(2,815)	19,710

TOTAL REVENUES

	5,086,578	5,079,981	5,016,091	(63,890)	4,853,130
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Town of Ossining, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
OTHER FINANCING SOURCES					
Bonds issued	\$ -	\$ 195,864	\$ 195,864	\$ -	\$ -
Bond anticipation notes issued	-	-	-	-	165,777
Transfers in					
Debt Service Fund	52,692	52,692	52,691	(1)	53,928
Special Purpose Fund	-	-	-	-	152,752
TOTAL OTHER FINANCING SOURCES	<u>52,692</u>	<u>248,556</u>	<u>248,555</u>	<u>(1)</u>	<u>372,457</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 5,139,270</u>	<u>\$ 5,328,537</u>	<u>\$ 5,264,646</u>	<u>\$ (63,891)</u>	<u>\$ 5,225,587</u>

Town of Ossining, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 44,554	\$ 44,736	\$ 44,735	\$ 1	\$ 44,219
Town Justice	609,776	609,776	584,531	25,245	233,469
Supervisor	167,115	167,115	127,401	39,714	190,378
Auditor	25,225	25,837	25,836	1	25,474
Tax Collector	223,451	223,451	213,937	9,514	208,349
Assessor	337,739	343,208	340,188	3,020	423,714
Town Clerk	199,200	199,200	194,384	4,816	192,835
Town Attorney	234,676	234,676	213,156	21,520	218,795
Engineer	15,000	15,000	12,801	2,199	15,000
Elections	76,180	76,180	73,360	2,820	69,009
Buildings	188,785	193,429	192,513	916	181,677
Central communications	55,481	55,481	46,306	9,175	58,777
Central data processing	161,362	161,362	150,329	11,033	139,432
Unallocated insurance	55,152	55,152	48,334	6,818	53,875
Judgments and claims	5,000	77,618	77,618	-	97,373
Filing fees	6,000	6,000	4,065	1,935	5,671
Taxes on Town owned property	4,000	4,000	3,844	156	3,575
Inter-Municipal Agreement Study	1,000	13,275	13,275	-	13,275
Metropolitan commuter transportation mobility tax	7,554	7,554	7,317	237	6,320
Contingency	20,000	104	-	104	-
	<u>2,437,250</u>	<u>2,513,154</u>	<u>2,373,930</u>	<u>139,224</u>	<u>2,181,217</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veteran's services	5,816	10,136	8,100	2,036	6,856
Nutrition - C-1	44,018	42,778	38,157	4,621	34,097
Nutrition - C-2	68,648	68,648	61,283	7,365	60,762
Transportation support services	426,543	425,899	415,797	10,102	398,637
Supplemental Nutrition Assistance Program	23,000	30,589	30,588	1	27,094
R.U.O.K. Program	2,500	3,700	2,935	765	3,105
	<u>570,525</u>	<u>581,750</u>	<u>556,860</u>	<u>24,890</u>	<u>530,551</u>

CULTURE AND RECREATION

Parks	451,106	503,118	498,395	4,723	439,415
Youth programs	391,853	392,729	392,728	1	379,913
Celebrations	7,500	7,500	5,775	1,725	7,716
Parks sewer lift stations	13,500	18,600	15,572	3,028	16,586
	<u>863,959</u>	<u>921,947</u>	<u>912,470</u>	<u>9,477</u>	<u>843,630</u>

HOME AND COMMUNITY SERVICES

Cemeteries	7,500	7,500	6,729	771	6,789
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EMPLOYEE BENEFITS

State retirement	397,689	312,749	261,499	51,250	248,011
Social security	169,962	169,962	150,696	19,266	139,846
Workers' compensation benefits	71,940	71,940	45,388	26,552	41,168
Life and dental insurance	42,000	43,489	43,488	1	35,332
Unemployment benefits	9,000	18,965	17,625	1,340	14,031
Disability insurance	3,000	3,559	3,559	-	1,962
Hospital and medical insurance	557,560	557,534	548,955	8,579	500,847
	<u>1,251,151</u>	<u>1,178,198</u>	<u>1,071,210</u>	<u>106,988</u>	<u>981,197</u>

(Continued)

Town of Ossining, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
DEBT SERVICE					
Principal					
Bond anticipation notes	\$ 22,814	\$ 218,678	\$ 218,678	\$ -	\$ 5,832
Interest					
Bond anticipation notes	2,250	2,250	1,944	306	1,177
Tax anticipation notes	6,188	6,188	-	6,188	2,186
	31,252	227,116	220,622	6,494	9,195
	5,161,637	5,429,665	5,141,821	287,844	4,552,579
TOTAL EXPENDITURES					
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	112,692	115,421	113,176	2,245	121,849
Capital Projects Fund	22,808	22,808	20,839	1,969	19,200
Special Purpose Fund	-	-	-	-	57,248
	135,500	138,229	134,015	4,214	198,297
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 5,297,137	\$ 5,567,894	\$ 5,275,836	\$ 292,058	\$ 4,750,876

Town of Ossining, New YorkTown Outside Villages Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 2,594,722	\$ 1,702,476
Petty cash	200	200
	<u>2,594,922</u>	<u>1,702,676</u>
Receivables		
Accounts	23,693	28,413
State and Federal aid	-	4,333
Due from other governments	185,089	184,086
Due from other funds	-	446,649
	<u>208,782</u>	<u>663,481</u>
Prepaid expenditures	<u>2,207</u>	<u>8,620</u>
Total Assets	<u>\$ 2,805,911</u>	<u>\$ 2,374,777</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,179,811	\$ 1,188,985
Accrued liabilities	8,317	3,464
Due to other funds	305,083	83,763
Total Liabilities	<u>1,493,211</u>	<u>1,276,212</u>
Fund balance		
Nonspendable	2,207	8,620
Restricted	46,610	108,958
Assigned	1,263,883	980,987
Total Fund Balance	<u>1,312,700</u>	<u>1,098,565</u>
Total Liabilities and Fund Balance	<u>\$ 2,805,911</u>	<u>\$ 2,374,777</u>

Town of Ossining, New York

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

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,751,845	\$ 2,737,859	\$ 2,737,859	\$ -
Non-property taxes	800,000	800,000	713,217	(86,783)
Departmental income	103,300	103,300	240,973	137,673
Use of money and property	9,000	9,000	15,101	6,101
Licenses and permits	3,000	3,000	25	(2,975)
Sale of property and compensation for loss	5,000	11,375	17,576	6,201
State aid	-	-	-	-
Miscellaneous	-	-	49,188	49,188
Total Revenues	3,672,145	3,664,534	3,773,939	109,405
EXPENDITURES				
Current				
General government support	147,606	195,600	182,300	13,300
Public safety	2,746,089	2,747,711	2,653,380	94,331
Home and community services	66,557	70,568	66,589	3,979
Employee benefits	357,529	353,597	298,298	55,299
Debt service				
Principal	35,007	340,784	340,678	106
Interest	4,353	2,981	2,658	323
Total Expenditures	3,357,141	3,711,241	3,543,903	167,338
Excess (Deficiency) of Revenues Over Expenditures	315,004	(46,707)	230,036	276,743
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	305,777	305,777	-
Bond anticipation notes issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(315,004)	(321,678)	(321,678)	-
Total Other Financing Uses	(315,004)	(15,901)	(15,901)	-
Net Change in Fund Balance	-	(62,608)	214,135	276,743
Fund Balance - Beginning of Year	-	62,608	1,098,565	1,035,957
Fund Balance - End of Year	\$ -	\$ -	\$ 1,312,700	\$ 1,312,700

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,811,943	\$ 2,761,327	\$ 2,761,327	\$ -
675,000	675,000	703,253	28,253
58,050	58,050	89,962	31,912
2,000	2,000	12,894	10,894
950	950	2,522	1,572
-	-	41,376	41,376
-	4,333	4,333	-
-	6,691	18,303	11,612
<u>3,547,943</u>	<u>3,508,351</u>	<u>3,633,970</u>	<u>125,619</u>
164,510	292,738	291,473	1,265
2,581,898	2,695,725	2,679,914	15,811
90,882	90,671	66,618	24,053
392,723	399,414	362,769	36,645
8,901	8,901	8,335	566
5,689	5,171	1,288	3,883
<u>3,244,603</u>	<u>3,492,620</u>	<u>3,410,397</u>	<u>82,223</u>
<u>303,340</u>	<u>15,731</u>	<u>223,573</u>	<u>207,842</u>
-	-	-	-
-	265,665	265,665	-
13,000	13,000	13,000	-
<u>(317,840)</u>	<u>(338,837)</u>	<u>(338,837)</u>	<u>-</u>
<u>(304,840)</u>	<u>(60,172)</u>	<u>(60,172)</u>	<u>-</u>
(1,500)	(44,441)	163,401	207,842
<u>1,500</u>	<u>44,441</u>	<u>935,164</u>	<u>890,723</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,098,565</u>	<u>\$ 1,098,565</u>

Town of Ossining, New York

**Town Outside Villages Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	\$ 2,751,845	\$ 2,737,859	\$ 2,737,859	\$ -	\$ 2,761,327
NON-PROPERTY TAXES	800,000	800,000	713,217	(86,783)	703,253
Non-property tax distribution from County					
DEPARTMENTAL INCOME					
Police fees	10,000	10,000	2,600	(7,400)	2,075
Alarm fees and fines	25,500	25,500	3,525	(21,975)	15,250
Building inspection fees	55,000	55,000	230,770	175,770	57,449
Public health fees	8,500	8,500	-	(8,500)	10,920
Zoning fees	500	500	150	(350)	300
Planning Board fees	3,000	3,000	3,025	25	3,127
Other fees	800	800	903	103	841
	103,300	103,300	240,973	137,673	89,962
USE OF MONEY AND PROPERTY					
Earnings on investments	9,000	9,000	15,101	6,101	12,894
LICENSES AND PERMITS					
Dog licenses	3,000	3,000	25	(2,975)	2,522

SALE OF PROPERTY AND COMPENSATION FOR LOSS								
Sale of equipment	-	6,375	17,576	11,201	38,270			
Insurance recoveries	5,000	5,000	-	(5,000)	3,106			
	<u>5,000</u>	<u>11,375</u>	<u>17,576</u>	<u>6,201</u>	<u>41,376</u>			
STATE AID								
Public safety	-	-	-	-	4,333			
MISCELLANEOUS								
Refund of prior year's expenditures	-	-	42,604	42,604	11,612			
Medicare Part D subsidy	-	-	6,584	6,584	6,691			
	<u>-</u>	<u>-</u>	<u>49,188</u>	<u>49,188</u>	<u>18,303</u>			
TOTAL REVENUES	<u>3,672,145</u>	<u>3,664,534</u>	<u>3,773,939</u>	<u>109,405</u>	<u>3,633,970</u>			
OTHER FINANCING SOURCES								
Bonds issued	-	305,777	305,777	-	-			
Bond anticipation notes issued	-	-	-	-	265,665			
Transfers in	-	-	-	-	-			
Debt Service Fund	-	-	-	-	13,000			
	<u>-</u>	<u>305,777</u>	<u>305,777</u>	<u>-</u>	<u>278,665</u>			
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>305,777</u>	<u>305,777</u>	<u>-</u>	<u>278,665</u>			
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,672,145</u>	<u>\$ 3,970,311</u>	<u>\$ 4,079,716</u>	<u>\$ 109,405</u>	<u>\$ 3,912,635</u>			

Town of Ossining, New York

Town Outside Villages Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 17,933	\$ 17,933	\$ 17,393	\$ 540	\$ 17,932
Engineer	34,800	35,404	35,404	-	34,800
Central data processing	39,768	39,768	37,049	2,719	37,366
Unallocated insurance	29,441	29,441	29,202	239	37,384
Judgments and claims	8,000	58,835	58,293	542	155,836
Filing fees	1,800	3,173	3,172	1	1,518
Intermunicipal Agreement study	-	1,334	1,333	1	5,794
Metropolitan commuter transportation mobility tax	864	864	454	410	843
Contingency	15,000	8,848	-	8,848	-
	<u>147,606</u>	<u>195,600</u>	<u>182,300</u>	<u>13,300</u>	<u>291,473</u>
PUBLIC SAFETY					
Police	2,613,706	2,613,706	2,521,734	91,972	2,546,641
Control of animals	13,597	13,597	11,347	2,250	12,747
Building inspection	118,786	120,408	120,299	109	120,526
	<u>2,746,089</u>	<u>2,747,711</u>	<u>2,653,380</u>	<u>94,331</u>	<u>2,679,914</u>
HOME AND COMMUNITY SERVICES					
Zoning Board	3,300	2,500	1,865	635	742
Planning Board	50,757	53,568	50,524	3,044	59,699
Storm Water Management	12,000	14,000	14,000	-	6,077
Environmental Advisory Council	500	500	200	300	100
	<u>66,557</u>	<u>70,568</u>	<u>66,589</u>	<u>3,979</u>	<u>66,618</u>

EMPLOYEE BENEFITS						
State retirement	8,983	8,983	7,896	1,087	7,281	
Police retirement	27,351	27,351	19,614	7,737	37,351	
Social security	19,445	19,445	10,221	9,224	18,982	
Workers' compensation benefits	32,050	32,050	18,964	13,086	29,543	
Life and dental insurance	4,800	6,799	6,799	-	9,969	
Disability insurance	1,700	1,700	373	1,327	307	
Hospital and medical insurance	263,200	257,269	234,431	22,838	259,336	
	<u>357,529</u>	<u>353,597</u>	<u>298,298</u>	<u>55,299</u>	<u>362,769</u>	
DEBT SERVICE						
Principal						
Bond anticipation notes	35,007	340,784	340,678	106	8,335	
Interest						
Bond anticipation notes	2,665	2,665	2,658	7	692	
Tax anticipation notes	1,688	316	-	316	596	
	<u>4,353</u>	<u>2,981</u>	<u>2,658</u>	<u>323</u>	<u>1,288</u>	
	<u>39,360</u>	<u>343,765</u>	<u>343,336</u>	<u>429</u>	<u>9,623</u>	
TOTAL EXPENDITURES	<u>3,357,141</u>	<u>3,711,241</u>	<u>3,543,903</u>	<u>167,338</u>	<u>3,410,397</u>	
OTHER FINANCING USES						
Transfers out						
Debt Service Fund	315,004	321,678	321,678	-	338,837	
	<u>\$ 3,672,145</u>	<u>\$ 4,032,919</u>	<u>\$ 3,865,581</u>	<u>\$ 167,338</u>	<u>\$ 3,749,234</u>	

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Town of Ossining, New York

Highway Fund
 Comparative Balance Sheet
 December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 699,195	\$ 388,803
Petty cash	75	75
	<u>699,270</u>	<u>388,878</u>
Receivables		
Accounts	85	1,904
State and federal aid	-	48,996
Due from other governments	4,829	1,233
Due from other funds	-	348,652
	<u>4,914</u>	<u>400,785</u>
Prepaid expenditures		
	<u>34,984</u>	<u>-</u>
Total Assets	<u>\$ 739,168</u>	<u>\$ 789,663</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 25,634	\$ 175,239
Accrued liabilities	20,970	5,107
Due to other funds	43,630	45,678
	<u>90,234</u>	<u>226,024</u>
Fund balance		
Nonspendable	34,984	-
Restricted	35,277	82,751
Assigned	578,673	480,888
	<u>648,934</u>	<u>563,639</u>
Total Fund Balance	<u>648,934</u>	<u>563,639</u>
Total Liabilities and Fund Balance	<u>\$ 739,168</u>	<u>\$ 789,663</u>

Town of Ossining, New York

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

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,196,699	\$ 2,185,534	\$ 2,185,534	\$ -
Departmental income	5,550	5,550	7,900	2,350
Use of money and property	5,000	5,000	7,262	2,262
Sale of property and compen- sation for loss	-	-	-	-
State aid	-	-	6,380	6,380
Federal aid	-	-	-	-
Miscellaneous	-	-	12,358	12,358
Total Revenues	2,207,249	2,196,084	2,219,434	23,350
EXPENDITURES				
Current				
General government support	132,984	164,308	151,545	12,763
Transportation	1,264,351	1,226,825	1,159,036	67,789
Employee benefits	583,510	583,510	546,118	37,392
Debt service				
Principal				
Bond anticipation notes	26,474	258,474	258,474	-
Interest				
Bond anticipation notes	3,607	3,615	3,615	-
Tax anticipation notes	1,313	1,313	-	1,313
Total Expenditures	2,012,239	2,238,045	2,118,788	119,257
Excess (Deficiency) of Revenues Over Expenditures	195,010	(41,961)	100,646	142,607
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	232,000	232,000	-
Bond anticipation notes issued	-	-	-	-
Transfers in	-	8,112	8,112	-
Transfers out	(207,295)	(258,106)	(255,463)	2,643
Total Other Financing Uses	(207,295)	(17,994)	(15,351)	2,643
Net Change in Fund Balance	(12,285)	(59,955)	85,295	145,250
Fund Balance - Beginning of Year	12,285	59,955	563,639	503,684
Fund Balance - End of Year	\$ -	\$ -	\$ 648,934	\$ 648,934

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,245,206	\$ 2,204,791	\$ 2,204,791	\$ -
650	650	5,790	5,140
5,000	5,000	6,198	1,198
-	-	10,284	10,284
-	4,333	10,713	6,380
-	-	38,282	38,282
-	5,767	13,776	8,009
<u>2,250,856</u>	<u>2,220,541</u>	<u>2,289,834</u>	<u>69,293</u>
147,807	326,245	232,248	93,997
1,342,793	1,398,458	1,371,500	26,958
540,269	513,364	510,292	3,072
6,265	6,265	6,265	-
5,574	5,574	5,554	20
3,850	464	464	-
<u>2,046,558</u>	<u>2,250,370</u>	<u>2,126,323</u>	<u>124,047</u>
<u>204,298</u>	<u>(29,829)</u>	<u>163,511</u>	<u>193,340</u>
-	-	-	-
-	202,092	202,092	-
61,317	61,317	61,317	-
<u>(278,230)</u>	<u>(316,957)</u>	<u>(315,707)</u>	<u>1,250</u>
<u>(216,913)</u>	<u>(53,548)</u>	<u>(52,298)</u>	<u>1,250</u>
<u>(12,615)</u>	<u>(83,377)</u>	<u>111,213</u>	<u>194,590</u>
<u>12,615</u>	<u>83,377</u>	<u>452,426</u>	<u>369,049</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 563,639</u>	<u>\$ 563,639</u>

Town of Ossining, New York

Special Districts Fund
 Combining Balance Sheet - Sub-Funds
 December 31, 2012
 (With Comparative Actuals for 2011)

	Sewer Districts			
	Townwide Water	Conso- lidated	North State Road	Lighting
ASSETS				
Cash				
Demand deposits	\$ 19,795	\$ 682,317	\$ 1,500	\$ 38,481
Receivables				
Accounts	-	850	-	-
Due from other governments	29	831	-	136
Due from other funds	-	-	-	-
	<u>29</u>	<u>1,681</u>	<u>-</u>	<u>136</u>
Prepaid expenditures	-	1,014	-	-
Total Assets	<u>\$ 19,824</u>	<u>\$ 685,012</u>	<u>\$ 1,500</u>	<u>\$ 38,617</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2	\$ 10,224	\$ -	\$ 7,572
Due to other funds	-	-	68	-
Unearned revenues - Other	-	100	-	-
Total Liabilities	<u>2</u>	<u>10,324</u>	<u>68</u>	<u>7,572</u>
Fund balances				
Nonspendable	-	1,014	-	-
Restricted	359	13,073	-	963
Assigned	19,463	660,601	1,432	30,082
Total Fund Balances	<u>19,822</u>	<u>674,688</u>	<u>1,432</u>	<u>31,045</u>
Total Liabilities and Fund Balances	<u>\$ 19,824</u>	<u>\$ 685,012</u>	<u>\$ 1,500</u>	<u>\$ 38,617</u>

Fire Protection	Refuse and Garbage	Ambulance	Totals	
			2012	2011
\$ 63,058	\$ 198,007	\$ 15,877	\$ 1,019,035	\$ 1,031,191
-	-	-	850	1,710
1,266	1,200	13,914	17,376	23,429
-	-	-	-	57,818
<u>1,266</u>	<u>1,200</u>	<u>13,914</u>	<u>18,226</u>	<u>82,957</u>
-	-	-	1,014	-
<u>\$ 64,324</u>	<u>\$ 199,207</u>	<u>\$ 29,791</u>	<u>\$ 1,038,275</u>	<u>\$ 1,114,148</u>
\$ 42	\$ 28,410	\$ 25,380	\$ 71,630	\$ 57,449
-	-	-	68	22,453
-	-	-	100	100
<u>42</u>	<u>28,410</u>	<u>25,380</u>	<u>71,798</u>	<u>80,002</u>
-	-	-	1,014	-
8,882	9,191	19	32,487	79,873
<u>55,400</u>	<u>161,606</u>	<u>4,392</u>	<u>932,976</u>	<u>954,273</u>
<u>64,282</u>	<u>170,797</u>	<u>4,411</u>	<u>966,477</u>	<u>1,034,146</u>
<u>\$ 64,324</u>	<u>\$ 199,207</u>	<u>\$ 29,791</u>	<u>\$ 1,038,275</u>	<u>\$ 1,114,148</u>

Town of Ossining, New York

Special Districts Fund

Combining Schedule Of Revenues, Expenditures And Changes

In Fund Balances - Sub-Funds

Year Ended December 31, 2012

(With Comparative Actuals for 2011)

	Sewer Districts			
	Townwide Water	Conso- lidated	North State Road	Lighting
REVENUES				
Real property taxes	\$ 13,619	\$ 237,878	\$ 50,179	\$ 65,327
Other tax items	-	-	-	-
Departmental income	-	160,588	8,449	-
Intergovernmental charges	-	-	-	-
Use of money and property	167	19,273	102	227
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	1,108	945	-	-
Total Revenues	<u>14,894</u>	<u>418,684</u>	<u>58,730</u>	<u>65,554</u>
EXPENDITURES				
Current				
General government support	851	23,379	-	3,292
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	-	-	-	65,121
Home and community services	-	281,427	-	-
Debt service				
Principal				
Bond anticipation notes	2,377	53,232	-	7,298
Interest				
Bond anticipation notes	19	816	-	58
Tax anticipation notes	-	-	-	-
Loan	-	11,032	-	-
Total Expenditures	<u>3,247</u>	<u>369,886</u>	<u>-</u>	<u>75,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,647</u>	<u>48,798</u>	<u>58,730</u>	<u>(10,215)</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	2,133	47,855	-	6,550
Bond anticipation notes issued	-	-	-	-
Transfers in	-	5,115	-	-
Transfers out	(12,975)	(55,974)	(64,293)	-
Total Other Financing Sources (Uses)	<u>(10,842)</u>	<u>(3,004)</u>	<u>(64,293)</u>	<u>6,550</u>
Net Change in Fund Balances	805	45,794	(5,563)	(3,665)
Fund Balances - Beginning of Year	19,017	628,894	6,995	34,710
Fund Balances - End of Year	<u>\$ 19,822</u>	<u>\$ 674,688</u>	<u>\$ 1,432</u>	<u>\$ 31,045</u>

Fire Protection	Refuse and Garbage	Ambulance	Totals	
			2012	2011
\$ 573,426	\$ 546,882	\$ 533,732	\$ 2,021,043	\$ 2,015,711
-	-	627	627	613
-	-	-	169,037	164,375
-	-	165,128	165,128	-
1,159	1,551	489	22,968	6,242
-	-	-	-	5,883
-	-	-	2,053	2,000
<u>574,585</u>	<u>548,433</u>	<u>699,976</u>	<u>2,380,856</u>	<u>2,194,824</u>
29,603	28,782	39,381	125,288	157,002
588,545	-	-	588,545	538,524
-	-	681,548	681,548	513,925
-	-	-	65,121	61,724
-	544,624	-	826,051	801,791
64,961	66,970	12,332	207,170	4,568
507	522	80	2,002	1,221
-	-	-	-	66
-	-	-	11,032	2,831
<u>683,616</u>	<u>640,898</u>	<u>733,341</u>	<u>2,506,757</u>	<u>2,081,652</u>
<u>(109,031)</u>	<u>(92,465)</u>	<u>(33,365)</u>	<u>(125,901)</u>	<u>113,172</u>
58,308	60,111	11,402	186,359	-
-	-	-	-	166,466
-	-	-	5,115	25,240
-	-	-	(133,242)	(137,073)
<u>58,308</u>	<u>60,111</u>	<u>11,402</u>	<u>58,232</u>	<u>54,633</u>
<u>(50,723)</u>	<u>(32,354)</u>	<u>(21,963)</u>	<u>(67,669)</u>	<u>167,805</u>
<u>115,005</u>	<u>203,151</u>	<u>26,374</u>	<u>1,034,146</u>	<u>866,341</u>
<u>\$ 64,282</u>	<u>\$ 170,797</u>	<u>\$ 4,411</u>	<u>\$ 966,477</u>	<u>\$ 1,034,146</u>

Town of Ossining, New York

Capital Projects Fund
 Comparative Balance Sheet
 December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 313,586	\$ 228,651
Accounts		
State and Federal aid	6,461	-
Due from other funds	-	2,640
	<u>6,461</u>	<u>2,640</u>
Restricted assets	-	170,873
Total Assets	<u>\$ 320,047</u>	<u>\$ 402,164</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 161,851	\$ 19,181
Retainage payable	15,596	16,896
Due to other funds	689	287,711
Unearned revenues - Other	8,916	8,916
Bond anticipation notes payable	693,983	175,043
Loans payable	-	1,497,522
Total Liabilities	881,035	2,005,269
Fund Deficit		
Unassigned	(560,988)	(1,603,105)
Total Liabilities and Fund Deficit	<u>\$ 320,047</u>	<u>\$ 402,164</u>

Town of Ossining, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	<u>2012</u>	<u>2011</u>
REVENUES		
State aid	\$ 110,372	\$ 7,460
Federal aid	-	5,993
	<u>110,372</u>	<u>13,453</u>
Total Revenues	110,372	13,453
EXPENDITURES		
Capital outlay	<u>764,776</u>	<u>784,110</u>
	<u>(654,404)</u>	<u>(770,657)</u>
Deficiency of Revenues Over Expenditures		
OTHER FINANCING SOURCES (USES)		
Bonds issued	1,505,000	-
Transfers in	200,307	257,684
Transfers out	<u>(8,786)</u>	<u>-</u>
	<u>1,696,521</u>	<u>257,684</u>
Total Other Financing Sources		
Net Change in Fund Balance	1,042,117	(512,973)
Fund Deficit - Beginning of Year	<u>(1,603,105)</u>	<u>(1,090,132)</u>
Fund Deficit - End of Year	<u>\$ (560,988)</u>	<u>\$ (1,603,105)</u>

Town of Ossining, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project through December 31, 2012

<u>PROJECT</u>	<u>Project Budget</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Engel Park Shoreline	\$ 848,000	\$ 476,341	\$ 371,659
Samstag Retaining Wall	80,000	80,000	-
Highway Dump Trucks	130,000	130,000	-
Leaf Machine	27,643	27,643	-
Old Albany Post Road "S" Curve	162,000	128,356	33,644
Water Mains Cedar Lane	475,240	378,732	96,508
Justice Court Assistance Program	17,458	14,615	2,843
North State Street Road Drainage	85,703	85,703	-
Road Paving and Resurfacing	79,992	79,992	-
Totals	<u>\$ 1,906,036</u>	<u>\$ 1,401,382</u>	<u>\$ 504,654</u>

Revenues	Fund Balance (Deficit) at December 31, 2012	Bond Anticipation Notes Outstanding at December 31, 2012
\$ 476,341	\$ -	\$ -
64,899	(15,101)	15,101
118,418	(11,582)	11,582
22,343	(5,300)	5,300
-	(128,356)	162,000
25,240	(353,492)	450,000
17,458	2,843	-
35,703	(50,000)	50,000
79,992	-	-
<u>\$ 840,394</u>	<u>\$ (560,988)</u>	<u>\$ 693,983</u>

Town of Ossining, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2012
 (With Comparative Actuals for 2011)

	Special Purpose	Debt Service	Total Non-Major Governmental Funds	
			2012	2011
ASSETS				
Cash				
Demand deposits	\$ 290,070	\$ -	\$ 290,070	\$ 114,023
Investments	32,800	-	32,800	32,410
Receivables				
Accounts	16,075	-	16,075	4,586
Due from other governments	1,071	-	1,071	195
Due from other funds	-	265,884	265,884	323,666
	17,146	265,884	283,030	328,447
Total Assets	<u>\$ 340,016</u>	<u>\$ 265,884</u>	<u>\$ 605,900</u>	<u>\$ 474,880</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,727	\$ -	\$ 5,727	\$ 3,569
Due to other funds	-	-	-	31,035
Unearned revenues - Other	12,315	-	12,315	7,000
Total Liabilities	18,042	-	18,042	41,604
Fund balances				
Restricted	321,974	94,060	416,034	380,584
Assigned	-	171,824	171,824	52,692
Total Fund Balances	321,974	265,884	587,858	433,276
Total Liabilities and Fund Balances	<u>\$ 340,016</u>	<u>\$ 265,884</u>	<u>\$ 605,900</u>	<u>\$ 474,880</u>

Town of Ossining, New York

**Combining Statement of Revenues, Expenditures and Changes
in Fund Balances**

Non-Major Governmental Funds

Year Ended December 31, 2012

(With Comparative Actuals for 2011)

	Special Purpose	Debt Service	Total Non-Major Governmental Funds	
			2012	2011
REVENUES				
Departmental income	\$ 642,403	\$ -	\$ 642,403	\$ 488,607
Use of money and property	13,868	727	14,595	14,537
Miscellaneous	1,222	-	1,222	772
Total Revenues	657,493	727	658,220	503,916
EXPENDITURES				
Current				
Home and community services	451,621	-	451,621	428,454
Debt service				
Principal	-	443,513	443,513	461,952
Interest	-	195,463	195,463	213,029
Total Expenditures	451,621	638,976	1,090,597	1,103,435
Excess (Deficiency) of Revenues Over Expenditures	205,872	(638,249)	(432,377)	(599,519)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	647,762	647,762	732,230
Transfers out	-	(60,803)	(60,803)	(306,237)
Total Other Financing Sources	-	586,959	586,959	425,993
Net Change in Fund Balances	205,872	(51,290)	154,582	(173,526)
Fund Balances - Beginning of Year	116,102	317,174	433,276	606,802
Fund Balances - End of Year	\$ 321,974	\$ 265,884	\$ 587,858	\$ 433,276

Town of Ossining, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 290,070	\$ 114,023
Investments	<u>32,800</u>	<u>32,410</u>
Receivables		
Accounts	16,075	4,586
Due from other governments	1,071	195
Due from other funds	<u>-</u>	<u>6,492</u>
	<u>17,146</u>	<u>11,273</u>
Total Assets	<u>\$ 340,016</u>	<u>\$ 157,706</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 5,727	\$ 3,569
Due to other funds	-	31,035
Unearned revenues - Other	<u>12,315</u>	<u>7,000</u>
Total Liabilities	18,042	41,604
Fund balance - Restricted	<u>321,974</u>	<u>116,102</u>
Total Liabilities and Fund Balance	<u>\$ 340,016</u>	<u>\$ 157,706</u>

Town of Ossining, New York

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

	<u>2012</u>	<u>2011</u>
REVENUES		
Departmental income	\$ 642,403	\$ 488,607
Use of money and property	13,868	13,717
Miscellaneous	<u>1,222</u>	<u>772</u>
Total Revenues	657,493	503,096
EXPENDITURES		
Current		
Home and community services	<u>451,621</u>	<u>428,454</u>
Excess of Revenues Over Expenditures	<u>205,872</u>	<u>74,642</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	57,248
Transfers out	<u>-</u>	<u>(152,752)</u>
Total Other Financing Uses	<u>-</u>	<u>(95,504)</u>
Net Change in Fund Balance	205,872	(20,862)
Fund Balance - Beginning of Year	<u>116,102</u>	<u>136,964</u>
Fund Balance - End of Year	<u><u>\$ 321,974</u></u>	<u><u>\$ 116,102</u></u>

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Town of Ossining, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Due from other funds	<u>\$ 265,884</u>	<u>\$ 317,174</u>
FUND BALANCE		
Restricted	\$ 94,060	\$ 264,482
Assigned	<u>171,824</u>	<u>52,692</u>
Total Fund Balance	<u>\$ 265,884</u>	<u>\$ 317,174</u>

Town of Ossining, New York

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

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 727	\$ 727
EXPENDITURES				
Debt service				
Principal				
Serial bonds	430,000	430,000	430,000	-
Installment purchase debt	-	13,513	13,513	-
	<u>430,000</u>	<u>443,513</u>	<u>443,513</u>	<u>-</u>
Interest				
Serial bonds	194,517	194,517	194,513	4
Installment purchase debt	-	950	950	-
	<u>194,517</u>	<u>195,467</u>	<u>195,463</u>	<u>4</u>
Total Expenditures	<u>624,517</u>	<u>638,980</u>	<u>638,976</u>	<u>4</u>
Deficiency of Revenues Over Expenditures	<u>(624,517)</u>	<u>(638,980)</u>	<u>(638,249)</u>	<u>731</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	624,517	638,980	647,762	8,782
Transfers out	(52,692)	(60,804)	(60,803)	1
Total Other Financing Sources	<u>571,825</u>	<u>578,176</u>	<u>586,959</u>	<u>8,783</u>
Net Change in Fund Balance	(52,692)	(60,804)	(51,290)	9,514
Fund Balance - Beginning of Year	<u>52,692</u>	<u>60,804</u>	<u>317,174</u>	<u>256,370</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,884</u>	<u>\$ 265,884</u>

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 820	\$ 820
430,000	430,000	430,000	-
-	31,952	31,952	-
430,000	461,952	461,952	-
214,201	214,201	210,860	3,341
-	2,169	2,169	-
214,201	216,370	213,029	3,341
644,201	678,322	674,981	3,341
(644,201)	(678,322)	(674,161)	4,161
644,201	678,322	674,982	(3,340)
(128,245)	(153,485)	(153,485)	-
515,956	524,837	521,497	(3,340)
(128,245)	(153,485)	(152,664)	821
128,245	153,485	469,838	316,353
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,174</u>	<u>\$ 317,174</u>

Town of Ossining, New York

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

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 3,122	\$ 3,122
Due from other funds	<u>87,351</u>	<u>117,974</u>
Total Assets	<u>\$ 90,473</u>	<u>\$ 121,096</u>
LIABILITIES		
Current liabilities		
Current portion of claims payable	\$ 9,000	\$ 12,110
Claims payable, less current portion	<u>81,473</u>	<u>108,986</u>
Total Liabilities	<u>\$ 90,473</u>	<u>\$ 121,096</u>

Town of Ossining, New York

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

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Departmental charges	\$ 18,125	\$ 24,070
OPERATING EXPENSES		
Employee benefits	<u>18,125</u>	<u>24,070</u>
Income from Operations	-	-
Net Position - Beginning of Year	<u>-</u>	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of Ossining, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from departmental charges	\$ 48,748	\$ 35,581
Cash payments to insurance carriers, claimants and other	<u>(48,748)</u>	<u>(35,581)</u>
Net Cash from Operating Activities	-	-
Cash - Beginning of Year	<u>3,122</u>	<u>3,122</u>
Cash - End of Year	<u><u>\$ 3,122</u></u>	<u><u>\$ 3,122</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ -	\$ -
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	30,623	31,595
Due to other funds	-	(20,084)
Claims payable	<u>(30,623)</u>	<u>(11,511)</u>
Net Cash from Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>