

VILLAGE OF OSSINING, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2010
WITH INDEPENDENT AUDITORS' REPORT

VILLAGE OF OSSINING, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village 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 Village of Ossining, New York as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ossining, New York as of December 31, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2011 on our consideration of the Village of Ossining, New York's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
May 16, 2011

**Village of Ossining, New York
Management's Discussion and Analysis (MD&A)
December 31, 2010**

Introduction

As management of the Village of Ossining, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2010. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

- ❖ On the government-wide Statement of Net Assets, the assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$62,339,064. Of this amount, the unrestricted portion is a deficit of \$1,563,469. This deficit resulted primarily from the accrual of certain operating liabilities pursuant to Government Accounting Standards Board (GASB) Statement No. 34, which will be satisfied in future years, including compensated absences and the accrual of the Village's annual other post-employment benefit (OPEB) cost in accordance with the provisions of GASB Statement No. 45.
- ❖ The Village's total net assets decreased by \$5,166,401 in 2010, from \$67,505,465 as of December 31, 2009. The total decrease in net assets resulted primarily from the increase in the accrual of OPEB obligations, which increased by \$3,830,000 in 2010.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$14,213,169, of which \$11,095,435 was unreserved and available for spending at the Village's discretion. The combined ending fund balances of \$14,213,169 at December 31, 2010 was \$3,478,554 more than the amount reported in the prior year (\$10,734,615).
- ❖ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,827,181, or 21.6% of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued new serial bonds of \$5,945,000 to finance capital projects and vehicles (of \$2,123,250), and to provide permanent financing for capital projects (of \$3,131,750) and for tax certiorari claims (of \$690,000) previously funded through the issuance of short-term obligations (bond anticipation notes (BAN's)). In 2010, the Village retired \$2,305,000 of general obligation debt from budgetary appropriations.
- ❖ As of December 31, 2010, the Village had an outstanding bond anticipation note liability of \$1,509,000, which was comprised of \$1,145,000 for authorized capital

projects in 2010, plus \$364,000 for prior year capital project BAN's. During 2010, the Village had retired \$395,250 of BAN's from budgetary appropriations, and converted \$3,821,750 of prior year BAN's to permanent financing through the issuance of serial bonds.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The Village maintains seven individual governmental funds: the General Fund, Water Fund, Sewer Fund, Debt Service Fund, Section 8 Housing Fund, Special Purpose Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Water, Debt Service and Capital Projects Funds. These funds are considered to be major funds. The Sewer, Section 8 Housing and Special Purpose Funds are not considered major funds and are combined into a single aggregate presentation.

The Village adopts annual budgets for the General Fund, Water Fund, Sewer Fund, Debt Service Fund and Section 8 Housing Fund. Budgetary comparison statements have been provided for the General and Water Funds within the basic financial statements to demonstrate compliance with the respective budgets. In the Capital Projects Fund, budgets are established on an individual project basis.

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements and include schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$62,339,064 at the close of the 2010 fiscal year, a decrease of \$5,166,401 from the prior fiscal year. The largest portion of the Village's net assets (91.6%) was its investment in capital assets (land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets, \$57,117,064. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

**Net Assets
December 31,**

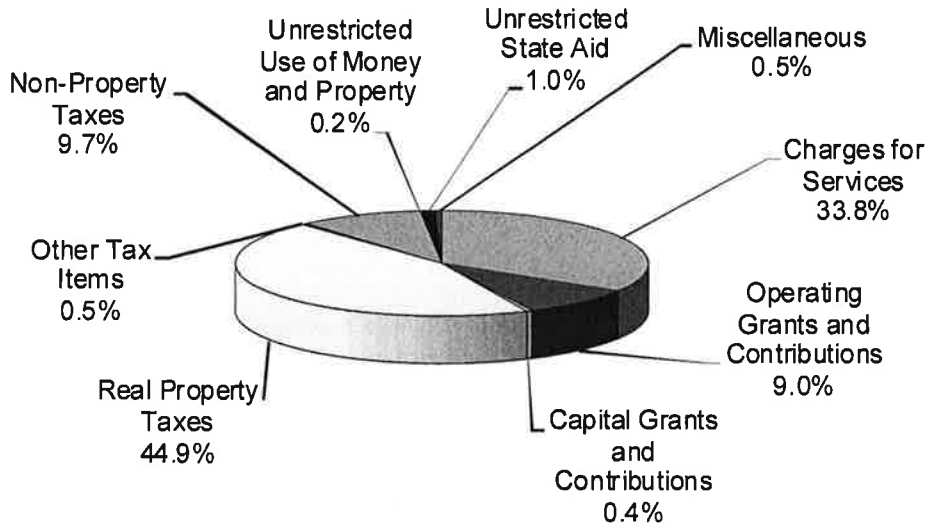
	2010 Governmental Activities	2009 Governmental Activities
Current Assets	\$ 21,129,736	\$ 20,137,672
Capital Assets, Net	81,377,499	82,541,292
Total Assets	102,507,235	102,678,964
Current Liabilities	7,368,113	10,190,822
Long-term Liabilities	32,800,058	24,982,677
Total Liabilities	40,168,171	35,173,499
Net Assets:		
Invested in Capital Assets, Net of Related Debt	57,117,064	59,935,776
Restricted	6,785,469	6,454,808
Unrestricted (deficit)	(1,563,469)	1,114,881
Total Net Assets	\$ 62,339,064	\$ 67,505,465

A portion of the Village's net assets at December 31, 2010, \$6,785,469 (10.9%), represented resources that were subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, which was a deficit of \$1,563,469 (-2.5% of the total net assets), must be financed from future operations. This deficit does not mean that the Village does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including claims payable (\$1,181,140), compensated absences (\$811,549), and other post-employment benefit obligations (\$8,340,000), that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made. At the end of the current fiscal year, the Village was able to report positive net asset balances in the government as a whole, and in the governmental funds.

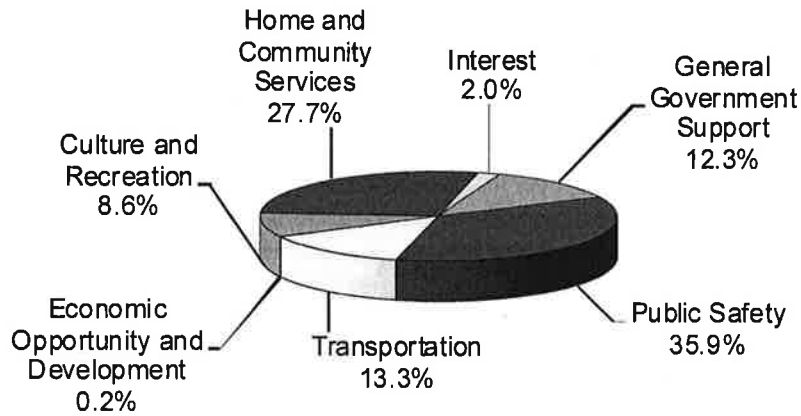
**Change in Net Assets
Fiscal Year Ended December 31,**

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 13,354,572	\$ 12,579,101
Operating Grants and Contributions	3,569,746	2,882,885
Capital Grants and Contributions	160,950	616,324
General Revenues:		
Real Property Taxes	17,730,652	16,876,012
Other Tax Items	181,113	138,045
Non-Property Taxes	3,842,894	3,576,006
Unrestricted Use of Money and Property	66,116	112,592
Unrestricted State Aid	389,903	442,446
Miscellaneous	196,899	115,010
Total Revenues	<u>39,492,845</u>	<u>37,338,421</u>
Program Expenses:		
General Government Support	5,518,349	5,285,341
Public Safety	16,034,170	13,615,745
Health	2,243	-
Transportation	5,948,935	5,686,181
Economic Opportunity and Development	71,316	92,080
Culture and Recreation	3,828,940	2,929,748
Home and Community Services	12,370,972	12,056,363
Interest	884,321	981,285
Total Expenses	<u>44,659,246</u>	<u>40,646,743</u>
Change in Net Assets	<u>(5,166,401)</u>	<u>(3,308,322)</u>
Net Assets - Beginning	<u>67,505,465</u>	<u>70,813,787</u>
Net Assets - Ending	<u>\$ 62,339,064</u>	<u>\$ 67,505,465</u>

Sources of Revenues for 2010 Governmental Activities



Expenses for 2010 Governmental Activities



Governmental Activities

During 2010, governmental activities decreased the Village's net assets by \$5,166,401.

For the fiscal year ended December 31, 2010, revenues from governmental activities totaled \$39,492,845. Tax revenues (\$21,754,659), comprised of real property taxes, other tax items and non-property taxes, represented the largest revenue source (55.1%). Tax revenues in the prior year totaled \$20,590,063 and also represented 55.1% of total revenues of \$37,338,421.

The largest components of governmental activities' expenses were public safety (35.9%), home and community services (27.7%), and transportation (13.3%). This was similar to last year when the largest components of government activities' expenses were public safety (33.5%), home and community services (29.7%), and transportation (14.0%).

The major changes in 2010 vs. 2009 were as follows:

Revenue

- Real property taxes increased by \$854,640, due primarily to the 5.63% real property tax increase in 2010.
- Charges for services increased by \$775,471. This was mostly attributable to the 6.0% rate increase for metered water sales and 29.0% rate increase for sewer revenues to generate sufficient revenues to finance operations in the Water and Sewer Funds.
- Non-property taxes increased by \$266,888, due to increased sales tax distribution revenues in 2010.

Expenses

- Post-employment health care benefit expenses were recorded in 2010 in the amount of \$3,830,000 (\$2,280,000 in 2009), in accordance with the provisions of GASB Statement No. 45. This expense was allocated to the following expense functions: public safety \$2,233,632 (\$964,676 in 2009), general government support \$669,963 (\$217,371 in 2009), transportation \$602,593 (\$183,993 in 2009), and all other expense functions \$323,812 (\$913,960 in 2009). The OPEB expense was substantially greater in 2010 than in 2009 due to changes in the insurance premium rates used and actuarial changes in the inflation rate and amortization assumptions. In addition, the methodology for the OPEB expense by function changed from percent of payroll expenditures to insurance census count by department (function) worked. As a result, public safety OPEB expenses were higher in 2010 due to the large number of active and retired police officers in the census count. This change allows for a more accurate reflection of Village expenses by function.
- Depreciation expense for 2010 was recorded in the amount of \$5,262,627, which was similar in amount to that of 2009 (\$5,318,738). However, the allocation of depreciation expense by function for buildings and building improvements was changed in 2010 to allow for a more accurate reflection of expenses attributed to

general government support, public safety, and culture and recreation functions. The depreciation expense was allocated to the following expense functions: general government support \$209,548 (\$950,662 in 2009), public safety \$630,510 (\$470,847 in 2009), transportation \$2,907,855 (\$3,006,187 in 2009), culture and recreation \$580,308 (\$42,342 in 2009), and home and community service \$934,406 (\$848,700 in 2009).

- Public safety expenses increased by \$2,418,425. The largest public safety expenses were for the police department, fire department and safety inspections. Expenses were more in 2010 due primarily to an increase in employee benefit expenses (primarily employer's retirement system contributions) and an increase in post-employment health care benefit expenses.
- Culture and recreation expenses increased by \$899,192, primarily due to post-employment health care benefit expenses and depreciation expense on recreation facilities that were recorded as general government support expenses in 2009.

Financial Analysis of the Village's Funds

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$14,213,169, a net increase of \$3,478,554 from the prior year amount of \$10,734,615. Approximately 78.1% (\$11,095,435) of the total ending fund balance constituted unreserved fund balance. Of the unreserved fund balance, \$1,239,819 was designated for subsequent year's expenditures and represented the amount estimated for use in the 2011 budget. The remainder of fund balance, \$3,117,734, was reserved to indicate that it was not available for new spending because it had already been committed for prepaid expenditures (\$493,272), to liquidate contracts and purchase orders of the prior period (\$100,783), dedicated to pay for debt service (\$862,395), dedicated for inventories (\$24,198), dedicated for crime control (\$52,489), dedicated for future capital projects (\$286,257), or was restricted in its use under the terms of a trust agreement (\$1,298,340).

General Fund - The General Fund is the primary operating fund of the Village.

At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,827,181, representing 89.7% of the total General Fund balance of \$6,498,588. Two useful measures of liquidity are the percentage of unreserved and undesignated fund balance to total expenditures, and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a healthy 17.4% unreserved and

undesigned fund balance (\$4,692,466) to total expenditures and other financing uses (\$27,034,316), while total fund balance (\$6,498,588) represented 24.0% of that same amount.

When the fiscal 2010 General Fund budget was adopted, it anticipated the use of \$694,196 of fund balance (\$500,000 designated from the previous year and \$194,196 of contract and purchase order commitments to be liquidated). The budget was amended during the year resulting in an anticipated use of fund balance of \$1,377,327. Included in this amount was \$690,000 in serial bonds issued to replace a bond anticipation note (BAN) that had been issued in a prior year for tax certiorari claims. For the year, actual results of operations resulted in an increase in fund balance of \$810,801. Revenues and other financing sources were \$27,845,117, which was \$223,482 more than the final budget. The primary revenues that were more than estimated in the modified budget were non-property taxes (by \$337,894) and departmental income (by \$107,978). The primary revenues that were less than estimated in the modified budget were real property taxes (by \$322,730), fines and forfeited bail (by \$92,856) and state aid (primarily mortgage tax revenues, by \$79,046).

Expenditures and other financing uses were \$27,034,316, which was \$1,964,646 less than the final budget. Significant expenditure variances were for general government support (\$582,054), public safety (\$249,735), home and community services (\$118,513), and employee benefits (\$171,536). In addition, because of the application of generally accepted accounting principles, a serial bond issued to replace a BAN resulted in unexpended appropriations of \$690,000 for debt service purposes.

Water Fund - The fund balance of the Water Fund increased by \$992,029 during the year, and totaled \$3,041,843 at December 31, 2010. Of this amount, the unreserved and undesignated portion was \$2,528,525 (\$1,703,767 in 2009). Revenues of \$8,372,575 were \$578,668 more than estimated in the budget. Expenditures of \$7,380,546 were \$514,656 less than budgeted in 2010, much of which was due to cost savings in the pumping, supply and power appropriations lines.

Sewer Fund - The fund balance of the Sewer Fund increased by \$164,432 and aggregated \$1,049,395 at December 31, 2010. The portion of fund balance that was unreserved and undesignated at year-end was \$1,027,114 (\$823,882 in 2009). Revenues and other financing sources of \$1,312,383 were \$20,381 less than estimated in the budget, due to estimated billed sewer charges that did not materialize. Fiscal year expenditures and other uses of \$1,147,951 were \$233,499 less than budgeted, due primarily to budgeted personal service expenditures that did not occur.

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$1,160,687, a decrease of \$404,344 from the prior year. The primary reason for this decrease was the appropriation of fund balance in the 2010 budget. Of the total fund balance at year-end, \$298,292 was appropriated in the 2011 budget.

Section 8 Housing Fund - The Section 8 Housing Fund, which provides Housing Assistance Payments for eligible tenants, ended its fiscal year with a fund balance of \$210,441, a decrease of \$2,862 from the prior year, on revenues and other financing sources of \$3,184,862. Of the total fund balance at year-end, \$41,527 was appropriated in the 2011 budget.

Special Purpose Fund - The fund balance of the Special Purpose Fund increased by \$3,921 during the year, and totaled \$1,298,340 as of December 31, 2010.

Capital Projects Fund - The Capital Projects Fund ended its fiscal year with a fund balance of \$953,875 from a fund deficit of \$960,702 at December 31, 2009 (prior year). The primary reason for the increase was the issuance of serial bonds in 2010 as revenues to replace bond anticipation notes (BAN's) that had been recorded as a fund liability at December 31, 2009.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Total net assets of the Internal Service Funds at year end were \$595,419 (was \$448,139 in the prior year). Total assets were \$1,662,807, and total liabilities were \$1,067,388 at year-end. In the Workers' Compensation Benefits Fund, total revenues were \$1,173,512 and operating expenses were \$1,099,404, resulting in an increase in net assets of \$74,108. In the General Liability Claims Fund, total revenues were \$644,104 and operating expenses were \$570,932, resulting in an increase in net assets of \$73,172.

Budgetary Highlights

General Fund

For 2010, the difference between the original budget of \$26,752,006 and the final amended budget of \$27,621,635 for General Fund estimated revenues resulted in an increase of \$869,629.

The primary reasons for the revenues budget increase were the appropriation of serial bond proceeds of \$690,000 to redeem a bond anticipation note (BAN) that had been issued in a prior year for payment of tax certiorari claims, and appropriated federal aid grants of \$148,761.

The difference between the appropriations originally budgeted and the final appropriation budget for the General Fund was an increase of \$1,552,760 (\$27,446,202 vs. \$28,998,962). Significant appropriation budget modifications included \$65,008 anticipated for prior year tax certiorari claims, \$454,154 for public safety expenditures (includes police department equipment), \$108,144 for employee benefits, and \$690,000 appropriated serial bond proceeds for payment on a bond anticipation note (BAN) liability.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at December 31, 2010, net of \$119,028,244 of accumulated depreciation, was \$81,377,499. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

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

<u>Asset</u>	Capital Assets December 31,	
	2010 Governmental Activities	2009 Governmental Activities
Land	\$ 2,515,572	\$ 2,499,575
Land Improvements	2,274,580	2,274,580
Buildings and Improvements	42,704,247	42,676,556
Infrastructure	137,766,859	135,973,032
Machinery and Equipment	14,664,916	13,432,275
Construction-in-Progress	479,569	448,569
Less: Accumulated Depreciation	<u>(119,028,244)</u>	<u>(114,763,295)</u>
Total (Net of Depreciation)	<u>\$ 81,377,499</u>	<u>\$ 82,541,292</u>

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$24,780,000. As required by New York State law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the 2010 fiscal year, the Village issued general obligation bonds of \$5,945,000 to finance two fire apparatus for \$1,445,461, two garbage trucks for \$387,789 (pertains to \$385,000 BAN referred to below), a water filtration improvements capital project for \$290,000, and to provide permanent financing for capital projects (of \$3,131,750) and tax certiorari claims (of \$690,000) previously funded through the issuance of bond anticipation notes (BAN's). During the year, the Village retired \$2,305,000 of general obligation debt from budgetary appropriations.

During the current fiscal year, the Village issued short-term obligations (bond anticipation notes (BAN's)) of \$1,509,000 to finance a streetscape capital project for \$445,000, a water capital project for \$700,000, and to renew prior year capital projects BAN's for \$364,000. The Village retired \$395,250 of short-term debt from budgetary appropriations during the year, and converted \$3,821,750 (excludes garbage truck BAN) into a serial bond in 2010. In addition, the Village issued a BAN in the amount of

\$385,000 for purchase of two garbage trucks, which was rolled over into the serial bond in 2010.

With the issuance of the BAN's and serial bond, Moody's Investors Service assigned an Aa2 credit rating on the bonds and MIG 1 rating on the notes, and affirmed the Aa2 credit rating on all outstanding debt of the Village.

During 2010, the Village issued installment purchase debt of \$138,018 to acquire police vehicles.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. As of November 2010 when the serial bond was issued, the Village had exhausted 8.48% of its constitutional debt limit, and had the authority to issue an additional \$140,290,804 of general obligation long-term debt.

Additional information on the Village's long-term and short-term debt can be found in Note 3 in the notes to the financial statements.

Next Year's Budgets and Rates

The Village appropriated \$650,000 of unreserved fund balance for spending in fiscal 2011. The real property tax rate for the 2011 Village General Fund is \$167.3942 per \$1,000 of taxable assessed value, an increase of 5.43% over the prior year tax rate.

Requests for Information

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

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VILLAGE OF OSSINING, NEW YORK

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 15,456,858
Receivables:	
Taxes, net	441,111
Accounts	3,372,767
State and Federal aid	304,217
Due from other governments	922,079
Prepaid expenses	493,272
Inventories	24,198
Deferred charges	115,234
Capital assets (net of accumulated depreciation):	
Land	2,515,572
Land improvements	665,857
Buildings and improvements	29,670,038
Infrastructure	43,783,684
Machinery and equipment	4,262,779
Construction-in-progress	479,569
	<hr/>
Total Assets	102,507,235
LIABILITIES	
Accounts payable	1,625,305
Accrued liabilities	1,130,379
Retained percentages	62,837
Unearned revenues	533,399
Bond anticipation notes payable	1,509,000
Accrued interest payable	170,094
Non-current liabilities:	
Due within one year:	
Bonds payable	2,115,000
Installment purchase debt payable	43,099
Claims payable	289,140
Compensated absences	80,000
Due in more than one year:	
Bonds payable	22,600,426
Installment purchase debt payable	45,943
Claims payable	892,000
Compensated absences	731,549
Other post employment benefit obligations payable	8,340,000
	<hr/>
Total Liabilities	40,168,171
NET ASSETS	
Invested in capital assets, net of related debt	57,117,064
Restricted for:	
Crime control	52,489
Future capital projects	286,257
Capital projects	525,076
Debt service	1,160,687
Workers' compensation benefits	312,064
General liability claims	283,355
Special Revenue Funds:	
Water	1,858,581
Sewer	847,179
Section 8 Housing	161,441
Special Purpose	1,298,340
Unrestricted	(1,563,469)
	<hr/>
Total Net Assets	\$ 62,339,064

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

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VILLAGE OF OSSINING, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government support	\$ 5,518,349	\$ 800,822	\$ 83,819	\$ -	\$ (4,633,708)
Public safety	16,034,170	1,152,405	134,341	-	(14,747,424)
Health	2,243	-	-	-	(2,243)
Transportation	5,948,935	511,876	-	138,714	(5,298,345)
Economic opportunity and development	71,316	-	-	-	(71,316)
Culture and recreation	3,828,940	957,917	9,824	-	(2,861,199)
Home and community services	12,370,972	9,931,552	3,341,762	540	902,882
Interest	884,321	-	-	21,696	(862,625)
Total Governmental Activities	\$ 44,659,246	\$ 13,354,572	\$ 3,569,746	\$ 160,950	(27,573,978)
General Revenues:					
Real property taxes					17,730,652
Other tax items:					
Payments in lieu of taxes					33,055
Interest and penalties on real property taxes					148,058
Non-property taxes:					
Utilities gross receipts taxes					284,326
Franchise fees					396,346
Non-property tax distribution from County					3,162,222
Unrestricted use of money and property					66,116
Sale of property and compensation for loss					104,367
Unrestricted State aid					389,903
Miscellaneous					92,532
Total General Revenues					22,407,577
Change in Net Assets					(5,166,401)
Net Assets - Beginning					67,505,465
Net Assets - Ending					\$ 62,339,064

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

VILLAGE OF OSSINING, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Water	Debt Service
ASSETS			
Cash and Equivalents	\$ 7,174,996	\$ 631,229	\$ 1,165,288
Taxes Receivable, net of allowance for uncollectible taxes	441,111	-	-
Other Receivables:			
Accounts	175,356	2,844,762	-
State and Federal aid	173,564	13,349	-
Due from other governments	914,502	7,577	-
	1,263,422	2,865,688	-
Prepaid Expenditures	422,733	48,163	-
Inventories	24,198	-	-
Total Assets	<u>\$ 9,326,460</u>	<u>\$ 3,545,080</u>	<u>\$ 1,165,288</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,072,096	\$ 342,692	\$ -
Accrued liabilities	961,170	155,585	-
Retained percentages	-	-	-
Deferred revenues - Taxes	349,393	-	-
Deferred revenues - Other	445,213	4,960	-
Bond anticipation notes payable	-	-	-
Accrued interest payable	-	-	4,601
Total Liabilities	<u>2,827,872</u>	<u>503,237</u>	<u>4,601</u>
Fund Balances:			
Reserved for prepaid expenditures	422,733	48,163	-
Reserved for crime control	52,489	-	-
Reserved for trusts	-	-	-
Reserved for future capital projects	91,759	194,498	-
Reserved for inventories	24,198	-	-
Reserved for debt service	-	-	862,395
Reserved for encumbrances	80,228	15,677	-
Unreserved reported in:			
General Fund	5,827,181	-	-
Special Revenue Funds	-	2,783,505	-
Debt Service Fund	-	-	298,292
Capital Projects Fund	-	-	-
Total Fund Balances	<u>6,498,588</u>	<u>3,041,843</u>	<u>1,160,687</u>
Total Liabilities and Fund Balances	<u>\$ 9,326,460</u>	<u>\$ 3,545,080</u>	<u>\$ 1,165,288</u>

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,542,170	\$ 2,280,368	\$ 13,794,051
-	-	441,111
-	352,649	3,372,767
112,794	4,510	304,217
-	-	922,079
112,794	357,159	4,599,063
-	22,376	493,272
-	-	24,198
\$ 2,654,964	\$ 2,659,903	\$ 19,351,695
\$ 77,031	\$ 57,098	\$ 1,548,917
-	13,624	1,130,379
62,837	-	62,837
-	-	349,393
52,221	31,005	533,399
1,509,000	-	1,509,000
-	-	4,601
1,701,089	101,727	5,138,526
-	22,376	493,272
-	-	52,489
-	1,298,340	1,298,340
-	-	286,257
-	-	24,198
-	-	862,395
-	4,878	100,783
-	-	5,827,181
-	1,232,582	4,016,087
-	-	298,292
953,875	-	953,875
953,875	2,558,176	14,213,169
\$ 2,654,964	\$ 2,659,903	\$ 19,351,695

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VILLAGE OF OSSINING, NEW YORK

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Fund Balances - Total Governmental Funds	<u>\$ 14,213,169</u>
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>81,377,499</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>349,393</u>
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred charges	<u>115,234</u>
Internal service funds are used by management to charge the costs of insurance in the governmental funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net assets.	<u>595,419</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(165,493)
Bonds payable	(24,715,426)
Installment purchase debt payable	(89,042)
Claims payable	(190,140)
Compensated absences	(811,549)
Other post employment benefit obligations payable	<u>(8,340,000)</u>
	<u>(34,311,650)</u>
Net Assets of Governmental Activities	<u>\$ 62,339,064</u>

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

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2010

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 17,593,047	\$ -	\$ -
Other tax items	181,113	-	-
Non-property taxes	3,842,894	-	-
Departmental income	1,597,428	8,337,174	-
Intergovernmental charges	1,135,208	-	-
Use of money and property	303,892	1,794	21,696
Licenses and permits	266,685	-	-
Fines and forfeitures	658,144	-	-
Sale of property and compensation for loss	104,367	-	-
State aid	426,150	984	-
Federal aid	224,836	10,881	-
Miscellaneous	119,288	21,742	-
Total Revenues	26,453,052	8,372,575	21,696
EXPENDITURES			
Current:			
General government support	3,296,499	332,822	-
Public safety	9,018,441	-	-
Health	2,243	-	-
Transportation	1,922,020	-	-
Economic opportunity and development	63,814	-	-
Culture and recreation	2,284,730	-	-
Home and community services	1,726,427	4,252,334	-
Employee benefits	6,953,259	811,890	-
Debt service:			
Principal	48,976	-	2,305,000
Interest	9,934	16,819	854,248
Capital outlay	-	-	-
Total Expenditures	25,326,343	5,413,865	3,159,248
Excess (Deficiency) of Revenues Over Expenditures	1,126,709	2,958,710	(3,137,552)
OTHER FINANCING SOURCES (USES)			
Bonds issued	690,000	-	-
Installment purchase debt issued	-	-	-
Transfers in	702,065	-	3,250,078
Transfers out	(1,707,973)	(1,966,681)	(516,870)
Total Other Financing Sources (Uses)	(315,908)	(1,966,681)	2,733,208
Net Change in Fund Balances	810,801	992,029	(404,344)
Fund Balances (Deficits) -			
Beginning of Year	5,687,787	2,049,814	1,565,031
Fund Balances - End of Year	\$ 6,498,588	\$ 3,041,843	\$ 1,160,687

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 17,593,047
-	-	181,113
-	-	3,842,894
-	1,122,649	11,057,251
-	-	1,135,208
-	8,372	335,754
-	-	266,685
-	-	658,144
-	-	104,367
138,714	-	565,848
540	3,086,001	3,322,258
-	165,761	306,791
<u>139,254</u>	<u>4,382,783</u>	<u>39,369,360</u>
-	96,660	3,725,981
-	-	9,018,441
-	-	2,243
-	-	1,922,020
-	-	63,814
-	499	2,285,229
-	3,824,185	9,802,946
-	239,075	8,004,224
-	-	2,353,976
-	-	881,001
<u>3,913,949</u>	<u>-</u>	<u>3,913,949</u>
<u>3,913,949</u>	<u>4,160,419</u>	<u>41,973,824</u>
<u>(3,774,695)</u>	<u>222,364</u>	<u>(2,604,464)</u>
5,255,000	-	5,945,000
138,018	-	138,018
669,855	267,341	4,889,339
<u>(373,601)</u>	<u>(324,214)</u>	<u>(4,889,339)</u>
<u>5,689,272</u>	<u>(56,873)</u>	<u>6,083,018</u>
1,914,577	165,491	3,478,554
<u>(960,702)</u>	<u>2,392,685</u>	<u>10,734,615</u>
<u>\$ 953,875</u>	<u>\$ 2,558,176</u>	<u>\$ 14,213,169</u>

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VILLAGE OF OSSINING, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,478,554</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 is the amount by which depreciation expense exceeded capital outlays in the current period.</p>	
Capital outlay expenditures	4,098,834
Depreciation expense	<u>(5,262,627)</u>
	<u>(1,163,793)</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>137,605</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Bonds issued	(5,945,000)
Installment purchase debt issued	(138,018)
Principal paid on installment purchase debt	48,976
Principal paid on bonds	2,305,000
Amortization of issuance costs, loss on refunding bonds and issuance premium	<u>(25,711)</u>
	<u>(3,754,753)</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	8,676
Claims	(190,140)
Compensated absences	170
Other post employment benefit obligations	<u>(3,830,000)</u>
	<u>(4,011,294)</u>
<p>Internal Service funds are used by management to charge the costs of risk to individual funds. The net revenue of the Internal Service funds is reported within governmental activities.</p>	
	<u>147,280</u>
Change in Net Assets of Governmental Activities	<u>\$ (5,166,401)</u>

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

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND WATER FUNDS
 YEAR ENDED DECEMBER 31, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 17,950,785	\$ 17,915,777	\$ 17,593,047	\$ (322,730)
Other tax items	129,100	129,100	181,113	52,013
Non-property taxes	3,490,000	3,505,000	3,842,894	337,894
Departmental income	1,489,450	1,489,450	1,597,428	107,978
Intergovernmental charges	1,135,504	1,135,504	1,135,208	(296)
Use of money and property	316,782	316,782	303,892	(12,890)
Licenses and permits	167,500	167,500	266,685	99,185
Fines and forfeitures	751,000	751,000	658,144	(92,856)
Sale of property and compensation for loss	30,000	59,219	104,367	45,148
State aid	494,827	505,196	426,150	(79,046)
Federal aid	-	148,761	224,836	76,075
Miscellaneous	97,058	108,346	119,288	10,942
Total Revenues	26,052,006	26,231,635	26,453,052	221,417
EXPENDITURES				
Current:				
General government support	3,788,222	3,878,553	3,296,499	582,054
Public safety	8,814,022	9,268,176	9,018,441	249,735
Health	6,000	6,000	2,243	3,757
Transportation	1,885,959	1,953,202	1,922,020	31,182
Economic opportunity and development	68,858	69,579	63,814	5,765
Culture and recreation	2,275,282	2,341,828	2,284,730	57,098
Home and community services	1,785,319	1,844,940	1,726,427	118,513
Employee benefits	7,016,651	7,124,795	6,953,259	171,536
Debt service:				
Principal	48,976	738,976	48,976	690,000
Interest	9,934	9,934	9,934	-
Total Expenditures	25,699,223	27,235,983	25,326,343	1,909,640
Excess (Deficiency) of Revenues Over Expenditures	352,783	(1,004,348)	1,126,709	2,131,057
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	690,000	690,000	-
Transfers in	700,000	700,000	702,065	2,065
Transfers out	(1,746,979)	(1,762,979)	(1,707,973)	55,006
Total Other Financing Uses	(1,046,979)	(372,979)	(315,908)	57,071
Net Change in Fund Balances	(694,196)	(1,377,327)	810,801	2,188,128
Fund Balances - Beginning of Year	694,196	1,377,327	5,687,787	4,310,460
Fund Balances - End of Year	\$ -	\$ -	\$ 6,498,588	\$ 6,498,588

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

Water Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
7,777,363	7,777,363	8,337,174	559,811
-	-	1,794	1,794
-	-	-	-
-	-	-	-
-	935	984	49
-	5,609	10,881	5,272
10,000	10,000	21,742	11,742
<u>7,787,363</u>	<u>7,793,907</u>	<u>8,372,575</u>	<u>578,668</u>
409,199	363,378	332,822	30,556
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,755,283	4,728,812	4,252,334	476,478
759,972	819,514	811,890	7,624
-	-	-	-
16,820	16,820	16,819	1
<u>5,941,274</u>	<u>5,928,524</u>	<u>5,413,865</u>	<u>514,659</u>
<u>1,846,089</u>	<u>1,865,383</u>	<u>2,958,710</u>	<u>1,093,327</u>
-	-	-	-
(1,866,683)	(1,966,683)	(1,966,681)	2
<u>(1,866,683)</u>	<u>(1,966,683)</u>	<u>(1,966,681)</u>	<u>2</u>
(20,594)	(101,300)	992,029	1,093,329
20,594	101,300	2,049,814	1,948,514
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,041,843</u>	<u>\$ 3,041,843</u>

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2010

	Governmental Activities - Internal Service Funds
ASSETS	
Cash - Demand deposits	<u>\$ 1,662,807</u>
LIABILITIES	
Current Liabilities:	
Account payable	76,388
Current portion of claims payable	<u>99,000</u>
Total Current Liabilities	175,388
Claims Payable, less current portion	<u>892,000</u>
Total Liabilities	<u>1,067,388</u>
NET ASSETS	
Unrestricted	<u><u>\$ 595,419</u></u>

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

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:	
Departmental charges	\$ 1,736,635
Insurance recoveries	72,845
	<u>1,809,480</u>
Total Operating Revenues	
Operating Expenses:	
Insurance	970,229
Contractual	179,623
Employee benefits	540,508
Judgments and claims	(20,024)
	<u>1,670,336</u>
Total Operating Expenses	
Income from Operations	139,144
Non-Operating Revenues - Interest income	<u>8,136</u>
Change in Net Assets	147,280
Net Assets - Beginning of Year	<u>448,139</u>
Net Assets - End of Year	<u>\$ 595,419</u>

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

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from charges for services and insurance recoveries	\$ 2,005,753
Cash payments to insurance carriers and claimants	<u>(1,714,834)</u>
Net Cash Provided by Operating Activities	<u>290,919</u>
Cash Flows From Investing Activities -	
Interest income	<u>8,136</u>
Net Increase in Cash	299,055
Cash - Beginning of Year	<u>1,363,752</u>
Cash - End of Year	<u><u>\$ 1,662,807</u></u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:	
Income from operations	\$ 139,144
Adjustments to reconcile income from operations to net cash provided by operating activities -	
Changes in operating assets and liabilities:	
Accounts receivable	141,623
Due from other funds	54,650
Accounts payable	57,502
Claims payable	<u>(102,000)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 290,919</u></u>

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

VILLAGE OF OSSINING, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2010

	<u>Agency</u>
ASSETS	
Cash - Demand deposits	\$ 146,644
Accounts Receivable	<u>5,802</u>
Total Assets	<u>\$ 152,446</u>
LIABILITIES	
Accounts Payable	\$ 14,843
Employee Payroll Deductions	8,395
Deposits	<u>129,208</u>
Total Liabilities	<u>\$ 152,446</u>

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

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Note 1 - Summary of Significant Accounting Policies

The Village of Ossining, New York ("Village") was established in 1813 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The major special revenue fund of the Village is as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The Village also reports the following non-major special revenue funds:

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village which render services on a user charge basis to the general public.

Section 8 Housing Fund - The Section 8 Housing Fund is used to account for resources received from the U.S. Department of Housing and Urban Development for housing assistance payment purposes.

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Internal Service funds. The Agency Fund has no measurement focus and 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits and Risk Disclosure

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

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions accordingly, the Village's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust

Note 1 - Summary of Significant Accounting Policies (Continued)

trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2010.

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of January 1st and are levied and payable in two installments due in January and July. The Village is responsible for the billing and collection of its taxes. The Village is also responsible for conducting in-rem foreclosure proceedings.

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

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of employee retirement 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 the governmental funds are equally offset by a reservation of fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventoriable items in the General Fund consist of materials and supplies and are recorded at cost on a first-in, first-out basis. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The Village uses the consumption method to relieve inventory. Reported inventories are equally offset by a reservation of fund balance in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. The costs are being amortized over the term of the respective bond issue.

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

In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be

Note 1 - Summary of Significant Accounting Policies (Continued)

capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

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

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	10 - 50
Infrastructure	20 - 100
Machinery and equipment	5 - 25

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

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

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$349,393 for real property taxes and \$445,213 for parking and other payments received in advance in the General Fund. Deferred revenues of \$31,005 are reflected in the Section 8 Housing Fund and \$52,221 in the Capital Projects Fund for State and Federal aid received in advance and \$4,960 is reflected in the Water Fund for miscellaneous items. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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 Assets. 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 debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Debt Service or Capital Projects funds expenditures.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for: crime control, future capital projects, capital projects, debt service, workers' compensation benefits, general liability claims and special revenue funds. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for prepaid expenditures, crime control, trusts, future capital projects, inventories, debt service and encumbrances represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Water, Sewer and Section 8 Housing funds. Encumbrances outstanding at year-end are reported as reservations of 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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 16, 2011.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before the first regular meeting of the Board of Trustees in November, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.
- c) After the public hearing and on or before the first regular meeting in December, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.
- d) Formal budgetary integration is employed during the year as a management control device for General, Water, Sewer, Section 8 Housing and Debt Service funds.
- e) Budgets for General, Water, Sewer, Section 8 Housing and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose or Proprietary funds.
- f) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- g) Appropriations in the General, Water, Sewer, Section 8 Housing and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2010 fiscal year was \$43,794,777 which exceeded the actual levy by \$25,860,146.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Capital Projects Fund Individual Project Deficits

Deficits in certain projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other capital project deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficits, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2010 consisted of the following:

Taxes - Current	\$ 521,168
Taxes - Overdue	<u>214,024</u>
	735,192
Allowance for uncollectible taxes	<u>(294,081)</u>
	<u><u>\$ 441,111</u></u>

B. Capital Assets

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

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Capital Assets, not being depreciated:				
Land	\$ 2,499,575	\$ 15,997	\$ -	\$ 2,515,572
Construction-in-progress	<u>448,569</u>	<u>1,824,827</u>	<u>1,793,827</u>	<u>479,569</u>
Total Capital Assets, not being depreciated	<u><u>\$ 2,948,144</u></u>	<u><u>\$ 1,840,824</u></u>	<u><u>\$ 1,793,827</u></u>	<u><u>\$ 2,995,141</u></u>
Capital Assets, being depreciated:				
Land improvements	\$ 2,274,580	\$ -	\$ -	\$ 2,274,580
Buildings and improvements	42,676,556	27,691	-	42,704,247
Infrastructure	135,973,032	1,793,827	-	137,766,859
Machinery and equipment	<u>13,432,275</u>	<u>2,230,319</u>	<u>997,677</u>	<u>14,664,917</u>
Total Capital Assets, being depreciated	<u>194,356,443</u>	<u>4,051,837</u>	<u>997,677</u>	<u>197,410,603</u>

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Less Accumulated Depreciation for:				
Land improvements	\$ 1,535,496	\$ 73,227	\$ -	\$ 1,608,723
Buildings and improvements	11,731,067	1,303,142	-	13,034,209
Infrastructure	90,858,956	3,124,219	-	93,983,175
Machinery and equipment	10,637,776	762,039	997,677	10,402,138
Total Accumulated Depreciation	114,763,295	5,262,627	997,677	119,028,245
Total Capital Assets, being depreciated, net	<u>\$ 79,593,148</u>	<u>\$ (1,210,790)</u>	<u>\$ -</u>	<u>\$ 78,382,358</u>
Capital Assets, net	<u>\$ 82,541,292</u>	<u>\$ 630,034</u>	<u>\$ 1,793,827</u>	<u>\$ 81,377,499</u>

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

Governmental Activities:	
General Government Support	\$ 209,548
Public Safety	630,510
Transportation	2,907,855
Culture and Recreation	580,308
Home and Community Services	<u>934,406</u>
Total Depreciation Expense	<u>\$ 5,262,627</u>

D. Pension Plans

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("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 joined ERS and have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their 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 plans' year ended March 31, 2011 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	15.3 %
	2 75I	14.0
	3 A14	11.3
	4 A15	11.3
	5 A15	9.1
PFRS	1 384D	21.9
	2 384D	16.8

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

	<u>ERS</u>	<u>PFRS</u>
2010	\$ 934,140	\$ 1,001,454
2009	638,465	866,563
2008	714,174	950,052

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS and PFRS contributions for the Village were charged to the funds identified below.

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 621,379	\$ 1,001,454
Water	235,107	-
Sewer	58,432	-
Section 8 Housing	19,222	-
	<u>\$ 934,140</u>	<u>\$ 1,001,454</u>

E. Short-Term Non-Capital Borrowings – Bond Anticipation Notes

The schedule below details the changes in short-term non-capital borrowings in the form of bond anticipation notes.

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Balance January 1, 2010</u>	<u>Redemptions</u>	<u>Balance December 31, 2010</u>
Refunds	2008	<u>\$ 745,000</u>	<u>\$ 745,000</u>	<u>\$ -</u>

Interest expenditures of \$9,934 were recorded in the fund financials in the General Fund. Interest expense of \$7,848 was recorded in the government-wide financial statements for governmental activities.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

F. Short-Term Capital Borrowings – Bond Anticipation Notes

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2010	New Issues	Redemptions	Balance December 31, 2010
Bucket Truck	2005	-	- %	\$ 15,000	\$ -	\$ 15,000	\$ -
Sidewalk Improvements	2005	-	-	168,000	-	168,000	-
Firehouse - Five Bathrooms	2005	-	-	27,000	-	27,000	-
Firehouse - Monitor Hose Rehabilitation	2005	-	-	9,000	-	9,000	-
Master Plan	2006	11/11	1.00	80,000	-	40,000	40,000
Master Plan	2008	11/11	1.00	132,000	-	33,000	99,000
Planning Design Study	2008	11/11	1.00	32,000	-	8,000	24,000
State Street Streetscape	2008	-	-	225,000	-	225,000	-
Trailway at Riverwalk	2008	11/11	1.00	8,000	-	2,000	6,000
Recreation Building Generator	2008	11/11	1.00	260,000	-	65,000	195,000
Paint Exterior and Interior Tanks	2008	-	-	1,272,212	-	1,272,212	-
Telemetrics	2008	-	-	48,558	-	48,558	-
VFD and Electrical Work	2008	-	-	97,115	-	97,115	-
Rehab Intake	2008	-	-	97,115	-	97,115	-
Water Filters	2009	-	-	1,365,000	-	1,365,000	-
Sidewalks	2010	11/11	1.00	-	445,000	-	445,000
Water Tank Painting	2010	11/11	1.00	-	700,000	-	700,000
Sanitation Trucks	2010	-	-	-	385,000	385,000	-
				<u>\$ 3,836,000</u>	<u>\$ 1,530,000</u>	<u>\$ 3,857,000</u>	<u>\$ 1,509,000</u>

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

Interest expenditures of \$49,619 were recorded in the fund financial statements in the following funds.

<u>Fund</u>	<u>Amount</u>
Water	\$ 16,819
Debt Service	<u>32,800</u>
	<u>\$ 49,619</u>

Interest expense of \$45,667 was recorded in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

G. Accrued Liabilities - Health Claim Liabilities

The financial statements reflect the liability for health benefit claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid health benefit claim liabilities and other accrued liabilities is as follows:

	<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Balance - Beginning of Year - Health Claim Liabilities	\$ 274,809	\$ 315,787
Provision for Claims and Claims Adjustment Expenses	3,837,266	2,101,977
Claims and Claims Adjustment Expenses Paid	<u>(3,755,790)</u>	<u>(2,142,955)</u>
Balance - End of Year - Health Claim Liabilities	356,285	274,809
Accrued Salaries and Employee Benefits	<u>774,094</u>	<u>202,182</u>
Total Accrued Liabilities	<u>\$ 1,130,379</u>	<u>\$ 476,991</u>

H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended December 31, 2010:

	<u>Balance January 1, 2010</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2010</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 21,140,000	\$ 5,945,000	\$ 2,305,000	\$ 24,780,000	\$ 2,115,000
Less - Deferred Amounts	<u>(76,570)</u>	<u>-</u>	<u>(11,996)</u>	<u>(64,574)</u>	<u>-</u>
	<u>21,063,430</u>	<u>5,945,000</u>	<u>2,293,004</u>	<u>24,715,426</u>	<u>2,115,000</u>

VILLAGE OF OSSINING, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2010	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2010	Due Within One Year
Other Non-Current Liabilities:					
Installment Purchase Debt	\$ -	\$ 138,018	\$ 48,976	\$ 89,042	\$ 43,099
Claims Payable	1,093,000	710,624	622,484	1,181,140	289,140
Compensated Absences	811,719	81,002	81,172	811,549	80,000
Other Post Employment Benefit Obligations Payable	4,510,000	5,380,000	1,550,000	8,340,000	-
Total Other Non-Current Liabilities	<u>6,414,719</u>	<u>6,309,644</u>	<u>2,302,632</u>	<u>10,421,731</u>	<u>412,239</u>
Total Long-term Liabilities	<u>\$ 27,478,149</u>	<u>\$ 12,254,644</u>	<u>\$ 4,595,636</u>	<u>\$ 35,137,157</u>	<u>\$ 2,527,239</u>

Each governmental fund's liability for claims payable, installment purchase debt, compensated absences and other post employment benefit obligations are liquidated by the respective fund. The Village's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General, Water and Sewer funds.

Bonds Payable

Bonds payable at December 31, 2010 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2010
Public Improvements	1997	\$ 4,805,859	February, 2011	4.80-5.000 %	\$ 210,000
Refunding Bond	2004	3,945,000	April, 2016	3.75-4.000	1,835,000
Public Improvements	2004	10,706,000	October, 2024	3.25-4.375	7,715,000
Public Improvements	2007	5,454,000	November, 2027	3.75-5.000	4,550,000
Refunding Bond	2009	2,485,000	March, 2019	2.50-5.000	2,215,000
Refunding Bond	2009	2,730,000	June, 2021	2.50-5.000	2,310,000
Public Improvements	2010	5,945,000	November, 2030	2.00-4.000	5,945,000
					<u>\$ 24,780,000</u>

Interest expenditures of \$821,448 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$830,806 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Installment Purchase Debt

The Village has entered into an agreement to lease certain equipment. The lease meets the criteria of a capital lease as defined by FASB. The annual payments include interest at 6.6% and matures in June 2012. The balance due at December 31, 2010 was \$89,042.

The annual requirements to amortize all bonds and installment purchase debt outstanding as of December 31, 2010, including interest payments of \$7,584,373 are as follows:

Year Ending December 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 2,115,000	\$ 930,293	\$ 43,099	\$ 5,877	\$ 2,158,099	\$ 936,170
2012	1,935,000	864,113	45,943	3,032	1,980,943	867,145
2013	1,940,000	798,800	-	-	1,940,000	798,800
2014	1,780,000	730,650	-	-	1,780,000	730,650
2015	1,805,000	660,463	-	-	1,805,000	660,463
2016-2020	7,695,000	2,300,088	-	-	7,695,000	2,300,088
2021-2025	5,160,000	1,029,657	-	-	5,160,000	1,029,657
2026-2030	2,350,000	261,400	-	-	2,350,000	261,400
	<u>\$ 24,780,000</u>	<u>\$ 7,575,464</u>	<u>\$ 89,042</u>	<u>\$ 8,909</u>	<u>\$ 24,869,042</u>	<u>\$ 7,584,373</u>

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

Claims Payable

The Internal Service funds reflect workers' compensation and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2010

Note 3 - Detailed Notes on All Funds (Continued)

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

	Year Ended December 31, 2010		Year Ended December 31, 2009	
	Workers' Compensation	General Liability	Workers' Compensation	General Liability
Balance - Beginning of Year	\$ 382,550	\$ 710,450	\$ 391,200	\$ 912,800
Provision for Claims and Claims Adjustment Expenses	540,508	(20,024)	474,456	(129,868)
Claims and Claims Adjustment Expenses Paid	(576,208)	(46,276)	(483,106)	(72,482)
Balance - End of Year	<u>\$ 346,850</u>	<u>\$ 644,150</u>	<u>\$ 382,550</u>	<u>\$ 710,450</u>
Current Portion	<u>\$ 35,000</u>	<u>\$ 64,000</u>	<u>\$ 38,255</u>	<u>\$ 71,045</u>

At December 31, 2010, claims payable also included \$190,140 for tax certiorari judgments settled subsequent to year end.

Compensated Absences

In accordance with existing collective bargaining agreements, certain employees are entitled to accumulate up to 275 days of sick leave. Additionally, after three years of service, unused personal time can be accumulated as sick time, to a maximum of 20 days. Upon retirement or termination, those employees with ten years of service will be compensated for accumulated sick leave. The amount of compensation is at the rate of 25% of the amount accumulated. Vacation time for all employees may be accumulated to a maximum of 10 days. It has been the Village's practice to compensate employees for unused vacation time upon separation of service. The value for compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing health care benefits is shared between the Village and the retired employees. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of other post employment benefit obligations payable is recognized as an expenditure as claims are paid. The Village has recognized revenues and expenditures of \$75,706 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

Note 3 - Detailed Notes on All Funds (Continued)

The Village's annual other post employment benefit obligations ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be accounted for under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the OPEB plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is 9.5% for the first year, decreases in years two through ten by .5% per year through year ten then continues at 5% thereafter. The amortization basis is the level percentage of payroll method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, a 1.5% inflation rate and a 3.0% annual payroll growth. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of January 1, 2009 was as follows:

Active Employees	178
Retired Employees	<u>106</u>
Total	<u><u>284</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2010	\$ 64,370,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 64,370,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 14,800,000</u>
UAAL as a Percentage of Covered Payroll	<u>435%</u>
Annual Required Contribution	\$ 5,400,000
Interest on Net OPEB Obligation	200,000
Adjustment to Annual Required Contribution	<u>(220,000)</u>
Annual OPEB Cost	5,380,000
Contributions Made	<u>(1,550,000)</u>
Increase in Net OPEB Obligation	3,830,000
Net OPEB Obligation - Beginning of year	<u>4,510,000</u>
Net OPEB Obligation - End of year	<u>\$ 8,340,000</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 5,380,000	28.81 %	\$ 8,340,000
2009	3,690,000	38.21	4,510,000
2008	3,450,000	35.36	2,230,000

I. Revenues and Expenditures

Interfund Transfers

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

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers in				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Funds	
General Fund	\$ -	\$ 1,385,934	\$ 238,000	\$ 84,039	\$ 1,707,973
Water Fund	150,000	1,649,044	167,637	-	1,966,681
Debt Service Fund	400,000	-	116,870	-	516,870
Capital Projects Funds	2,065	188,234	-	183,302	373,601
Non-Major Fund	150,000	26,866	147,348	-	324,214
	<u>\$ 702,065</u>	<u>\$ 3,250,078</u>	<u>\$ 669,855</u>	<u>\$ 267,341</u>	<u>\$ 4,889,339</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments of the General and Non-Major Funds.

J. Net Assets

The components of net assets are detailed below:

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

Restricted for Crime Control - the component of net assets representing the unexpended balance of the forfeiture of seized crime properties. These amounts are to be used pursuant to a New York State directive in the subsequent fiscal year for law enforcement purposes.

Restricted for Future Capital Projects - the component of net assets that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6c of General Municipal Law.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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

Restricted for Workers' Compensation Benefits - the component of net assets that has been established to set aside funds to be used for the payment of workers' compensation claims made upon the Village in accordance with Section 6n of General Municipal Law.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for General Liability Claims - the component of net assets that has been established to set aside funds to be used for the payment of future claims made upon the Village in accordance with Section 6n of General Municipal Law.

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

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

K. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Reserved

The Reserve for Prepaid Expenditures has been established to account for employee retirement and other payments made in advance. This reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Trusts has been established to set aside funds in accordance with terms of the grants.

Inventories in the General Fund have been reserved to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the Village anticipates utilizing them in the normal course of operations.

Encumbrances outstanding have been reserved as it is the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transaction.

Unreserved - Designated for Subsequent Year's Expenditures

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose.

Designated for Subsequent Year's Expenditures - At December 31, 2010, the Village Board has designated that \$650,000 of the fund balance of the General Fund, \$250,000 of the fund balance of the Water Fund, \$41,527 of the fund balance of the Section 8 Housing Fund and \$298,292 of the fund balance of the Debt Service Fund be appropriated for the ensuing year's budget.

The Designation for Contractual Obligations represents a segregation of fund balance for the payment of contractual obligations.

The Designation for Insurance represents a segregation of fund balance for funds restricted to be expended for health care purposes.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from civil rights violations, false arrest, property damage or personal injury. These claims have been forwarded to the Village's administrator of their self-insured risk retention program (see note below detailing risk management policy limitations). The Village's liability would be limited to their self-insured retention levels.

The Village is a defendant in numerous tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year the payments are made.

B. Risk Management

The Village's policies for general liability, automobile liability, property and public officials errors and omissions coverage have self-insured retention levels of \$75,000 per occurrence for the 12/31/2009-2010 policy year. Primary insurance coverage is purchased for losses in excess of the retention levels, to a maximum limit of \$925,000. Excess insurance policies have been secured for losses in excess of \$1 million (\$75,000 retention + \$925,000 primary insurance policy) to a maximum of \$10 million per occurrence for all liability losses and \$60,269,203 for property. The Workers' Compensation self-insured retention level is \$125,000 with primary insurance coverage limit of \$250,000. Excess Workers Compensation insurance is purchased for losses in excess of \$375,000 (\$125,000 Retention + \$250,000 Primary Limit). Excess Workers Compensation is written for Statutory Limits (unlimited in New York) with a \$1 million cap on employer's liability claims. The governmental funds are charged premiums by the respective Internal Service Fund. Claims payable in the Internal Service funds include provisions for claims reported and claims incurred but not reported.

The Village is also self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Village has specific stop-loss insurance which establishes a maximum exposure limit of \$100,000 for each individual covered in the plan up to a maximum of \$1 million. The Village also has aggregate stop-loss insurance which established a maximum exposure limit of \$4,306,280 for the 2010 plan year.

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

C. Other Contingencies

The Village participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

VILLAGE OF OSSINING, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2008	\$ -	\$ 43,100,000	\$ 43,100,000	- %	\$ 15,100,000	285.43 %
January 1, 2009	-	45,590,000	45,590,000	-	14,970,000	304.54
January 1, 2010	-	64,370,000	64,370,000	-	14,800,000	434.93

VILLAGE OF OSSINING, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Cash:		
Demand deposits	\$ 7,173,239	\$ 6,694,321
Petty cash	1,757	1,768
	<u>7,174,996</u>	<u>6,696,089</u>
Taxes Receivable, net of allowance for uncollectible taxes of \$294,081 in 2010 and \$173,478 in 2009	<u>441,111</u>	<u>386,319</u>
Other Receivables:		
Accounts	175,356	180,245
State and Federal aid	173,564	89,161
Due from other funds	-	283,684
Due from other governments	914,502	846,573
	<u>1,263,422</u>	<u>1,399,663</u>
Prepaid Expenditures	<u>422,733</u>	<u>266,622</u>
Inventories	<u>24,198</u>	<u>13,584</u>
Total Assets	<u>\$ 9,326,460</u>	<u>\$ 8,762,277</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,072,096	\$ 892,443
Accrued liabilities	961,170	392,788
Due to other funds	-	43,720
Deferred revenues - Taxes	349,393	211,788
Deferred revenues - Other	445,213	788,751
Bond anticipation notes payable	-	745,000
Total Liabilities	<u>2,827,872</u>	<u>3,074,490</u>
Fund Balance:		
Reserved for prepaid expenditures	422,733	266,622
Reserved for crime control	52,489	24,265
Reserved for future capital projects	91,759	72,520
Reserved for inventories	24,198	13,584
Reserved for encumbrances	80,228	194,196
Unreserved:		
Designated for contractual obligations	420,333	537,385
Designated for insurance	64,382	-
Designated for subsequent year's expenditures	650,000	500,000
Undesignated	4,692,466	4,079,215
Total Fund Balance	<u>6,498,588</u>	<u>5,687,787</u>
Total Liabilities and Fund Balance	<u>\$ 9,326,460</u>	<u>\$ 8,762,277</u>

VILLAGE OF OSSINING, NEW YORK

GENERAL FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 17,950,785	\$ 17,915,777	\$ 17,593,047	\$ (322,730)
Other tax items	129,100	129,100	181,113	52,013
Non-property taxes	3,490,000	3,505,000	3,842,894	337,894
Departmental income	1,489,450	1,489,450	1,597,428	107,978
Intergovernmental charges	1,135,504	1,135,504	1,135,208	(296)
Use of money and property	316,782	316,782	303,892	(12,890)
Licenses and permits	167,500	167,500	266,685	99,185
Fines and forfeitures	751,000	751,000	658,144	(92,856)
Sale of property and compensation for loss	30,000	59,219	104,367	45,148
State aid	494,827	505,196	426,150	(79,046)
Federal aid	-	148,761	224,836	76,075
Miscellaneous	97,058	108,346	119,288	10,942
Total Revenues	26,052,006	26,231,635	26,453,052	221,417
Expenditures:				
Current:				
General government support	3,788,222	3,878,553	3,296,499	582,054
Public safety	8,814,022	9,268,176	9,018,441	249,735
Health	6,000	6,000	2,243	3,757
Transportation	1,885,959	1,953,202	1,922,020	31,182
Economic opportunity and development	68,858	69,579	63,814	5,765
Culture and recreation	2,275,282	2,341,828	2,284,730	57,098
Home and community services	1,785,319	1,844,940	1,726,427	118,513
Employee benefits	7,016,651	7,124,795	6,953,259	171,536
Debt service:				
Principal	48,976	738,976	48,976	690,000
Interest	9,934	9,934	9,934	-
Total Expenditures	25,699,223	27,235,983	25,326,343	1,909,640
Excess (Deficiency) of Revenues Over Expenditures	352,783	(1,004,348)	1,126,709	2,131,057
Other Financing Sources (Uses):				
Bonds issued	-	690,000	690,000	-
Transfers in	700,000	700,000	702,065	2,065
Transfers out	(1,746,979)	(1,762,979)	(1,707,973)	55,006
Total Other Financing Uses	(1,046,979)	(372,979)	(315,908)	57,071
Net Change in Fund Balance	(694,196)	(1,377,327)	810,801	2,188,128
Fund Balance - Beginning of Year	694,196	1,377,327	5,687,787	4,310,460
Fund Balance - End of Year	\$ -	\$ -	\$ 6,498,588	\$ 6,498,588

2009

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 17,004,802	\$ 17,004,802	\$ 16,823,933	\$ (180,869)
100,100	100,100	138,045	37,945
3,685,000	3,606,240	3,576,006	(30,234)
1,614,350	1,620,251	1,500,995	(119,256)
1,051,352	1,073,143	1,081,165	8,022
361,782	361,783	341,603	(20,180)
169,500	169,500	212,893	43,393
801,000	801,000	685,002	(115,998)
45,000	51,357	42,232	(9,125)
544,827	492,628	468,772	(23,856)
-	49,421	49,421	-
112,058	103,553	95,034	(8,519)
<u>25,489,771</u>	<u>25,433,778</u>	<u>25,015,101</u>	<u>(418,677)</u>
3,951,986	4,113,713	3,166,297	947,416
8,782,998	8,844,218	8,622,775	221,443
6,500	6,500	-	6,500
1,990,282	2,041,466	1,938,236	103,230
70,510	73,212	64,420	8,792
2,287,819	2,253,312	2,054,086	199,226
1,847,835	1,828,484	1,661,429	167,055
6,432,139	6,436,910	6,080,971	355,939
45,682	45,682	-	45,682
49,683	49,683	49,683	-
<u>25,465,434</u>	<u>25,693,180</u>	<u>23,637,897</u>	<u>2,055,283</u>
<u>24,337</u>	<u>(259,402)</u>	<u>1,377,204</u>	<u>1,636,606</u>
-	-	-	-
940,870	940,870	940,870	-
(1,600,994)	(1,579,374)	(1,502,222)	77,152
<u>(660,124)</u>	<u>(638,504)</u>	<u>(561,352)</u>	<u>77,152</u>
(635,787)	(897,906)	815,852	1,713,758
<u>635,787</u>	<u>897,906</u>	<u>4,871,935</u>	<u>3,974,029</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,687,787</u>	<u>\$ 5,687,787</u>

VILLAGE OF OSSINING, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
REAL PROPERTY TAXES	\$ 17,950,785	\$ 17,915,777	\$ 17,593,047	\$ (322,730)	\$ 16,823,933
OTHER TAX ITEMS					
Payments in lieu of taxes	29,100	29,100	33,055	3,955	30,583
Interest and penalties on real property taxes	100,000	100,000	148,058	48,058	107,462
	129,100	129,100	181,113	52,013	138,045
NON-PROPERTY TAXES					
Utilities gross receipts taxes	275,000	275,000	284,326	9,326	279,554
Franchise fees	315,000	330,000	396,346	66,346	357,132
Non-property tax distribution from County	2,900,000	2,900,000	3,162,222	262,222	2,939,320
	3,490,000	3,505,000	3,842,894	337,894	3,576,006
DEPARTMENTAL INCOME					
Tax advertising	2,000	2,000	1,730	(270)	2,088
Clerk fees	700	700	1,197	497	1,060
Dog licenses	1,550	1,550	1,726	176	1,393
Transportation of prisoners	46,800	46,800	50,757	3,957	50,901
Police fees	900	900	1,494	594	1,748
Safety inspection fees	36,500	36,500	31,230	(5,270)	34,961
Health fees	6,000	6,000	8,170	2,170	7,432
Public service	-	-	4,111	4,111	-
Station tags and off-street parking	460,000	460,000	463,711	3,711	458,774
Non-criminal finger printing	4,000	4,000	2,415	(1,585)	4,155
Day camp fees	175,000	175,000	213,193	38,193	163,786
Parks and recreation fees	264,000	264,000	345,965	81,965	284,316
Zoning fees	5,000	5,000	27,990	22,990	5,345
Planning Board fees	8,500	8,500	10,200	1,700	8,305
Refuse and garbage charges	478,500	478,500	433,539	(44,961)	476,731
	1,489,450	1,489,450	1,597,428	107,978	1,500,995

INTERGOVERNMENTAL CHARGES

Finance and data processing services - Town
 Street lighting - Town
 Fire protection services - Town
 Veteran's Park lighting - Town
 Snow removal services
 Recreation services - Town

307,272	307,272	293,926	(13,346)	164,519
4,500	4,500	3,979	(521)	5,541
394,358	394,358	394,358	-	463,959
22,000	22,000	25,385	3,385	24,981
34,000	34,000	44,186	10,186	48,791
373,374	373,374	373,374	-	373,374

1,135,504	1,135,504	1,135,208	(296)	1,081,165
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USE OF MONEY AND PROPERTY

Earnings on investments
 Rental of real property - Individuals
 Rental of real property - Other governments

80,000	80,000	66,608	(13,392)	105,050
90,669	90,669	89,940	(729)	90,440
146,113	146,113	147,344	1,231	146,113

316,782	316,782	303,892	(12,890)	341,603
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LICENSES AND PERMITS

Business and occupational licenses
 Building permits
 Other permits

21,000	21,000	37,275	16,275	20,322
100,000	100,000	151,507	51,507	109,965
46,500	46,500	77,903	31,403	82,606

167,500	167,500	266,685	99,185	212,893
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FINES AND FORFEITURES

Fines and forfeited bail
 Forfeiture of deposits

750,000	750,000	615,762	(134,238)	681,873
1,000	1,000	42,382	41,382	3,129

751,000	751,000	658,144	(92,856)	685,002
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment
 Minor sales
 Insurance recoveries
 Other

-	18,560	18,860	300	-
20,000	20,000	9,109	(10,891)	13,501
10,000	20,659	74,998	54,339	27,231
-	-	1,400	1,400	1,500

30,000	59,219	104,367	45,148	42,232
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VILLAGE OF OSSINING, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)

YEAR ENDED DECEMBER 31, 2010
(With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
STATE AID					
Per capita	\$ 219,827	\$ 219,827	\$ 206,539	\$ (13,288)	\$ 219,827
Mortgage tax	250,000	250,000	183,364	(66,636)	222,619
Youth programs	10,000	10,000	9,503	(497)	10,876
Other	15,000	24,360	23,460	(900)	15,450
	<u>494,827</u>	<u>505,196</u>	<u>426,150</u>	<u>(79,046)</u>	<u>468,772</u>
FEDERAL AID					
Employee retirement reinsurance program	-	-	64,382	64,382	-
Assistance to fire fighters	-	67,704	65,752	(1,952)	-
Cops technology	-	45,000	45,000	-	-
Other	-	36,057	49,702	13,645	49,421
	<u>-</u>	<u>148,761</u>	<u>224,836</u>	<u>76,075</u>	<u>49,421</u>
MISCELLANEOUS					
Refunds of prior year's expenditures	2,000	2,000	5,957	3,957	5,557
Gifts and donations	1,500	6,000	4,500	(1,500)	40
Section 8 Housing Fund reimbursement	29,558	29,558	22,256	(7,302)	22,256
Medicare part D	60,000	60,000	75,706	15,706	53,527
Other	4,000	10,788	10,869	81	13,654
	<u>97,058</u>	<u>108,346</u>	<u>119,288</u>	<u>10,942</u>	<u>95,034</u>
TOTAL REVENUES	<u>26,052,006</u>	<u>26,231,635</u>	<u>26,453,052</u>	<u>221,417</u>	<u>25,015,101</u>
OTHER FINANCING SOURCES					
Bonds issued	-	690,000	690,000	-	-
Transfers in:					
Water Fund	150,000	150,000	150,000	-	150,000
Sewer Fund	150,000	150,000	150,000	-	150,000
Debt Service Fund	400,000	400,000	400,000	-	555,000
Capital Projects Fund	-	-	2,065	2,065	85,870
	<u>700,000</u>	<u>1,390,000</u>	<u>1,392,065</u>	<u>2,065</u>	<u>940,870</u>
TOTAL OTHER FINANCING SOURCES	<u>700,000</u>	<u>1,390,000</u>	<u>1,392,065</u>	<u>2,065</u>	<u>940,870</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 26,752,006</u>	<u>\$ 27,621,635</u>	<u>\$ 27,845,117</u>	<u>\$ 223,482</u>	<u>\$ 25,955,971</u>

VILLAGE OF OSSINING, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 68,200	\$ 68,125	\$ 29,837	\$ 38,288	\$ 30,022
Village Justice	374,055	389,102	376,598	12,504	444,115
Traffic Violations Bureau	151,407	154,427	146,322	8,105	85,030
Mayor	7,700	7,771	7,771	-	6,718
Manager	262,420	263,791	247,949	15,842	243,978
Auditor	37,000	37,650	37,650	-	34,769
Treasurer	139,008	142,999	132,793	10,206	126,768
Budget	1,080	1,465	1,464	1	1,101
Assessment	600	600	-	600	225
Clerk	171,226	184,252	169,694	14,558	53,419
Law	216,868	220,694	215,713	4,981	175,254
Personnel	127,340	131,038	120,748	10,290	102,163
Safety Director	40,300	40,786	27,780	13,006	86,784
Engineer	21,690	22,293	22,290	3	23,385
Municipal building	183,166	221,166	197,923	23,243	199,931
Armory	225,091	239,998	215,064	24,934	189,071
Central garage	326,572	326,605	269,114	57,491	263,982
Communications system	107,119	122,119	78,416	43,703	66,323
Data processing	261,294	268,130	252,024	16,106	257,898
Unallocated insurance	586,543	586,543	529,184	57,359	553,123
Municipal association dues	15,350	15,350	13,379	1,971	13,866
Judgments and claims	100,000	100,000	46,276	53,724	72,482
Town taxes and assessments	60	60	47	13	46
Property tax refunds	50,000	115,008	115,008	-	97,457
Metropolitan commuter transportation mobility tax	44,133	45,598	43,455	2,143	36,254
Codification of ordinances	-	-	-	-	2,133
Contingency	270,000	172,983	-	172,983	-
	<u>3,788,222</u>	<u>3,878,553</u>	<u>3,296,499</u>	<u>582,054</u>	<u>3,166,297</u>

PUBLIC SAFETY

Police Department	7,209,598	6,983,783	6,843,244	140,539	7,153,339
Jail	4,000	4,000	3,010	990	3,575
Traffic control	110,694	76,723	66,179	10,544	67,669
Public safety boat	17,500	22,000	11,666	10,334	44,288
Fire Department	787,908	858,819	828,897	29,922	678,927
Control of animals	103,730	107,625	107,390	235	104,096
Civilian police	-	619,280	619,278	2	-
Safety inspection	580,592	595,946	538,777	57,169	570,881
	<u>8,814,022</u>	<u>9,268,176</u>	<u>9,018,441</u>	<u>249,735</u>	<u>8,622,775</u>

HEALTH

Weed and grass control	6,000	6,000	2,243	3,757	-
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TRANSPORTATION

Street administration	267,267	259,434	245,687	13,747	244,379
Street maintenance	926,463	1,131,765	1,123,629	8,136	1,106,367
Snow removal	413,688	325,842	320,574	5,268	370,804
Street lighting	233,469	204,942	202,036	2,906	181,672
Sidewalks	10,000	550	550	-	7,175
Off-street parking	35,072	30,669	29,544	1,125	27,839
	<u>1,885,959</u>	<u>1,953,202</u>	<u>1,922,020</u>	<u>31,182</u>	<u>1,938,236</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community development	68,858	69,579	63,814	5,765	64,420
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CULTURE AND RECREATION

Parks	684,036	723,053	700,027	23,026	621,534
Recreation	1,474,535	1,495,443	1,462,301	33,142	1,319,645
Youth agencies	63,787	67,301	67,300	1	64,031
Urban Cultural Park	13,824	14,260	14,033	227	12,978
Celebrations	28,500	29,771	29,770	1	29,082
Adult recreation	10,600	12,000	11,299	701	6,816
	<u>2,275,282</u>	<u>2,341,828</u>	<u>2,284,730</u>	<u>57,098</u>	<u>2,054,086</u>

(Continued)

VILLAGE OF OSSINING, NEW YORK

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 75,223	\$ 78,662	\$ 74,091	\$ 4,571	\$ 68,233
Planning	128,609	138,613	128,294	10,319	120,129
Storm sewers	99,445	104,016	85,603	18,413	87,548
Refuse and garbage	1,294,524	1,306,673	1,232,475	74,198	1,223,297
Street cleaning	78,968	83,040	74,741	8,299	69,635
Shade trees	106,050	130,612	128,803	1,809	91,630
Historic Review Commission	2,500	3,324	2,420	904	957
	<u>1,785,319</u>	<u>1,844,940</u>	<u>1,726,427</u>	<u>118,513</u>	<u>1,661,429</u>
EMPLOYEE BENEFITS					
State retirement	627,330	652,327	621,379	30,948	440,696
Police and fire retirement	1,004,364	1,039,560	1,001,454	38,106	866,563
Social security	992,638	1,025,596	952,087	73,509	929,445
Workers' compensation benefits	931,125	931,125	903,035	28,090	799,670
Unemployment benefits	22,765	22,765	21,882	883	14,653
Hospital, medical and dental benefits	3,438,429	3,453,422	3,453,422	-	3,029,944
	<u>7,016,651</u>	<u>7,124,795</u>	<u>6,953,259</u>	<u>171,536</u>	<u>6,080,971</u>
DEBT SERVICE					
Principal:					
Bond anticipation notes	-	690,000	-	690,000	-
Installment purchase debt	48,976	48,976	48,976	-	-
	<u>48,976</u>	<u>738,976</u>	<u>48,976</u>	<u>690,000</u>	<u>-</u>
Interest -					
Bond anticipation notes	9,934	9,934	9,934	-	49,683
	<u>58,910</u>	<u>748,910</u>	<u>58,910</u>	<u>690,000</u>	<u>49,683</u>
TOTAL EXPENDITURES	<u>25,699,223</u>	<u>27,235,983</u>	<u>25,326,343</u>	<u>1,909,640</u>	<u>23,637,897</u>

OTHER FINANCING USES

Transfers out:

Debt Service Fund	1,385,940	1,385,940	1,385,934	6	1,174,332
Capital Projects Fund	277,000	293,000	238,000	55,000	271,000
Section 8 Housing Fund	84,039	84,039	84,039	-	56,890
	<u>1,746,979</u>	<u>1,762,979</u>	<u>1,707,973</u>	<u>55,006</u>	<u>1,502,222</u>

TOTAL OTHER FINANCING USES

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 27,446,202</u>	<u>\$ 28,998,962</u>	<u>\$ 27,034,316</u>	<u>\$ 1,964,646</u>	<u>\$ 25,140,119</u>
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VILLAGE OF OSSINING, NEW YORK

WATER FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Cash:		
Demand deposits	\$ 631,029	\$ 292,362
Petty cash	200	200
	<u>631,229</u>	<u>292,562</u>
Receivables:		
Accounts	2,844,762	2,354,893
State and Federal aid	13,349	-
Due from other governments	7,577	-
	<u>2,865,688</u>	<u>2,354,893</u>
Prepaid Expenditures	<u>48,163</u>	<u>33,896</u>
Total Assets	<u>\$ 3,545,080</u>	<u>\$ 2,681,351</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 342,692	\$ 272,906
Accrued liabilities	155,585	66,749
Due to other funds	-	291,882
Deferred revenues - Other	4,960	-
Total Liabilities	<u>503,237</u>	<u>631,537</u>
Fund Balance:		
Reserved for prepaid expenditures	48,163	33,896
Reserved for future capital projects	194,498	193,368
Reserved for encumbrances	15,677	20,594
Unreserved:		
Designated for insurance	4,980	-
Designated for contractual obligations	-	98,189
Designated for subsequent year's expenditures	250,000	-
Undesignated	<u>2,528,525</u>	<u>1,703,767</u>
Total Fund Balance	<u>3,041,843</u>	<u>2,049,814</u>
Total Liabilities and Fund Balance	<u>\$ 3,545,080</u>	<u>\$ 2,681,351</u>

VILLAGE OF OSSINING, NEW YORK

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 7,777,363	\$ 7,777,363	\$ 8,337,174	\$ 559,811
Use of money and property	-	-	1,794	1,794
State aid	-	935	984	49
Federal aid	-	5,609	10,881	5,272
Miscellaneous	10,000	10,000	21,742	11,742
Total Revenues	7,787,363	7,793,907	8,372,575	578,668
Expenditures:				
Current:				
General government support	409,199	363,378	332,822	30,556
Home and community services	4,755,283	4,728,812	4,252,334	476,478
Employee benefits	759,972	819,514	811,890	7,624
Debt service - Interest	16,820	16,820	16,819	1
Total Expenditures	5,941,274	5,928,524	5,413,865	514,659
Excess of Revenues Over Expenditures	1,846,089	1,865,383	2,958,710	1,093,327
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,866,683)	(1,966,683)	(1,966,681)	2
Total Other Financing Uses	(1,866,683)	(1,966,683)	(1,966,681)	2
Net Change in Fund Balance	(20,594)	(101,300)	992,029	1,093,329
Fund Balance - Beginning of Year	20,594	101,300	2,049,814	1,948,514
Fund Balance - End of Year	\$ -	\$ -	\$ 3,041,843	\$ 3,041,843

2009

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 7,873,282	\$ 7,873,282	\$ 7,908,849	\$ 35,567
-	-	1,594	1,594
-	-	-	-
-	-	-	-
10,000	10,000	21,690	11,690
<u>7,883,282</u>	<u>7,883,282</u>	<u>7,932,133</u>	<u>48,851</u>
447,463	595,604	328,237	267,367
4,824,506	4,694,530	4,000,893	693,637
716,687	716,687	668,967	47,720
38,312	38,312	38,312	-
<u>6,026,968</u>	<u>6,045,133</u>	<u>5,036,409</u>	<u>1,008,724</u>
<u>1,856,314</u>	<u>1,838,149</u>	<u>2,895,724</u>	<u>1,057,575</u>
73,071	59,812	-	(59,812)
(1,953,380)	(1,921,956)	(1,921,952)	4
<u>(1,880,309)</u>	<u>(1,862,144)</u>	<u>(1,921,952)</u>	<u>(59,808)</u>
(23,995)	(23,995)	973,772	997,767
<u>23,995</u>	<u>23,995</u>	<u>1,076,042</u>	<u>1,052,047</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049,814</u>	<u>\$ 2,049,814</u>

VILLAGE OF OSSINING, NEW YORK

WATER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
GENERAL GOVERNMENT SUPPORT					
Engineer	\$ -	\$ 2,950	\$ 2,950	\$ -	\$ 5,848
Safety director	25,900	25,899	4,467	21,432	-
Communications system	16,390	16,390	12,635	3,755	7,005
Data processing	27,051	27,051	22,096	4,955	23,890
Unallocated insurance	94,813	85,813	85,770	43	93,766
Taxes and assessments on municipal property	198,500	198,442	198,071	371	192,168
Metropolitan commuter transportation mobility tax	6,545	6,833	6,833	-	5,560
Contingency	40,000	-	-	-	-
	<u>409,199</u>	<u>363,378</u>	<u>332,822</u>	<u>30,556</u>	<u>328,237</u>
HOME AND COMMUNITY SERVICES					
Water administration	911,849	926,096	912,439	13,657	893,026
Pumping, supply and power	2,013,245	1,954,172	1,514,922	439,250	1,347,482
Purification	1,055,704	1,029,498	1,006,129	23,369	1,012,911
Transmission and distribution	774,485	819,036	818,838	198	747,474
	<u>4,755,283</u>	<u>4,728,812</u>	<u>4,252,334</u>	<u>476,474</u>	<u>4,000,893</u>
EMPLOYEE BENEFITS					
State retirement	196,250	235,107	235,107	-	147,063
Social security	147,266	152,442	148,627	3,815	144,458
Workers' compensation benefits	155,755	155,755	152,106	3,649	138,838
Unemployment insurance	3,159	3,159	3,000	159	-
Hospital, medical and dental benefits	257,542	273,051	273,050	1	238,608
	<u>759,972</u>	<u>819,514</u>	<u>811,890</u>	<u>7,624</u>	<u>668,967</u>

DEBT SERVICE

Interest - Bond anticipation notes	16,820	16,820	16,819	1	38,312
TOTAL EXPENDITURES	5,941,274	5,928,524	5,413,865	514,654	5,036,409
OTHER FINANCING USES					
Transfers out:					
General Fund	150,000	150,000	150,000	-	150,000
Debt Service Fund	1,649,046	1,649,046	1,649,044	2	1,711,952
Capital Projects Fund	67,637	167,637	167,637	-	60,000
TOTAL OTHER FINANCING USES	1,866,683	1,966,683	1,966,681	2	1,921,952
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 7,807,957	\$ 7,895,207	\$ 7,380,546	\$ 514,656	\$ 6,958,361

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VILLAGE OF OSSINING, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 1,165,288</u>	<u>\$ 1,565,031</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Accrued interest payable	<u>\$ 4,601</u>	<u>\$ -</u>
Fund Balance:		
Reserved for debt service	862,395	1,096,128
Unreserved - Designated for subsequent year's expenditures	<u>298,292</u>	<u>468,903</u>
Total Fund Balance	<u>1,160,687</u>	<u>1,565,031</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,165,288</u></u>	<u><u>\$ 1,565,031</u></u>

VILLAGE OF OSSINING, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 28,500	\$ 28,500	\$ 21,696	\$ (6,804)
Miscellaneous	-	-	-	-
Total Revenues	28,500	28,500	21,696	(6,804)
Expenditures -				
Debt service:				
Principal - Bonds	2,305,000	2,305,000	2,305,000	-
Interest:				
Bonds	821,448	821,448	821,448	-
Bond anticipation notes	32,800	32,800	32,800	-
	854,248	854,248	854,248	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	3,159,248	3,159,248	3,159,248	-
Deficiency of Revenues Over Expenditures	(3,130,748)	(3,130,748)	(3,137,552)	(6,804)
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	3,178,715	3,178,715	3,250,078	71,363
Transfers out	(516,870)	(516,870)	(516,870)	-
Total Other Financing Sources	2,661,845	2,661,845	2,733,208	71,363
Net Change in Fund Balance	(468,903)	(468,903)	(404,344)	64,559
Fund Balance -				
Beginning of Year	468,903	468,903	1,565,031	1,096,128
Fund Balance - End of Year	\$ -	\$ -	\$ 1,160,687	\$ 1,160,687

2009

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 178,000	\$ 178,000	\$ 28,676	\$ (149,324)
-	-	38,156	38,156
178,000	178,000	66,832	(111,168)
2,345,002	2,405,002	2,405,000	2
967,769	863,984	863,983	1
-	54,927	54,927	-
967,769	918,911	918,910	1
-	77,146	77,146	-
3,312,771	3,401,059	3,401,056	3
(3,134,771)	(3,223,059)	(3,334,224)	(111,165)
-	5,215,000	5,215,000	-
-	(5,381,638)	(5,381,638)	-
-	243,784	243,784	-
2,970,555	2,926,770	2,926,770	-
(555,000)	(555,000)	(555,000)	-
2,415,555	2,448,916	2,448,916	-
(719,216)	(774,143)	(885,308)	(111,165)
719,216	774,143	2,450,339	1,676,196
\$ -	\$ -	\$ 1,565,031	\$ 1,565,031

VILLAGE OF OSSINING, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,542,170	\$ 2,929,719
State and Federal Aid Receivable	<u>112,794</u>	<u>136,513</u>
Total Assets	<u>\$ 2,654,964</u>	<u>\$ 3,066,232</u>
<u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>		
Liabilities:		
Accounts payable	\$ 77,031	\$ 171,578
Retained percentages	62,837	19,356
Deferred revenues - Other	52,221	-
Bond anticipation notes payable	<u>1,509,000</u>	<u>3,836,000</u>
Total Liabilities	1,701,089	4,026,934
Fund Balance (Deficit) - Unreserved and undesignated	<u>953,875</u>	<u>(960,702)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 2,654,964</u>	<u>\$ 3,066,232</u>

VILLAGE OF OSSINING, NEW YORK

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
State aid	\$ 138,714	\$ 164,689
Federal aid	540	356,303
	<u>139,254</u>	<u>520,992</u>
Total Revenues	139,254	520,992
Expenditures - Capital outlay	<u>3,913,949</u>	<u>1,601,204</u>
Deficiency of Revenues Over Expenditures	<u>(3,774,695)</u>	<u>(1,080,212)</u>
Other Financing Sources (Uses):		
Bonds issued	5,255,000	-
Installment purchase debt issued	138,018	-
Transfers in	669,855	429,631
Transfers out	(373,601)	(99,128)
	<u>5,689,272</u>	<u>330,503</u>
Total Other Financing Sources	5,689,272	330,503
Net Change in Fund Balance	1,914,577	(749,709)
Fund Deficit - Beginning of Year	<u>(960,702)</u>	<u>(210,993)</u>
Fund Balance (Deficit) - End of Year	<u>\$ 953,875</u>	<u>\$ (960,702)</u>

VILLAGE OF OSSINING, NEW YORK

CAPITAL PROJECTS FUND
 PROJECT-LENGTH SCHEDULE
 INCEPTION OF PROJECT THROUGH DECEMBER 31, 2010

PROJECT	Project Number	Project Budget	Expenditures and Transfers To Date	Unexpended Balance
<u>Closed Projects:</u>				
Sidewalk Improvements	2040	\$ 618,000	\$ 618,000	\$ -
MS-4 - Sewer Project	2050	130,860	130,860	-
I and I Sewer Lining	2061	475,000	475,000	-
Bucket Truck	2066	75,000	75,000	-
Firehouse - Five Bathrooms	2067	60,000	60,000	-
Firehouse - Monitor Hose Rehabilitation	2068	113,597	113,597	-
Rehab Intake	2079	210,742	210,742	-
Paint Exterior and Interior Tanks	2080	1,360,000	1,360,000	-
Ongoing Sewer Improvements	2086	175,000	175,000	-
Wishnie Park Improvements	2095	2,683	2,683	-
Fire Service Study 2008	2100	56,075	56,075	-
Fire Apparatus	2102	1,445,461	1,445,461	-
Sanitation Trucks	2103	387,789	387,789	-
Leased Police Cars	2117	138,018	138,018	-
<u>Open Projects:</u>				
Joseph G. Caputo Community Center Addition	2031	8,989,501	8,961,337	28,164
Master Plan	2047	516,861	516,861	-
Municipal Building	2049	1,274,517	1,260,449	14,068
Parking Lot Improvements	2054	85,000	75,768	9,232
Parking Meters	2057	225,000	186,024	38,976
Replace and Reline Water Mains	2064	385,000	373,330	11,670
Security at Pump Station	2070	150,000	121,255	28,745
Indian Brook Valve Replacement	2072	250,000	127,968	122,032
Telemetrics	2077	225,000	193,217	31,783
VFD and Electrical Work	2078	300,000	167,008	132,992
Central Garage	2083	30,000	271	29,729
Sing Sing Museum	2085	10,000	500	9,500
Snowden Park Improvements	2087	225,355	217,195	8,160
State Street Streetscape	2088	519,627	509,518	10,109
Street and Curb Maintenance	2090	607,887	532,887	75,000
Upgrade Shaft #4 Chlorination	2093	35,000	18,757	16,243
Trailway at Riverwalk	2097	140,000	10,000	130,000
Planning Design Study	2098	40,000	20,259	19,741
Recreation Building Generator	2099	325,000	325,000	-
Water Filters	2101	1,721,257	1,447,760	273,497
Sparta Park Improvements	2104	75,848	6,220	69,628
Community Center Sun Deck Playground	2105	173,500	4,980	168,520
Sidewalks	2106	770,000	21,579	748,421
IBW Reservoir Dam	2107	264,258	84,078	180,180
Water Tank Painting	2108	700,000	2,515	697,485
Caputo Center Air Handlers	2109	97,000	-	97,000
Water Garage Roof Repairs	2116	100,000	-	100,000
Totals		\$ 23,483,836	\$ 20,432,961	\$ 3,050,875

Methods of Financing				Fund Balance (Deficit) at December 31, 2010	Bond Anticipation Notes Outstanding at December 31, 2010
Interfund Transfers	State and Federal Aid	Proceeds of Obligations	Totals		
\$ 18,000	\$ 215,700	\$ 384,300	\$ 618,000	\$ -	\$ -
116,000	14,860	-	130,860	-	-
150,000	125,000	200,000	475,000	-	-
-	-	75,000	75,000	-	-
-	-	60,000	60,000	-	-
-	93,597	20,000	113,597	-	-
-	-	210,742	210,742	-	-
-	-	1,360,000	1,360,000	-	-
175,000	-	-	175,000	-	-
2,683	-	-	2,683	-	-
56,075	-	-	56,075	-	-
-	-	1,445,461	1,445,461	-	-
-	-	387,789	387,789	-	-
-	-	138,018	138,018	-	-
3,064,502	924,999	5,000,000	8,989,501	28,164	-
151,861	-	226,000	377,861	(139,000)	139,000
924,517	-	350,000	1,274,517	14,068	-
-	-	85,000	85,000	9,232	-
-	-	225,000	225,000	38,976	-
370,000	-	15,000	385,000	11,670	-
-	-	150,000	150,000	28,745	-
-	-	250,000	250,000	122,032	-
-	-	225,000	225,000	31,783	-
-	-	300,000	300,000	132,992	-
-	-	30,000	30,000	29,729	-
10,000	-	-	10,000	9,500	-
110,449	114,906	-	225,355	8,160	-
25,650	243,977	250,000	519,627	10,109	-
100,000	507,887	-	607,887	75,000	-
-	-	35,000	35,000	16,243	-
50,000	-	4,000	54,000	44,000	6,000
-	-	16,000	16,000	(4,259)	24,000
-	-	130,000	130,000	(195,000)	195,000
66,257	-	1,655,000	1,721,257	273,497	-
45,848	-	-	45,848	39,628	-
101,500	-	-	101,500	96,520	-
-	-	-	-	(21,579)	445,000
-	-	264,258	264,258	180,180	-
-	-	-	-	(2,515)	700,000
16,000	-	-	16,000	16,000	-
100,000	-	-	100,000	100,000	-
<u>\$ 5,654,342</u>	<u>\$ 2,240,926</u>	<u>\$ 13,491,568</u>	<u>\$ 21,386,836</u>	<u>\$ 953,875</u>	<u>\$ 1,509,000</u>

VILLAGE OF OSSINING, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010
 (With Comparative Totals for 2009)

<u>ASSETS</u>	<u>Sewer Fund</u>	<u>Section 8 Housing Fund</u>	<u>Special Purpose Fund</u>
Cash - Demand deposits	\$ 762,742	\$ 219,206	\$ 1,298,420
Receivables:			
Accounts	321,644	31,005	-
State and Federal aid	2,309	2,201	-
Due from other governments	-	-	-
	<u>323,953</u>	<u>33,206</u>	<u>-</u>
Prepaid Expenditures	<u>15,625</u>	<u>6,751</u>	<u>-</u>
Total Assets	<u>\$ 1,102,320</u>	<u>\$ 259,163</u>	<u>\$ 1,298,420</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 52,925	\$ 4,093	\$ 80
Accrued liabilities	-	13,624	-
Due to other funds	-	-	-
Deferred revenues - Other	-	31,005	-
Total Liabilities	<u>52,925</u>	<u>48,722</u>	<u>80</u>
Fund Balances:			
Reserved for prepaid expenditures	15,625	6,751	-
Reserved for trusts	-	-	1,298,340
Reserved for encumbrances	4,878	-	-
Unreserved:			
Designated for insurance	1,778	-	-
Designated for contractual obligations	-	-	-
Designated for subsequent year's expenditures	-	41,527	-
Undesignated	<u>1,027,114</u>	<u>162,163</u>	<u>-</u>
Total Fund Balances	<u>1,049,395</u>	<u>210,441</u>	<u>1,298,340</u>
Total Liabilities and Fund Balances	<u>\$ 1,102,320</u>	<u>\$ 259,163</u>	<u>\$ 1,298,420</u>

<u>Totals</u>	
<u>2010</u>	<u>2009</u>
<u>\$ 2,280,368</u>	<u>\$ 2,401,502</u>
352,649	296,440
4,510	-
-	2,230
<u>357,159</u>	<u>298,670</u>
<u>22,376</u>	<u>11,969</u>
<u>\$ 2,659,903</u>	<u>\$ 2,712,141</u>
\$ 57,098	\$ 20,774
13,624	17,454
-	2,732
<u>31,005</u>	<u>278,496</u>
<u>101,727</u>	<u>319,456</u>
22,376	11,969
1,298,340	1,294,419
4,878	25,607
1,778	-
-	26,243
41,527	75,666
<u>1,189,277</u>	<u>958,781</u>
<u>2,558,176</u>	<u>2,392,685</u>
<u>\$ 2,659,903</u>	<u>\$ 2,712,141</u>

VILLAGE OF OSSINING, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Totals for 2009)

	Sewer Fund	Section 8 Housing Fund	Special Purpose Fund
Revenues:			
Departmental income	\$ 1,122,649	\$ -	\$ -
Use of money and property	2,631	362	5,379
Federal aid	1,779	3,084,222	-
Miscellaneous	2,022	16,239	147,500
Total Revenues	<u>1,129,081</u>	<u>3,100,823</u>	<u>152,879</u>
Expenditures -			
Current:			
General government support	96,660	-	-
Culture and recreation	-	-	499
Home and community services	636,461	3,187,724	-
Employee benefits	237,964	-	1,111
Total Expenditures	<u>971,085</u>	<u>3,187,724</u>	<u>1,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>157,996</u>	<u>(86,901)</u>	<u>151,269</u>
Other Financing Sources (Uses):			
Transfers in	183,302	84,039	-
Transfers out	(176,866)	-	(147,348)
Total Other Financing Sources (Uses)	<u>6,436</u>	<u>84,039</u>	<u>(147,348)</u>
Net Change in Fund Balances	164,432	(2,862)	3,921
Fund Balances - Beginning of Year	<u>884,963</u>	<u>213,303</u>	<u>1,294,419</u>
Fund Balances - End of Year	<u>\$ 1,049,395</u>	<u>\$ 210,441</u>	<u>\$ 1,298,340</u>

Totals	
2010	2009
\$ 1,122,649	\$ 953,644
8,372	19,417
3,086,001	2,733,132
165,761	31,014
<u>4,382,783</u>	<u>3,737,207</u>
96,660	128,023
499	-
3,824,185	3,651,057
239,075	206,090
<u>4,160,419</u>	<u>3,985,170</u>
<u>222,364</u>	<u>(247,963)</u>
267,341	56,890
(324,214)	(275,859)
<u>(56,873)</u>	<u>(218,969)</u>
165,491	(466,932)
<u>2,392,685</u>	<u>2,859,617</u>
<u>\$ 2,558,176</u>	<u>\$ 2,392,685</u>

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VILLAGE OF OSSINING, NEW YORK

SEWER FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 762,742	\$ 636,320
Other Receivables:		
Accounts	321,644	256,940
State and Federal aid	2,309	-
Due from other governments	-	2,230
	<u>323,953</u>	<u>259,170</u>
Prepaid Expenditures	<u>15,625</u>	<u>9,231</u>
Total Assets	<u>\$ 1,102,320</u>	<u>\$ 904,721</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 52,925	\$ 17,026
Due to other funds	-	2,732
Total Liabilities	<u>52,925</u>	<u>19,758</u>
Fund Balance:		
Reserved for prepaid expenditures	15,625	9,231
Reserved for encumbrances	4,878	25,607
Unreserved:		
Designated for insurance	1,778	-
Designated for contractual obligations	-	26,243
Undesignated	<u>1,027,114</u>	<u>823,882</u>
Total Fund Balance	<u>1,049,395</u>	<u>884,963</u>
Total Liabilities and Fund Balance	<u>\$ 1,102,320</u>	<u>\$ 904,721</u>

VILLAGE OF OSSINING, NEW YORK

SEWER FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 1,143,961	\$ 1,143,961	\$ 1,122,649	\$ (21,312)
Use of money and property	4,000	4,000	2,631	(1,369)
Federal aid	-	-	1,779	1,779
Miscellaneous	1,500	1,500	2,022	522
Total Revenues	1,149,461	1,149,461	1,129,081	(20,380)
Expenditures -				
Current:				
General government support	155,308	153,782	96,660	57,122
Home and community services	765,749	785,096	636,461	148,635
Employee benefits	260,446	265,704	237,964	27,740
Total Expenditures	1,181,503	1,204,582	971,085	233,497
Excess (Deficiency) of Revenues Over Expenditures	(32,042)	(55,121)	157,996	213,117
Other Financing Sources (Uses):				
Transfers in	183,303	183,303	183,302	(1)
Transfers out	(176,868)	(176,868)	(176,866)	2
Total Other Financing Sources (Uses)	6,435	6,435	6,436	1
Net Change in Fund Balance	(25,607)	(48,686)	164,432	213,118
Fund Balance - Beginning of Year	25,607	48,686	884,963	836,277
Fund Balance - End of Year	\$ -	\$ -	\$ 1,049,395	\$ 1,049,395

2009

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,135,055	\$ 1,157,355	\$ 953,644	\$ (203,711)
15,000	15,000	5,867	(9,133)
-	-	-	-
1,500	1,500	1,479	(21)
<u>1,151,555</u>	<u>1,173,855</u>	<u>960,990</u>	<u>(212,865)</u>
205,426	224,752	128,023	96,729
768,779	771,753	574,878	196,875
243,002	243,002	204,209	38,793
<u>1,217,207</u>	<u>1,239,507</u>	<u>907,110</u>	<u>332,397</u>
<u>(65,652)</u>	<u>(65,652)</u>	<u>53,880</u>	<u>119,532</u>
-	-	-	-
<u>(177,228)</u>	<u>(177,228)</u>	<u>(177,228)</u>	<u>-</u>
<u>(177,228)</u>	<u>(177,228)</u>	<u>(177,228)</u>	<u>-</u>
(242,880)	(242,880)	(123,348)	119,532
<u>242,880</u>	<u>242,880</u>	<u>1,008,311</u>	<u>765,431</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884,963</u>	<u>\$ 884,963</u>

VILLAGE OF OSSINING, NEW YORK

SEWER FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2009 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 7,500	\$ 7,500	\$ 7,499	\$ 1	\$ 8,300
Engineer	20,000	29,460	9,460	20,000	40,140
Safety director	22,174	12,000	1,673	10,327	-
Communication systems	-	-	-	-	213
Data processing	9,710	10,424	7,267	3,157	8,335
Unallocated insurance	31,605	31,605	28,590	3,015	30,295
Town taxes and assessments	42,000	42,000	40,219	1,781	39,221
Metropolitan commuter transportation mobility tax	2,319	2,385	1,952	433	1,519
Contingency	20,000	18,408	-	18,408	-
	<u>155,308</u>	<u>153,782</u>	<u>96,660</u>	<u>57,122</u>	<u>128,023</u>
HOME AND COMMUNITY SERVICES					
Sewer administration	457,039	485,383	471,697	13,686	475,554
Sewer system	258,410	244,171	126,353	117,818	63,418
Sewage pumping	50,300	55,542	38,411	17,131	35,906
	<u>765,749</u>	<u>785,096</u>	<u>636,461</u>	<u>148,635</u>	<u>574,878</u>
EMPLOYEE BENEFITS					
State retirement	69,321	71,506	58,432	13,074	37,945
Social security	52,162	53,643	41,715	11,928	39,076
Workers' compensation benefits	44,894	44,894	44,263	631	46,121
Hospital, medical and dental benefits	94,069	95,661	93,554	2,107	81,067
	<u>260,446</u>	<u>265,704</u>	<u>237,964</u>	<u>27,740</u>	<u>204,209</u>
TOTAL EXPENDITURES	<u>1,181,503</u>	<u>1,204,582</u>	<u>971,085</u>	<u>233,497</u>	<u>907,110</u>

OTHER FINANCING USES

Transfers out:

General Fund	150,000	150,000	150,000	-	150,000
Debt Service Fund	26,868	26,868	26,866	2	27,228
	<u>176,868</u>	<u>176,868</u>	<u>176,866</u>	<u>2</u>	<u>177,228</u>

TOTAL OTHER FINANCING USES

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 1,358,371</u>	<u>\$ 1,381,450</u>	<u>\$ 1,147,951</u>	<u>\$ 233,499</u>	<u>\$ 1,084,338</u>
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VILLAGE OF OSSINING, NEW YORK

SECTION 8 HOUSING FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 219,206	\$ 470,763
Other Receivables:		
Accounts	31,005	39,500
State and Federal aid	2,201	-
	<u>33,206</u>	<u>39,500</u>
Prepaid Expenditures	<u>6,751</u>	<u>2,738</u>
Total Assets	<u>\$ 259,163</u>	<u>\$ 513,001</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 4,093	\$ 3,748
Accrued liabilities	13,624	17,454
Deferred revenues - Other	31,005	278,496
Total Liabilities	<u>48,722</u>	<u>299,698</u>
Fund Balance:		
Reserved for prepaid expenditures	6,751	2,738
Unreserved:		
Designated for subsequent year's expenditures	41,527	75,666
Undesignated	162,163	134,899
Total Fund Balance	<u>210,441</u>	<u>213,303</u>
Total Liabilities and Fund Balance	<u>\$ 259,163</u>	<u>\$ 513,001</u>

VILLAGE OF OSSINING, NEW YORK

SECTION 8 HOUSING FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 700	\$ 700	\$ 362	\$ (338)
Federal aid	2,676,720	3,017,721	3,084,222	66,501
Miscellaneous	13,800	13,800	16,239	2,439
Total Revenues	2,691,220	3,032,221	3,100,823	68,602
Expenditures - Current -				
Home and community services	2,850,925	3,191,926	3,187,724	4,202
Deficiency of Revenues Over Expenditures	(159,705)	(159,705)	(86,901)	72,804
Other Financing Sources -				
Transfers in	84,039	84,039	84,039	-
Net Change in Fund Balance	(75,666)	(75,666)	(2,862)	72,804
Fund Balance - Beginning of Year	75,666	75,666	213,303	137,637
Fund Balance - End of Year	\$ -	\$ -	\$ 210,441	\$ 210,441

2009

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,000	\$ 3,999	\$ 653	\$ (3,346)
2,778,753	2,778,753	2,733,132	(45,621)
1,000	1,000	6,539	5,539
<u>2,783,753</u>	<u>2,783,752</u>	<u>2,740,324</u>	<u>(43,428)</u>
<u>2,867,792</u>	<u>3,076,179</u>	<u>3,076,179</u>	<u>-</u>
(84,039)	(292,427)	(335,855)	(43,428)
<u>84,039</u>	<u>84,039</u>	<u>56,890</u>	<u>(27,149)</u>
-	(208,388)	(278,965)	(70,577)
-	208,388	492,268	283,880
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,303</u>	<u>\$ 213,303</u>

VILLAGE OF OSSINING, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 1,298,420</u>	<u>\$ 1,294,419</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Accounts payable	\$ 80	\$ -
Fund Balance - Reserved for trusts	<u>1,298,340</u>	<u>1,294,419</u>
Total Liabilities and Fund Balance	<u>\$ 1,298,420</u>	<u>\$ 1,294,419</u>

VILLAGE OF OSSINING, NEW YORK

SPECIAL PURPOSE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Use of money and property	\$ 5,379	\$ 12,897
Miscellaneous	<u>147,500</u>	<u>22,996</u>
Total Revenues	<u>152,879</u>	<u>35,893</u>
Expenditures - Current:		
Culture and recreation	499	-
Employee benefits	<u>1,111</u>	<u>1,881</u>
Total Expenditures	<u>1,610</u>	<u>1,881</u>
Excess of Revenues Over Expenditures	151,269	34,012
Other Financing Uses -		
Transfers out	<u>(147,348)</u>	<u>(98,631)</u>
Net Change in Fund Balance	3,921	(64,619)
Fund Balance - Beginning of Year	<u>1,294,419</u>	<u>1,359,038</u>
Fund Balance - End of Year	<u>\$ 1,298,340</u>	<u>\$ 1,294,419</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2010	2009
<u>ASSETS</u>				
Cash - Demand deposits	\$ 735,302	\$ 927,505	\$ 1,662,807	\$ 1,363,752
Receivables:				
Accounts	-	-	-	141,623
Due from other funds	-	-	-	54,650
	-	-	-	196,273
Total Assets	735,302	927,505	1,662,807	1,560,025
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	76,388	-	76,388	18,886
Current portion of claims payable	35,000	64,000	99,000	109,300
Total Current Liabilities	111,388	64,000	175,388	128,186
Claims Payable, less current portion	311,850	580,150	892,000	983,700
Total Liabilities	423,238	644,150	1,067,388	1,111,886
<u>NET ASSETS</u>				
Unrestricted	\$ 312,064	\$ 283,355	\$ 595,419	\$ 448,139

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2010	2009
Operating Revenues:				
Departmental charges	\$ 1,099,403	\$ 637,232	\$ 1,736,635	\$ 1,732,296
Insurance recoveries	72,845	-	72,845	237,956
Total Operating Revenues	<u>1,172,248</u>	<u>637,232</u>	<u>1,809,480</u>	<u>1,970,252</u>
Operating Expenses:				
Insurance	384,399	585,830	970,229	997,448
Contractual	174,497	5,126	179,623	187,910
Employee benefits	540,508	-	540,508	474,456
Judgments and claims	-	(20,024)	(20,024)	(129,868)
Total Operating Expenses	<u>1,099,404</u>	<u>570,932</u>	<u>1,670,336</u>	<u>1,529,946</u>
Income from Operations	72,844	66,300	139,144	440,306
Non-Operating Revenues -				
Interest income	<u>1,264</u>	<u>6,872</u>	<u>8,136</u>	<u>7,833</u>
Change in Net Assets	74,108	73,172	147,280	448,139
Net Assets - Beginning of Year	<u>237,956</u>	<u>210,183</u>	<u>448,139</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 312,064</u>	<u>\$ 283,355</u>	<u>\$ 595,419</u>	<u>\$ 448,139</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2010
 (With Comparative Actuals for 2009)

	<u>Workers' Compensation Benefits</u>	<u>General Liability Claims</u>
Cash Flows from Operating Activities:		
Cash received from charges for services and insurance recoveries	\$ 1,368,521	\$ 637,232
Cash payments to insurance carriers and claimants	<u>(1,077,602)</u>	<u>(637,232)</u>
Net Cash Provided by (Used in) Operating Activities	<u>290,919</u>	<u>-</u>
Cash Flows from Investing Activities -		
Interest income	<u>1,264</u>	<u>6,872</u>
Net Increase (Decrease) in Cash	292,183	6,872
Cash - Beginning of Year	<u>443,119</u>	<u>920,633</u>
Cash - End of Year	<u>\$ 735,302</u>	<u>\$ 927,505</u>
Reconciliation of Income from Operations to Net Cash Provided by (Used in) Operating Activities:		
Income from operations	\$ 72,844	\$ 66,300
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities -		
Changes in operating assets and liabilities:		
Accounts receivable	141,623	-
Due from other funds	54,650	-
Account payable	57,502	-
Due to other funds	-	-
Claims payable	<u>(35,700)</u>	<u>(66,300)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 290,919</u>	<u>\$ -</u>

Totals	
2010	2009
\$ 2,005,753	\$ 1,823,824
<u>(1,714,834)</u>	<u>(1,881,898)</u>
<u>290,919</u>	<u>(58,074)</u>
<u>8,136</u>	<u>7,833</u>
299,055	(50,241)
<u>1,363,752</u>	<u>1,413,993</u>
<u>\$ 1,662,807</u>	<u>\$ 1,363,752</u>
\$ 139,144	\$ 440,306
141,623	(138,743)
54,650	(7,685)
57,502	(37,079)
-	(103,873)
<u>(102,000)</u>	<u>(211,000)</u>
<u>\$ 290,919</u>	<u>\$ (58,074)</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 735,302	\$ 443,119
Receivables:		
Accounts	-	141,623
Due from other funds	-	54,650
	<u>-</u>	<u>196,273</u>
Total Assets	<u>735,302</u>	<u>639,392</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	76,388	18,886
Current portion of claims payable	35,000	38,255
	<u>111,388</u>	<u>57,141</u>
Total Current Liabilities	111,388	57,141
Claims Payable, less current portion	<u>311,850</u>	<u>344,295</u>
Total Liabilities	<u>423,238</u>	<u>401,436</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 312,064</u>	<u>\$ 237,956</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
Departmental charges	\$ 1,099,403	\$ 984,629
Insurance recoveries	72,845	237,956
Total Operating Revenues	<u>1,172,248</u>	<u>1,222,585</u>
Operating Expenses:		
Insurance	384,399	400,950
Contractual	174,497	109,223
Employee benefits	540,508	474,456
Total Operating Expenses	<u>1,099,404</u>	<u>984,629</u>
Income from Operations	72,844	237,956
Non-Operating Revenues - Interest income	<u>1,264</u>	<u>-</u>
Change in Net Assets	74,108	237,956
Net Assets - Beginning of Year	<u>237,956</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 312,064</u>	<u>\$ 237,956</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - WORKERS' COMPENSATION BENEFITS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash Flows from Operating Activities:		
Cash received from charges for services and insurance recoveries	\$ 1,368,521	\$ 1,076,157
Cash payments to insurance carriers and claimants	(1,077,602)	(1,030,358)
Net Cash Provided by Operating Activities	<u>290,919</u>	<u>45,799</u>
Cash Flows from Investing Activities -		
Interest income	<u>1,264</u>	<u>-</u>
Net Increase in Cash	292,183	45,799
Cash - Beginning of Year	<u>443,119</u>	<u>397,320</u>
Cash - End of Year	<u>\$ 735,302</u>	<u>\$ 443,119</u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Income from operations	\$ 72,844	\$ 237,956
Adjustments to reconcile income from operations to net cash provided by operating activities -		
Changes in operating assets and liabilities:		
Accounts receivable	141,623	(138,743)
Due from other funds	54,650	(7,685)
Accounts payable	57,502	(37,079)
Claims payable	(35,700)	(8,650)
Net Cash Provided by Operating Activities	<u>\$ 290,919</u>	<u>\$ 45,799</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 927,505</u>	<u>\$ 920,633</u>
<u>LIABILITIES</u>		
Current Liabilities -		
Current portion of claims payable	64,000	71,045
Claims Payable, less current portion	<u>580,150</u>	<u>639,405</u>
Total Liabilities	<u>644,150</u>	<u>710,450</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 283,355</u>	<u>\$ 210,183</u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues - Departmental charges	<u>\$ 637,232</u>	<u>\$ 747,667</u>
Operating Expenses:		
Insurance	585,830	596,498
Contractual	5,126	78,687
Judgments and claims	<u>(20,024)</u>	<u>(129,868)</u>
Total Operating Expenses	<u>570,932</u>	<u>545,317</u>
Income from Operations	66,300	202,350
Non-Operating Revenues - Interest income	<u>6,872</u>	<u>7,833</u>
Change in Net Assets	73,172	210,183
Net Assets - Beginning of Year	<u>210,183</u>	<u>-</u>
Net Assets - End of Year	<u><u>\$ 283,355</u></u>	<u><u>\$ 210,183</u></u>

VILLAGE OF OSSINING, NEW YORK

INTERNAL SERVICE FUND - GENERAL LIABILITY CLAIMS FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Cash received from charges for services and insurance recoveries	\$ 637,232	\$ 747,667
Cash payments to insurance carriers and claimants	<u>(637,232)</u>	<u>(851,540)</u>
Net Cash Used in Operating Activities	<u>-</u>	<u>(103,873)</u>
Cash Flows from Investing Activities -		
Interest income	<u>6,872</u>	<u>7,833</u>
Net Increase (Decrease) in Cash	6,872	(96,040)
Cash - Beginning of Year	<u>920,633</u>	<u>1,016,673</u>
Cash - End of Year	<u>\$ 927,505</u>	<u>\$ 920,633</u>
Reconciliation of Income from Operations to Net Cash Used in Operating Activities:		
Income from operations	\$ 66,300	\$ 202,350
Adjustments to reconcile income from operations to net cash used in operating activities -		
Changes in operating assets and liabilities:		
Due to other funds	-	(103,873)
Claims payable	<u>(66,300)</u>	<u>(202,350)</u>
Net Cash Used in Operating Activities	<u>\$ -</u>	<u>\$ (103,873)</u>

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Board of Trustees
of the Village of Ossining, New York:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ossining, New York as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 16, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Ossining, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Ossining, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Ossining, New York's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Ossining, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Village of Ossining, New York in a separate letter.

This report is intended solely for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

May 16, 2011



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Board of Trustees
of the Village of Ossining, New York:

Compliance

We have audited the compliance of the Village of Ossining, New York with the types of compliance requirements described in the U.S. Office of Management and Budget ("*OMB*") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Village of Ossining, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village of Ossining, New York's management. Our responsibility is to express an opinion on the Village of Ossining, New York's, compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Ossining, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village of Ossining, New York's compliance with those requirements.

In our opinion, the Village of Ossining, New York complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Village of Ossining, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Ossining, New York's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Ossining, New York's internal control over compliance.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program of the Village of Ossining New York's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Village of Ossining, New York as of and for the year ended December 31, 2010 and have issued our report thereon dated May 16, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
May 16, 2011

VILLAGE OF OSSINING, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2010

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Program -		
Section 8 Housing Choice Vouchers	14.871	\$ 3,120,496
Indirect Program - Passed Through County of Westchester -		
Community Development Block Grant	14.218	<u>540</u>
Total U.S. Department of Housing and Urban Development		<u>3,121,036</u>
<u>U.S. Department of Justice</u>		
Direct Program -		
COPS Technology Program - ARRA	16.710	<u>45,000</u>
<u>U.S. Department of Homeland Security</u>		
Direct Programs:		
FEMA - Disaster Grants- Public Assistance	97.036	25,603
Assistance to Firefighters	97.044	<u>65,752</u>
Total U.S. Department of Homeland Security		<u>91,355</u>
<u>U.S. Department of Health</u>		
Direct Program -		
Early Retirement Reinsurance Program - ARRA	93.525	<u>71,141</u>
<u>U.S. Department of Energy</u>		
Indirect Program - Passed through New York State Energy Research and Development Authority		
State Energy Program - ARRA	81.041	<u>30,000</u>
Total Federal Assistance		<u>\$ 3,358,532</u>

(1) Catalog of Federal Domestic Assistance Number

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2010

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all Federal awards programs for the year ended December 31, 2010. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The fund financial statements are presented using the modified accrual basis of accounting.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2010

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

___ Yes ___ X No

___ Yes ___ X None reported

Noncompliance material to financial statements noted?

___ Yes ___ X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

___ Yes ___ X No

___ Yes ___ X None reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

___ Yes ___ X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.871 - Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

X Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)
YEAR ENDED DECEMBER 31, 2010

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None