

Town/Village of Harrison, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2015

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, 2015, 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, 2015, 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.

Emphasis of Matter

We draw your attention to Note 2D and Note 3H in the notes to financial statements which disclose the effects of the Town/Village's adoption of the provisions of GASB Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

May 3, 2016

Town/Village of Harrison, New York

Management's Discussion and Analysis (MD&A)
December 31, 2015

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, 2015. 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 and deferred inflows of resources of the Town/Village exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$36,894,426. Of this amount, a deficit of \$74,110,058 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 coupled with the reporting of the Town/Village's proportionate share of the net pension liability in accordance with GASB Statement No. 68.
- ❖ For the year ended December 31, 2015, the Town/Village implemented the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". This pronouncement established new accounting and financial reporting requirements associated with the Town/Village's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At December 31, 2015, the Town/Village reported in its Statement of Net Position a liability of \$2,672,945 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town/Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.
- ❖ As of the close of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of \$37,385,893, an increase of \$4,664,307 from a fund balance of \$32,721,586 at the close of the previous fiscal year. This was primarily due to better than expected collections of mortgage tax revenues and building permit revenues. However, exclusive of the Capital Projects Fund, the combined ending fund balances were \$25,845,029.

- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,523,108 or 27.4% of total General Fund expenditures and other financing uses for 2015. This is an increase of \$4,167,090 from the previous year and was primarily caused by higher than anticipated mortgage tax revenues and building permit revenues.
- ❖ During the current fiscal year, the Town/Village issued \$7,344,015 of public improvement bonds and retired \$5,403,063 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, schedule of proportionate share of the net pension liability for ERS and PFRS, schedule of contributions for ERS and PFRS, 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 and deferred inflows of resources exceeded assets deferred outflows of resources by \$36,894,426 at the close of the most recent fiscal year. By far, the largest portion of the Town/Village's net position (\$34,456,232) 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,	
	2015	2014
	Governmental Activities	Governmental Activities
Current Assets	\$ 95,068,757	\$ 87,678,916
Capital Assets, Net	87,178,094	83,155,335
Total Assets	182,246,851	170,834,251
Deferred Outflows of Resources	5,625,831	1,451,960
Current Liabilities	60,156,458	57,444,141
Long-term Liabilities	164,382,983	143,439,591
Total Liabilities	224,539,441	200,883,732
Deferred Inflows of Resources	227,667	-
Net Position		
Net Investment in Capital Assets	34,456,232	31,754,545
Restricted	2,759,400	2,386,672
Unrestricted	(74,110,058)	(62,738,738)
Total Net Position	\$ (36,894,426)	\$ (28,597,521)

An additional portion of the Town/Village's net position, \$2,759,400, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31,	
	2015	2014
Law enforcement	554,473	554,473
Debt service	737,698	562,737
Trusts	814,281	740,891
Parklands	652,948	528,571
Total Net Position	\$ 2,759,400	\$ 2,386,672

The remaining balance of unrestricted net position, which is a deficit of \$74,110,058, 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,	
	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 8,332,641	\$ 11,214,682
Operating Grants and Contributions	1,026,117	832,754
Capital Grants and Contributions	2,304,532	265,196
General Revenues:		
Real Property Taxes	50,255,688	50,133,163
Other Tax Items	1,895,835	1,294,936
Non-Property Taxes	4,594,568	4,625,321
Unrestricted Use of Money and Property	23,875	29,716
Unrestricted State Aid	1,531,981	1,429,884
Miscellaneous	655,980	745,778
sale of equipment	18,881	63,170
Sale of property and Compensation for loss	13,496	12,908
Insurance recoveries	91,019	45,712
	<u>70,744,613</u>	<u>70,693,220</u>
PROGRAM EXPENSES		
General Government		
Support	14,855,066	15,656,385
Public Safety	32,060,630	31,840,048
Health	566,983	577,258
Transportation	10,048,792	10,220,885
Economic Assistance and Opportunity	277,203	261,540
Culture and Recreation	10,171,717	10,175,349
Home and Community Services	9,004,746	8,915,179
Interest	2,212,737	2,119,698
	<u>79,197,874</u>	<u>79,766,342</u>
Change in Net Position	<u>(8,453,261)</u>	<u>(9,073,122)</u>
NET POSITION		
Beginning, as reported	(28,597,521)	(19,524,399)
Cumulative Effect of Change in Accounting Principle	156,356	-
Beginning, as restated	<u>(28,441,165)</u>	<u>(19,524,399)</u>
Ending	<u>\$ (36,894,426)</u>	<u>\$ (28,597,521)</u>

Governmental Activities

Governmental activities decreased the Town/Village's net position by \$8,453,261.

For the fiscal year ended December 31, 2015, revenues from governmental activities totaled \$70,744,613. Tax revenues (\$56,745,821), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (80%). Last year tax revenues represented 79%, (\$56,053,420) and total revenue was \$70,693,220.

The largest components of governmental activities' expenses are public safety (40%), general government support (19%) 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.

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 \$37,385,893, an increase of \$4,664,307 from the prior year fund balance amount of \$32,721,586. The nonspendable fund balance component is \$2,483,223 and consists of amounts representing prepaid expenditures and long-term receivables. Prepaid expenditures have been established to account for a portion of the ERS and PFRS 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 \$14,406,268 is restricted for law enforcement, workers compensation – police, debt service, capital projects, trusts and parklands. The assigned fund balance classification aggregates \$6,973,294, consisting of purchases on order in the amount of \$515,730 in the General Fund, \$3,451 in the Special Districts Fund and \$356,200 in the Highway Fund; amounts utilized to balance the fiscal 2016 budget (\$36,882 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 (\$4,404,554 in the Special Districts Fund, \$1,298,676 for transportation purposes and \$302,801 for library purposes in the non-major funds). The remaining fund balance of \$13,523,108 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 \$13,523,108. This is an increase of \$2,658,799 from last year where the unassigned fund balance was \$10,864,309. Revenues and other financing sources were \$52,290,782, which was \$1,932,043 more than the final budget, primarily from building permit revenues which exceeded the final budget by approximately \$595,000 as well as state aid which exceeded the final budget by \$326,943 due to better than anticipated mortgage tax revenues. Savings were also achieved throughout all expenditure categories due to tight controls on expenditures.

The Debt Service Fund reflects a restricted fund balance of \$689,068 at the end of the current fiscal year, an increase of \$233,827 from the previous year. The Town/Village issued \$7,344,015 in public improvement bonds for capital projects. The Town/Village also retired \$5,403,063 of long-term bonded indebtedness.

The Capital Projects Fund reflects a restricted fund balance of \$11,540,864 at the end of the current fiscal year, an increase of \$852,605 from the previous year. Total revenues, inclusive of transfers totaled \$10,286,780. The Town/Village issued \$7,344,015 in new bonds for capital construction which is recognized as revenue when issued. The Town/Village also received \$1,987,701 as donations to be used for renovations to the Town/Village's library. Capital outlay expenditures totaled \$9,340,408.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$4,792,994, an increase of \$374,190 from the previous year. This was due in part to increase in real property taxes, a decrease in water rents in Water District No. 2 and expenditures savings in the area of employee benefits.

The non-major governmental funds consisting of the Highway, Public Library and Special Purpose funds reflected an aggregate fund balance of \$3,675,557, an increase of \$270,211 from the prior year. This was due primarily from increased state aid revenues and expenditure savings in the area of employee benefits particularly in the Highway Fund.

General Fund Budgetary Highlights

There was a difference between the original and final revenue budget for the General Fund of \$1,793,994. This difference is attributable to an increase in non-property taxes of \$291,051 mostly due to non-property distribution from County, increases in licenses and permits of \$653,591 mostly due to building permits, increases in state aid, primarily due to mortgage tax revenues and miscellaneous revenues of \$223,790.

The difference between the expenditures originally budgeted and the final appropriation budget for the General Fund was \$1,665,260 (\$43,172,359 vs. \$44,837,619). These changes were mainly in the areas of general support, public safety and home and community services.

Capital Assets and Debt Administration

Capital Assets

The Town/Village's net investment in capital assets for governmental activities at December 31, 2015, net of \$91,418,797 of accumulated depreciation, was \$87,178,094. This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles, machinery and equipment and construction-in-progress.

**Capital Assets
December 31,**

<u>Asset</u>	<u>2015</u>	<u>2014</u>
Land	\$ 2,331,480	\$ 2,331,480
Buildings and improvements	43,403,594	38,878,172
Infrastructure	101,343,157	100,806,492
Vehicles	15,976,432	15,121,134
Machinery and equipment	5,849,470	5,197,573
Construction-in-progress	9,692,758	7,421,843
Less - accumulated depreciation	<u>(91,418,797)</u>	<u>(86,601,359)</u>
 Total (net of depreciation)	 <u>\$ 87,178,094</u>	 <u>\$ 83,155,335</u>

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

Long-term Debt

During the current fiscal year, the Town/Village retired \$5,403,063 of principal on general obligation bonds through budgetary appropriations. The Town/Village also issued \$7,344,015 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 \$67,076,895 (\$63,802,546 for capital construction and \$3,274,349 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 3H in the notes to 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.

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Town/Village of Harrison, New York

Statement of Net Position
December 31, 2015

	Primary Government	Component Unit
	Governmental Activities	Harrison Parking Authority
ASSETS		
Cash and equivalents	\$ 44,680,776	\$ -
Receivables		
Taxes	42,881,356	-
Accounts	3,897,590	-
State and Federal aid	1,125,812	-
Due from component unit	589,953	-
Prepaid expenses	1,893,270	-
Capital assets		
Not being depreciated	12,024,238	589,953
Being depreciated, net	75,153,856	-
Total Assets	<u>182,246,851</u>	<u>589,953</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>5,625,831</u>	-
LIABILITIES		
Accounts payable	2,762,905	-
Accrued liabilities	1,548,000	-
Due to other governments	29,032	-
Retainages payable	171,402	-
Due to school district	47,164,060	-
Unearned revenues	2,185,016	-
Due to primary government	-	589,953
Accrued interest payable	275,906	-
Non-current liabilities		
Due within one year	6,020,137	-
Due in more than one year	164,382,983	-
Total Liabilities	<u>224,539,441</u>	<u>589,953</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>227,667</u>	-
NET POSITION		
Net investment in capital assets	34,456,232	-
Restricted for		
Law enforcement	554,473	-
Debt service	737,698	-
Trusts	814,281	-
Parklands	652,948	-
Unrestricted	(74,110,058)	-
Total Net Position	<u>\$ (36,894,426)</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, 2015

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	\$ 14,855,066	\$ 3,127,333	\$ 37,617	\$ -	\$ (11,690,116)
Public safety	32,060,630	2,510,020	80,558	27,835	(29,442,217)
Health	566,983	-	-	-	(566,983)
Transportation	10,048,792	52,370	349,273	4,577	(9,642,572)
Economic assistance and opportunity	277,203	23,976	-	-	(253,227)
Culture and recreation	10,171,717	803,630	511,942	1,838,929	(7,017,216)
Home and community services	9,004,746	1,815,312	46,727	195,272	(6,947,435)
Interest	2,212,737	-	-	237,919	(1,974,818)
Total Governmental Activities	\$ 79,197,874	\$ 8,332,641	\$ 1,026,117	\$ 2,304,532	(67,534,584)
General revenues					
Real property taxes					50,255,688
Other tax items					
Payments in lieu of taxes					588,078
Interest and penalties on real property taxes					556,789
Utilities gross receipts taxes					750,968
Non-property taxes					
Non-property tax distribution from County					3,961,775
Franchise fees					632,793
Unrestricted use of money and property					23,875
Sale of property and compensation for loss					13,496
Unrestricted State aid					1,531,981
Miscellaneous					655,980
Insurance recoveries					91,019
Sale of equipment					18,881
Total General Revenues					59,081,323
Change in Net Position					(8,453,261)
NET POSITION					
Beginning, as reported					(28,597,521)
Cumulative Effect of Change in Accounting Principle					156,356
Beginning, as restated					(28,441,165)
Ending					\$ (36,894,426)

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, 2015

	General	Debt Service	Capital Projects
ASSETS			
Cash and equivalents	\$ 19,413,376	\$ 713,208	\$ 13,091,685
Taxes receivable	42,881,356	-	-
Other receivables			
Accounts	946,462	12,742	-
State and Federal aid	1,036,045	-	-
Due from component unit	589,953	-	-
Due from other funds	1,158	-	-
	<u>2,573,618</u>	<u>12,742</u>	<u>-</u>
Prepaid expenditures	1,312,630	-	-
Total Assets	<u>\$ 66,180,980</u>	<u>\$ 725,950</u>	<u>\$ 13,091,685</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 768,358	\$ -	\$ 1,379,419
Due to other governments	29,032	-	-
Retainages payable	-	-	171,402
Due to school district	47,164,060	-	-
Unearned revenues	331,200	-	-
Due to other funds	-	-	-
Total Liabilities	48,292,650	-	1,550,821
Deferred inflows of resources			
Deferred tax revenues	1,237,802	-	-
Total Liabilities and Deferred Inflows of Resources	<u>49,530,452</u>	<u>-</u>	<u>1,550,821</u>
Fund balances			
Nonspendable	1,902,583	-	-
Restricted	709,107	689,068	11,540,864
Assigned	515,730	36,882	-
Unassigned	13,523,108	-	-
Total Fund Balances	<u>16,650,528</u>	<u>725,950</u>	<u>11,540,864</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 66,180,980</u>	<u>\$ 725,950</u>	<u>\$ 13,091,685</u>

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

Special Districts	Other Governmental Funds	Total
\$ 4,119,102	\$ 3,492,432	\$ 40,829,803
-	-	42,881,356
2,493,849	27,077	3,480,130
-	89,767	1,125,812
-	-	589,953
-	-	1,158
2,493,849	116,844	5,197,053
329,989	250,651	1,893,270
\$ 6,942,940	\$ 3,859,927	\$ 90,801,482
\$ 294,972	\$ 184,370	\$ 2,627,119
-	-	29,032
-	-	171,402
-	-	47,164,060
1,853,816	-	2,185,016
1,158	-	1,158
2,149,946	184,370	52,177,787
-	-	1,237,802
2,149,946	184,370	53,415,589
329,989	250,651	2,483,223
-	1,467,229	14,406,268
4,463,005	1,957,677	6,973,294
-	-	13,523,108
4,792,994	3,675,557	37,385,893
\$ 6,942,940	\$ 3,859,927	\$ 90,801,482

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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, 2015

Fund Balances - Total Governmental Funds	\$ 37,385,893
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>87,178,094</u>
Net position of the Internal Service Fund is included with government activities.	<u>2,584,647</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>1,237,802</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on refunding bonds Deferred amounts on net pension assets (liabilities)	<u>1,336,011</u> <u>4,062,153</u>
	<u>5,398,164</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 Bonds payable Compensated absences Net pension liability Retirement incentives and other pension obligations Claims payable Other post employment benefit obligations payable	(275,906) (68,873,086) (1,207,782) (2,672,945) (53,257) (2,429,890) <u>(95,166,160)</u>
	<u>(170,679,026)</u>
Net Position of Governmental Activities	<u>\$ (36,894,426)</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, 2015

	General	Debt Service	Capital Projects
REVENUES			
Real property taxes	\$ 36,567,121	\$ -	\$ -
Other tax items	1,895,835	-	-
Non-property taxes	4,594,568	-	-
Departmental income	2,331,860	-	-
Use of money and property	142,696	8,553	-
Licenses and permits	2,637,391	-	-
Fines and forfeitures	1,642,291	-	-
Sale of property and compensation for loss	13,496	-	-
State aid	1,624,791	107,227	1,077
Federal aid	4,006	-	77,835
Miscellaneous	664,020	122,091	1,987,701
Total Revenues	52,118,075	237,871	2,066,613
EXPENDITURES			
Current			
General government support	7,716,347	-	-
Public safety	19,317,438	-	-
Health	566,983	-	-
Transportation	461,420	-	-
Economic assistance and opportunity	140,433	-	-
Culture and recreation	3,428,702	-	-
Home and community services	3,049,724	-	-
Employee benefits	8,491,312	-	-
Debt service			
Principal	-	5,403,063	-
Interest	-	2,084,963	-
Capital outlay	-	-	9,340,408
Total Expenditures	43,172,359	7,488,026	9,340,408
Excess (Deficiency) of Revenues Over Expenditures	8,945,716	(7,250,155)	(7,273,795)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	7,344,015
Insurance recoveries	91,019	-	-
Sale of equipment	18,881	-	-
Transfers in	62,807	7,433,964	876,152
Transfers out	(6,133,365)	-	(95,333)
Total Other Financing Sources (Uses)	(5,960,658)	7,433,964	8,124,834
Net Change in Fund Balances	2,985,058	183,809	851,039
FUND BALANCES			
Beginning of Year	13,665,470	542,141	10,689,825
End of Year	<u>\$ 16,650,528</u>	<u>\$ 725,950</u>	<u>\$ 11,540,864</u>

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

Special Districts	Other Governmental Funds	Total
\$ 5,791,237	\$ 7,740,062	\$ 50,098,420
-	-	1,895,835
-	-	4,594,568
1,538,500	63,826	3,934,186
5,273	4,857	161,379
-	-	2,637,391
-	-	1,642,291
-	-	13,496
10,550	339,572	2,083,217
-	-	81,841
52,263	508,746	3,334,821
<u>7,397,823</u>	<u>8,657,063</u>	<u>70,477,445</u>
31,803	-	7,748,150
3,193,596	-	22,511,034
-	-	566,983
-	3,874,353	4,335,773
-	-	140,433
-	1,486,443	4,915,145
409,195	274,379	3,733,298
1,588,966	2,407,525	12,487,803
-	-	5,403,063
-	-	2,084,963
-	-	9,340,408
<u>5,223,560</u>	<u>8,042,700</u>	<u>73,267,053</u>
<u>2,174,263</u>	<u>614,363</u>	<u>(2,789,608)</u>
-	-	7,344,015
-	-	91,019
-	-	18,881
-	-	8,372,923
<u>(1,800,073)</u>	<u>(344,152)</u>	<u>(8,372,923)</u>
<u>(1,800,073)</u>	<u>(344,152)</u>	<u>7,453,915</u>
374,190	270,211	4,664,307
<u>4,418,804</u>	<u>3,405,346</u>	<u>32,721,586</u>
<u>\$ 4,792,994</u>	<u>\$ 3,675,557</u>	<u>\$ 37,385,893</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, 2015

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 4,664,307</u>
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.	
Capital outlay expenditures	8,927,877
Depreciation expense	<u>(4,905,118)</u>
	<u>4,022,759</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>157,268</u>
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.	
Bonds issued	(7,344,015)
Principal paid on bonds	5,403,063
Principal paid on retirement incentives and other pension obligations	112,971
Amortization of loss on refunding and issuance premium	<u>42,033</u>
	<u>(1,785,948)</u>
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.	
Accrued interest	(169,807)
Compensated absences	(252,281)
Claims	(1,085,294)
Pension assets (obligations)	1,232,852
Other post employment benefit obligations	<u>(15,536,976)</u>
	<u>(15,811,506)</u>
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	
	<u>299,859</u>
Change in Net Position of Governmental Activities	<u>\$ (8,453,261)</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, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 36,688,923	\$ 36,688,923	\$ 36,567,121	\$ (121,802)
Other tax items	1,822,572	1,822,572	1,895,835	73,263
Non-property taxes	4,303,517	4,303,517	4,594,568	291,051
Departmental income	2,093,900	2,188,691	2,331,860	143,169
Use of money and property	119,500	119,500	142,696	23,196
Licenses and permits	1,983,800	1,983,800	2,637,391	653,591
Fines and forfeitures	1,474,000	1,474,000	1,642,291	168,291
Sale of property and compensation for loss	5,000	5,000	13,496	8,496
State aid	1,242,655	1,297,848	1,624,791	326,943
Federal aid	-	-	4,006	4,006
Miscellaneous	431,900	440,230	664,020	223,790
Total Revenues	50,165,767	50,324,081	52,118,075	1,793,994
EXPENDITURES				
Current				
General government support	8,365,632	8,523,206	7,716,347	806,859
Public safety	19,529,585	19,724,988	19,317,438	407,550
Health	582,000	582,000	566,983	15,017
Transportation	483,096	483,098	461,420	21,678
Economic assistance and opportunity	158,945	158,945	140,433	18,512
Culture and recreation	3,504,629	3,512,957	3,428,702	84,255
Home and community services	3,270,142	3,270,086	3,049,724	220,362
Employee benefits	8,365,618	8,582,339	8,491,312	91,027
Total Expenditures	44,259,647	44,837,619	43,172,359	1,665,260
Excess of Revenues Over Expenditures	5,906,120	5,486,462	8,945,716	3,459,254
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	24,000	10,658	91,019	80,361
Sale of equipment	-	24,000	18,881	(5,119)
Transfers in	-	-	62,807	62,807
Transfers out	(6,056,722)	(6,193,222)	(6,133,365)	59,857
Total Other Financing Uses	(6,032,722)	(6,158,564)	(5,960,658)	197,906
Net Change in Fund Balances	(126,602)	(672,102)	2,985,058	3,657,160
FUND BALANCES				
Beginning of Year	126,602	672,102	13,665,470	12,993,368
End of Year	\$ -	\$ -	\$ 16,650,528	\$ 16,650,528

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)
\$ 5,791,237	\$ 5,791,237	\$ 5,791,237	\$ -
-	-	-	-
1,381,170	1,381,170	1,538,500	157,330
4,500	4,500	5,273	773
-	-	-	-
-	-	-	-
-	-	-	-
-	10,550	10,550	-
-	-	-	-
51,800	51,800	52,263	463
<u>7,228,707</u>	<u>7,239,257</u>	<u>7,397,823</u>	<u>158,566</u>
46,961	46,961	31,803	15,158
3,251,843	3,307,269	3,193,596	113,673
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
735,159	733,112	409,195	323,917
1,716,400	1,704,118	1,588,966	115,152
<u>5,750,363</u>	<u>5,791,460</u>	<u>5,223,560</u>	<u>567,900</u>
<u>1,478,344</u>	<u>1,447,797</u>	<u>2,174,263</u>	<u>726,466</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(1,549,620)</u>	<u>(1,800,073)</u>	<u>(1,800,073)</u>	<u>-</u>
<u>(1,549,620)</u>	<u>(1,800,073)</u>	<u>(1,800,073)</u>	<u>-</u>
(71,276)	(352,276)	374,190	726,466
<u>71,276</u>	<u>352,276</u>	<u>4,418,804</u>	<u>4,066,528</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,792,994</u>	<u>\$ 4,792,994</u>

Town/Village of Harrison, New York

Statement of Net Position
Proprietary Fund
December 31, 2015

	Governmental Activities- Internal Service Fund
ASSETS	
Current assets	
Cash and equivalents	\$ 3,850,973
Accounts receivable	417,460
	<hr/>
Total Assets	4,268,433
	<hr/>
LIABILITIES	
Current liabilities	
Accounts payable	135,786
Accrued liabilities	1,548,000
	<hr/>
Total Current Liabilities	1,683,786
	<hr/>
NET POSITION	
Unrestricted	\$ 2,584,647
	<hr/> <hr/>

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, 2015

	Governmental Activities- Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 11,131,109
Miscellaneous - Insurance recoveries	<u>1,042,014</u>
Total Operating Revenues	<u>12,173,123</u>
OPERATING EXPENSES	
Insurance	260,903
Employee benefits	11,243,949
Contractual	<u>368,412</u>
Total Operating Expenses	<u>11,873,264</u>
Income from Operations	299,859
NET POSITION	
Beginning of Year	<u>2,284,788</u>
End of Year	<u><u>\$ 2,584,647</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, 2015

	Governmental Activities- Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 11,131,109
Cash received from insurance reimbursements	713,441
Cash payments to vendors	(368,412)
Cash payments to insurance carriers and claimants	<u>(11,074,348)</u>
Net Cash from Operating Activities	401,790
CASH AND EQUIVALENTS	
Beginning of Year	<u>3,449,183</u>
End of Year	<u>\$ 3,850,973</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	\$ 299,859
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(328,573)
Accounts payable	(37,496)
Accrued liabilities	<u>468,000</u>
Net Cash from Operating Activities	<u>\$ 401,790</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, 2015

	Pension Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and equivalents	\$ 29,054	\$ 1,831,572
Investments		
Fixed income mutual funds	451,887	-
International equities	155,994	-
U.S. equities	157,713	-
Mixed assets	198,258	-
	<u>963,852</u>	<u>-</u>
Accounts receivable	<u>237,437</u>	<u>27,095</u>
Total Assets	<u>1,230,343</u>	<u>1,858,667</u>
LIABILITIES		
Accounts payable	-	53,487
Employee payroll deductions	-	24,209
Guarantee and bid deposits	-	1,780,971
Total Liabilities	<u>-</u>	<u>1,858,667</u>
NET POSITION		
Held in trust for pension benefits (schedule of funding progress for the plan is presented in the required supplementary information)	<u>\$ 1,230,343</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, 2015

ADDITIONS

Earnings on investments	\$ 33,993
Pension contribution	115,660
Net change in fair value of investments	<u>(75,569)</u>
Total Additions	74,084

DEDUCTIONS

Pension benefits	<u>62,638</u>
Change in Plan Net Position	11,446

NET POSITION

Beginning of Year	<u>1,218,897</u>
End of Year	<u>\$ 1,230,343</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, 2015

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, 2015

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 intergovernmental 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, 2015

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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

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 most 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, net pension liability, retirement incentives

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

and other pension 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.

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, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

balance that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2015.

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.

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, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$331,200 for fees received in advance in the General Fund and \$1,853,816 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/Village has reported deferred outflows of resources of \$1,336,011 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 is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town/Village has reported deferred inflows of resources of \$1,237,802 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.

The Town/Village also reports deferred outflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town/Village's pension plans in Note 3H.

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 expensed 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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Pension Liability - The net pension liability represents the Town/Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date."

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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

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/Village'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 generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2015

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 May 3, 2016.

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, 2015

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 2015 inclusive of exclusions, was \$157,499,796 which exceeded the actual levy by \$148,814,471.

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 Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 \$1,158 as of December 31, 2015. The Town/Village will address this deficit in the ensuing year.

D. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Town/Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value and attribute that present value to periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principles of \$156,356.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2015 consisted of the following:

Town/Village taxes	\$	326,464
County taxes		233,168
School District taxes		41,414,019
Tax liens		<u>907,705</u>
	\$	<u>42,881,356</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

School district taxes are offset by liabilities to the school district which will be paid no later than April 5, 2016. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,237,802, 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 \$589,953 as of December 31, 2015 represents amounts advanced in 2006, 2007 and 2008 to the Authority totaling \$475,000 plus accrued interest of \$114,953. Interest is payable at 4%. The note is due on demand.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2015 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,158	\$ -
Special Districts	-	1,158
	<u>\$ 1,158</u>	<u>\$ 1,158</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:

<u>Class</u>	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2015</u>
Capital Assets, not being depreciated				
Land	\$ 2,331,480	\$ -	\$ -	\$ 2,331,480
Construction-in-progress	7,421,843	3,952,235	(1,681,320)	9,692,758
Total Capital Assets, not being depreciated	<u>\$ 9,753,323</u>	<u>\$ 3,952,235</u>	<u>\$ (1,681,320)</u>	<u>\$ 12,024,238</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Capital Assets, being depreciated				
Buildings and improvements	\$ 38,878,172	\$ 4,525,422	\$ -	\$ 43,403,594
Infrastructure	100,806,492	536,665	-	101,343,157
Machinery and equipment	5,197,573	651,897	-	5,849,470
Vehicles	15,121,134	942,978	(87,680)	15,976,432
Total Capital Assets, being depreciated	<u>160,003,371</u>	<u>6,656,962</u>	<u>(87,680)</u>	<u>166,572,653</u>
Less Accumulated Depreciation for				
Buildings and improvements	9,861,741	951,570	-	10,813,311
Infrastructure	63,043,440	2,643,764	-	65,687,204
Machinery and equipment	3,618,870	343,218	-	3,962,088
Vehicles	10,077,308	966,566	(87,680)	10,956,194
Total Accumulated Depreciation	<u>86,601,359</u>	<u>4,905,118</u>	<u>(87,680)</u>	<u>91,418,797</u>
Total Capital Assets, being depreciated, net	<u>\$ 73,402,012</u>	<u>\$ 1,751,844</u>	<u>\$ -</u>	<u>\$ 75,153,856</u>
Capital Assets, net	<u>\$ 83,155,335</u>	<u>\$ 5,704,079</u>	<u>\$ (1,681,320)</u>	<u>\$ 87,178,094</u>

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

Governmental Activities	
General Government Support	\$ 479,996
Public Safety	635,768
Transportation	2,356,196
Culture and Recreation	539,584
Home and Community Services	<u>893,574</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,905,118</u>

Capital Assets - Component Unit

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

Class	Balance January 1, 2015	Additions	Balance December 31, 2015
Capital Assets, not being depreciated			
Construction-in-progress	<u>\$ 570,953</u>	<u>\$ 19,000</u>	<u>\$ 589,953</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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.

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

	<u>2015</u>	<u>2014</u>
Balance - Beginning of Year	\$ 1,080,000	\$ 822,250
Provision for Claims and Claims Adjustment Expenses	11,243,949	10,246,946
Claims and Claims Adjustment Expenses Paid	<u>(10,775,949)</u>	<u>(9,989,196)</u>
Balance - End of Year	<u>\$ 1,548,000</u>	<u>\$ 1,080,000</u>

F. 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 established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Town/Village's general creditors. The Program is accounted for in the Town/Village's financial statements within the Pension Trust Fund.

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 Active volunteer firefighters, upon attainment of age 18, and upon earning 50 or more points in a calendar year after 2005 under the provisions of the Program point system, are eligible to become participants in the Program. 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. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age the later of age 62 or the participant's age after earning 50 program points, shall be able to receive their service award, payable in the form of

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the 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.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>December 31, 2015</u>
Active - Vested	41
Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to benefits but not yet receiving them	10

The Town/Village's Board has retained and designated Penflex, Inc. to assist in the administration of the Program. Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing the amount of the service award to be paid to a participant or to a participant's designated beneficiary. As authorized by the Town/Village Board, Penflex, Inc. then directs the paying agent to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and written confirmation to the Town/Village of Harrison.

Program assets are required to be held in trust by Article 11-A of the General Municipal Law of the State of New York, 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. Authority to invest the Program's assets is vested in the Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Town/Village.

The Town/Village is required to retain an actuary to determine the amount of the Town/Village's contributions to the Program. The actuarial firm retained for this purpose is Penflex, Inc. Portions of the following information are derived from a report prepared by the actuary dated May 20, 2015.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Present Value of Benefits at December 31, 2015		<u>\$ 1,099,140</u>
Less: Assets Available for Benefits		
	% of total	
Cash	<u>3 %</u>	<u>\$ 29,054</u>
Fixed income mutual funds	<u>45</u>	<u>451,887</u>
International equities	<u>16</u>	<u>155,994</u>
US Equities	<u>16</u>	<u>157,713</u>
Mixed assets	<u>20</u>	<u>198,258</u>
Accounts receivable		<u>237,437</u>
Less: Liabilities		<u>-</u>
Total Net Assets Available for Benefits		<u>(1,230,343)</u>
Total Funded Benefits		<u>(131,203)</u>
Less: Unfunded Liability for Prior Service		<u>119,445</u>
Funded Normal benefits		<u>\$ (11,758)</u>

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

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:

	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed	Net Pension Obligation
2015	\$ 115,660	\$ 115,660	100 %	\$ -
2014	117,796	117,796	100	-
2013	127,009	127,009	100	-

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 \$5,889 were also charged to the fund in connection with the administration of the plan.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following table summarizes changes in the Town/Village's long-term indebtedness for the year ending December 31, 2015:

	Balance January 1, 2015 As Reported	Cumulative Effect of Change in Accounting Principle	Balance January 1, 2015 As Reported	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Bonds Payable - Capital Construction	\$ 61,588,402	\$ -	\$ 61,588,402	\$ 7,344,015	\$ 5,129,871	\$ 63,802,546	\$ 5,325,276
Bonds Payable - Judgments and claims	3,547,541	-	3,547,541	-	273,192	3,274,349	277,604
Plus - Unamortized premium on bonds	1,954,173	-	1,954,173	-	157,982	1,796,191	-
	<u>67,090,116</u>	<u>-</u>	<u>67,090,116</u>	<u>7,344,015</u>	<u>5,561,045</u>	<u>68,873,086</u>	<u>5,602,880</u>
Other Non-Current Liabilities							
Compensated absences	955,501	-	955,501	348,281	96,000	1,207,782	121,000
Net pension liability	-	3,716,105	3,716,105	-	1,043,160	2,672,945	-
Retirement incentives and other pension obligations	166,228	-	166,228	-	112,971	53,257	53,257
Claims payable	1,344,596	-	1,344,596	3,298,799	2,213,505	2,429,890	243,000
Other post employment benefit obligations payable	79,629,184	-	79,629,184	21,292,850	5,755,874	95,166,160	-
Total Other Non-Current Liabilities	<u>82,095,509</u>	<u>3,716,105</u>	<u>85,811,614</u>	<u>24,939,930</u>	<u>9,221,510</u>	<u>101,530,034</u>	<u>417,257</u>
Total Long-Term Liabilities	<u>\$ 149,185,625</u>	<u>\$ 3,716,105</u>	<u>\$ 152,901,730</u>	<u>\$ 32,283,945</u>	<u>\$ 14,782,555</u>	<u>\$ 170,403,120</u>	<u>\$ 6,020,137</u>

Liabilities for bonds are liquidated by the Debt Service Fund. Each fund's liability for compensated absences, net pension liability, 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, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2015
Fire Protection District No. 1	1996	\$ 475,000	December, 2016	5.375 %	\$ 25,000
Fire Protection District No. 2	1998	300,000	September, 2018	4.800	45,000
Fire Protection District No. 1	2000	650,000	August, 2020	5.300-5.500	175,000
Public Improvements	2006	8,894,940	December, 2016	3.875	665,000
Public Improvements	2007	6,415,310	December, 2017	4.000	570,000
Public Improvements	2008	6,905,000	June, 2021	3.625-4.000	3,695,000
Public Improvements	2008	5,733,820	June, 2027	4.125-4.400	4,295,000
Refunding Bonds	2011	10,280,000	May, 2022	3.000-4.000	3,750,000
Public Improvements and Tax Certiorari	2011	10,696,070	March, 2025	3.000-4.000	8,320,000
Public Improvements	2012	3,804,700	March, 2032	2.250-3.000	3,400,000
Public Improvements	2012	9,970,135	December, 2032	2.000-2.500	8,755,000
Public Improvements and Tax Certiorari	2013	7,963,063	December, 2033	3.000-4.000	7,655,000
Refunding Bonds	2013	15,775,000	December, 2028	3.000-5.000	13,625,000
Public Improvements and Tax Certiorari	2014	4,757,880	December, 2027	2.000-2.375	4,757,880
Public Improvements	2015	7,344,015	September, 2035	2.000-4.000	7,344,015
					<u>\$ 67,076,895</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$2,084,963 were recorded in the fund financial statements in the Debt Service Fund.

Interest expense of \$2,212,737 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt and retirement incentives and other pension obligations outstanding as of December 31, 2015, including interest payments of \$15,373,579 are as follows:

Year Ending December 31,	Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 5,602,880	2,117,878	\$ 53,257	\$ 2,663	\$ 5,656,137	\$ 2,120,541
2017	5,969,015	1,938,303	-	-	5,969,015	1,938,303
2018	6,005,000	1,746,507	-	-	6,005,000	1,746,507
2019	5,915,000	1,559,675	-	-	5,915,000	1,559,675
2020	5,935,000	1,358,744	-	-	5,935,000	1,358,744
2021-2025	20,490,000	4,399,616	-	-	20,490,000	4,399,616
2026-2030	11,450,000	1,830,345	-	-	11,450,000	1,830,345
2031-2035	5,710,000	419,848	-	-	5,710,000	419,848
	<u>\$ 67,076,895</u>	<u>\$ 15,370,916</u>	<u>\$ 53,257</u>	<u>\$ 2,663</u>	<u>\$ 67,130,152</u>	<u>\$ 15,373,579</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, 2015, the total defeased bonds outstanding were \$4,200,000.

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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

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") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town/Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS-Town	2 75I	23.1 %
	3 A14	18.8
	4 A15	18.8
	5 A15	15.5
	6 A15	10.5
	6 A15	10.6
ERS-Village	3 A14	18.8%
	4 A15	18.8
	5 A15	15.5
	6 A15	10.5

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan/Option</u>	<u>Rate</u>
PFRS-Police	2 384D	24.7%
	5 384D	20.1
	6 375I	7.9
	6 384D	14.3
PFRS-Fire	2 384	21.0%
	2 384D	24.7

At December 31, 2015, the Town/Village's reported a liability of \$1,868,110 for its proportionate share of the net pension liability of ERS and a liability of \$804,835 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town/Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2015, the Town/Village's proportion was .0552982% for ERS and .2923915% for PFRS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended December 31, 2015, the Town/Village recognized pension expense in the government-wide financial statements of \$1,820,752 for ERS and \$1,698,809 for PFRS. Pension expenditures of \$2,454,940 for ERS and \$2,361,223 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General - Town	\$ 1,402,660	\$ 1,910,855
General - Village	434,999	-
Special Districts	56,680	450,368
Non-Major Governmental		
Highway	393,602	-
Public Library	166,999	-
	<u>\$ 2,454,940</u>	<u>\$ 2,361,223</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2015, the Town/Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,800	\$ 97,058	\$	-
Net difference between projected and actual earnings on pension plan investments	324,467	270,210		-
Changes in proportion and differences between Town/Village contributions and proportionate share of contributions	32,611	-		227,667
Town/Village contributions subsequent to the measurement date	1,760,438	1,745,236		-
	<u>\$ 2,177,316</u>	<u>\$ 2,112,504</u>	<u>\$</u>	<u>227,667</u>

\$1,760,438 and \$1,745,236 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS		PFRS	
2016	\$ 104,219	\$	41,431	
2017	104,219		41,431	
2018	104,219		41,431	
2019	104,221		41,431	
2020	-		(26,123)	

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant mortality rates are based on the April 1, 2005 - March 31, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the Town/Village's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town/Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Town/Village's proportionate share of the ERS net pension liability (asset)	\$ 12,451,742	\$ 1,868,110	\$ (7,067,116)
Town/Village's proportionate share of the PFRS net pension liability (asset)	\$ 10,715,963	\$ 804,835	\$ (7,501,287)

The components of the collective net pension liability as of the March 31, 2015 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 164,591,504,000	\$ 28,474,417,000	\$ 193,065,921,000
Fiduciary net position	161,213,259,000	28,199,157,000	189,412,416,000
Employers' net pension liability	\$ 3,378,245,000	\$ 275,260,000	\$ 3,653,505,000
Fiduciary net position as a percentage of total pension liability	97.9%	99.0%	98.1%

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2015 represent the employer contribution for the period of April 1, 2015 through December 31, 2015 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2015 were \$1,760,438 and \$1,745,236 respectively.

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.

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 ERS	Amount Amortized - Town		Current Year Principal Payments	Current Year Interest Payments	Balance Due	Due Within One Year
		ERS	PFRS				
2004	\$ -	\$ 84,075	\$ -	\$ 10,370	\$ 518	\$ -	\$ -
2004	-	-	406,641	50,154	2,508	-	-
2004	13,992	-	-	1,726	86	-	-
2005	-	-	431,799	50,721	5,199	53,257	53,257
	<u>\$ 13,992</u>	<u>\$ 84,075</u>	<u>\$ 838,440</u>	<u>\$ 112,971</u>	<u>\$ 8,311</u>	<u>\$ 53,257</u>	<u>\$ 53,257</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.

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 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

	Year Ended December 31,	
	2015	2014
Balance - Beginning of Year	\$ 1,344,596	\$ 1,690,206
Provision for Claims and Claims Adjustment Expenses	3,298,799	2,416,177
Claims and Claims Adjustment Expenses Paid	(2,213,505)	(2,761,787)
Balance - End of Year	<u>\$ 2,429,890</u>	<u>\$ 1,344,596</u>
Due Within One Year	<u>\$ 243,000</u>	<u>\$ 134,000</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'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 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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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>
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/Village 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, 2015 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2015	\$ 262,260,966
Assets at Market Value	-
	<u>262,260,966</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 262,260,966</u>
Covered Payroll (active plan members)	<u>\$ 21,773,723</u>
UAAL as a Percentage of Covered Payroll	<u>1204.48%</u>
Annual Required Contribution	\$ 22,966,596
Interest on Net OPEB Obligation	2,388,876
Adjustment to Annual Required Contribution	<u>(4,062,622)</u>
Annual OPEB Cost	21,292,850
Contributions Made	<u>(5,755,874)</u>
Increase in Net OPEB Obligation	15,536,976
Net OPEB Obligation - Beginning of Year	<u>79,629,184</u>
Net OPEB Obligation - End of Year	<u>\$ 95,166,160</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
2015	\$ 21,292,850	27.03 %	\$ 95,166,160
2014	20,673,241	25.02	79,629,184
2013	15,630,759	24.41	64,128,310

H. 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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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, 2015

Total Assets	\$ 11,455,587
Total Liabilities	38,890,046
Net Deficit	(27,434,459)
Total Revenues	27,983,590
Total Expenses	27,721,272
Increase in Net Position	262,318

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:

Transfers Out	Transfers In			Total
	General Fund Town	Debt Service Fund	Capital Projects Fund	
General Fund - Town	\$ -	\$ -	\$ 136,000	\$ 136,000
General Fund - Village	-	5,997,365	-	5,997,365
Capital Project Fund	62,807	32,526	-	95,333
Special Districts Fund	-	1,404,073	396,000	1,800,073
Other Governmental Funds	-	-	344,152	344,152
	<u>\$ 62,807</u>	<u>\$ 7,433,964</u>	<u>\$ 876,152</u>	<u>\$ 8,372,923</u>

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2015						2014					
	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
Nonspendable												
Prepaid expenditures	\$ 1,312,630	\$ -	\$ -	\$ 329,989	\$ 250,651	\$ 1,893,270	\$ 1,325,651	\$ -	\$ 1,566	\$ 262,036	\$ 264,382	\$ 1,853,635
Long-term receivables	589,953	-	-	-	-	589,953	570,953	-	-	-	-	570,953
Total Nonspendable	1,902,583	-	-	329,989	250,651	2,483,223	1,896,604	-	1,566	262,036	264,382	2,424,588
Restricted												
Law enforcement	554,473	-	-	-	-	554,473	554,473	-	-	-	-	554,473
Workers' compensation- police	142,886	-	-	-	-	142,886	142,886	-	-	-	-	142,886
Debt service	11,748	689,068	-	-	-	700,816	20,596	455,241	-	-	-	475,837
Capital Projects	-	-	11,540,864	-	-	11,540,864	-	-	10,688,259	-	-	10,688,259
Trusts	-	-	-	-	814,281	814,281	-	-	-	-	740,891	740,891
Parklands	-	-	-	-	652,948	652,948	-	-	-	-	528,571	528,571
Total Restricted	709,107	689,068	11,540,864	-	1,467,229	14,406,268	717,955	455,241	10,688,259	-	1,269,462	13,130,917
Committed												
Building department consulting	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Assigned												
Purchases on order												
General government support	421,370	-	-	-	-	421,370	115,969	-	-	-	-	115,969
Public safety	70,144	-	-	3,451	-	73,595	7,744	-	-	16,076	-	23,820
Transportation	14,595	-	-	-	356,200	370,795	-	-	-	-	-	-
Economic assistance and opportunity	-	-	-	-	-	-	991	-	-	-	-	991
Culture and recreation	9,621	-	-	-	-	9,621	1,898	-	-	-	-	1,898
Home and community services	-	-	-	-	-	-	-	-	-	200	-	200
	515,730	-	-	3,451	356,200	875,381	126,602	-	-	16,276	-	142,878
Subsequent year's expenditures	-	36,882	-	55,000	-	91,882	-	86,900	-	55,000	-	141,900
Major funds	-	-	-	4,404,554	-	4,404,554	-	-	-	4,085,492	-	4,085,492
Transportation purposes	-	-	-	-	1,298,676	1,298,676	-	-	-	-	1,497,882	1,497,882
Library purposes	-	-	-	-	302,801	302,801	-	-	-	-	373,620	373,620
Total Assigned	515,730	36,882	-	4,463,005	1,957,677	6,973,294	126,602	86,900	-	4,156,768	1,871,502	6,241,772
Unassigned	13,523,108	-	-	-	-	13,523,108	10,864,309	-	-	-	-	10,864,309
Total Fund Balances	\$ 16,650,528	\$ 725,950	\$ 11,540,864	\$ 4,792,994	\$ 3,675,557	\$ 37,385,893	\$ 13,665,470	\$ 542,141	\$ 10,689,825	\$ 4,418,804	\$ 3,405,346	\$ 32,721,586

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2015

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.

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

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, 2015, 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.

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.

Town/Village of Harrison, New York

Notes to Financial Statements (Concluded)
December 31, 2015

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

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 \$550,000 and \$100,000, respectively, per occurrence, with a maximum potential annual liability of \$1 million for general liability for 2015. 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 \$875,000, after a self-insured retention of \$125,000. 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, 2015, the Town/Village has recorded a liability of \$1,548,000 in the Internal Service Fund, which represents claims incurred and claims incurred but not reported

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 \$34,527,500 as of December 31, 2015 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.

Town/Village of Harrison, New York

Schedule of Funding Progress
Service Awards Program
Last Six Fiscal Years

<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>
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
2015	996,886	1,099,140	102,254	90.70

Town/Village of Harrison, New York

Schedule of Contributions
Service Awards Program
Last Six Fiscal Years

<u>Year Ended December 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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
2015	115,660	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, 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
January 1, 2015	-	262,260,966	262,260,966	-	21,773,723	1204.48

Town/Village of Harrison, New York

Required Supplementary Information - Schedule of the
Town/Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Town/Village's proportion of the net pension liability (asset)	<u>0.0552982%</u>
Town/Village's proportionate share of the net pension liability (asset)	<u>\$ 1,868,110</u>
Town/Village's covered-employee payroll	<u>\$ 13,450,800</u>
Town/Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>13.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town/Village of Harrison, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 2,447,573
Contributions in relation to the contractually required contribution	<u>(2,447,573)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town/Village's covered-employee payroll	<u>\$ 13,963,555</u>
Contributions as a percentage of covered-employee payroll	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town/Village of Harrison, New York

Required Supplementary Information - Schedule of the
Town/Village's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Town/Village's proportion of the net pension liability (asset)	<u>0.2923915%</u>
Town/Village's proportionate share of the net pension liability (asset)	<u>\$ 804,835</u>
Town/Village's covered-employee payroll	<u>\$ 9,815,085</u>
Town/Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>8.20%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town/Village of Harrison, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 2,471,756
Contributions in relation to the contractually required contribution	<u>(2,471,756)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town/Village's covered-employee payroll	<u>\$ 9,908,337</u>
Contributions as a percentage of covered-employee payroll	<u>24.95%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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Town/Village of Harrison, New York

General Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2015
 (With Comparative Totals for 2014)

	Town	Village	Totals	
			2015	2014
ASSETS				
Cash and equivalents	\$ 12,187,663	\$ 7,225,713	\$ 19,413,376	\$ 18,230,677
Taxes receivable	-	42,881,356	42,881,356	40,507,009
Other receivables				
Accounts	887,936	58,526	946,462	720,652
State and Federal aid	1,036,045	-	1,036,045	1,021,283
Due from component unit	-	589,953	589,953	570,953
Due from other governments	-	-	-	72,618
Due from other funds	-	1,158	1,158	870
	<u>1,923,981</u>	<u>649,637</u>	<u>2,573,618</u>	<u>2,386,376</u>
Prepaid expenditures	<u>1,106,347</u>	<u>206,283</u>	<u>1,312,630</u>	<u>1,325,651</u>
Total Assets	<u>\$ 15,217,991</u>	<u>\$ 50,962,989</u>	<u>\$ 66,180,980</u>	<u>\$ 62,449,713</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 679,027	\$ 89,331	\$ 768,358	\$ 569,674
Due to other governments	-	29,032	29,032	19,371
Due to school district	-	47,164,060	47,164,060	46,784,664
Unearned revenues	<u>331,200</u>	<u>-</u>	<u>331,200</u>	<u>330,000</u>
Total Liabilities	1,010,227	47,282,423	48,292,650	47,703,709
Deferred inflows of resources				
Deferred tax revenues	<u>-</u>	<u>1,237,802</u>	<u>1,237,802</u>	<u>1,080,534</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,010,227</u>	<u>48,520,225</u>	<u>49,530,452</u>	<u>48,784,243</u>
Fund balances				
Nonspendable	1,106,347	796,236	1,902,583	1,896,604
Restricted	697,359	11,748	709,107	717,955
Committed	-	-	-	60,000
Assigned	511,009	4,721	515,730	126,602
Unassigned	<u>11,893,049</u>	<u>1,630,059</u>	<u>13,523,108</u>	<u>10,864,309</u>
Total Fund Balances	<u>14,207,764</u>	<u>2,442,764</u>	<u>16,650,528</u>	<u>13,665,470</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,217,991</u>	<u>\$ 50,962,989</u>	<u>\$ 66,180,980</u>	<u>\$ 62,449,713</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, 2015
 (With Comparative Totals for 2014)

	Town	Village	Totals	
			2015	2014
REVENUES				
Real property taxes	\$ 26,702,102	\$ 9,865,019	\$ 36,567,121	\$ 36,829,691
Other tax items	-	1,895,835	1,895,835	1,294,936
Non-property taxes	4,594,568	-	4,594,568	4,625,321
Departmental income	2,081,310	250,550	2,331,860	2,411,797
Use of money and property	137,268	5,428	142,696	149,566
Licenses and permits	2,637,391	-	2,637,391	4,818,003
Fines and forfeitures	1,598,251	44,040	1,642,291	1,452,192
Sale of property and compensation for loss	-	13,496	13,496	12,908
State aid	868,005	756,786	1,624,791	1,491,621
Federal aid	4,006	-	4,006	16,900
Miscellaneous	512,601	151,419	664,020	757,168
Total Revenues	39,135,502	12,982,573	52,118,075	53,860,103
EXPENDITURES				
Current				
General government support	6,882,458	833,889	7,716,347	8,430,736
Public safety	19,317,438	-	19,317,438	19,268,026
Health	566,983	-	566,983	577,258
Transportation	461,420	-	461,420	503,348
Economic assistance and opportunity	140,433	-	140,433	125,425
Culture and recreation	3,428,702	-	3,428,702	3,500,446
Home and community services	209,176	2,840,548	3,049,724	3,121,854
Employee benefits	5,787,967	2,703,345	8,491,312	8,717,132
Total Expenditures	36,794,577	6,377,782	43,172,359	44,244,225
Excess of Revenues Over Expenditures	2,340,925	6,604,791	8,945,716	9,615,878
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	965,000
Insurance recoveries	91,019	-	91,019	45,712
Sale of equipment	18,881	-	18,881	63,170
Transfers in	62,807	-	62,807	-
Transfers out	(136,000)	(5,997,365)	(6,133,365)	(6,225,897)
Total Other Financing Sources (Uses)	36,707	(5,997,365)	(5,960,658)	(5,152,015)
Net Change in Fund Balances	2,377,632	607,426	2,985,058	4,463,863
FUND BALANCES				
Beginning of Year	11,830,132	1,835,338	13,665,470	9,201,607
End of Year	\$ 14,207,764	\$ 2,442,764	\$ 16,650,528	\$ 13,665,470

Town/Village of Harrison, New York

General Fund - Town
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 12,187,663	\$ 9,879,506
Receivables		
Accounts	887,936	636,745
State and Federal aid	<u>1,036,045</u>	<u>1,021,283</u>
	<u>1,923,981</u>	<u>1,658,028</u>
Prepaid expenditures	<u>1,106,347</u>	<u>1,115,169</u>
Total Assets	<u>\$ 15,217,991</u>	<u>\$ 12,652,703</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 679,027	\$ 492,571
Unearned revenues	<u>331,200</u>	<u>330,000</u>
Total Liabilities	<u>1,010,227</u>	<u>822,571</u>
Fund balance		
Nonspendable	1,106,347	1,115,169
Restricted	697,359	697,359
Committed	-	60,000
Assigned	511,009	119,881
Unassigned	<u>11,893,049</u>	<u>9,837,723</u>
Total Fund Balance	<u>14,207,764</u>	<u>11,830,132</u>
Total Liabilities and Fund Balance	<u>\$ 15,217,991</u>	<u>\$ 12,652,703</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,

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 26,702,102	\$ 26,702,102	\$ 26,702,102	\$ -
Non-property taxes	4,303,517	4,303,517	4,594,568	291,051
Departmental income	1,868,900	1,963,691	2,081,310	117,619
Use of money and property	109,500	109,500	137,268	27,768
Licenses and permits	1,983,800	1,983,800	2,637,391	653,591
Fines and forfeitures	1,444,000	1,444,000	1,598,251	154,251
State aid	661,452	716,645	868,005	151,360
Federal aid	-	-	4,006	4,006
Miscellaneous	331,600	339,930	512,601	172,671
Total Revenues	37,404,871	37,563,185	39,135,502	1,572,317
EXPENDITURES				
Current				
General government support	7,507,742	7,665,316	6,882,458	782,858
Public safety	19,529,585	19,724,988	19,317,438	407,550
Health	582,000	582,000	566,983	15,017
Transportation	483,096	483,098	461,420	21,678
Economic assistance and opportunity	158,945	158,945	140,433	18,512
Culture and recreation	3,504,629	3,512,957	3,428,702	84,255
Home and community services	211,507	211,451	209,176	2,275
Employee benefits	5,571,248	5,787,969	5,787,967	2
Total Expenditures	37,548,752	38,126,724	36,794,577	1,332,147
Excess (Deficiency) of Revenues Over Expenditures	(143,881)	(563,539)	2,340,925	2,904,464
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	24,000	10,658	91,019	80,361
Sale of equipment	-	24,000	18,881	(5,119)
Transfers in	-	-	62,807	62,807
Transfers out	-	(136,000)	(136,000)	-
Total Other Financing Sources (Uses)	24,000	(101,342)	36,707	138,049
Net Change in Fund Balance	(119,881)	(664,881)	2,377,632	3,042,513
FUND BALANCE				
Beginning of Year	119,881	664,881	11,830,132	11,165,251
End of Year	\$ -	\$ -	\$ 14,207,764	\$ 14,207,764

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 26,437,540	\$ 26,437,540	\$ 26,437,540	\$ -
4,066,865	4,066,865	4,625,321	558,456
1,806,900	1,806,900	2,157,597	350,697
102,500	102,500	139,332	36,832
1,876,800	1,876,800	4,818,003	2,941,203
1,365,000	1,365,000	1,420,670	55,670
660,852	681,802	785,901	104,099
-	15,380	16,900	1,520
333,130	344,520	580,031	235,511
<u>36,649,587</u>	<u>36,697,307</u>	<u>40,981,295</u>	<u>4,283,988</u>
7,184,170	6,848,836	6,830,803	18,033
19,068,502	19,280,384	19,268,026	12,358
582,300	578,746	577,258	1,488
476,297	504,573	503,348	1,225
126,580	126,488	125,425	1,063
3,461,586	3,505,853	3,500,446	5,407
214,103	210,310	208,915	1,395
5,662,307	5,920,879	5,920,872	7
<u>36,775,845</u>	<u>36,976,069</u>	<u>36,935,093</u>	<u>40,976</u>
<u>(126,258)</u>	<u>(278,762)</u>	<u>4,046,202</u>	<u>4,324,964</u>
20,000	45,713	45,712	(1)
-	20,000	63,170	43,170
-	-	-	-
-	(182,000)	(182,000)	-
<u>20,000</u>	<u>(116,287)</u>	<u>(73,118)</u>	<u>43,169</u>
(106,258)	(395,049)	3,973,084	4,368,133
<u>106,258</u>	<u>395,049</u>	<u>7,857,048</u>	<u>7,461,999</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,830,132</u>	<u>\$ 11,830,132</u>

Town/Village of Harrison, New York

General Fund - Town
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	<u>\$ 26,702,102</u>	<u>\$ 26,702,102</u>	<u>\$ 26,702,102</u>	<u>\$ -</u>	<u>\$ 26,437,540</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	3,744,000	3,744,000	3,961,775	217,775	4,000,171
Franchise fees	<u>559,517</u>	<u>559,517</u>	<u>632,793</u>	<u>73,276</u>	<u>625,150</u>
	<u>4,303,517</u>	<u>4,303,517</u>	<u>4,594,568</u>	<u>291,051</u>	<u>4,625,321</u>
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	7,789	789	9,369
Police fees	505,000	599,791	612,325	12,534	650,825
Fire inspection fees	195,000	195,000	232,873	37,873	221,343
Parking meters and permit fees	340,000	340,000	363,380	23,380	340,357
Parks and recreation charges	771,000	771,000	788,456	17,456	796,298
Recreation commissions	1,900	1,900	3,718	1,818	3,014
Zoning fees	5,000	5,000	7,585	2,585	7,820
Community services	1,000	1,000	1,588	588	917
Planning Board fees	19,000	19,000	17,970	(1,030)	20,965
Planning Board parking fees	-	-	21,650	21,650	79,775
Senior lunch program fees	<u>24,000</u>	<u>24,000</u>	<u>23,976</u>	<u>(24)</u>	<u>26,914</u>
	<u>1,868,900</u>	<u>1,963,691</u>	<u>2,081,310</u>	<u>117,619</u>	<u>2,157,597</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	17,500	17,500	18,495	995	19,526
Rentals of real property	<u>92,000</u>	<u>92,000</u>	<u>118,773</u>	<u>26,773</u>	<u>119,806</u>
	<u>109,500</u>	<u>109,500</u>	<u>137,268</u>	<u>27,768</u>	<u>139,332</u>

LICENSES AND PERMITS

Street opening permits	60,000	60,000	64,173	4,173	93,115
Building permits	1,900,000	1,900,000	2,495,138	595,138	4,665,273
Wetlands permits	-	-	4,740	4,740	-
Bingo licenses	300	300	106	(194)	40
Dog license fund apportionment	3,500	3,500	4,480	980	4,942
Other licenses and permits	20,000	20,000	68,754	48,754	54,633
	<u>1,983,800</u>	<u>1,983,800</u>	<u>2,637,391</u>	<u>653,591</u>	<u>4,818,003</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>1,444,000</u>	<u>1,444,000</u>	<u>1,598,251</u>	<u>154,251</u>	<u>1,420,670</u>
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STATE AID

Per capita	113,852	113,852	113,852	-	113,852
Mortgage tax	515,000	515,000	661,343	146,343	610,312
Youth programs	7,600	7,600	-	(7,600)	7,624
Bus shelters	25,000	25,000	37,617	12,617	33,163
Justice court	-	55,193	55,193	-	20,950
	<u>661,452</u>	<u>716,645</u>	<u>868,005</u>	<u>151,360</u>	<u>785,901</u>

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FEDERAL AID

Emergency management agency	-	-	2,912	2,912	15,380
Cops grant	-	-	1,094	1,094	1,520
	<u>-</u>	<u>-</u>	<u>4,006</u>	<u>4,006</u>	<u>16,900</u>

MISCELLANEOUS

Refunds of prior year's expenditures	130,000	130,000	261,559	131,559	338,514
Gifts and donations	-	8,330	8,040	(290)	11,390
Medicare Part D reimbursement	170,000	170,000	199,278	29,278	185,950
Unclassified	31,600	31,600	43,724	12,124	44,177
	<u>331,600</u>	<u>339,930</u>	<u>512,601</u>	<u>172,671</u>	<u>580,031</u>

TOTAL REVENUES

	<u>37,404,871</u>	<u>37,563,185</u>	<u>39,135,502</u>	<u>1,572,317</u>	<u>40,981,295</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, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	\$	\$ 10,658	\$ 91,019	\$ 80,361	\$ 45,712
Sale of equipment	24,000	24,000	18,881	(5,119)	63,170
Transfers in					
Capital Projects Fund	-	-	62,807	62,807	-
TOTAL OTHER FINANCING SOURCES	<u>24,000</u>	<u>34,658</u>	<u>172,707</u>	<u>138,049</u>	<u>108,882</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 37,428,871</u>	<u>\$ 37,597,843</u>	<u>\$ 39,308,209</u>	<u>\$ 1,710,366</u>	<u>\$ 41,090,177</u>

Town/Village of Harrison, New York

General Fund - Town

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 72,336	\$ 72,337	\$ 72,337	\$ -	\$ 72,336
Town Justice	649,802	665,802	659,674	6,128	615,272
Supervisor	313,068	316,122	316,122	-	307,355
Finance	406,742	403,687	402,353	1,334	392,184
Auditor	38,935	38,935	34,635	4,300	33,765
Receiver of Taxes	230,272	230,272	226,295	3,977	223,840
Purchasing	144,801	144,801	140,057	4,744	152,968
Assessor	207,582	207,582	204,175	3,407	198,663
Town Clerk	218,313	218,313	216,131	2,182	213,727
Archive Grant	5,320	5,320	2,011	3,309	3,272
Town Attorney	928,621	936,547	888,693	47,854	840,553
Engineer	460,700	421,727	309,841	111,886	301,046
Elections	43,000	43,000	40,978	2,022	39,141
Commissioner of Public Works	309,931	316,711	314,634	2,077	293,612
Central services	267,134	261,354	229,212	32,142	265,914
Buildings	1,424,773	1,434,012	1,325,352	108,660	1,425,472
Central garage	785,783	785,783	674,684	111,099	728,182
Central data processing	419,193	419,193	412,395	6,798	383,379
Special items					
Special services	109,832	469,526	138,861	330,665	58,687
General code	6,000	2,783	2,782	1	2,931
Youth Council	950	369	369	-	-
Unallocated insurance	130,000	135,495	135,224	271	144,878
Taxes and assessments on property	105,750	107,057	107,056	1	103,699
Metropolitan commuter transportation mobility tax	28,904	28,588	28,587	1	29,927
Contingent account	200,000	-	-	-	-
	<u>7,507,742</u>	<u>7,665,316</u>	<u>6,882,458</u>	<u>782,858</u>	<u>6,830,803</u>

PUBLIC SAFETY

Police	10,214,153	10,335,359	10,077,679	257,680	9,889,993
Employee benefits - Police	8,118,047	8,120,474	8,105,126	15,348	8,262,653
Youth forum	97,937	97,937	66,151	31,786	93,583
Traffic control	189,037	200,807	187,270	13,537	167,007
Fire inspection	129,956	129,956	125,119	4,837	122,051
Control of animals	48,000	48,000	46,470	1,530	43,406
Safety inspection	732,455	792,455	709,623	82,832	689,333
	<u>19,529,585</u>	<u>19,724,988</u>	<u>19,317,438</u>	<u>407,550</u>	<u>19,268,026</u>

HEALTH

Ambulance	<u>582,000</u>	<u>582,000</u>	<u>566,983</u>	<u>15,017</u>	<u>577,258</u>
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TRANSPORTATION

Street lighting	<u>483,096</u>	<u>483,098</u>	<u>461,420</u>	<u>21,678</u>	<u>503,348</u>
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ECONOMIC ASSISTANCE AND OPPORTUNITY

Community services	<u>158,945</u>	<u>158,945</u>	<u>140,433</u>	<u>18,512</u>	<u>125,425</u>
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CULTURE AND RECREATION

Parks, playgrounds and recreation	3,278,673	3,278,671	3,196,392	82,279	3,267,481
Celebrations	2,000	10,330	10,330	-	12,390
Historian	2,200	2,200	224	1,976	2,225
Public library	221,756	221,756	221,756	-	218,350
	<u>3,504,629</u>	<u>3,512,957</u>	<u>3,428,702</u>	<u>84,255</u>	<u>3,500,446</u>

HOME AND COMMUNITY SERVICES

Zoning	1,700	1,700	806	894	768
Planning	124,207	124,207	122,960	1,247	122,727
Council for the arts	82,500	82,500	82,500	-	82,500
ETPA administrative charge	3,100	3,044	2,910	134	2,920
	<u>211,507</u>	<u>211,451</u>	<u>209,176</u>	<u>2,275</u>	<u>208,915</u>

(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, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 1,125,948	\$ 1,413,547	\$ 1,413,547	\$ -	\$ 1,502,816
Social security	650,350	633,987	633,987	-	636,166
Workers' compensation benefits	350,000	312,132	312,132	-	359,841
Disability benefits	9,500	8,434	8,434	-	8,412
Unemployment benefits	10,000	5,984	5,984	-	3,297
Welfare benefits	28,000	25,650	25,650	-	26,125
Health, dental and life insurance	3,397,450	3,388,235	3,388,233	2	3,384,215
	<u>5,571,248</u>	<u>5,787,969</u>	<u>5,787,967</u>	<u>2</u>	<u>5,920,872</u>
TOTAL EXPENDITURES	37,548,752	38,126,724	36,794,577	1,332,147	36,935,093
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	-	136,000	136,000	-	182,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 37,548,752</u>	<u>\$ 38,262,724</u>	<u>\$ 36,930,577</u>	<u>\$ 1,332,147</u>	<u>\$ 37,117,093</u>

Town/Village of Harrison, New York

General Fund - Village
 Comparative Balance Sheet
 December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 7,225,713	\$ 8,351,171
Taxes receivable	<u>42,881,356</u>	<u>40,507,009</u>
Receivables		
Accounts	58,526	83,907
Due from component unit	589,953	570,953
Due from other governments	-	72,618
Due from other funds	<u>1,158</u>	<u>870</u>
	<u>649,637</u>	<u>728,348</u>
Prepaid expenditures	<u>206,283</u>	<u>210,482</u>
Total Assets	<u>\$ 50,962,989</u>	<u>\$ 49,797,010</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 89,331	\$ 77,103
Due to other governments	29,032	19,371
Due to school district	<u>47,164,060</u>	<u>46,784,664</u>
Total Liabilities	47,282,423	46,881,138
Deferred inflows of resources		
Deferred tax revenues	<u>1,237,802</u>	<u>1,080,534</u>
Total Liabilities and Deferred Inflows of Resources	<u>48,520,225</u>	<u>47,961,672</u>
Fund balance		
Nonspendable	796,236	781,435
Restricted	11,748	20,596
Assigned	4,721	6,721
Unassigned	<u>1,630,059</u>	<u>1,026,586</u>
Total Fund Balance	<u>2,442,764</u>	<u>1,835,338</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 50,962,989</u>	<u>\$ 49,797,010</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 9,986,821	\$ 9,986,821	\$ 9,865,019	\$ (121,802)
Other tax items	1,822,572	1,822,572	1,895,835	73,263
Departmental income	225,000	225,000	250,550	25,550
Use of money and property	10,000	10,000	5,428	(4,572)
Fines and forfeitures	30,000	30,000	44,040	14,040
Sale of property and compensation for loss	5,000	5,000	13,496	8,496
State aid	581,203	581,203	756,786	175,583
Miscellaneous	100,300	100,300	151,419	51,119
Total Revenues	<u>12,760,896</u>	<u>12,760,896</u>	<u>12,982,573</u>	<u>221,677</u>
EXPENDITURES				
Current				
General government support	857,890	857,890	833,889	24,001
Home and community services	3,058,635	3,058,635	2,840,548	218,087
Employee benefits	2,794,370	2,794,370	2,703,345	91,025
Total Expenditures	<u>6,710,895</u>	<u>6,710,895</u>	<u>6,377,782</u>	<u>333,113</u>
Excess of Revenues Over Expenditures	<u>6,050,001</u>	<u>6,050,001</u>	<u>6,604,791</u>	<u>554,790</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfers out	(6,056,722)	(6,057,222)	(5,997,365)	59,857
Total Other Financing Uses	<u>(6,056,722)</u>	<u>(6,057,222)</u>	<u>(5,997,365)</u>	<u>59,857</u>
Net Change in Fund Balance	(6,721)	(7,221)	607,426	614,647
FUND BALANCE				
Beginning of Year	<u>6,721</u>	<u>7,221</u>	<u>1,835,338</u>	<u>1,828,117</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,442,764</u>	<u>\$ 2,442,764</u>

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,340,438	\$ 10,340,438	\$ 10,392,151	\$ 51,713
1,266,240	1,266,240	1,294,936	28,696
220,000	220,000	254,200	34,200
10,000	10,000	10,234	234
30,000	30,000	31,522	1,522
5,000	5,000	12,908	7,908
581,203	581,203	705,720	124,517
110,300	110,300	177,137	66,837
<u>12,563,181</u>	<u>12,563,181</u>	<u>12,878,808</u>	<u>315,627</u>
679,416	1,644,149	1,599,933	44,216
3,055,246	3,052,911	2,912,939	139,972
2,793,841	2,796,443	2,796,260	183
<u>6,528,503</u>	<u>7,493,503</u>	<u>7,309,132</u>	<u>184,371</u>
<u>6,034,678</u>	<u>5,069,678</u>	<u>5,569,676</u>	<u>499,998</u>
-	965,000	965,000	-
<u>(6,043,899)</u>	<u>(6,043,899)</u>	<u>(6,043,897)</u>	<u>2</u>
<u>(6,043,899)</u>	<u>(5,078,899)</u>	<u>(5,078,897)</u>	<u>2</u>
(9,221)	(9,221)	490,779	500,000
<u>9,221</u>	<u>9,221</u>	<u>1,344,559</u>	<u>1,335,338</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,835,338</u>	<u>\$ 1,835,338</u>

Town/Village of Harrison, New York

General Fund - Village
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	\$ 9,986,821	\$ 9,986,821	\$ 9,865,019	\$ (121,802)	\$ 10,392,151
OTHER TAX ITEMS					
Payments in lieu of taxes	587,572	587,572	588,078	506	34,064
Interest and penalties on real property taxes	500,000	500,000	556,789	56,789	506,710
Utilities gross receipts taxes	735,000	735,000	750,968	15,968	754,162
	<u>1,822,572</u>	<u>1,822,572</u>	<u>1,895,835</u>	<u>73,263</u>	<u>1,294,936</u>
DEPARTMENTAL INCOME					
Commercial garbage fees	225,000	225,000	250,550	25,550	254,200
USE OF MONEY AND PROPERTY					
Earnings on investments	10,000	10,000	5,428	(4,572)	10,234
FINES AND FORFEITURES					
Fines and forfeited bail	30,000	30,000	44,040	14,040	31,522
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of recycled materials	5,000	5,000	13,496	8,496	12,908
STATE AID					
Per capita	66,203	66,203	95,443	29,240	95,408
Mortgage tax	515,000	515,000	661,343	146,343	610,312
	<u>581,203</u>	<u>581,203</u>	<u>756,786</u>	<u>175,583</u>	<u>705,720</u>

MISCELLANEOUS

Refunds of prior year's expenditures

Miscellaneous

100,000
300

100,000
300

151,419
-

51,419
(300)

165,263
11,874

100,300

100,300

151,419

51,119

177,137

TOTAL REVENUES

12,760,896

12,760,896

12,982,573

221,677

12,878,808

OTHER FINANCING SOURCES

Bonds issued

-

-

-

-

965,000

**TOTAL REVENUES AND
OTHER FINANCING SOURCES**

\$ 12,760,896

\$ 12,760,896

\$ 12,982,573

\$ 221,677

\$ 13,843,808

Town/Village of Harrison, New York

General Fund - Village
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 21,715	\$ 21,715	\$ 20,965	\$ 750	\$ 20,335
Law	122,489	122,489	122,488	1	111,492
Special items					
Special services	1,500	1,499	1,440	59	1,440
Stormwater management plan	6,721	6,722	2,000	4,722	2,500
Bond and note issuance costs	6,200	6,200	-	6,200	7,195
Unallocated insurance	115,000	115,000	115,000	-	100,303
Taxes and assessments on property	110,000	110,000	105,716	4,284	102,436
Judgments and claims	465,639	465,639	458,120	7,519	1,245,918
Metropolitan commuter transportation mobility tax	8,626	8,626	8,160	466	8,314
	<u>857,890</u>	<u>857,890</u>	<u>833,889</u>	<u>24,001</u>	<u>1,599,933</u>
HOME AND COMMUNITY SERVICES					
Refuse and garbage collection	<u>3,058,635</u>	<u>3,058,635</u>	<u>2,840,548</u>	<u>218,087</u>	<u>2,912,939</u>
EMPLOYEE BENEFITS					
State retirement	485,517	485,517	436,811	48,706	483,900
Social security	194,082	194,082	183,864	10,218	187,418
Workers' compensation benefits	550,000	550,000	540,483	9,517	595,967
Disability benefits	3,171	3,171	2,632	539	2,718
Unemployment benefits	18,600	18,600	4,253	14,347	4,745
Welfare benefits	29,000	29,000	25,888	3,112	27,550
Health, dental and life insurance	1,514,000	1,514,000	1,509,414	4,586	1,493,962
	<u>2,794,370</u>	<u>2,794,370</u>	<u>2,703,345</u>	<u>91,025</u>	<u>2,796,260</u>
TOTAL EXPENDITURES	<u>6,710,895</u>	<u>6,710,895</u>	<u>6,377,782</u>	<u>333,113</u>	<u>7,309,132</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	<u>6,056,722</u>	<u>6,057,222</u>	<u>5,997,365</u>	<u>59,857</u>	<u>6,043,897</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 12,767,617</u>	<u>\$ 12,768,117</u>	<u>\$ 12,375,147</u>	<u>\$ 392,970</u>	<u>\$ 13,353,029</u>

Town/Village of Harrison, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 713,208	\$ 518,163
Accounts receivable	<u>12,742</u>	<u>23,978</u>
Total Assets	<u>\$ 725,950</u>	<u>\$ 542,141</u>
FUND BALANCE		
Restricted	\$ 689,068	\$ 455,241
Assigned	<u>36,882</u>	<u>86,900</u>
Total Fund Balance	<u>\$ 725,950</u>	<u>\$ 542,141</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,

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 8,553	\$ 8,553
State aid	-	-	107,227	107,227
Miscellaneous	-	-	122,091	122,091
Total Revenues	-	-	237,871	237,871
EXPENDITURES				
Debt service				
Bonds				
Principal	5,403,063	5,403,063	5,403,063	-
Interest	2,140,974	2,140,974	2,084,963	56,011
Total Expenditures	7,544,037	7,544,037	7,488,026	56,011
Deficiency of Revenues Over Expenditures	(7,544,037)	(7,544,037)	(7,250,155)	293,882
OTHER FINANCING SOURCES				
Transfers in	7,457,137	7,457,137	7,433,964	(23,173)
Net Change in Fund Balance	(86,900)	(86,900)	183,809	270,709
FUND BALANCE				
Beginning of Year	86,900	86,900	542,141	455,241
End of Year	\$ -	\$ -	\$ 725,950	\$ 725,950

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 9,825	\$ 9,825
-	-	-	-
-	-	75,862	75,862
-	-	85,687	85,687
5,530,000	5,530,000	5,530,000	-
2,211,157	2,211,157	2,180,909	30,248
7,741,157	7,741,157	7,710,909	30,248
(7,741,157)	(7,741,157)	(7,625,222)	115,935
7,353,020	7,353,020	7,346,255	(6,765)
(388,137)	(388,137)	(278,967)	109,170
388,137	388,137	821,108	432,971
\$ -	\$ -	\$ 542,141	\$ 542,141

Town/Village of Harrison, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 13,091,685	\$ 12,013,778
Prepaid expenditures	<u>-</u>	<u>1,566</u>
Total Assets	<u>\$ 13,091,685</u>	<u>\$ 12,015,344</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,379,419	\$ 1,116,442
Retainages payable	171,402	146,746
Unearned revenues	<u>-</u>	<u>62,331</u>
Total Liabilities	<u>1,550,821</u>	<u>1,325,519</u>
FUND BALANCE		
Nonspendable	-	1,566
Restricted	<u>11,540,864</u>	<u>10,688,259</u>
Total Fund Balance	<u>11,540,864</u>	<u>10,689,825</u>
Total Liabilities and Fund Balance	<u>\$ 13,091,685</u>	<u>\$ 12,015,344</u>

Town/Village of Harrison, New YorkCapital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2015</u>	<u>2014</u>
REVENUES		
State aid	\$ 1,077	\$ 1,606
Federal aid	77,835	132,859
Miscellaneous	<u>1,987,701</u>	<u>45,000</u>
Total Revenues	2,066,613	179,465
EXPENDITURES		
Capital outlay	<u>9,340,408</u>	<u>4,494,567</u>
Deficiency of Revenues Over Expenditures	<u>(7,273,795)</u>	<u>(4,315,102)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	7,344,015	3,792,880
Transfers in	876,152	582,000
Transfers out	<u>(95,333)</u>	<u>-</u>
Total Other Financing Sources	<u>8,124,834</u>	<u>4,374,880</u>
Net Change in Fund Balance	851,039	59,778
FUND BALANCE		
Beginning of Year	<u>10,689,825</u>	<u>10,630,047</u>
End of Year	<u>\$ 11,540,864</u>	<u>\$ 10,689,825</u>

Town/Village of Harrison, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2015
 (With Comparative Totals for 2014)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
ASSETS			
Cash and equivalents	\$ 2,463,106	\$ 6,442	\$ 186,743
Accounts receivable	2,471,755	-	-
Prepaid expenditures	-	-	42,755
Total Assets	\$ 4,934,861	\$ 6,442	\$ 229,498
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 233	\$ -	\$ 17,071
Unearned revenues	1,853,816	-	-
Due to other funds	-	-	-
Total Liabilities	1,854,049	-	17,071
Fund balances (deficits)			
Nonspendable	-	-	42,755
Assigned	3,080,812	6,442	169,672
Total Fund Balances (Deficits)	3,080,812	6,442	212,427
Total Liabilities and Fund Balances (Deficits)	\$ 4,934,861	\$ 6,442	\$ 229,498

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2015	2014
\$ 599,180	\$ 861,028	\$ 2,603	\$ -	\$ 4,119,102	\$ 3,566,592
-	22,094	-	-	2,493,849	1,768,732
107,075	180,159	-	-	329,989	262,036
<u>\$ 706,255</u>	<u>\$ 1,063,281</u>	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ 6,942,940</u>	<u>\$ 5,597,360</u>
\$ 241,457	\$ 36,211	\$ -	\$ -	\$ 294,972	\$ 293,561
-	-	-	-	1,853,816	884,125
-	-	-	1,158	1,158	870
<u>241,457</u>	<u>36,211</u>	<u>-</u>	<u>1,158</u>	<u>2,149,946</u>	<u>1,178,556</u>
107,075	180,159	-	-	329,989	262,036
357,723	846,911	2,603	(1,158)	4,463,005	4,156,768
<u>464,798</u>	<u>1,027,070</u>	<u>2,603</u>	<u>(1,158)</u>	<u>4,792,994</u>	<u>4,418,804</u>
<u>\$ 706,255</u>	<u>\$ 1,063,281</u>	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ 6,942,940</u>	<u>\$ 5,597,360</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, 2015
 (With Comparative Totals for 2014)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
REVENUES			
Real property taxes	\$ 160,494	\$ -	\$ 645,570
Departmental income	1,502,064	-	-
Use of money and property	1,852	-	364
State aid	-	-	2,406
Federal aid	-	-	-
Miscellaneous	-	-	-
Total Revenues	1,664,410	-	648,340
EXPENDITURES			
Current			
General government support	-	-	-
Public safety	-	-	-
Home and community services	29,372	-	379,823
Employee benefits	1,259	-	150,041
Total Expenditures	30,631	-	529,864
Excess (Deficiency) of Revenues Over Expenditures	1,633,779	-	118,476
OTHER FINANCING USES			
Transfers out	(1,197,428)	-	(114,789)
Net Change in Fund Balances	436,351	-	3,687
FUND BALANCES (DEFICITS)			
Beginning of Year	2,644,461	6,442	208,740
End of Year	\$ 3,080,812	\$ 6,442	\$ 212,427

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2015	2014
\$ 865,866	\$ 4,052,534	\$ 32,273	\$ 34,500	\$ 5,791,237	\$ 5,707,668
34,500	1,936	-	-	1,538,500	2,292,113
836	2,212	9	-	5,273	5,696
-	8,144	-	-	10,550	-
-	-	-	-	-	4,197
-	52,263	-	-	52,263	49,897
<u>901,202</u>	<u>4,117,089</u>	<u>32,282</u>	<u>34,500</u>	<u>7,397,823</u>	<u>8,059,571</u>
2,084	29,654	65	-	31,803	27,051
618,094	2,509,089	31,625	34,788	3,193,596	3,045,842
-	-	-	-	409,195	487,806
<u>3,301</u>	<u>1,434,365</u>	<u>-</u>	<u>-</u>	<u>1,588,966</u>	<u>1,710,774</u>
<u>623,479</u>	<u>3,973,108</u>	<u>31,690</u>	<u>34,788</u>	<u>5,223,560</u>	<u>5,271,473</u>
277,723	143,981	592	(288)	2,174,263	2,788,098
<u>(419,983)</u>	<u>(67,873)</u>	<u>-</u>	<u>-</u>	<u>(1,800,073)</u>	<u>(1,452,358)</u>
(142,260)	76,108	592	(288)	374,190	1,335,740
<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>\$ 464,798</u>	<u>\$ 1,027,070</u>	<u>\$ 2,603</u>	<u>\$ (1,158)</u>	<u>\$ 4,792,994</u>	<u>\$ 4,418,804</u>

Town/Village of Harrison, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2015
 (With Comparative Totals for 2014)

	Highway	Public Library	Special Purpose
ASSETS			
Cash and equivalents	\$ 1,664,135	\$ 343,521	\$ 1,484,776
Receivables			
Accounts	26,465	-	612
State and Federal aid	89,767	-	-
	<u>116,232</u>	<u>-</u>	<u>612</u>
Prepaid expenditures	<u>192,962</u>	<u>57,689</u>	<u>-</u>
Total Assets	<u>\$ 1,973,329</u>	<u>\$ 401,210</u>	<u>\$ 1,485,388</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 125,491	\$ 40,720	\$ 18,159
Fund balances			
Nonspendable	192,962	57,689	-
Restricted	-	-	1,467,229
Assigned	<u>1,654,876</u>	<u>302,801</u>	<u>-</u>
Total Fund Balances	<u>1,847,838</u>	<u>360,490</u>	<u>1,467,229</u>
Total Liabilities and Fund Balances	<u>\$ 1,973,329</u>	<u>\$ 401,210</u>	<u>\$ 1,485,388</u>

Total Non-Major
Governmental Funds

2015	2014
\$ 3,492,432	\$ 3,236,227
27,077	36,549
89,767	-
116,844	36,549
250,651	264,382
\$ 3,859,927	\$ 3,537,158

\$ 184,370	\$ 131,812
250,651	264,382
1,467,229	1,269,462
1,957,677	1,871,502
3,675,557	3,405,346
\$ 3,859,927	\$ 3,537,158

Town/Village of Harrison, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	Highway	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ 5,348,898	\$ 2,391,164	\$ -
Departmental income	52,370	11,456	-
Use of money and property	2,994	1,208	655
State aid	329,942	9,630	-
Federal aid	-	-	-
Miscellaneous	16,337	1,348	491,061
Total Revenues	<u>5,750,541</u>	<u>2,414,806</u>	<u>491,716</u>
EXPENDITURES			
Current			
Transportation	3,874,353	-	-
Culture and recreation	-	1,466,873	19,570
Home and community services	-	-	274,379
Employee benefits	1,569,592	837,933	-
Total Expenditures	<u>5,443,945</u>	<u>2,304,806</u>	<u>293,949</u>
Excess of Revenues Over Expenditures	306,596	110,000	197,767
OTHER FINANCING USES			
Transfers out	(154,152)	(190,000)	-
Net Change in Fund Balances	152,444	(80,000)	197,767
FUND BALANCES			
Beginning of Year	<u>1,695,394</u>	<u>440,490</u>	<u>1,269,462</u>
End of Year	<u>\$ 1,847,838</u>	<u>\$ 360,490</u>	<u>\$ 1,467,229</u>

Total Non-Major
Governmental Funds

2015	2014
\$ 7,740,062	\$ 7,629,210
63,826	120,771
4,857	6,063
339,572	117,228
-	39,287
508,746	520,359
8,657,063	8,432,918
3,874,353	3,618,855
1,486,443	1,347,830
274,379	280,675
2,407,525	2,645,698
8,042,700	7,893,058
614,363	539,860
(344,152)	(250,000)
270,211	289,860
3,405,346	3,115,486
\$ 3,675,557	\$ 3,405,346

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Town/Village of Harrison, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 1,664,135</u>	<u>\$ 1,560,688</u>
Receivables		
Accounts	26,465	35,704
State and Federal aid	<u>89,767</u>	<u>-</u>
	<u>116,232</u>	<u>35,704</u>
Prepaid expenditures	<u>192,962</u>	<u>197,512</u>
Total Assets	<u><u>\$ 1,973,329</u></u>	<u><u>\$ 1,793,904</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 125,491</u>	<u>\$ 98,510</u>
Fund balance		
Nonspendable	192,962	197,512
Assigned	<u>1,654,876</u>	<u>1,497,882</u>
Total Fund Balance	<u>1,847,838</u>	<u>1,695,394</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,973,329</u></u>	<u><u>\$ 1,793,904</u></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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,348,898	\$ 5,348,898	\$ 5,348,898	\$ -
Departmental income	98,000	98,000	52,370	(45,630)
Use of money and property	3,400	3,400	2,994	(406)
State aid	88,000	329,941	329,942	1
Federal aid	-	-	-	-
Miscellaneous	18,000	18,825	16,337	(2,488)
Total Revenues	5,556,298	5,799,064	5,750,541	(48,523)
EXPENDITURES				
Current				
Transportation	3,854,455	3,996,698	3,874,353	122,345
Employee benefits	1,701,843	1,698,214	1,569,592	128,622
Total Expenditures	5,556,298	5,694,912	5,443,945	250,967
Excess (Deficiency) of Revenues Over Expenditures	-	104,152	306,596	202,444
OTHER FINANCING USES				
Transfers out	-	(154,152)	(154,152)	-
Net Change in Fund Balance	-	(50,000)	152,444	202,444
FUND BALANCE				
Beginning of Year	-	50,000	1,695,394	1,645,394
End of Year	\$ -	\$ -	\$ 1,847,838	\$ 1,847,838

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,273,404	\$ 5,273,404	\$ 5,273,404	\$ -
93,000	93,000	100,417	7,417
3,700	3,700	3,682	(18)
88,000	88,157	109,406	21,249
-	39,287	39,287	-
18,000	23,200	22,138	(1,062)
<u>5,476,104</u>	<u>5,520,748</u>	<u>5,548,334</u>	<u>27,586</u>
3,662,331	3,756,975	3,618,855	138,120
1,814,945	1,814,945	1,810,540	4,405
<u>5,477,276</u>	<u>5,571,920</u>	<u>5,429,395</u>	<u>142,525</u>
(1,172)	(51,172)	118,939	170,111
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,172)	(51,172)	118,939	170,111
<u>1,172</u>	<u>51,172</u>	<u>1,576,455</u>	<u>1,525,283</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,394</u>	<u>\$ 1,695,394</u>

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Town/Village of Harrison, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 343,521	\$ 387,096
Prepaid expenditures	<u>57,689</u>	<u>66,870</u>
Total Assets	<u>\$ 401,210</u>	<u>\$ 453,966</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 40,720</u>	<u>\$ 13,476</u>
Fund balance		
Nonspendable	57,689	66,870
Assigned	<u>302,801</u>	<u>373,620</u>
Total Fund Balance	<u>360,490</u>	<u>440,490</u>
Total Liabilities and Fund Balance	<u>\$ 401,210</u>	<u>\$ 453,966</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,

2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 2,391,164	\$ 2,391,164	\$ 2,391,164	\$ -
Departmental income	15,000	15,000	11,456	(3,544)
Use of money and property	1,500	1,500	1,208	(292)
State aid	8,000	8,000	9,630	1,630
Miscellaneous	-	-	1,348	1,348
Total Revenues	2,415,664	2,415,664	2,414,806	(858)
EXPENDITURES				
Current				
Culture and recreation	1,460,496	1,520,185	1,466,873	53,312
Employee benefits	955,168	950,494	837,933	112,561
Total Expenditures	2,415,664	2,470,679	2,304,806	165,873
Excess (Deficiency) of Revenues Over Expenditures	-	(55,015)	110,000	165,015
OTHER FINANCING USES				
Transfers out	-	(190,000)	(190,000)	-
Net Change in Fund Balance	-	(245,015)	(80,000)	165,015
FUND BALANCE				
Beginning of Year	-	245,015	440,490	195,475
End of Year	\$ -	\$ -	\$ 360,490	\$ 360,490

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,355,806	\$ 2,355,806	\$ 2,355,806	\$ -
29,600	29,600	20,354	(9,246)
1,500	1,500	1,545	45
8,000	8,000	7,822	(178)
-	-	1,846	1,846
<u>2,394,906</u>	<u>2,394,906</u>	<u>2,387,373</u>	<u>(7,533)</u>
1,331,001	1,426,001	1,222,498	203,503
<u>1,063,905</u>	<u>1,063,905</u>	<u>835,158</u>	<u>228,747</u>
<u>2,394,906</u>	<u>2,489,906</u>	<u>2,057,656</u>	<u>432,250</u>
-	(95,000)	329,717	424,717
-	(250,000)	(250,000)	-
-	(345,000)	79,717	424,717
-	345,000	360,773	15,773
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,490</u>	<u>\$ 440,490</u>

Town/Village of Harrison, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,484,776	\$ 1,288,443
Accounts receivable	<u>612</u>	<u>845</u>
 Total Assets	 <u>\$ 1,485,388</u>	 <u>\$ 1,289,288</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 18,159	\$ 19,826
 Fund balance		
Restricted	 <u>1,467,229</u>	 <u>1,269,462</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,485,388</u>	 <u>\$ 1,289,288</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>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 655	\$ 836
Miscellaneous	<u>491,061</u>	<u>496,375</u>
Total Revenues	<u>491,716</u>	<u>497,211</u>
EXPENDITURES		
Current		
Culture and recreation	19,570	125,332
Home and community services	<u>274,379</u>	<u>280,675</u>
Total Expenditures	<u>293,949</u>	<u>406,007</u>
Excess of Revenues Over Expenditures	197,767	91,204
FUND BALANCE		
Beginning of Year	<u>1,269,462</u>	<u>1,178,258</u>
End of Year	<u>\$ 1,467,229</u>	<u>\$ 1,269,462</u>

Town/Village of Harrison, New York

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 3,850,973	\$ 3,449,183
Accounts receivable	<u>417,460</u>	<u>88,887</u>
 Total Assets	 <u>4,268,433</u>	 <u>3,538,070</u>
LIABILITIES		
Current liabilities		
Accounts payable	135,786	173,282
Accrued liabilities	<u>1,548,000</u>	<u>1,080,000</u>
 Total Liabilities	 <u>1,683,786</u>	 <u>1,253,282</u>
NET POSITION		
Unrestricted	<u>\$ 2,584,647</u>	<u>\$ 2,284,788</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>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services	\$ 11,131,109	\$ 11,058,238
Miscellaneous		
Insurance reimbursements	<u>1,042,014</u>	<u>268,198</u>
Total Operating Revenues	<u>12,173,123</u>	<u>11,326,436</u>
OPERATING EXPENSES		
Insurance	260,903	478,308
Employee benefits	11,243,949	10,246,946
Contractual	<u>368,412</u>	<u>325,387</u>
Total Operating Expenses	<u>11,873,264</u>	<u>11,050,641</u>
Income from Operations	299,859	275,795
NET POSITION		
Beginning of Year	<u>2,284,788</u>	<u>2,008,993</u>
End of Year	<u>\$ 2,584,647</u>	<u>\$ 2,284,788</u>

Town/Village of Harrison, New York

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

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 11,131,109	\$ 11,058,238
Cash received from insurance reimbursements	713,441	391,546
Cash payments to vendors	(368,412)	(325,387)
Cash payments to insurance carriers and claimants	<u>(11,074,348)</u>	<u>(10,514,495)</u>
Net Cash from Operating Activities	401,790	609,902
CASH AND EQUIVALENTS		
Beginning of Year	<u>3,449,183</u>	<u>2,839,281</u>
End of Year	<u>\$ 3,850,973</u>	<u>\$ 3,449,183</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 299,859	\$ 275,795
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(328,573)	123,348
Accounts payable	(37,496)	(46,991)
Accrued liabilities	<u>468,000</u>	<u>257,750</u>
Net Cash from Operating Activities	<u>\$ 401,790</u>	<u>\$ 609,902</u>