

**Town/Village of Harrison, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2014



# Town/Village of Harrison, New York

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**Independent Auditors' Report**

**The Honorable Supervisor/Mayor and Town/Village Board  
of the Town/Village of Harrison, New York**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town/Village of Harrison, New York ("Town/Village") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town/Village's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town/Village, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedules of Funding Progress and Contributions for the Service Awards Program 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.

*Supplementary and Other Information*

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

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

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**

Harrison, New York

April 23, 2015

# Town/Village of Harrison, New York

Management's Discussion and Analysis (MD&A)  
December 31, 2014

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## Introduction

As management of the Town/Village of Harrison, New York ("Town/Village"), we offer readers of the Town/Village's financial statements this narrative overview and analysis of the financial activities of the Town/Village for the fiscal year ended December 31, 2014. It should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements, which immediately follow this section, to enhance understanding of the Town/Village's financial performance.

## Financial Highlights

- On the government-wide financial statements, the liabilities of the Town/Village exceeded its assets at the close of the most recent fiscal year by \$28,597,521. Of this amount, a deficit of \$62,738,738 is unrestricted. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34, which will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences and the accrual of the Town/Village's annual other post employment benefit obligations in accordance with the provisions of GASB Statement No. 45.
- ❖ As of the close of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of \$32,721,586, an increase of \$5,870,274 from a fund balance of \$26,851,312 at the close of the previous fiscal year. This was primarily due to better than expected collections of building permit revenues. However, exclusive of the Capital Projects Fund, the combined ending fund balances were \$22,031,761.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,864,309 or 21.5% of total General Fund expenditures and other financing uses for 2014. This is an increase of \$4,167,090 from the previous year and was primarily caused by higher than anticipated building permit revenue and tax penalties and interest collections.
- ❖ During the current fiscal year, the Town/Village issued \$3,792,880 of public improvement bonds and \$965,000 of tax certiorari bonds. The Town/Village retired \$5,530,000 of general obligation bonded debt.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town/Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 Town/Village's finances, in a manner similar to a private-sector business. The Harrison Parking Authority ("Authority") is a discretely presented component unit of the primary government. Presently, the Town/Village is not liable for Authority debt. All operating revenues in excess of the Authority's cost of operations are retained by the Authority. Since the Town/Village does not guarantee the Authority's debt and the Authority does not provide services entirely or almost entirely to the Town/Village, the financial statements of the Authority have been reflected as a discretely presented component unit. Separate financial statements have not been issued for the Authority.

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

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

The government-wide financial statements distinguish functions of the Town/Village that are governmental activities (those principally supported by taxes and revenues from other governments) and functions of the Town/Village that are business-type activities (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the Town/Village include general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services and interest.

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

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town/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 Town/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 Town/Village maintains seven individual governmental funds: the General Fund, Debt Service Fund, Capital Projects Fund, Special Districts Fund, Highway Fund, Public Library Fund and the Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and the Special District's Fund, all of which are considered to be major funds. Data for the other three governmental funds, which are considered non-major funds, is combined into a single, aggregated presentation. Individual information on each of these non-major governmental funds is provided in the form of combining and individual fund schedules and statements elsewhere in this report.

The Town/Village adopts annual budgets for the General Fund, Debt Service Fund, Special Districts Fund, Highway Fund, and Public Library Fund. A budgetary comparison statement has been provided for the General Fund and the Special District Fund within the basic financial statements to demonstrate compliance with the respective budget.

The governmental fund financial statements can be found in the basic financial statements section of this report.

#### Proprietary Fund

The Town/Village maintains an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the Town/Village's various functions. The Town/Village uses an internal service fund to account for its self-insured health benefits. These services have been classified as governmental activities in the government-wide financial statements because they predominantly benefit governmental, rather than business-type functions. The Internal Service Fund is combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided in the form of individual fund statements elsewhere in this report.

The proprietary fund financial statements can be found in the basic financial statements section of 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 Town/Village programs. The Town/Village maintains an Agency Fund. The Town/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. The Town/Village also maintains a Pension Trust Fund to account for its Fire Service Awards Program.

The Fiduciary fund financial statements can be found in the basic financial statements section of this report.

### **Notes to the Financial Statements**

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

### **Other Information**

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town/Village, liabilities exceeded assets by \$28,597,521 at the close of the most recent fiscal year. By far, the largest portion of the Town/Village's net position (\$31,754,545) is its net investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction- in-progress), less any related debt outstanding that was used to acquire those assets. The Town/Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town/Village's investment in 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 these liabilities.

## Net Position

	December 31,	
	2014	2013
	Governmental Activities	Governmental Activities
Current Assets	\$ 87,678,916	\$ 81,069,400
Capital Assets, Net	83,155,335	84,419,729
Total Assets	170,834,251	165,489,129
Deferred Outflows of Resources	1,451,960	1,567,910
Current Liabilities	57,444,141	57,197,912
Long-term Liabilities	143,439,591	129,383,526
Total Liabilities	200,883,732	186,581,438
Net Position		
Net Investment in Capital Assets	31,754,545	31,535,325
Restricted	2,386,672	2,566,252
Unrestricted	(62,738,738)	(53,625,976)
Total Net Position	\$ (28,597,521)	\$ (19,524,399)

An additional portion of the Town/Village's net position, \$2,386,672, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31,	
	2014	2013
Law enforcement	\$ 554,473	\$ 554,473
Debt service	562,737	833,521
Trusts	740,891	684,967
Parklands	528,571	493,291
Total Net Position	\$ 2,386,672	\$ 2,566,252

The remaining balance of unrestricted net position, which is a deficit of \$62,738,738, must be financed from future operations. This deficit does not mean that the Town/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 retirement incentives and other pension obligations, compensated absences and other post employment benefit obligations that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payments are made.

## Change in Net Position

	December 31,	
	2014	2013
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 11,214,682	\$ 9,972,947
Operating Grants and Contributions	832,754	1,896,989
Capital Grants and Contributions	265,196	305,251
General Revenues:		
Real Property Taxes	50,133,163	48,193,381
Other Tax Items	1,294,936	1,943,803
Non-Property Taxes	4,625,321	4,427,923
Unrestricted Use of Money and Property	29,716	28,355
Unrestricted State Aid	1,429,884	1,377,762
Miscellaneous	745,778	604,675
Sale of equipment	63,170	41,871
Sale of property and compensation for loss	12,908	-
Insurance recoveries	45,712	10,890
	<u>70,693,220</u>	<u>68,803,847</u>
<b>PROGRAM EXPENSES</b>		
General Government		
Support	15,656,385	14,699,507
Public Safety	31,840,048	29,036,744
Health	577,258	551,176
Transportation	10,220,885	9,341,411
Economic Assistance and Opportunity	261,540	198,151
Culture and Recreation	10,175,349	9,206,757
Home and Community Services	8,915,179	8,332,122
Interest	2,119,698	1,819,487
	<u>79,766,342</u>	<u>73,185,355</u>
Change in Net Position	(9,073,122)	(4,381,508)
<b>NET POSITION</b>		
Beginning	<u>(19,524,399)</u>	<u>(15,142,891)</u>
Ending	<u>\$ (28,597,521)</u>	<u>\$ (19,524,399)</u>

## Governmental Activities

Governmental activities increased the Town/Village's net position by \$5,870,274.

For the fiscal year ended December 31, 2014, revenues from governmental activities totaled \$70,693,220. Tax revenues (\$56,053,420), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (79%). Last year tax revenues also represented 79%, (\$54,565,107) and total revenue was \$68,803,847.

The largest components of governmental activities' expenses are public safety (40%), general government support (20%) and transportation (13%). This is comparative to last year when the largest components of governmental activities' expenses were public safety (40%), general government support (20%) and transportation (13%).

## Financial Analysis of the Town/Village's Funds

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

### Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town/Village's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for specific purposes as provided in the legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year. Once adopted, these funds may only be used for the purpose specified unless the Town/Village removes or changes the purpose by taking the same action that was used to establish the commitment.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned

classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

### Governmental Funds

The focus of the Town/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 Town/Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town/Village itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town/Village Board.

As of the end of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of \$32,721,586, an increase of \$5,870,274 from the prior year fund balance amount of \$26,851,312. The nonspendable fund balance component is \$2,424,588 and consists of amounts representing prepaid expenditures and long-term receivables. Prepaid expenditures have been established to account for a portion of the New York state retirement and health insurance payments made in advance. Long-term receivables, representing amounts due from the Authority, have been classified as nonspendable to indicate that the amounts will not be collected in sufficient time to use the funds to satisfy liabilities of the current period. Fund balance of \$13,130,917 is restricted for law enforcement, debt service, capital projects, trusts and parklands. The assigned fund balance classification aggregates \$6,241,772, consisting of purchases on order in the amount of \$126,602 in the General Fund and \$16,276 in the Special Districts Fund; amounts utilized to balance the fiscal 2014 budget (\$86,900 in the Debt Service Fund and \$55,000 in the Special District's Fund); and amounts available to be used at the Town/Village's discretion in funds other than the General Fund (\$2,654,118 in the Special Districts Fund, \$1,378,546 for transportation purposes and \$292,673 for library purposes in the non-major funds). The remaining fund balance of \$10,864,309 is unassigned and represents the remaining positive fund balance in the General Fund after the amounts have been restricted, committed or assigned for other purposes.

The General Fund is the primary operating fund of the Town/Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$10,864,309. This is an increase from last year where the unassigned fund balance was \$6,697,219. Revenues and other financing sources were \$54,933,985, which was \$4,642,784 more than the final budget, primarily from building permit revenues which exceeded the final budget by approximately \$2.87 million as well as the issuance of \$965,000 of general obligation bonds for the payment of judgments and claims. Sales tax and franchise fees also exceeded the final budget by approximately \$558,000. Savings were also achieved throughout all expenditure categories due to tight controls on expenditures.

The Debt Service Fund reflects a restricted fund balance of \$542,141 at the end of the current fiscal year, a decrease of \$278,967 from the previous year. The Town/Village issued \$3,792,880 in public improvement bonds for capital projects and \$965,000 for tax certioraris refunds. The Town/Village also retired \$5,530,000 of long-term bonded indebtedness.

The Capital Projects Fund reflects a restricted fund balance of \$10,689,825 at the end of the current fiscal year, an increase of \$59,778 from the previous year. Total revenues, inclusive of

transfers totaled \$761,465. The Town/Village issued \$3,792,880 in new bonds for capital construction which is recognized as revenue when issued. Capital outlay expenditures totaled \$4,494,567.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$4,418,804, an increase of \$1,335,740 from the previous year. This was due in part to increase in real property taxes, water rents in Water District No. 2 and expenditures savings in the areas of general government support and public safety.

The non-major governmental funds consisting of the Highway, Public Library and Special Purpose funds reflected an aggregate fund balance of \$3,405,346, an increase of \$289,860 from the prior year. This was due primarily from increased real property taxes and departmental income particularly in the Highway Fund.

### General Fund Budgetary Highlights

There was a difference between the original and final estimated revenue budget for the General Fund of \$1,058,433. This difference is attributable to an increase in bonds issued of \$965,000, insurance recoveries of \$25,713, sale of equipment of \$20,000, State and Federal aid of \$36,330 and miscellaneous revenues of \$11,390.

The difference between the appropriations originally budgeted and the final appropriation budget for the General Fund was \$1,347,224 (\$49,348,247 vs. \$50,695,471). These changes were mainly in the areas of general support, public safety and employee benefits.

### Capital Assets and Debt Administration

#### Capital Assets

The Town/Village's net investment in capital assets for governmental activities at December 31, 2014, net of \$86,601,359 of accumulated depreciation, was \$83,155,335. This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles, machinery and equipment and construction-in-progress.

	<b>Capital Assets December 31,</b>	
<u>Asset</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,331,480	\$ 2,331,480
Buildings and improvements	38,878,172	38,459,818
Infrastructure	100,806,492	98,209,784
Vehicles	15,121,134	15,439,817
Machinery and equipment	5,197,573	4,462,058
Construction-in-progress	7,421,843	8,024,589
Less - accumulated depreciation	<u>(86,601,359)</u>	<u>(82,507,817)</u>
Total (net of depreciation)	<u>\$ 83,155,335</u>	<u>\$ 84,419,729</u>

Additional information on the Town/Village's capital assets can be found in Note 3,D in the notes to the financial statements.

### Long-term Debt

During the current fiscal year, the Town/Village retired \$5,530,000 of principal on general obligation bonds through budgetary appropriations. The Town/Village also issued \$4,757,880 of general obligation serial bonds for capital construction and judgments and claims.

At the end of the current fiscal year, the Town/Village had total bonded debt outstanding of \$65,135,943 (\$61,588,402 for capital construction and \$3,547,541 for judgments and claims). As required by New York State Law, all bonds issued by the Town/Village are general obligation bonds, backed by the full faith and credit of the Town/Village.

Additional information on the Town/Village's long-term debt can be found in Note 3,H in the notes to the financial statements.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town/Village of Harrison, 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 Maureen McKenzie, Comptroller, Town/Village of Harrison, 1 Heineman Place, Harrison, New York 10528.

Town/Village of Harrison, New York

Statement of Net Position  
December 31, 2014

	Primary Government	Component Unit
	Governmental Activities	Harrison Parking Authority
<b>ASSETS</b>		
Cash and equivalents	\$ 41,014,620	\$ -
Receivables		
Taxes	40,507,009	-
Accounts	2,638,798	-
State and Federal aid	1,021,283	-
Due from component unit	570,953	-
Due from other governments	72,618	-
Prepaid expenses	1,853,635	-
Capital assets		
Not being depreciated	9,753,323	570,953
Being depreciated, net	73,402,012	-
Total Assets	<u>170,834,251</u>	<u>570,953</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts on refunding bonds	<u>1,451,960</u>	-
<b>LIABILITIES</b>		
Accounts payable	2,284,771	-
Accrued liabilities	1,080,000	-
Due to other governments	19,371	-
Retainages payable	146,746	-
Due to school district	46,784,664	-
Unearned revenues	1,276,456	-
Due to primary government	-	570,953
Accrued interest payable	106,099	-
Non-current liabilities		
Due within one year	5,746,034	-
Due in more than one year	143,439,591	-
Total Liabilities	<u>200,883,732</u>	<u>570,953</u>
<b>NET POSITION</b>		
Net investment in capital assets	31,754,545	-
Restricted for		
Law enforcement	554,473	-
Debt service	562,737	-
Trusts	740,891	-
Parklands	528,571	-
Unrestricted	(62,738,738)	-
Total Net Position	<u>\$ (28,597,521)</u>	<u>\$ -</u>

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

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Town/Village of Harrison, New York

Statement of Activities  
Year Ended December 31, 2014

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	\$ 15,656,385	\$ 5,287,535	\$ 33,163	\$ -	\$ (10,335,687)
Public safety	31,840,048	2,346,891	78,908	3,042	(29,411,207)
Health	577,258	-	-	-	(577,258)
Transportation	10,220,885	100,417	174,513	1,606	(9,944,349)
Economic assistance and opportunity	261,540	26,914	-	-	(234,626)
Culture and recreation	10,175,349	819,666	527,438	-	(8,828,245)
Home and community services	8,915,179	2,633,259	18,732	174,817	(6,088,371)
Interest	2,119,698	-	-	85,731	(2,033,967)
<b>Total Governmental Activities</b>	<b>\$ 79,766,342</b>	<b>\$ 11,214,682</b>	<b>\$ 832,754</b>	<b>\$ 265,196</b>	<b>(67,453,710)</b>
General revenues					
Real property taxes					50,133,163
Other tax items					
Payments in lieu of taxes					34,064
Interest and penalties on real property taxes					506,710
Utilities gross receipts taxes					754,162
Non-property taxes					
Non-property tax distribution from County					4,000,171
Franchise fees					625,150
Unrestricted use of money and property					29,716
Unrestricted State aid					1,429,884
Miscellaneous					745,778
Sale of equipment					63,170
Sale of property and compensation for loss					12,908
Insurance recoveries					45,712
<b>Total General Revenues</b>					<b>58,380,588</b>
Change in Net Position					(9,073,122)
Net Position - Beginning					(19,524,399)
Net Position - Ending					<b>\$ (28,597,521)</b>

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

Town/Village of Harrison, New York

Balance Sheet  
 Governmental Funds  
 December 31, 2014

	General	Debt Service	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 18,230,677	\$ 518,163	\$ 12,013,778
Taxes receivable	40,507,009	-	-
Other receivables			
Accounts	720,652	23,978	-
State and Federal aid	1,021,283	-	-
Due from component unit	570,953	-	-
Due from other governments	72,618	-	-
Due from other funds	870	-	-
	<u>2,386,376</u>	<u>23,978</u>	<u>-</u>
Prepaid expenditures	1,325,651	-	1,566
Total Assets	<u>\$ 62,449,713</u>	<u>\$ 542,141</u>	<u>\$ 12,015,344</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 569,674	\$ -	\$ 1,116,442
Due to other governments	19,371	-	-
Retainages payable	-	-	146,746
Due to school district	46,784,664	-	-
Unearned revenues	330,000	-	62,331
Due to other funds	-	-	-
Total Liabilities	47,703,709	-	1,325,519
Deferred inflows of resources			
Deferred tax revenues	1,080,534	-	-
Total Liabilities and Deferred Inflows of Resources	<u>48,784,243</u>	<u>-</u>	<u>1,325,519</u>
Fund balances			
Nonspendable	1,896,604	-	1,566
Restricted	717,955	455,241	10,688,259
Committed	60,000	-	-
Assigned	126,602	86,900	-
Unassigned	10,864,309	-	-
Total Fund Balances	<u>13,665,470</u>	<u>542,141</u>	<u>10,689,825</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,449,713</u>	<u>\$ 542,141</u>	<u>\$ 12,015,344</u>

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

Special Districts	Other Governmental Funds	Total
\$ 3,566,592	\$ 3,236,227	\$ 37,565,437
-	-	40,507,009
1,768,732	36,549	2,549,911
-	-	1,021,283
-	-	570,953
-	-	72,618
-	-	870
1,768,732	36,549	4,215,635
262,036	264,382	1,853,635
<u>\$ 5,597,360</u>	<u>\$ 3,537,158</u>	<u>\$ 84,141,716</u>
\$ 293,561	\$ 131,812	\$ 2,111,489
-	-	19,371
-	-	146,746
-	-	46,784,664
884,125	-	1,276,456
870	-	870
1,178,556	131,812	50,339,596
-	-	1,080,534
1,178,556	131,812	51,420,130
262,036	264,382	2,424,588
-	1,269,462	13,130,917
-	-	60,000
4,156,768	1,871,502	6,241,772
-	-	10,864,309
4,418,804	3,405,346	32,721,586
<u>\$ 5,597,360</u>	<u>\$ 3,537,158</u>	<u>\$ 84,141,716</u>

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**Town/Village of Harrison, New York**

Reconciliation of Governmental Funds Balance Sheet to  
The Government-Wide Statement of Net Position  
December 31, 2014

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Fund Balances - Total Governmental Funds	<u>\$ 32,721,586</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Difference Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>83,155,335</u>
Net position of the Internal Service Fund is included with government activities.	<u>2,284,788</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	<u>1,080,534</u>
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on refunding bonds	<u>1,451,960</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Accrued interest payable	(106,099)
Bonds payable	(67,090,116)
Compensated absences	(955,501)
Retirement incentives and other pension obligations	(166,228)
Claims payable	(1,344,596)
Other post employment benefit obligations payable	<u>(79,629,184)</u>
	<u>(149,291,724)</u>
Net Position of Governmental Activities	<u>\$ (28,597,521)</u>

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

**Town/Village of Harrison, New York**

Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2014

	General	Debt Service	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 36,829,691	\$ -	\$ -
Other tax items	1,294,936	-	-
Non-property taxes	4,625,321	-	-
Departmental income	2,411,797	-	-
Use of money and property	149,566	9,825	-
Licenses and permits	4,818,003	-	-
Fines and forfeitures	1,452,192	-	-
Sale of property and compensation for loss	12,908	-	-
State aid	1,491,621	-	1,606
Federal aid	16,900	-	132,859
Miscellaneous	757,168	75,862	45,000
<b>Total Revenues</b>	<b>53,860,103</b>	<b>85,687</b>	<b>179,465</b>
<b>EXPENDITURES</b>			
Current			
General government support	8,430,736	-	-
Public safety	19,268,026	-	-
Health	577,258	-	-
Transportation	503,348	-	-
Economic assistance and opportunity	125,425	-	-
Culture and recreation	3,500,446	-	-
Home and community services	3,121,854	-	-
Employee benefits	8,717,132	-	-
Debt service			
Principal	-	5,530,000	-
Interest	-	2,180,909	-
Capital outlay	-	-	4,494,567
<b>Total Expenditures</b>	<b>44,244,225</b>	<b>7,710,909</b>	<b>4,494,567</b>
Excess (Deficiency) of Revenues Over Expenditures	9,615,878	(7,625,222)	(4,315,102)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	965,000	-	3,792,880
Insurance recoveries	45,712	-	-
Sale of equipment	63,170	-	-
Transfers in	-	7,346,255	582,000
Transfers out	(6,225,897)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,152,015)</b>	<b>7,346,255</b>	<b>4,374,880</b>
<b>Net Change in Fund Balances</b>	<b>4,463,863</b>	<b>(278,967)</b>	<b>59,778</b>
<b>FUND BALANCES</b>			
Beginning of Year	9,201,607	821,108	10,630,047
End of Year	<u>\$ 13,665,470</u>	<u>\$ 542,141</u>	<u>\$ 10,689,825</u>

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

Special Districts	Other Governmental Funds	Total
\$ 5,707,668	\$ 7,629,210	\$ 50,166,569
-	-	1,294,936
-	-	4,625,321
2,292,113	120,771	4,824,681
5,696	6,063	171,150
-	-	4,818,003
-	-	1,452,192
-	-	12,908
-	117,228	1,610,455
4,197	39,287	193,243
49,897	520,359	1,448,286
<u>8,059,571</u>	<u>8,432,918</u>	<u>70,617,744</u>
27,051	-	8,457,787
3,045,842	-	22,313,868
-	-	577,258
-	3,618,855	4,122,203
-	-	125,425
-	1,347,830	4,848,276
487,806	280,675	3,890,335
1,710,774	2,645,698	13,073,604
-	-	5,530,000
-	-	2,180,909
-	-	4,494,567
<u>5,271,473</u>	<u>7,893,058</u>	<u>69,614,232</u>
<u>2,788,098</u>	<u>539,860</u>	<u>1,003,512</u>
-	-	4,757,880
-	-	45,712
-	-	63,170
-	-	7,928,255
<u>(1,452,358)</u>	<u>(250,000)</u>	<u>(7,928,255)</u>
<u>(1,452,358)</u>	<u>(250,000)</u>	<u>4,866,762</u>
1,335,740	289,860	5,870,274
<u>3,083,064</u>	<u>3,115,486</u>	<u>26,851,312</u>
<u>\$ 4,418,804</u>	<u>\$ 3,405,346</u>	<u>\$ 32,721,586</u>

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## Town/Village of Harrison, 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, 2014

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 5,870,274</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. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold.</p>	
Capital outlay expenditures	3,832,828
Depreciation expense	<u>(5,097,222)</u>
	<u>(1,264,394)</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>(33,406)</u>
<p>Bond proceeds and other long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
Bonds issued	(4,757,880)
Principal paid on bonds	5,530,000
Principal paid on retirement incentives and other pension obligations	159,480
Amortization of loss on refunding and issuance premium	<u>42,033</u>
	<u>973,633</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	19,178
Compensated absences	241,062
Claims	345,610
Other post employment benefit obligations	<u>(15,500,874)</u>
	<u>(14,895,024)</u>
<p>Internal service funds are used by management to charge the cost of risk activities to individual funds. The net revenue of the internal service funds is reported with governmental activities</p>	
	<u>275,795</u>
Change in Net Position of Governmental Activities	<u>\$ (9,073,122)</u>

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

**Town/Village of Harrison, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General And Special Districts Funds  
Year Ended December 31, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 36,777,978	\$ 36,777,978	\$ 36,829,691	\$ 51,713
Other tax items	1,266,240	1,266,240	1,294,936	28,696
Non-property taxes	4,066,865	4,066,865	4,625,321	558,456
Departmental income	2,026,900	2,026,900	2,411,797	384,897
Use of money and property	112,500	112,500	149,566	37,066
Licenses and permits	1,876,800	1,876,800	4,818,003	2,941,203
Fines and forfeitures	1,395,000	1,395,000	1,452,192	57,192
Sale of property and compensation for loss	5,000	5,000	12,908	7,908
State aid	1,242,055	1,263,005	1,491,621	228,616
Federal aid	-	15,380	16,900	1,520
Miscellaneous	443,430	454,820	757,168	302,348
<b>Total Revenues</b>	<b>49,212,768</b>	<b>49,260,488</b>	<b>53,860,103</b>	<b>4,599,615</b>
<b>EXPENDITURES</b>				
Current				
General government support	7,863,586	8,492,985	8,430,736	62,249
Public safety	19,068,502	19,280,384	19,268,026	12,358
Health	582,300	578,746	577,258	1,488
Transportation	476,297	504,573	503,348	1,225
Economic assistance and opportunity	126,580	126,488	125,425	1,063
Culture and recreation	3,461,586	3,505,853	3,500,446	5,407
Home and community services	3,269,349	3,263,221	3,121,854	141,367
Employee benefits	8,456,148	8,717,322	8,717,132	190
<b>Total Expenditures</b>	<b>43,304,348</b>	<b>44,469,572</b>	<b>44,244,225</b>	<b>225,347</b>
Excess of Revenues Over Expenditures	5,908,420	4,790,916	9,615,878	4,824,962
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	965,000	965,000	-
Insurance recoveries	20,000	45,713	45,712	(1)
Sale of equipment	-	20,000	63,170	43,170
Transfers out	(6,043,899)	(6,225,899)	(6,225,897)	2
<b>Total Other Financing Uses</b>	<b>(6,023,899)</b>	<b>(5,195,186)</b>	<b>(5,152,015)</b>	<b>43,171</b>
<b>Net Change in Fund Balances</b>	<b>(115,479)</b>	<b>(404,270)</b>	<b>4,463,863</b>	<b>4,868,133</b>
<b>FUND BALANCES</b>				
Beginning of Year	115,479	404,270	9,201,607	8,797,337
End of Year	\$ -	\$ -	\$ 13,665,470	\$ 13,665,470

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

Special Districts Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,707,668	\$ 5,707,668	\$ 5,707,668	\$ -
-	-	-	-
-	-	-	-
1,336,456	1,336,456	2,292,113	955,657
4,500	4,500	5,696	1,196
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	4,197	4,197	-
31,800	47,454	49,897	2,443
<u>7,080,424</u>	<u>7,100,275</u>	<u>8,059,571</u>	<u>959,296</u>
48,351	38,821	27,051	11,770
3,087,252	3,169,977	3,045,842	124,135
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
724,525	741,345	487,806	253,539
1,834,851	1,774,085	1,710,774	63,311
<u>5,694,979</u>	<u>5,724,228</u>	<u>5,271,473</u>	<u>452,755</u>
<u>1,385,445</u>	<u>1,376,047</u>	<u>2,788,098</u>	<u>1,412,051</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(1,459,124)</u>	<u>(1,459,124)</u>	<u>(1,452,358)</u>	<u>6,766</u>
<u>(1,459,124)</u>	<u>(1,459,124)</u>	<u>(1,452,358)</u>	<u>6,766</u>
(73,679)	(83,077)	1,335,740	1,418,817
<u>73,679</u>	<u>83,077</u>	<u>3,083,064</u>	<u>2,999,987</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,418,804</u>	<u>\$ 4,418,804</u>

**Town/Village of Harrison, New York**

Statement of Net Position  
Proprietary Fund  
December 31, 2014

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	<u>Governmental Activities- Internal Service Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and equivalents	\$ 3,449,183
Accounts receivable	<u>88,887</u>
Total Assets	<u>3,538,070</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	173,282
Accrued liabilities	<u>1,080,000</u>
Total Current Liabilities	<u>1,253,282</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 2,284,788</u></u>

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

Town/Village of Harrison, New York

Statement of Revenues, Expenses and  
Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2014

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	Governmental Activities- Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 11,058,238
Miscellaneous - insurance recoveries	<u>268,198</u>
Total Operating Revenues	<u>11,326,436</u>
<b>OPERATING EXPENSES</b>	
Insurance	478,308
Employee benefits	10,246,946
Contractual	<u>325,387</u>
Total Operating Expenses	<u>11,050,641</u>
Income from Operations	275,795
<b>NET POSITION</b>	
Beginning of Year	<u>2,008,993</u>
End of Year	<u><u>\$ 2,284,788</u></u>

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

Town/Village of Harrison, New York

Statement of Cash Flows  
Proprietary Fund  
Year Ended December 31, 2014

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	Governmental Activities- Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from charges for services	\$ 11,058,238
Cash received from insurance reimbursements	391,546
Cash payments for goods and services	(325,387)
Cash payments to insurance carriers and claimants	<u>(10,514,495)</u>
Net Cash from Operating Activities	609,902
<b>CASH AND EQUIVALENTS</b>	
Beginning of Year	<u>2,839,281</u>
End of Year	<u><u>\$ 3,449,183</u></u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>	
Income from operations	\$ 275,795
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	123,348
Accounts payable	(46,991)
Accrued liabilities	<u>257,750</u>
Net Cash from Operating Activities	<u><u>\$ 609,902</u></u>

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

Town/Village of Harrison, New York

Statement of Net Position  
 Fiduciary Funds  
 December 31, 2014

	Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and equivalents	\$ 171,146	\$ 1,245,593
Investments		
Fixed income mutual funds	144,700	-
International equities	98,176	-
U.S. government obligations	95,949	-
Mixed assets	408,552	-
Other assets	55,569	-
	<u>802,946</u>	<u>-</u>
Accounts receivable	<u>244,805</u>	<u>4,252</u>
Total Assets	<u>1,218,897</u>	<u>1,249,845</u>
<b>LIABILITIES</b>		
Accounts payable	-	45,848
Employee payroll deductions	-	25,123
Guarantee and bid deposits	-	1,178,874
Total Liabilities	<u>-</u>	<u>1,249,845</u>
<b>NET POSITION</b>		
Held in trust for pension benefits (schedule of funding progress for the plan is presented in the required supplementary information)	<u>\$ 1,218,897</u>	<u>\$ -</u>

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

**Town/Village of Harrison, New York**

Statement of Changes In Plan Net Position  
Pension Trust Fund  
Year Ended December 31, 2014

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**ADDITIONS**

Earnings on investments	\$ 45,162
Pension contribution	117,796
Net change in fair value of investments	<u>(40,121)</u>
Total Additions	122,837

**DEDUCTIONS**

Pension benefits	<u>53,202</u>
Change in Plan Net Position	69,635

**NET POSITION**

Beginning of Year	<u>1,149,262</u>
End of Year	<u><u>\$ 1,218,897</u></u>

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

## Town/Village of Harrison, New York

Notes to Financial Statements  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies**

The Town of Harrison, New York was established in 1696. The Village of Harrison, New York was established in 1975. The Village of Harrison is coterminous with the Town of Harrison and the Village Board is comprised of the members of the Town Board. New York State law has designated certain government functions as a Town responsibility, while other functions are the responsibility of Village government. For financial reporting purposes all references to the entity are captioned Town/Village. The Town/Village operates in accordance with both Town and Village Law and the various other applicable laws of the State of New York. The Town Board and the Village Board of Trustees are the legislative bodies responsible for overall operation. The Town Supervisor/Village Mayor serves as the chief executive and chief financial officer. The Town/Village provides the following services to its residents: public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town/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 Town/Village's more significant accounting policies:

#### **A. Financial Reporting Entity**

The financial reporting entity consists of a) the primary government, which is the Town/Village, b) organizations for which the Town/Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town/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 Town/Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town/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, the following component unit is included in the Town/Village's reporting entity because of its operational relationship with the Town/Village.

The Harrison Parking Authority ("Authority") was formed in 2006, for the purpose of constructing, operating and maintaining a parking structure in the Town/Village. The Authority is a public benefit corporation organized under the Laws of the State of New York. Members of the Authority are appointed by the Mayor for a specified term. These members are also members of the Town/Village Board. While the Town/Village will provide the accounting services, Authority members have complete responsibility of the Authority and accountability for fiscal matters. Presently, the Town/Village is not liable for Authority debt. All operating revenues in excess of the Authority's cost of operations are retained by the Authority. Since the Town/Village does not guarantee the Authority's debt and the Authority does not provide services entirely or almost entirely to the Town/Village, the financial statements of the Authority have been reflected as a discretely presented component unit. Separate financial statements have not been issued for the Authority.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### **B. Government-Wide Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town/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. Governmental activities, which normally are supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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 revenue of the Internal Service Fund is charges to customers for services. Operating expenses include the cost of 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 Town/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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town/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 and Proprietary 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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### Note 1 - Summary of Significant Accounting Policies (Continued)

the fund based financial statements into the governmental activities column of the government-wide presentation. The Town/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 are the Town/Village's major governmental funds.

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of major capital facilities.

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

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

The Town/Village also reports the following non-major governmental funds:

#### Special Revenue Funds:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town/Village's Public Library.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

- b. Proprietary Fund - Proprietary funds include 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 Town/Village has established its Health Benefits Fund as an internal service fund.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town/Village in an agency capacity on behalf of others. These include Pension Trust and Agency funds. The Pension Trust Fund accounts for the Town/Village's Fire Service Awards Program. The Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

obligations, certain claims 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.

**Component Unit**

The component unit is presented on the basis of accounting that most accurately reflects its activities. The component unit is accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of this fund are included on the balance sheet. Operating statements present increases (revenues) and decreases (expenses) in total net position. The Authority is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The component unit applies all applicable Financial Accounting Standards Board ("FASB") guidance.

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

**Deposits, Investments and Risk Disclosure**

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

The Town/Village's investment policies are governed by State statutes. The Town/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 Town/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.

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

Custodial credit risk is the risk that in the event of a bank failure, the Town/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 department but not in the Town/Village's name. The Town/Village's aggregate bank

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2014.

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

Investments of the Pension Trust Fund are stated at fair value. The amounts are invested in various portfolios by the trustee of the Fund, who has been designated by the State Comptroller. These investments are unrated. The Town/Village has no formal policy relating to interest rate or credit risk for Pension Trust Fund investments.

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town/Village collects town/village, highway, special districts, county and school district taxes. Town/Village taxes for the period January 1st to December 31st are levied on January 1st and are due on February 1st, with the first half payable without penalty until February 28th/29th and the second half payable without penalty until June 30th. County taxes are due April 1st and are payable without penalty to April 30th. School district taxes for the period July 1st to June 30th are levied on July 1st and are due September 1st, with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town/Village guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town/Village also has the responsibility for conducting in-rem foreclosure proceedings.

The Town/Village functions in both a fiduciary and guarantor relationship with the County of Westchester and the school districts located within the Town/Village with respect to the collection and payment of real property taxes levied by such jurisdictions. The County Charter provides for the Town/Village to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town/Village must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school district taxes, the Charter provides that the Town/Village satisfy the warrant of the school district by April 5th. Thus the Town's/Village's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town/Village must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town/Village taxes. The collection of school district taxes is deemed a financing transaction until the warrants are satisfied.

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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Due From/To Other Funds** - During the course of its operations, the Town/Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of 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/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town/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 general infrastructure assets (i.e., those reported by governmental activities), the Town/Village chose to include all such items regardless of their acquisition date or amount. The Town/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 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 assets lives is not capitalized.

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

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Infrastructure	15-50
Machinery and equipment	5-20
Vehicles	5-20

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 Revenues** - Unearned 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.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town/Village has reported unearned revenues of \$330,000 for fees received in advance in the General Fund, \$62,331 for State and Federal aid received in advance in the Capital Projects Fund and \$884,125 for amounts not available in the current year in the Special Districts Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Town has reported deferred outflows of resources of \$1,451,960 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town has reported deferred inflows of resources of \$1,080,534 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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 Capital Projects or Debt Service funds expenditures.

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

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town/Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes net investment in capital assets, restricted for law enforcement, debt service, trusts and parklands. The balance is classified as unrestricted.

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town/Village Board for amounts assigned for balancing the subsequent year's budget or the Town/Village Comptroller/Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town/Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Encumbrances**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Use of Estimates**

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

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 23, 2015.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget advisory committee an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget advisory committee, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town/Village Board.
- d) The Town/Village Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town/Village Board shall become the preliminary budget.
- e) On or before December 10th, the Town/Village Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town/Village Board may further change, alter and revise the preliminary budget subject to provisions of the law.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts, Public Library and Debt Service funds.
- i) Budgets for General, Highway, Special Districts, Public Library and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purpose and Proprietary funds.
- j) The Town/Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town/Village Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also requires a majority vote by the Board.
- k) Appropriations in General, Highway, Special Districts, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

#### **B. Property Tax Limitation**

The Village component of the Town/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 2014 inclusive of exclusions, was \$164,593,622, which exceeded the actual levy by \$155,194,178.

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

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

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town/Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

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

**C. Fund Deficits**

The Special Districts Fund - Fire Protection District No. 5 reflects a deficit of \$870 as of December 31, 2014. The Town/Village will address this deficit in the ensuing year.

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at December 31, 2014 consisted of the following:

Town/Village taxes	\$	228,448
County taxes		130,039
School District taxes		39,315,328
Tax liens		<u>833,194</u>
	\$	<u>40,507,009</u>

School district taxes are offset by liabilities to the school district which will be paid no later than April 5, 2015. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,080,534, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

**B. Due From Component Unit**

The due from component unit of \$570,953 as of December 31, 2014 represents amounts advanced in 2006, 2007 and 2008 to the Authority totaling \$475,000 plus accrued interest of \$95,953. Interest is payable at 4%. The note is due on demand.

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**C. Due From/To Other Funds**

The balances reflected as due from/to other funds at December 31, 2014 were as follows:

Fund _____	Due From	Due To
General	\$ 870	\$ -
Special Districts	-	870
	<u>\$ 870</u>	<u>\$ 870</u>

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

**D. Capital Assets**

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

Class	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Capital Assets, not being depreciated				
Land	\$ 2,331,480	\$ -	\$ -	\$ 2,331,480
Construction-in-progress	8,024,589	1,595,194	(2,197,940)	7,421,843
Total Capital Assets, not being depreciated	<u>\$ 10,356,069</u>	<u>\$ 1,595,194</u>	<u>\$ (2,197,940)</u>	<u>\$ 9,753,323</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 38,459,818	\$ 418,354	\$ -	\$ 38,878,172
Infrastructure	98,209,784	2,596,708	-	100,806,492
Machinery and equipment	4,462,058	796,315	(60,800)	5,197,573
Vehicles	15,439,817	624,197	(942,880)	15,121,134
Total Capital Assets, being depreciated	<u>156,571,477</u>	<u>4,435,574</u>	<u>(1,003,680)</u>	<u>160,003,371</u>
Less Accumulated Depreciation for				
Buildings and improvements	8,963,066	898,675	-	9,861,741
Infrastructure	60,094,213	2,949,227	-	63,043,440
Machinery and equipment	3,384,070	295,600	(60,800)	3,618,870
Vehicles	10,066,468	953,720	(942,880)	10,077,308
Total Accumulated Depreciation	<u>82,507,817</u>	<u>5,097,222</u>	<u>(1,003,680)</u>	<u>86,601,359</u>
Total Capital Assets, being depreciated, net	<u>\$ 74,063,660</u>	<u>\$ (661,648)</u>	<u>\$ -</u>	<u>\$ 73,402,012</u>
Capital Assets, net	<u>\$ 84,419,729</u>	<u>\$ 933,546</u>	<u>\$ (2,197,940)</u>	<u>\$ 83,155,335</u>

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

Governmental Activities	
General Government Support	\$ 469,913
Public Safety	857,718
Transportation	2,377,794
Culture and Recreation	487,027
Home and Community Services	<u>904,770</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,097,222</u>

**Capital Assets - Component Unit**

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

<u>Class</u>	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Balance December 31, 2014</u>
Capital Assets, not being depreciated			
Construction-in-progress	<u>\$ 551,953</u>	<u>\$ 19,000</u>	<u>\$ 570,953</u>

**E. Accrued Liabilities - Unpaid Claim Liabilities**

The Internal Service Fund reflects health benefit 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. Claims 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.

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

An analysis of the activity of unpaid claim liabilities in the Internal Service Fund is as follows:

	<u>2014</u>	<u>2013</u>
Balance - Beginning of Year	\$ 822,250	\$ 1,307,000
Provision for Claims and Claims Adjustment Expenses	10,246,946	10,346,893
Claims and Claims Adjustment Expenses Paid	<u>(9,989,196)</u>	<u>(10,831,643)</u>
Balance - End of Year	<u>\$ 1,080,000</u>	<u>\$ 822,250</u>

**F. Pension Plans**

The Town/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 have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. Contribution rates for the plans' year's ended March 31, 2015 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	2 75I	25.3 %
	3 A14	20.3
	4 A15	20.3
	5 A15	16.6
	6 A15	10.9
	PFRS	2 384D
	5 384D	22.0
	6 384D	15.4

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 2,511,164	\$ 2,676,240
2013	2,695,233	2,663,673
2012	2,407,825	2,402,748

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

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

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General - Town	\$ 1,435,107	\$ 2,120,611
General - Village	483,900	-
Special Districts	57,607	555,629
Non-Major Governmental		
Highway	376,449	-
Public Library	158,101	-
	<u>\$ 2,511,164</u>	<u>\$ 2,676,240</u>

**Pension Trust - Service Awards Program**

The Town/Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters of the West Harrison Fire Department. This program began in 2005. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18 and completion of one year of service, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or general disablement and after earning five years of service credit. A participant upon attainment of entitlement age and one year of plan participation shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The entitlement age is the later of age 62 or age after first earning a year of service credit under the point system. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Town/Village's Board, are authorized to invest the funds in authorized investment vehicles. Separate financial statements are not issued by the program.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>December 31, 2014</u>
Active - Vested	41
Active - Non-vested	1
Retirees and beneficiaries currently receiving benefits	19
Terminated employees entitled to benefits but not yet receiving them	10

The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program. The designated program administrator's functions include all necessary operations to administer the program as well as actuarial type services. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the board.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated August 17, 2006 and the trustee is RBC Wealth Management. All investments are made in accordance with the Town/Village's approved investment policy.

The financial condition of the plan and projected unfunded liability is as follows:

Actuarial Present Value of Benefits at December 31, 2014	<u>\$ 1,039,377</u>	
Less: Assets Available for Benefits		
	% of total	
Cash	14 %	\$ 171,146
Fixed income mutual funds	12	144,700
International equities	8	98,176
US government obligations	8	95,949
Mixed assets	33	408,552
Other assets	5	55,569
Accounts receivable	20	244,805
Less: Liabilities		-
Total Net Assets Available for Benefits		<u>(1,218,897)</u>
Total Funded Benefits		<u>(179,520)</u>
Less: Unfunded Liability for Prior Service		<u>(50,301)</u>
Funded Normal benefits		<u>\$ (229,821)</u>

Prior service costs are being amortized over ten years at a discount rate of 5.5%.

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

The Post-Entitlement age mortality table used was based on the 1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007.

The Town/Village is required to contribute the amounts necessary to finance the Program as actuarially determined using the entry age normal frozen initial liability cost method. The net pension obligation is not amortized on a separate basis. The assumed investment rate of return is 5.5% and there are no cost of living adjustments.

The Town/Village's annual Program cost, the percentage of the annual Program cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>	<u>Net Pension Obligation</u>
2014	\$ 117,796	\$ 117,796	100.00 %	\$ -
2013	127,009	127,009	100.00	-
2012	124,296	124,296	100.00	-

The schedule of funding progress for the defined benefit pension plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

The current contributions were charged to the Special District's Fund-Fire Protection District No.1. Administrative fees of \$5,168 were also charged to the fund in connection with the administration of the plan.

**G. Joint Venture**

The Town/Village, together with the Town of Mamaroneck and Village of Mamaroneck, participate in the Westchester Joint Water Works. The purpose of the joint venture is to acquire, construct, provide, maintain and operate a water works system.

The following is an audited summary of special purpose financial information included in the financial statements of the joint venture.

Balance Sheet Date - December 31, 2014

Total Assets	\$ 9,489,847
Total Liabilities	33,620,061
Net Deficit	(24,130,214)
Total Revenues	25,489,277
Total Expenses	27,026,502
Decrease in Net Position	(1,537,225)

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**H. Long-Term Liabilities**

The following table summarizes changes in the Town/Village's long-term indebtedness for the year ending December 31, 2014:

	Balance January 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Bonds Payable - Capital Construction	\$ 62,970,205	\$ 3,792,880	\$ 5,174,683	\$ 61,588,402	\$ 5,129,871
Bonds Payable - Judgments and claims	2,937,858	965,000	355,317	3,547,541	273,192
Plus - Unamortized premium on bonds	2,112,156	-	157,983	1,954,173	-
	<u>68,020,219</u>	<u>4,757,880</u>	<u>5,687,983</u>	<u>67,090,116</u>	<u>5,403,063</u>
Other Non-Current Liabilities					
Compensated absences	1,196,563	-	241,062	955,501	96,000
Retirement incentives and other pension obligations	325,708	-	159,480	166,228	112,971
Claims payable	1,690,206	2,416,177	2,761,787	1,344,596	134,000
Other post employment benefit obligations payable	64,128,310	20,673,241	5,172,367	79,629,184	-
Total Other Non-Current Liabilities	<u>67,340,787</u>	<u>23,089,418</u>	<u>8,334,696</u>	<u>82,095,509</u>	<u>342,971</u>
Total Long-Term Liabilities	<u>\$ 135,361,006</u>	<u>\$ 27,847,298</u>	<u>\$ 14,022,679</u>	<u>\$ 149,185,625</u>	<u>\$ 5,746,034</u>

Liabilities for bonds are liquidated by the Debt Service Fund. Each fund's liability for compensated absences, retirement incentives and other pension obligations, claims and other post employment benefit obligations are liquidated by the respective fund.

**Bonds Payable**

Bonds payable at December 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Public Improvements	1995	\$ 3,042,000	December, 2015	5.100-5.250 %	\$ 90,000
Fire Protection District No. 1	1996	475,000	December, 2016	5.300-5.375	50,000
Fire Protection District No. 2	1998	300,000	September, 2018	4.750-4.800	60,000
Fire Protection District No. 1	2000	650,000	August, 2020	5.250-5.500	210,000
Public Improvements	2006	8,894,940	December, 2021	3.750-4.000	1,305,000
Public Improvements	2007	6,415,310	December, 2028	4.000	835,000
Public Improvements	2008	6,905,000	June, 2021	3.500-4.000	4,230,000
Public Improvements	2008	5,733,820	June, 2027	4.125-4.400	4,560,000
EFC Refunding Bonds	2010	235,132	October, 2015	2.325	40,000
Refunding Bonds	2011	10,280,000	May, 2022	3.000-4.000	4,880,000
Public Improvements and Tax Certiorari	2011	10,696,070	March, 2025	3.000-4.000	8,990,000
Public Improvements	2012	3,804,700	March, 2032	2.250-3.000	3,555,000
Public Improvements	2012	9,970,135	December, 2032	2.000-2.500	9,170,000
Public Improvements and Tax Certiorari	2013	7,963,063	December, 2033	2.000-4.000	7,963,063
Refunding Bonds	2013	15,775,000	December, 2028	2.000-5.000	14,440,000
Public Improvements and Tax Certiorari	2014	4,757,880	December, 2027	2.000-2.375	4,757,880
					<u>\$ 65,135,943</u>

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures of \$2,180,909 were recorded in the fund financial statements in the Debt Service Fund.

Interest expense of \$2,119,698 was recorded in the government-wide financial statements for governmental activities.

**Retirement Incentives and Other Pension Obligations**

The ERS and PFRS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted Chapter 49 of the Laws of 2003. This Chapter authorized local governments to amortize the portion of their respective contribution which exceeded 7% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum.

Additionally, the State Legislature enacted Chapter 260 of the Laws of 2004 for ERS and PFRS. This Chapter authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum.

Additionally, the State Legislature enacted Chapter 260 of the Laws of 2005 for PFRS. This Chapter authorized local governments to amortize the portion of their respective 2006 contribution which exceeded 10.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum.

The Town/Village has elected to amortize the maximum allowable ERS and PFRS contributions as follows:

	Amount Amortized - Village	Amount Amortized - Town		Current Year Principal Payments	Current Year Interest Payments	Balance Due	Due Within One Year
	ERS	ERS	PFRS				
2003	\$ -	\$ 420,695	\$ -	\$ 51,888	\$ 3,121	\$ -	\$ -
2004	-	84,075	-	9,876	1,012	10,370	10,370
2004	-	-	406,641	47,766	4,896	50,154	50,154
2004	13,992	-	-	1,644	168	1,726	1,726
2005	-	-	431,799	48,306	7,614	103,978	50,721
	<u>\$ 13,992</u>	<u>\$ 504,770</u>	<u>\$ 838,440</u>	<u>\$ 159,480</u>	<u>\$ 16,811</u>	<u>\$ 166,228</u>	<u>\$ 112,971</u>

The current year principal and interest payments were charged to retirement expenditures in the General Fund.

The obligations have been reflected as a liability in the government-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all bonded debt and retirement incentives and other pension obligations outstanding as of December 31, 2014, including interest payments of \$14,965,283 are as follows:

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Year Ending December 31,	Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,403,063	2,085,273	\$ 112,971	\$ 8,311	\$ 5,516,034	\$ 2,093,584
2016	5,602,880	1,912,588	53,257	2,663	5,656,137	1,915,251
2017	5,675,000	1,731,866	-	-	5,675,000	1,731,866
2018	5,705,000	1,551,831	-	-	5,705,000	1,551,831
2019	5,605,000	1,376,999	-	-	5,605,000	1,376,999
2020-2024	20,960,000	4,333,731	-	-	20,960,000	4,333,731
2025-2029	11,485,000	1,617,447	-	-	11,485,000	1,617,447
2030-2033	4,700,000	344,574	-	-	4,700,000	344,574
	<u>\$ 65,135,943</u>	<u>\$ 14,954,309</u>	<u>\$ 166,228</u>	<u>\$ 10,974</u>	<u>\$ 65,302,171</u>	<u>\$ 14,965,283</u>

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

**Prior Year Defeasance**

In the prior year, the Town/Village defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town/Village's financial statements. As of December 31, 2014, the total defeased bonds outstanding were \$8,005,000.

**Compensated Absences**

The Town/Village is obligated to pay accumulated sick leave to CSEA employees who retire from the Town/Village in good standing. Bargaining unit members shall be paid for accumulated sick days exceeding 165, to a maximum of 215. The Town/Village is also obligated to pay accrued vacation leave up to a maximum of 30 days to CSEA employees and 21 days for firefighters. Police Officers and Teamsters must take vacation in the year it is earned. It may not be accumulated, except at management's convenience. The value of the compensated absences has been reflected in the government-wide financial statements.

**Claims Payable**

The government-wide financial statements reflect general and workers' compensation liabilities, which 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. Claims 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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 3 - Detailed Notes on All Funds (Continued)**

reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

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

	Year Ended December 31,	
	2014	2013
Balance - Beginning of Year	\$ 1,690,206	\$ 1,673,199
Provision for Claims and Claims Adjustment Expenses	2,416,177	2,208,112
Claims and Claims Adjustment Expenses Paid	<u>(2,761,787)</u>	<u>(2,191,105)</u>
Balance - End of Year	<u>\$ 1,344,596</u>	<u>\$ 1,690,206</u>
Due Within One Year	<u>\$ 134,000</u>	<u>\$ 169,000</u>

### **Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the Town/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 Town/Village may vary according to length of service. Substantially all of the Town/Village's employee's may become eligible for those benefits if they reach normal retirement age while working for the Town/Village. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. The Town/Village has recognized revenues and expenditures of \$185,950 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

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

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town/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 expected rate of return on the Town/Village's general assets. Funding has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Medicare Part B</u>	<u>Prescription Drug</u>
2015	8.000 %	7.000 %	6.000 %	9.000 %
2016	7.750	6.750	6.000	8.500
2017	7.500	6.500	6.000	8.000
2018	7.250	6.250	5.750	7.500
2019	7.000	6.000	5.750	7.000
2020	6.723	5.890	5.682	6.723
2021	6.447	5.780	5.613	6.447
2022	6.170	5.670	5.545	6.170
2023	5.894	5.560	5.477	5.894
2024	5.617	5.450	5.409	5.617
2025	5.340	5.340	5.340	5.340
2035	5.340	5.340	5.340	5.340
2045	4.923	4.923	4.923	4.923
2055	4.717	4.717	4.717	4.717
2065	4.579	4.579	4.579	4.579
2075+	3.886	3.886	3.886	3.886

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 23 years remaining in the amortization period. The actuarial assumptions included a 3.0% investment rate of return, a 2.25% inflation rate and rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2014 was as follows:

Active Employees	249
Retired Employees and Dependents	449
	<u>698</u>

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of 1/1/14	\$ 249,202,288
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 249,202,288</u>
Covered Payroll (active plan members)	<u>\$ 21,587,075</u>
UAAL as a Percentage of Covered Payroll	<u>1154.41%</u>
Annual Required Contribution	\$ 22,021,170
Interest on Net OPEB Obligation	1,923,849
Adjustment to Annual Required Contribution	<u>(3,271,778)</u>
Annual OPEB Cost	20,673,241
Contributions Made	<u>(5,172,367)</u>
Increase in Net OPEB Obligation	15,500,874
Net OPEB Obligation - Beginning of Year	<u>64,128,310</u>
Net OPEB Obligation - End of Year	<u>\$ 79,629,184</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 20,673,241	25.02 %	\$ 79,629,184
2013	15,630,759	24.41	64,128,310
2012	15,055,758	25.34	42,411,252

**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:

**Town/Village of Harrison, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

Transfers Out	Debt Service Fund	Capital Projects Fund	Total
General Fund - Town	\$ -	\$ 182,000	\$ 182,000
General Fund - Village	6,043,897	-	6,043,897
Special Districts Fund	1,302,358	150,000	1,452,358
Other Governmental Funds	-	250,000	250,000
	\$ 7,346,255	\$ 582,000	\$ 7,928,255

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

**J. Net Position**

The components of net position are detailed below:

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

*Restricted for Law Enforcement* - the component of net position that represents the proceeds of seized funds which are restricted by New York State for use in law enforcement activities.

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

*Restricted for Trusts* - the component of net position that reports the amounts set aside in accordance with the terms of the grants.

*Restricted for Parklands* - the component of net position established pursuant to Section 277 of Town Law to report funds received by the Town/Village in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**K. Fund Balances**

	2014					2013						
	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>												
Prepaid expenditures	\$ 1,325,651	\$ -	\$ 1,566	\$ 262,036	\$ 264,382	\$ 1,853,635	\$ 1,287,023	\$ -	\$ -	\$ 355,267	\$ 264,837	\$ 1,907,127
Long-term receivables	570,953	-	-	-	-	570,953	475,000	-	-	-	-	475,000
<b>Total Nonspendable</b>	<b>1,896,604</b>	<b>-</b>	<b>1,566</b>	<b>262,036</b>	<b>264,382</b>	<b>2,424,588</b>	<b>1,762,023</b>	<b>-</b>	<b>-</b>	<b>355,267</b>	<b>264,837</b>	<b>2,382,127</b>
<b>Restricted</b>												
Law enforcement	554,473	-	-	-	-	554,473	554,473	-	-	-	-	554,473
Workers' compensation - police	142,886	-	-	-	-	142,886	-	-	-	-	-	-
Debt service	20,596	455,241	-	-	-	475,837	12,413	432,971	-	-	-	445,384
Capital Projects	-	-	10,688,259	-	-	10,688,259	-	-	10,630,047	-	-	10,630,047
Trusts	-	-	-	-	740,891	740,891	-	-	-	-	684,967	684,967
Parklands	-	-	-	-	528,571	528,571	-	-	-	-	493,291	493,291
<b>Total Restricted</b>	<b>717,955</b>	<b>455,241</b>	<b>10,688,259</b>	<b>-</b>	<b>1,269,462</b>	<b>13,130,917</b>	<b>566,886</b>	<b>432,971</b>	<b>10,630,047</b>	<b>-</b>	<b>1,178,258</b>	<b>12,808,162</b>
<b>Committed</b>												
Building department consulting	60,000	-	-	-	-	60,000	60,000	-	-	-	-	60,000
<b>Assigned</b>												
Purchases on order												
General government support	115,969	-	-	-	-	115,969	62,824	-	-	-	-	62,824
Public safety	7,744	-	-	16,076	-	23,820	37,792	-	-	19,679	-	57,471
Transportation	-	-	-	-	-	-	1,533	-	-	-	1,172	2,705
Economic assistance and opportunity	991	-	-	-	-	991	-	-	-	-	-	-
Culture and recreation	1,898	-	-	-	-	1,898	9,416	-	-	-	-	9,416
Home and community services	-	-	-	200	-	200	3,914	-	-	-	-	3,914
	126,602	-	-	16,276	-	142,878	115,479	-	-	19,679	1,172	136,330
Subsequent year's expenditures	-	86,900	-	55,000	-	141,900	-	388,137	-	54,000	-	442,137
Major funds	-	-	-	4,085,492	-	4,085,492	-	-	-	2,654,118	-	2,654,118
Transportation purposes	-	-	-	-	1,497,882	1,497,882	-	-	-	-	1,378,546	1,378,546
Library purposes	-	-	-	-	373,620	373,620	-	-	-	-	292,673	292,673
<b>Total Assigned</b>	<b>126,602</b>	<b>86,900</b>	<b>-</b>	<b>4,156,768</b>	<b>1,871,502</b>	<b>6,241,772</b>	<b>115,479</b>	<b>388,137</b>	<b>-</b>	<b>2,727,797</b>	<b>1,672,391</b>	<b>4,903,804</b>
<b>Unassigned</b>	<b>10,864,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,864,309</b>	<b>6,697,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,697,219</b>
<b>Total Fund Balances</b>	<b>\$ 13,665,470</b>	<b>\$ 542,141</b>	<b>\$ 10,689,825</b>	<b>\$ 4,418,804</b>	<b>\$ 3,405,346</b>	<b>\$ 32,721,586</b>	<b>\$ 9,201,607</b>	<b>\$ 821,108</b>	<b>\$ 10,630,047</b>	<b>\$ 3,083,064</b>	<b>\$ 3,115,486</b>	<b>\$ 26,851,312</b>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of net position are described above. Those additional elements which are not reflected in the statement of Net Position but are reported in the governmental funds' balance sheet are described below.

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

Long-term Receivables have been classified as nonspendable to indicate the long-term nature of receivables due from the component unit which will not be collected in sufficient time to use the funds to satisfy liabilities of the current period. These funds are not "available" for appropriation or expenditure even though the amounts are a component of current assets.

Amounts Restricted for Workers' Compensation represent funds set aside to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law.

Amounts committed for building department consulting represent funds set aside by the Town/Village Board to be used for building department consulting. This amount is classified as committed to indicate that the Town/Village Board has the sole authority to determine this amount.

Purchases on order are assigned and represent the Town/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 transactions.

Subsequent year's expenditures represent that at December 31, 2014, the Town/Village Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

### **Note 4 - Summary Disclosure of Significant Contingencies**

#### **A. Litigation**

The Town/Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. There are also numerous tort claims pending against the Town/Village. Town/Village management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town/Village. The Town/Village's claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Statement of Net Position are sufficient to satisfy any payments arising therefrom.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

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

A multi-count action was filed by plaintiffs against the Town/Village of Harrison, the former supervisor and building inspector in connection with the re-zoning of the areas where plaintiffs purchased and sub-divided lots of land. Plaintiffs allege improper re-zoning of property from a two-family zone to a one-family zone. Motion to dismiss was denied and the case is on appeal. No provisions for loss has been reflected in the financial statements.

The Town/Village is a defendant in an action filed by a plaintiff alleging the use of excessive force upon arrest in July 2006. The plaintiff commenced an action against the Town/Village, the Police Department and several police officers. While the Town/Village was dismissed out of the case by Court Order, there remains a pending claim against a police officer. No provisions for loss have been reflected in the financial statements.

The Town/Village is a defendant in an action filed by a claimant alleging environmental contamination as a result of the Town/Village's ownership, operation and subsequent closure of an incinerator on the property now owned by the claimant. The claim is currently held in abeyance by mutual consent while remediation is underway, although either party upon twenty (20) day written notice may recommence the action. No provision for loss has been reflected in the financial statements.

#### **B. Risk Management**

The Town/Village purchases various conventional insurance policies to reduce its exposure to loss. The Town/Village is self-insured for workers' compensation and general liability claims to the extent of \$400,000 and \$150,000, respectively, per occurrence, with a maximum potential annual liability of \$20 million for workers' compensation and \$850,000 for general liability for 2014. General liability claims in excess of this amount are insured to a limit of \$11 million including property damage under an excess liability policy. Public officials' liability insurance coverage is also maintained with a policy limit of \$850,000, excess of a self-insured retention of \$150,000 with an aggregate of \$1.7 million. This coverage is also included in the excess \$11 million policy. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The Town/Village is self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Town/Village has specific stop-loss insurance, which establishes a maximum exposure limit of \$175,000 for each individual covered in the plan. At December 31, 2014, the Town/Village has recorded a liability of \$1,080,000 in the Internal Service Fund, which represents claims incurred and claims incurred but not reported.

**Town/Village of Harrison, New York**

Notes to Financial Statements (Concluded)  
December 31, 2014

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**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Contingencies**

Westchester Joint Water Works ("WJWW"), a joint venture of the Town/Village as reported in Note 3.G., is currently being fined by the New York State Health Department for not meeting a Supreme Court of the State of New York ruling requiring the construction of a filtration plant by December 3, 2008. These fines amount to \$29,508,750 as of December 31, 2014 and continue to accrue at \$13,750 a day. The Town/Village's share of these fines is approximately 55.4 % of the total.

Management of the WJWW has indicated that the State is holding in abeyance the imposition of these fines although they continue to be accrued by the WJWW. The Town/Village has not accrued their share in the Special District Fund – Water District as the expectation of management is that the fines will be suspended or replaced with a negotiated settlement as the WJWW signed an intermunicipal agreement with the county for a filtration plant alternative.

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

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Town/Village of Harrison, New York

Schedule of Funding Progress  
Service Awards Program  
Last Six Fiscal Years

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<u>Actuarial Valuation Date December 31,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
2009	\$ 664,213	\$ 703,676	\$ 39,463	94.39 %
2010	810,269	775,758	(34,511)	104.45
2011	765,275	842,405	77,130	90.84
2012	933,006	905,907	(27,099)	102.99
2013	902,137	980,843	78,706	91.98
2014	974,092	1,039,377	65,285	93.72

Town/Village of Harrison, New York

Schedule of Contributions  
Service Awards Program  
Last Six Fiscal Years

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<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 133,635	100.00 %
2010	132,180	100.00
2011	130,293	100.00
2012	124,296	100.00
2013	127,009	100.00
2014	117,796	100.00

**Town/Village of Harrison, New York**

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

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2012	-	\$ 186,057,560	\$ 186,057,560	- %	23,666,397	786.17 %
January 1, 2013	-	212,125,276	212,125,276	-	21,322,028	994.86
January 1, 2014	-	249,202,288	249,202,288	-	21,587,075	1154.41

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**Town/Village of Harrison, New York**

General Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2014  
 (With Comparative Totals for 2013)

	Town	Village	Totals	
			2014	2013
<b>ASSETS</b>				
Cash and equivalents	\$ 9,879,506	\$ 8,351,171	\$ 18,230,677	\$ 17,428,656
Taxes receivable	-	40,507,009	40,507,009	35,414,847
Other receivables				
Accounts	636,745	83,907	720,652	926,441
State and Federal aid	1,021,283	-	1,021,283	1,014,894
Due from component unit	-	570,953	570,953	475,000
Due from other governments	-	72,618	72,618	8,515
Due from other funds	-	870	870	576
	1,658,028	728,348	2,386,376	2,425,426
Prepaid expenditures	1,115,169	210,482	1,325,651	1,287,023
Total Assets	<u>\$ 12,652,703</u>	<u>\$ 49,797,010</u>	<u>\$ 62,449,713</u>	<u>\$ 56,555,952</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 492,571	\$ 77,103	\$ 569,674	\$ 965,203
Due to other governments	-	19,371	19,371	15,970
Due to school district	-	46,784,664	46,784,664	44,983,685
Unearned revenues	330,000	-	330,000	275,547
Total Liabilities	822,571	46,881,138	47,703,709	46,240,405
Deferred inflows of resources				
Deferred tax revenues	-	1,080,534	1,080,534	1,113,940
Total Liabilities and Deferred Inflows of Resources	822,571	47,961,672	48,784,243	47,354,345
Fund balances				
Nonspendable	1,115,169	781,435	1,896,604	1,762,023
Restricted	697,359	20,596	717,955	566,886
Committed	60,000	-	60,000	60,000
Assigned	119,881	6,721	126,602	115,479
Unassigned	9,837,723	1,026,586	10,864,309	6,697,219
Total Fund Balances	11,830,132	1,835,338	13,665,470	9,201,607
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,652,703</u>	<u>\$ 49,797,010</u>	<u>\$ 62,449,713</u>	<u>\$ 56,555,952</u>

**Town/Village of Harrison, New York**

General Fund  
 Combining Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Sub Funds  
 Year Ended December 31, 2014  
 (With Comparative Totals for 2013)

			Totals	
	Town	Village	2014	2013
<b>REVENUES</b>				
Real property taxes	\$ 26,437,540	\$ 10,392,151	\$ 36,829,691	\$ 34,970,423
Other tax items	-	1,294,936	1,294,936	1,943,803
Non-property taxes	4,625,321	-	4,625,321	4,427,923
Departmental income	2,157,597	254,200	2,411,797	2,404,450
Use of money and property	139,332	10,234	149,566	132,681
Licenses and permits	4,818,003	-	4,818,003	3,478,861
Fines and forfeitures	1,420,670	31,522	1,452,192	1,573,417
Sale of property and compensation for loss	-	12,908	12,908	7,706
State aid	785,901	705,720	1,491,621	1,438,801
Federal aid	16,900	-	16,900	325,419
Miscellaneous	580,031	177,137	757,168	613,665
<b>Total Revenues</b>	<b>40,981,295</b>	<b>12,878,808</b>	<b>53,860,103</b>	<b>51,317,149</b>
<b>EXPENDITURES</b>				
Current				
General government support	6,830,803	1,599,933	8,430,736	7,815,576
Public safety	19,268,026	-	19,268,026	18,950,037
Health	577,258	-	577,258	551,176
Transportation	503,348	-	503,348	481,719
Economic assistance and opportunity	125,425	-	125,425	97,317
Culture and recreation	3,500,446	-	3,500,446	3,306,146
Home and community services	208,915	2,912,939	3,121,854	3,141,501
Employee benefits	5,920,872	2,796,260	8,717,132	8,842,320
<b>Total Expenditures</b>	<b>36,935,093</b>	<b>7,309,132</b>	<b>44,244,225</b>	<b>43,185,792</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,046,202</b>	<b>5,569,676</b>	<b>9,615,878</b>	<b>8,131,357</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	965,000	965,000	600,000
Insurance recoveries	45,712	-	45,712	3,184
Sale of equipment	63,170	-	63,170	41,871
Transfers in	-	-	-	36,455
Transfers out	(182,000)	(6,043,897)	(6,225,897)	(6,232,162)
<b>Total Other Financing Uses</b>	<b>(73,118)</b>	<b>(5,078,897)</b>	<b>(5,152,015)</b>	<b>(5,550,652)</b>
<b>Net Change in Fund Balances</b>	<b>3,973,084</b>	<b>490,779</b>	<b>4,463,863</b>	<b>2,580,705</b>
<b>FUND BALANCES</b>				
Beginning of Year	7,857,048	1,344,559	9,201,607	6,620,902
End of Year	<u>\$ 11,830,132</u>	<u>\$ 1,835,338</u>	<u>\$ 13,665,470</u>	<u>\$ 9,201,607</u>

Town/Village of Harrison, New York

General Fund - Town  
 Comparative Balance Sheet  
 December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 9,879,506	\$ 5,873,142
Receivables		
Accounts	636,745	814,836
State and Federal aid	<u>1,021,283</u>	<u>1,014,894</u>
	<u>1,658,028</u>	<u>1,829,730</u>
Prepaid expenditures	<u>1,115,169</u>	<u>1,163,754</u>
Total Assets	<u><u>\$ 12,652,703</u></u>	<u><u>\$ 8,866,626</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 492,571	\$ 734,031
Unearned revenues	<u>330,000</u>	<u>275,547</u>
Total Liabilities	<u>822,571</u>	<u>1,009,578</u>
Fund balance		
Nonspendable	1,115,169	1,163,754
Restricted	697,359	554,473
Committed	60,000	60,000
Assigned	119,881	106,258
Unassigned	<u>9,837,723</u>	<u>5,972,563</u>
Total Fund Balance	<u>11,830,132</u>	<u>7,857,048</u>
Total Liabilities and Fund Balance	<u><u>\$ 12,652,703</u></u>	<u><u>\$ 8,866,626</u></u>

Town/Village of Harrison, New York

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

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 26,437,540	\$ 26,437,540	\$ 26,437,540	\$ -
Non-property taxes	4,066,865	4,066,865	4,625,321	558,456
Departmental income	1,806,900	1,806,900	2,157,597	350,697
Use of money and property	102,500	102,500	139,332	36,832
Licenses and permits	1,876,800	1,876,800	4,818,003	2,941,203
Fines and forfeitures	1,365,000	1,365,000	1,420,670	55,670
State aid	660,852	681,802	785,901	104,099
Federal aid	-	15,380	16,900	1,520
Miscellaneous	333,130	344,520	580,031	235,511
<b>Total Revenues</b>	<b>36,649,587</b>	<b>36,697,307</b>	<b>40,981,295</b>	<b>4,283,988</b>
<b>EXPENDITURES</b>				
Current				
General government support	7,184,170	6,848,836	6,830,803	18,033
Public safety	19,068,502	19,280,384	19,268,026	12,358
Health	582,300	578,746	577,258	1,488
Transportation	476,297	504,573	503,348	1,225
Economic assistance and opportunity	126,580	126,488	125,425	1,063
Culture and recreation	3,461,586	3,505,853	3,500,446	5,407
Home and community services	214,103	210,310	208,915	1,395
Employee benefits	5,662,307	5,920,879	5,920,872	7
<b>Total Expenditures</b>	<b>36,775,845</b>	<b>36,976,069</b>	<b>36,935,093</b>	<b>40,976</b>
Excess (Deficiency) of Revenues Over Expenditures	(126,258)	(278,762)	4,046,202	4,324,964
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	20,000	45,713	45,712	(1)
Sale of equipment	-	20,000	63,170	43,170
Transfers in	-	-	-	-
Transfers out	-	(182,000)	(182,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>20,000</b>	<b>(116,287)</b>	<b>(73,118)</b>	<b>43,169</b>
<b>Net Change in Fund Balance</b>	<b>(106,258)</b>	<b>(395,049)</b>	<b>3,973,084</b>	<b>4,368,133</b>
<b>FUND BALANCE</b>				
Beginning of Year	106,258	395,049	7,857,048	7,461,999
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,830,132</u>	<u>\$ 11,830,132</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 25,721,108	\$ 25,721,108	\$ 25,721,108	\$ -
3,972,865	3,972,865	4,427,923	455,058
1,768,900	1,768,900	2,012,391	243,491
98,000	98,000	118,830	20,830
1,873,800	1,873,800	3,478,861	1,605,061
1,365,000	1,365,000	1,533,767	168,767
662,852	684,812	762,796	77,984
-	60,175	325,419	265,244
353,530	483,647	454,492	(29,155)
<u>35,816,055</u>	<u>36,028,307</u>	<u>38,835,587</u>	<u>2,807,280</u>
7,443,740	6,534,573	6,510,533	24,040
18,381,664	18,956,101	18,950,037	6,064
529,600	551,684	551,176	508
416,324	481,726	481,719	7
112,178	98,853	97,317	1,536
3,351,038	3,313,511	3,306,146	7,365
210,791	230,610	224,161	6,449
5,471,941	5,996,946	5,996,942	4
<u>35,917,276</u>	<u>36,164,004</u>	<u>36,118,031</u>	<u>45,973</u>
<u>(101,221)</u>	<u>(135,697)</u>	<u>2,717,556</u>	<u>2,853,253</u>
20,000	3,186	3,184	(2)
-	20,000	41,871	21,871
-	36,455	36,455	-
-	(119,682)	(119,682)	-
<u>20,000</u>	<u>(60,041)</u>	<u>(38,172)</u>	<u>21,869</u>
(81,221)	(195,738)	2,679,384	2,875,122
<u>81,221</u>	<u>195,738</u>	<u>5,177,664</u>	<u>4,981,926</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,857,048</u>	<u>\$ 7,857,048</u>

**Town/Village of Harrison, New York**

General Fund - Town

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>REAL PROPERTY TAXES</b>	\$ 26,437,540	\$ 26,437,540	\$ 26,437,540	\$ -	\$ 25,721,108
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	3,544,000	3,544,000	4,000,171	456,171	3,864,428
Franchise fees	522,865	522,865	625,150	102,285	563,495
	<u>4,066,865</u>	<u>4,066,865</u>	<u>4,625,321</u>	<u>558,456</u>	<u>4,427,923</u>
<b>DEPARTMENTAL INCOME</b>					
Clerk fees	5,000	5,000	9,369	4,369	9,773
Police fees	456,000	456,000	650,825	194,825	536,568
Fire inspection fees	174,000	174,000	221,343	47,343	209,755
Safety inspection fees	-	-	-	-	9,000
Parking meters and permit fees	340,000	340,000	340,357	357	341,860
Parks and recreation charges	780,000	780,000	796,298	16,298	839,730
Recreation commissions	1,900	1,900	3,014	1,114	3,103
Zoning fees	7,000	7,000	7,820	820	6,475
Community services	1,000	1,000	917	(83)	745
Planning Board fees	19,000	19,000	20,965	1,965	14,885
Planning Board parking fees	-	-	79,775	79,775	18,850
Senior lunch program fees	23,000	23,000	26,914	3,914	21,647
	<u>1,806,900</u>	<u>1,806,900</u>	<u>2,157,597</u>	<u>350,697</u>	<u>2,012,391</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	17,500	17,500	19,526	2,026	14,547
Rentals of real property	85,000	85,000	119,806	34,806	104,283
	<u>102,500</u>	<u>102,500</u>	<u>139,332</u>	<u>36,832</u>	<u>118,830</u>

**LICENSES AND PERMITS**

Street opening permits	55,000	55,000	93,115	38,115	70,413
Building permits	1,800,000	1,800,000	4,665,273	2,865,273	3,356,733
Wetlands permits	-	-	-	-	4,156
Bingo licenses	300	300	40	(260)	126
Dog license fund apportionment	3,500	3,500	4,942	1,442	4,679
Other licenses and permits	18,000	18,000	54,633	36,633	42,754
	<u>1,876,800</u>	<u>1,876,800</u>	<u>4,818,003</u>	<u>2,941,203</u>	<u>3,478,861</u>

**FINES AND FORFEITURES**

Fines and forfeited bail	<u>1,365,000</u>	<u>1,365,000</u>	<u>1,420,670</u>	<u>55,670</u>	<u>1,533,767</u>
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**STATE AID**

Per capita	113,852	113,852	113,852	-	113,852
Mortgage tax	515,000	515,000	610,312	95,312	587,905
Youth programs	8,000	8,000	7,624	(376)	7,624
Bus shelters	24,000	24,000	33,163	9,163	31,455
Archive grant	-	-	-	-	21,960
Justice court	-	20,950	20,950	-	-
	<u>660,852</u>	<u>681,802</u>	<u>785,901</u>	<u>104,099</u>	<u>762,796</u>

**FEDERAL AID**

Emergency management agency	-	15,380	15,380	-	325,419
Cops grant	-	-	1,520	1,520	-
	<u>-</u>	<u>15,380</u>	<u>16,900</u>	<u>1,520</u>	<u>325,419</u>

**MISCELLANEOUS**

Refunds of prior year's expenditures	130,000	130,000	338,514	208,514	131,080
Gifts and donations	-	11,390	11,390	-	8,990
Medicare Part D reimbursement	180,000	180,000	185,950	5,950	156,114
Unclassified	23,130	23,130	44,177	21,047	158,308
	<u>333,130</u>	<u>344,520</u>	<u>580,031</u>	<u>235,511</u>	<u>454,492</u>

**TOTAL REVENUES**

	<u>36,649,587</u>	<u>36,697,307</u>	<u>40,981,295</u>	<u>4,283,988</u>	<u>38,835,587</u>
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Town/Village of Harrison, New York

General Fund - Town

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	\$ 20,000	\$ 45,713	\$ 45,712	\$ (1)	\$ 3,184
Sale of equipment	-	20,000	63,170	43,170	41,871
Transfers in					
Capital Projects Fund	-	-	-	-	36,455
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>20,000</u>	<u>65,713</u>	<u>108,882</u>	<u>43,169</u>	<u>81,510</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 36,669,587</u>	<u>\$ 36,763,020</u>	<u>\$ 41,090,177</u>	<u>\$ 4,327,157</u>	<u>\$ 38,917,097</u>

Town/Village of Harrison, New York

General Fund - Town

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 72,336	\$ 72,336	\$ 72,336	\$ -	\$ 72,336
Town Justice	608,352	615,429	615,272	157	583,722
Supervisor	310,126	307,473	307,355	118	297,706
Finance	393,795	392,205	392,184	21	380,478
Auditor	37,765	33,765	33,765	-	32,725
Receiver of Taxes	225,514	223,892	223,840	52	218,342
Purchasing	166,035	152,968	152,968	-	153,884
Assessor	204,075	198,665	198,663	2	193,383
Town Clerk	217,323	213,957	213,727	230	234,719
Archive Grant	4,320	3,362	3,272	90	3,196
Town Attorney	930,862	841,075	840,553	522	751,607
Engineer	368,482	301,109	301,046	63	349,266
Elections	43,000	39,142	39,141	1	37,636
Commissioner of Public Works	308,687	294,938	293,612	1,326	284,472
Central services	280,272	266,349	265,914	435	241,137
Buildings	1,335,837	1,426,930	1,425,472	1,458	1,287,486
Central garage	720,924	730,422	728,182	2,240	688,592
Central data processing	389,537	384,489	383,379	1,110	369,649
Special items					
Special services	103,348	58,687	58,687	-	70,374
General code	6,000	3,000	2,931	69	3,461
Youth Council	950	-	-	-	-
Unallocated insurance	120,000	144,879	144,878	1	125,080
Taxes and assessments on property	105,750	103,699	103,699	-	103,536
Metropolitan commuter transportation mobility tax	28,080	29,928	29,927	1	27,246
Membership dues	1,000	-	-	-	500
Contingent account	201,800	10,137	-	10,137	-
	<u>7,184,170</u>	<u>6,848,836</u>	<u>6,830,803</u>	<u>18,033</u>	<u>6,510,533</u>

**PUBLIC SAFETY**

Police	9,732,050	9,893,118	9,889,993	3,125	9,556,049
Employee benefits - Police	8,152,404	8,263,104	8,262,653	451	8,266,659
Youth forum	96,181	93,686	93,583	103	90,855
Traffic control	202,900	168,089	167,007	1,082	171,339
Fire inspection	127,877	125,238	122,051	3,187	118,918
Control of animals	45,000	45,000	43,406	1,594	42,834
Safety inspection	712,090	692,149	689,333	2,816	703,383

	<u>19,068,502</u>	<u>19,280,384</u>	<u>19,268,026</u>	<u>12,358</u>	<u>18,950,037</u>
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**HEALTH**

Ambulance	<u>582,300</u>	<u>578,746</u>	<u>577,258</u>	<u>1,488</u>	<u>551,176</u>
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**TRANSPORTATION**

Street lighting	<u>476,297</u>	<u>504,573</u>	<u>503,348</u>	<u>1,225</u>	<u>481,719</u>
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**ECONOMIC ASSISTANCE AND OPPORTUNITY**

Community services	<u>126,580</u>	<u>126,488</u>	<u>125,425</u>	<u>1,063</u>	<u>97,317</u>
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**CULTURE AND RECREATION**

Parks, playgrounds and recreation	3,239,036	3,272,887	3,267,481	5,406	3,078,792
Celebrations	2,000	12,390	12,390	-	10,990
Historian	2,200	2,226	2,225	1	1,264
Public library	218,350	218,350	218,350	-	215,100

	<u>3,461,586</u>	<u>3,505,853</u>	<u>3,500,446</u>	<u>5,407</u>	<u>3,306,146</u>
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**HOME AND COMMUNITY SERVICES**

Zoning	1,860	1,834	768	1,066	160
Planning	126,643	123,056	122,727	329	138,581
Council for the arts	82,500	82,500	82,500	-	82,500
ETPA administrative charge	3,100	2,920	2,920	-	2,920

	<u>214,103</u>	<u>210,310</u>	<u>208,915</u>	<u>1,395</u>	<u>224,161</u>
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(Continued)

Town/Village of Harrison, New York

General Fund - Town

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 1,125,948	\$ 1,502,817	\$ 1,502,816	\$ 1	\$ 1,585,498
Social security	631,791	636,168	636,166	2	633,341
Workers' compensation benefits	470,000	359,842	359,841	1	489,517
Disability benefits	9,500	8,413	8,412	1	8,326
Unemployment benefits	15,000	3,298	3,297	1	7,384
Welfare benefits	28,000	26,125	26,125	-	24,463
Health, dental and life insurance	3,382,068	3,384,216	3,384,215	1	3,248,413
	<u>5,662,307</u>	<u>5,920,879</u>	<u>5,920,872</u>	<u>7</u>	<u>5,996,942</u>
<b>TOTAL EXPENDITURES</b>	<b>36,775,845</b>	<b>36,976,069</b>	<b>36,935,093</b>	<b>40,976</b>	<b>36,118,031</b>
<b>OTHER FINANCING USES</b>					
Transfers out					
Capital Projects Fund	-	182,000	182,000	-	119,682
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 36,775,845</u></b>	<b><u>\$ 37,158,069</u></b>	<b><u>\$ 37,117,093</u></b>	<b><u>\$ 40,976</u></b>	<b><u>\$ 36,237,713</u></b>

Town/Village of Harrison, New York

General Fund - Village  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 8,351,171	\$ 11,555,514
Taxes receivable	40,507,009	35,414,847
Receivables		
Accounts	83,907	111,605
Due from component unit	570,953	475,000
Due from other governments	72,618	8,515
Due from other funds	870	576
	<u>728,348</u>	<u>595,696</u>
Prepaid expenditures	210,482	123,269
Total Assets	<u>\$ 49,797,010</u>	<u>\$ 47,689,326</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 77,103	\$ 231,172
Due to other governments	19,371	15,970
Due to school district	46,784,664	44,983,685
Total Liabilities	46,881,138	45,230,827
Deferred inflows of resources		
Deferred tax revenues	1,080,534	1,113,940
Total Liabilities and Deferred Inflows of Resources	<u>47,961,672</u>	<u>46,344,767</u>
Fund balance		
Nonspendable	781,435	598,269
Restricted	20,596	12,413
Assigned	6,721	9,221
Unassigned	1,026,586	724,656
Total Fund Balance	<u>1,835,338</u>	<u>1,344,559</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 49,797,010</u>	<u>\$ 47,689,326</u>

**Town/Village of Harrison, New York**

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 10,340,438	\$ 10,340,438	\$ 10,392,151	\$ 51,713
Other tax items	1,266,240	1,266,240	1,294,936	28,696
Departmental income	220,000	220,000	254,200	34,200
Use of money and property	10,000	10,000	10,234	234
Fines and forfeitures	30,000	30,000	31,522	1,522
Sale of property and compensation for loss	5,000	5,000	12,908	7,908
State aid	581,203	581,203	705,720	124,517
Miscellaneous	110,300	110,300	177,137	66,837
<b>Total Revenues</b>	<b>12,563,181</b>	<b>12,563,181</b>	<b>12,878,808</b>	<b>315,627</b>
<b>EXPENDITURES</b>				
Current				
General government support	679,416	1,644,149	1,599,933	44,216
Home and community services	3,055,246	3,052,911	2,912,939	139,972
Employee benefits	2,793,841	2,796,443	2,796,260	183
<b>Total Expenditures</b>	<b>6,528,503</b>	<b>7,493,503</b>	<b>7,309,132</b>	<b>184,371</b>
Excess of Revenues Over Expenditures	6,034,678	5,069,678	5,569,676	499,998
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	965,000	965,000	-
Transfers out	(6,043,899)	(6,043,899)	(6,043,897)	2
<b>Total Other Financing Uses</b>	<b>(6,043,899)</b>	<b>(5,078,899)</b>	<b>(5,078,897)</b>	<b>2</b>
Net Change in Fund Balance	(9,221)	(9,221)	490,779	500,000
<b>FUND BALANCE</b>				
Beginning of Year	9,221	9,221	1,344,559	1,335,338
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,835,338</u>	<u>\$ 1,835,338</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,452,473	\$ 9,452,473	\$ 9,249,315	\$ (203,158)
2,016,366	2,016,366	1,943,803	(72,563)
285,000	285,000	392,059	107,059
10,000	10,000	13,851	3,851
30,000	30,000	39,650	9,650
5,000	5,667	7,706	2,039
581,203	581,203	676,005	94,802
125,300	125,300	159,173	33,873
<u>12,505,342</u>	<u>12,506,009</u>	<u>12,481,562</u>	<u>(24,447)</u>
877,706	1,400,221	1,305,043	95,178
2,882,827	2,924,862	2,917,340	7,522
<u>2,628,928</u>	<u>2,845,382</u>	<u>2,845,378</u>	<u>4</u>
<u>6,389,461</u>	<u>7,170,465</u>	<u>7,067,761</u>	<u>102,704</u>
<u>6,115,881</u>	<u>5,335,544</u>	<u>5,413,801</u>	<u>78,257</u>
-	600,000	600,000	-
<u>(6,126,348)</u>	<u>(6,126,348)</u>	<u>(6,112,480)</u>	<u>13,868</u>
<u>(6,126,348)</u>	<u>(5,526,348)</u>	<u>(5,512,480)</u>	<u>13,868</u>
(10,467)	(190,804)	(98,679)	92,125
<u>10,467</u>	<u>190,804</u>	<u>1,443,238</u>	<u>1,252,434</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,344,559</u>	<u>\$ 1,344,559</u>

Town/Village of Harrison, New York

General Fund - Village  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended December 31, 2014  
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>REAL PROPERTY TAXES</b>	\$ 10,340,438	\$ 10,340,438	\$ 10,392,151	\$ 51,713	\$ 9,249,315
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	31,240	31,240	34,064	2,824	806,849
Interest and penalties on real property taxes	500,000	500,000	506,710	6,710	464,962
Utilities gross receipts taxes	735,000	735,000	754,162	19,162	671,992
	<u>1,266,240</u>	<u>1,266,240</u>	<u>1,294,936</u>	<u>28,696</u>	<u>1,943,803</u>
<b>DEPARTMENTAL INCOME</b>					
Public works fees	-	-	-	-	128,325
Commercial garbage fees	220,000	220,000	254,200	34,200	253,050
Composting fees	-	-	-	-	10,684
	<u>220,000</u>	<u>220,000</u>	<u>254,200</u>	<u>34,200</u>	<u>392,059</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	10,000	10,000	10,234	234	13,851
<b>FINES AND FORFEITURES</b>					
Fines and forfeited bail	30,000	30,000	31,522	1,522	39,650
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Sale of recycled materials	5,000	5,000	12,908	7,908	7,706

**STATE AID**

Per capita	66,203	66,203	95,408	29,205	66,203
Mortgage tax	515,000	515,000	610,312	95,312	587,905
Disaster assistance	-	-	-	-	21,897
	<u>581,203</u>	<u>581,203</u>	<u>705,720</u>	<u>124,517</u>	<u>676,005</u>

**MISCELLANEOUS**

Refunds of prior year's expenditures	110,000	110,000	165,263	55,263	156,217
Miscellaneous	300	300	11,874	11,574	2,956
	<u>110,300</u>	<u>110,300</u>	<u>177,137</u>	<u>66,837</u>	<u>159,173</u>

## TOTAL REVENUES

12,563,181	12,563,181	12,878,808	315,627	12,481,562
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**OTHER FINANCING SOURCES**

Bonds issued	-	965,000	965,000	-	600,000
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TOTAL REVENUES AND  
OTHER FINANCING SOURCES

<u>\$ 12,563,181</u>	<u>\$ 13,528,181</u>	<u>\$ 13,843,808</u>	<u>\$ 315,627</u>	<u>\$ 13,081,562</u>
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**Town/Village of Harrison, New York**

General Fund - Village  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended December 31, 2014  
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Auditor	\$ 21,085	\$ 21,084	\$ 20,335	\$ 749	\$ 19,775
Law	111,492	111,493	111,492	1	115,243
Special items					
Special services	1,500	1,499	1,440	59	1,440
Stormwater management plan	9,221	8,226	2,500	5,726	630
Bond and note issuance costs	6,200	7,196	7,195	1	13,519
Unallocated insurance	111,337	111,337	100,303	11,034	58,722
Taxes and assessments on property	110,000	110,000	102,436	7,564	102,288
Judgments and claims	300,000	1,265,000	1,245,918	19,082	985,568
Metropolitan commuter transportation mobility tax	8,581	8,314	8,314	-	7,858
	<u>679,416</u>	<u>1,644,149</u>	<u>1,599,933</u>	<u>44,216</u>	<u>1,305,043</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Refuse and garbage collection	<u>3,055,246</u>	<u>3,052,911</u>	<u>2,912,939</u>	<u>139,972</u>	<u>2,917,340</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	501,900	483,900	483,900	-	489,617
Social security	193,062	187,419	187,418	1	180,156
Workers' compensation benefits	550,000	595,968	595,967	1	658,726
Disability benefits	3,171	2,897	2,718	179	2,768
Unemployment benefits	18,600	4,746	4,745	1	6,905
Welfare benefits	29,000	27,550	27,550	-	27,313
Health, dental and life insurance	1,498,108	1,493,963	1,493,962	1	1,479,893
	<u>2,793,841</u>	<u>2,796,443</u>	<u>2,796,260</u>	<u>183</u>	<u>2,845,378</u>
<b>TOTAL EXPENDITURES</b>	<b>6,528,503</b>	<b>7,493,503</b>	<b>7,309,132</b>	<b>184,371</b>	<b>7,067,761</b>
<b>OTHER FINANCING USES</b>					
Transfers out					
Debt Service Fund	<u>6,043,899</u>	<u>6,043,899</u>	<u>6,043,897</u>	<u>2</u>	<u>6,112,480</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 12,572,402</u></b>	<b><u>\$ 13,537,402</u></b>	<b><u>\$ 13,353,029</u></b>	<b><u>\$ 184,373</u></b>	<b><u>\$ 13,180,241</u></b>

Town/Village of Harrison, New York

Debt Service Fund  
Comparative Balance Sheet  
December 31,

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 518,163	\$ 797,103
Accounts receivable	<u>23,978</u>	<u>24,005</u>
Total Assets	<u>\$ 542,141</u>	<u>\$ 821,108</u>
<b>FUND BALANCE</b>		
Restricted	\$ 455,241	\$ 432,971
Assigned	<u>86,900</u>	<u>388,137</u>
Total Fund Balance	<u>\$ 542,141</u>	<u>\$ 821,108</u>

**Town/Village of Harrison, New York**

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

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 9,825	\$ 9,825
Miscellaneous	-	-	75,862	75,862
Total Revenues	-	-	85,687	85,687
<b>EXPENDITURES</b>				
Debt service				
Refunding bond issuance costs	-	-	-	-
Bonds				
Principal	5,530,000	5,530,000	5,530,000	-
Interest	2,211,157	2,211,157	2,180,909	30,248
Total Expenditures	7,741,157	7,741,157	7,710,909	30,248
Deficiency of Revenues Over Expenditures	(7,741,157)	(7,741,157)	(7,625,222)	115,935
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	7,353,020	7,353,020	7,346,255	(6,765)
Total Other Financing Sources	7,353,020	7,353,020	7,346,255	(6,765)
Net Change in Fund Balance	(388,137)	(388,137)	(278,967)	109,170
<b>FUND BALANCE</b>				
Beginning of Year	388,137	388,137	821,108	432,971
End of Year	\$ -	\$ -	\$ 542,141	\$ 542,141

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 7,054	\$ 7,054
-	-	112,270	112,270
-	-	119,324	119,324
-	95,212	95,212	-
5,661,813	5,909,898	5,802,335	107,563
2,135,447	2,135,447	2,039,434	96,013
7,797,260	8,140,557	7,936,981	203,576
(7,797,260)	(8,140,557)	(7,817,657)	322,900
-	15,775,000	15,775,000	-
-	1,893,677	1,893,677	-
-	(17,573,465)	(17,573,465)	-
7,445,257	7,693,342	7,679,474	(13,868)
7,445,257	7,788,554	7,774,686	(13,868)
(352,003)	(352,003)	(42,971)	309,032
352,003	352,003	864,079	512,076
\$ -	\$ -	\$ 821,108	\$ 821,108

Town/Village of Harrison, New York

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 12,013,778	\$ 12,148,660
Receivables		
Accounts	-	4,577
State and Federal aid	-	181,757
	<u>-</u>	<u>186,334</u>
Prepaid expenditures	<u>1,566</u>	<u>-</u>
Total Assets	<u>\$ 12,015,344</u>	<u>\$ 12,334,994</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,116,442	\$ 1,555,339
Retainages payable	146,746	80,854
Unearned revenues	<u>62,331</u>	<u>68,754</u>
Total Liabilities	<u>1,325,519</u>	<u>1,704,947</u>
<b>FUND BALANCE</b>		
Nonspendable	1,566	-
Restricted	<u>10,688,259</u>	<u>10,630,047</u>
Total Fund Balance	<u>10,689,825</u>	<u>10,630,047</u>
Total Liabilities and Fund Balance	<u>\$ 12,015,344</u>	<u>\$ 12,334,994</u>

Town/Village of Harrison, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
State aid	\$ 1,606	\$ 68,243
Federal aid	132,859	62,641
Miscellaneous	<u>45,000</u>	<u>55,000</u>
Total Revenues	179,465	185,884
<b>EXPENDITURES</b>		
Capital outlay	<u>4,494,567</u>	<u>5,308,420</u>
Deficiency of Revenues Over Expenditures	<u>(4,315,102)</u>	<u>(5,122,536)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued	3,792,880	7,363,063
Transfers in	582,000	374,507
Transfers out	<u>-</u>	<u>(284,540)</u>
Total Other Financing Sources	<u>4,374,880</u>	<u>7,453,030</u>
Net Change in Fund Balance	59,778	2,330,494
<b>FUND BALANCE</b>		
Beginning of Year	<u>10,630,047</u>	<u>8,299,553</u>
End of Year	<u>\$ 10,689,825</u>	<u>\$ 10,630,047</u>

**Town/Village of Harrison, New York**

Special Districts Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2014  
 (With Comparative Totals for 2013)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
<b>ASSETS</b>			
Cash and equivalents	\$ 1,760,607	\$ 6,442	\$ 164,590
Accounts receivable	1,768,250	-	-
Prepaid expenditures	-	-	49,711
<b>Total Assets</b>	<b>\$ 3,528,857</b>	<b>\$ 6,442</b>	<b>\$ 214,301</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 271	\$ -	\$ 5,561
Unearned revenues	884,125	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>884,396</b>	<b>-</b>	<b>5,561</b>
Fund balances (deficits)			
Nonspendable	-	-	49,711
Assigned	2,644,461	6,442	159,029
<b>Total Fund Balances (Deficits)</b>	<b>2,644,461</b>	<b>6,442</b>	<b>208,740</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 3,528,857</b>	<b>\$ 6,442</b>	<b>\$ 214,301</b>

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2014	2013
\$ 793,985	\$ 838,957	\$ 2,011	\$ -	\$ 3,566,592	\$ 1,764,181
-	482	-	-	1,768,732	2,905,065
72,704	139,621	-	-	262,036	355,267
<u>\$ 866,689</u>	<u>\$ 979,060</u>	<u>\$ 2,011</u>	<u>\$ -</u>	<u>\$ 5,597,360</u>	<u>\$ 5,024,513</u>
\$ 259,631	\$ 28,098	\$ -	\$ -	\$ 293,561	\$ 407,410
-	-	-	-	884,125	1,533,463
-	-	-	870	870	576
<u>259,631</u>	<u>28,098</u>	<u>-</u>	<u>870</u>	<u>1,178,556</u>	<u>1,941,449</u>
72,704	139,621	-	-	262,036	355,267
534,354	811,341	2,011	(870)	4,156,768	2,727,797
<u>607,058</u>	<u>950,962</u>	<u>2,011</u>	<u>(870)</u>	<u>4,418,804</u>	<u>3,083,064</u>
<u>\$ 866,689</u>	<u>\$ 979,060</u>	<u>\$ 2,011</u>	<u>\$ -</u>	<u>\$ 5,597,360</u>	<u>\$ 5,024,513</u>

**Town/Village of Harrison, New York**

Special Districts Fund  
 Combining Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Sub Funds  
 Year Ended December 31, 2014  
 (With Comparative Totals for 2013)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
<b>REVENUES</b>			
Real property taxes	\$ 161,561	\$ -	\$ 636,105
Departmental income	2,255,877	-	-
Use of money and property	1,367	-	465
Federal aid	-	-	-
Miscellaneous	-	-	3,692
<b>Total Revenues</b>	<b>2,418,805</b>	<b>-</b>	<b>640,262</b>
<b>EXPENDITURES</b>			
Current			
General government support	-	-	-
Public safety	-	-	-
Home and community services	54,397	-	433,409
Employee benefits	1,259	-	156,814
<b>Total Expenditures</b>	<b>55,656</b>	<b>-</b>	<b>590,223</b>
Excess (Deficiency) of Revenues Over Expenditures	2,363,149	-	50,039
<b>OTHER FINANCING USES</b>			
Transfers out	(1,147,215)	-	(59,413)
<b>Net Change in Fund Balances</b>	<b>1,215,934</b>	<b>-</b>	<b>(9,374)</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	1,428,527	6,442	218,114
End of Year	<u>\$ 2,644,461</u>	<u>\$ 6,442</u>	<u>\$ 208,740</u>

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2014	2013
\$ 853,053	\$ 3,990,376	\$ 32,273	\$ 34,300	\$ 5,707,668	\$ 5,495,866
34,300	1,936	-	-	2,292,113	2,384,122
1,010	2,854	-	-	5,696	4,378
-	4,197	-	-	4,197	114,555
-	46,205	-	-	49,897	66,626
<u>888,363</u>	<u>4,045,568</u>	<u>32,273</u>	<u>34,300</u>	<u>8,059,571</u>	<u>8,065,547</u>
3,241	23,771	39	-	27,051	148,989
553,610	2,426,013	31,625	34,594	3,045,842	3,105,616
-	-	-	-	487,806	486,263
4,211	1,548,490	-	-	1,710,774	1,628,589
<u>561,062</u>	<u>3,998,274</u>	<u>31,664</u>	<u>34,594</u>	<u>5,271,473</u>	<u>5,369,457</u>
327,301	47,294	609	(294)	2,788,098	2,696,090
<u>(177,145)</u>	<u>(68,585)</u>	<u>-</u>	<u>-</u>	<u>(1,452,358)</u>	<u>(1,493,909)</u>
150,156	(21,291)	609	(294)	1,335,740	1,202,181
<u>456,902</u>	<u>972,253</u>	<u>1,402</u>	<u>(576)</u>	<u>3,083,064</u>	<u>1,880,883</u>
<u>\$ 607,058</u>	<u>\$ 950,962</u>	<u>\$ 2,011</u>	<u>\$ (870)</u>	<u>\$ 4,418,804</u>	<u>\$ 3,083,064</u>

**Town/Village of Harrison, New York**

Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2014  
(With Comparative Totals for 2013)

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	<u>Highway</u>	<u>Public Library</u>	<u>Special Purpose</u>
<b>ASSETS</b>			
Cash and equivalents	\$ 1,560,688	\$ 387,096	\$ 1,288,443
Accounts receivable	35,704	-	845
Prepaid expenditures	<u>197,512</u>	<u>66,870</u>	<u>-</u>
Total Assets	<u>\$ 1,793,904</u>	<u>\$ 453,966</u>	<u>\$ 1,289,288</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	<u>\$ 98,510</u>	<u>\$ 13,476</u>	<u>\$ 19,826</u>
Fund balances			
Nonspendable	197,512	66,870	-
Restricted	-	-	1,269,462
Assigned	<u>1,497,882</u>	<u>373,620</u>	<u>-</u>
Total Fund Balances	<u>1,695,394</u>	<u>440,490</u>	<u>1,269,462</u>
Total Liabilities and Fund Balances	<u>\$ 1,793,904</u>	<u>\$ 453,966</u>	<u>\$ 1,289,288</u>

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Total Non-Major  
Governmental Funds

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2014	2013
\$ 3,236,227	\$ 3,014,332
36,549	2,724
264,382	264,837
\$ 3,537,158	\$ 3,281,893

\$ 131,812	\$ 166,407
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264,382	264,837
1,269,462	1,178,258
1,871,502	1,672,391

3,405,346	3,115,486
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\$ 3,537,158	\$ 3,281,893
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**Town/Village of Harrison, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2014  
(With Comparative Totals for 2013)

	Highway	Public Library	Special Purpose
<b>REVENUES</b>			
Real property taxes	\$ 5,273,404	\$ 2,355,806	\$ -
Departmental income	100,417	20,354	-
Use of money and property	3,682	1,545	836
State aid	109,406	7,822	-
Federal aid	39,287	-	-
Miscellaneous	22,138	1,846	496,375
<b>Total Revenues</b>	<u>5,548,334</u>	<u>2,387,373</u>	<u>497,211</u>
<b>EXPENDITURES</b>			
Current			
Transportation	3,618,855	-	-
Culture and recreation	-	1,222,498	125,332
Home and community services	-	-	280,675
Employee benefits	1,810,540	835,158	-
<b>Total Expenditures</b>	<u>5,429,395</u>	<u>2,057,656</u>	<u>406,007</u>
Excess of Revenues Over Expenditures	118,939	329,717	91,204
<b>OTHER FINANCING USES</b>			
Transfers out	-	(250,000)	-
<b>Net Change in Fund Balances</b>	118,939	79,717	91,204
<b>FUND BALANCES</b>			
Beginning of Year	<u>1,576,455</u>	<u>360,773</u>	<u>1,178,258</u>
End of Year	<u>\$ 1,695,394</u>	<u>\$ 440,490</u>	<u>\$ 1,269,462</u>

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Total Non-Major  
Governmental Funds

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	<u>2014</u>	<u>2013</u>	
\$	7,629,210	\$ 7,492,154	
	120,771	27,814	
	6,063	5,590	
	117,228	95,714	
	39,287	730,078	
	<u>520,359</u>	<u>484,600</u>	
	<u>8,432,918</u>	<u>8,835,950</u>	
	3,618,855	3,542,020	
	1,347,830	1,282,489	
	280,675	319,291	
	<u>2,645,698</u>	<u>2,644,279</u>	
	<u>7,893,058</u>	<u>7,788,079</u>	
	539,860	1,047,871	
	<u>(250,000)</u>	<u>(79,825)</u>	
	289,860	968,046	
	<u>3,115,486</u>	<u>2,147,440</u>	
\$	<u><u>3,405,346</u></u>	<u><u>3,115,486</u></u>	

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Town/Village of Harrison, New York

Highway Fund  
Comparative Balance Sheet  
December 31,

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,560,688	\$ 1,509,595
Accounts receivable	35,704	-
Prepaid expenditures	<u>197,512</u>	<u>196,737</u>
 Total Assets	 <u>\$ 1,793,904</u>	 <u>\$ 1,706,332</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	<u>\$ 98,510</u>	<u>\$ 129,877</u>
 Fund balance		
Nonspendable	197,512	196,737
Assigned	<u>1,497,882</u>	<u>1,379,718</u>
 Total Fund Balance	 <u>1,695,394</u>	 <u>1,576,455</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,793,904</u>	 <u>\$ 1,706,332</u>

**Town/Village of Harrison, New York**

Highway Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 5,273,404	\$ 5,273,404	\$ 5,273,404	\$ -
Departmental income	93,000	93,000	100,417	7,417
Use of money and property	3,700	3,700	3,682	(18)
State aid	88,000	88,157	109,406	21,249
Federal aid	-	39,287	39,287	-
Miscellaneous	18,000	23,200	22,138	(1,062)
<b>Total Revenues</b>	<b>5,476,104</b>	<b>5,520,748</b>	<b>5,548,334</b>	<b>27,586</b>
<b>EXPENDITURES</b>				
Current				
Transportation	3,662,331	3,756,975	3,618,855	138,120
Employee benefits	1,814,945	1,814,945	1,810,540	4,405
<b>Total Expenditures</b>	<b>5,477,276</b>	<b>5,571,920</b>	<b>5,429,395</b>	<b>142,525</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,172)	(51,172)	118,939	170,111
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>(1,172)</b>	<b>(51,172)</b>	<b>118,939</b>	<b>170,111</b>
<b>FUND BALANCE</b>				
Beginning of Year	1,172	51,172	1,576,455	1,525,283
End of Year	\$ -	\$ -	\$ 1,695,394	\$ 1,695,394

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,199,695	\$ 5,199,695	\$ 5,199,695	\$ -
-	-	-	-
4,499	4,499	3,452	(1,047)
88,000	88,000	87,382	(618)
-	104,106	730,078	625,972
15,000	15,000	28,616	13,616
<u>5,307,194</u>	<u>5,411,300</u>	<u>6,049,223</u>	<u>637,923</u>
3,535,299	3,559,580	3,542,020	17,560
<u>1,773,095</u>	<u>1,773,095</u>	<u>1,696,595</u>	<u>76,500</u>
<u>5,308,394</u>	<u>5,332,675</u>	<u>5,238,615</u>	<u>94,060</u>
(1,200)	78,625	810,608	731,983
-	(79,825)	(79,825)	-
(1,200)	(1,200)	730,783	731,983
<u>1,200</u>	<u>1,200</u>	<u>845,672</u>	<u>844,472</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576,455</u>	<u>\$ 1,576,455</u>

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Town/Village of Harrison, New York

Public Library Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 387,096	\$ 313,959
Accounts receivable	-	714
Prepaid expenditures	<u>66,870</u>	<u>68,100</u>
Total Assets	<u>\$ 453,966</u>	<u>\$ 382,773</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	<u>\$ 13,476</u>	<u>\$ 22,000</u>
Fund balance		
Nonspendable	66,870	68,100
Assigned	<u>373,620</u>	<u>292,673</u>
Total Fund Balance	<u>440,490</u>	<u>360,773</u>
Total Liabilities and Fund Balance	<u>\$ 453,966</u>	<u>\$ 382,773</u>

Town/Village of Harrison, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

Years Ended December 31,

2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 2,355,806	\$ 2,355,806	\$ 2,355,806	\$ -
Departmental income	29,600	29,600	20,354	(9,246)
Use of money and property	1,500	1,500	1,545	45
State aid	8,000	8,000	7,822	(178)
Miscellaneous	-	-	1,846	1,846
<b>Total Revenues</b>	<b>2,394,906</b>	<b>2,394,906</b>	<b>2,387,373</b>	<b>(7,533)</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	1,331,001	1,426,001	1,222,498	203,503
Employee benefits	1,063,905	1,063,905	835,158	228,747
<b>Total Expenditures</b>	<b>2,394,906</b>	<b>2,489,906</b>	<b>2,057,656</b>	<b>432,250</b>
Excess (Deficiency) of Revenues Over Expenditures	-	(95,000)	329,717	424,717
<b>OTHER FINANCING USES</b>				
Transfers out	-	(250,000)	(250,000)	-
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(345,000)</b>	<b>79,717</b>	<b>424,717</b>
<b>FUND BALANCE</b>				
Beginning of Year	-	345,000	360,773	15,773
End of Year	\$ -	\$ -	\$ 440,490	\$ 440,490

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,292,459	\$ 2,292,459	\$ 2,292,459	\$ -
29,600	29,600	27,814	(1,786)
2,500	2,500	1,255	(1,245)
8,000	8,000	8,332	332
-	-	4,549	4,549
<u>2,332,559</u>	<u>2,332,559</u>	<u>2,334,409</u>	<u>1,850</u>
1,385,137	1,385,137	1,253,002	132,135
<u>987,422</u>	<u>987,422</u>	<u>947,684</u>	<u>39,738</u>
<u>2,372,559</u>	<u>2,372,559</u>	<u>2,200,686</u>	<u>171,873</u>
(40,000)	(40,000)	133,723	173,723
-	-	-	-
(40,000)	(40,000)	133,723	173,723
40,000	40,000	227,050	187,050
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,773</u>	<u>\$ 360,773</u>

Town/Village of Harrison, New York

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,288,443	\$ 1,190,778
Accounts receivable	<u>845</u>	<u>2,010</u>
 Total Assets	 <u>\$ 1,289,288</u>	 <u>\$ 1,192,788</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 19,826	\$ 14,530
 Fund balance		
Restricted	 <u>1,269,462</u>	 <u>1,178,258</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,289,288</u>	 <u>\$ 1,192,788</u>

**Town/Village of Harrison, New York**

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

---

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Use of money and property	\$ 836	\$ 883
Miscellaneous	<u>496,375</u>	<u>451,435</u>
Total Revenues	<u>497,211</u>	<u>452,318</u>
<b>EXPENDITURES</b>		
Current		
Culture and recreation	125,332	29,487
Home and community services	<u>280,675</u>	<u>319,291</u>
Total Expenditures	<u>406,007</u>	<u>348,778</u>
Excess of Revenues Over Expenditures	91,204	103,540
<b>FUND BALANCE</b>		
Beginning of Year	<u>1,178,258</u>	<u>1,074,718</u>
End of Year	<u>\$ 1,269,462</u>	<u>\$ 1,178,258</u>

**Town/Village of Harrison, New York**

Internal Service Fund - Health Benefits Fund  
Comparative Statement of Net Position  
December 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,449,183	\$ 2,839,281
Accounts receivable	<u>88,887</u>	<u>212,235</u>
Total Assets	<u>3,538,070</u>	<u>3,051,516</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	173,282	220,273
Accrued liabilities	<u>1,080,000</u>	<u>822,250</u>
Total Liabilities	<u>1,253,282</u>	<u>1,042,523</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 2,284,788</u>	<u>\$ 2,008,993</u>

Town/Village of Harrison, New York

Internal Service Fund - Health Benefits Fund

Comparative Statement of Revenues, Expenses and Changes in Net Position

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 11,058,238	\$ 10,960,078
Miscellaneous		
Insurance reimbursements	<u>268,198</u>	<u>1,305,509</u>
Total Operating Revenues	<u>11,326,436</u>	<u>12,265,587</u>
<b>OPERATING EXPENSES</b>		
Insurance	478,308	546,663
Employee benefits	10,246,946	10,346,893
Contractual	<u>325,387</u>	<u>321,890</u>
Total Operating Expenses	<u>11,050,641</u>	<u>11,215,446</u>
Income from Operations	275,795	1,050,141
<b>NET POSITION</b>		
Beginning of Year	<u>2,008,993</u>	<u>958,852</u>
End of Year	<u>\$ 2,284,788</u>	<u>\$ 2,008,993</u>

**Town/Village of Harrison, New York**

Internal Service Fund - Health Benefits Fund  
 Comparative Statement of Cash Flows  
 Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 11,058,238	\$ 10,960,078
Cash received from insurance reimbursements	391,546	1,133,403
Cash payments to vendors	(325,387)	(276,477)
Cash payments to insurance carriers and claimants	<u>(10,514,495)</u>	<u>(11,268,151)</u>
Net Cash from Operating Activities	609,902	548,853
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>2,839,281</u>	<u>2,290,428</u>
End of Year	<u>\$ 3,449,183</u>	<u>\$ 2,839,281</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 275,795	\$ 1,050,141
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	123,348	(172,106)
Prepaid expenses	-	45,413
Accounts payable	(46,991)	110,155
Accrued liabilities	<u>257,750</u>	<u>(484,750)</u>
Net Cash from Operating Activities	<u>\$ 609,902</u>	<u>\$ 548,853</u>