

Town/Village of Harrison, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2018

Town/Village of Harrison, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General and Special Districts Funds	22
Proprietary Fund	
Statement of Net Position	24
Statement of Revenues, Expenses and Changes in Net Position	25
Statement of Cash Flows	26
Statement of Assets and Liabilities - Fiduciary Fund	27
Notes to Financial Statements	28
Required Supplementary Information	
Other Post Employment Benefits -	
Schedule of Changes in the Town/Village's Total OPEB Liability and Related Ratios	63
New York State and Local Employees Retirement System	
Schedule of the Town/Village's Proportionate Share of the Net Pension Liability	64
Schedule of Contributions	65
New York State and Local Police and Fire Retirement System	
Schedule of the Town/Village's Proportionate Share of the Net Pension Liability	66
Schedule of Contributions	67
Fire Service Awards Program	
Schedule of Changes in the Town/Village's Total Pension Liability	68
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet - Sub Funds	69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub Funds	70

Town/Village of Harrison, New York

Table of Contents (Concluded)

	<u>Page No.</u>
General Fund - Town	
Comparative Balance Sheet - Sub-Fund	71
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sub-Fund	72
Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund	74
Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund	77
General Fund - Village	
Comparative Balance Sheet - Sub-Fund	80
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sub-Fund	81
Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund	83
Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund	85
Debt Service Fund	
Comparative Balance Sheet	87
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	88
Capital Projects Fund	
Comparative Balance Sheet	90
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	91
Special Districts Fund	
Combining Balance Sheet - Sub Funds	92
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub Funds	94
Non-Major Governmental Funds	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	98
Highway Fund	
Comparative Balance Sheet	100
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	101
Public Library Fund	
Comparative Balance Sheet	103
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	104
Special Purpose Fund	
Comparative Balance Sheet	106
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	107
Internal Service Fund	
Health Benefits Fund	
Comparative Statement of Net Position	108
Comparative Statement of Revenues, Expenses and Changes in Net Position	109
Comparative Statement of Cash Flows	110

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 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, 2018, 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/Village'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/Village'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town/Village, as of December 31, 2018, 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 attention to Note 2D and 3G in the notes to financial statements which disclose the effects of the Town/Village's adoption of the provisions of Governmental Accounting Standards Board Statement ("GASB") Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*." 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town/Village as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated July 18, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The combining and individual fund financial statements and schedules have been subjected

to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended December 31, 2017.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 21, 2019

(This page intentionally left blank)

Town/Village of Harrison, New York

Management's Discussion and Analysis (MD&A) December 31, 2018

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, 2018. 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 \$206,333,795. Of this amount, a deficit of \$247,272,790 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. 75 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, 2018, the Town/Village implemented the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*. This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, *"Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions"*. The primary distinction between the two standards is that since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their total OPEB liability as opposed to the net OPEB liability that has been reported under the prior standard. As a result, the net position for governmental activities on the government-wide financial statements reflects a change in accounting principle adjustment of \$(146,957,946) to the opening net position originally reported as of January 1, 2018 of \$(63,524,567), thereby restating the opening net position to \$(210,482,513).
- ❖ In addition to the impact of the Town/Village's OPEB obligations, the government-wide financial statements for the year ended December 31, 2018 are also significantly impacted by the provisions of GASB Statement No. 68; *"Accounting and Financial Reporting for Pensions"*. This pronouncement established 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, 2018, the Town/Village reported in its Statement of Net Position a liability of \$4,269,250 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 \$57,464,929, an increase of \$11,948,471 from the previous fiscal year.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,617,915 or 36.3% of total General Fund expenditures and other financing uses for 2018. This is an increase of \$2,220,577 from the previous year and was primarily caused by higher than anticipated sales tax and mortgage tax revenues, police fees, building permit revenues, hotel tax revenues and earnings on investments.
- ❖ During the current fiscal year, the Town/Village issued \$18,623,600 in public improvement bonds and retired \$6,474,300 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 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 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, schedule of changes in the total pension liability for the Fire Service Awards program, 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 \$206,333,795 at the close of the most recent fiscal year. By far, the largest portion of the Town/Village's net position 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 which totals \$35,281,424. 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,	
	2018	2017
	Governmental Activities	Governmental Activities
Current Assets	\$ 119,199,692	\$ 118,069,808
Capital Assets, Net	102,674,488	94,737,166
Total Assets	221,874,180	212,806,974
Deferred Outflows of Resources	15,098,984	11,998,299
Current Liabilities	56,648,443	54,954,190
Long-term Liabilities	349,862,331	216,828,049
Total Liabilities	406,510,774	271,782,239
Deferred Inflows of Resources	36,796,185	16,547,601
Net Position		
Net Investment in Capital Assets	35,281,424	35,897,176
Restricted	5,657,571	4,717,296
Unrestricted	(247,272,790)	(104,139,039)
Total Net Position	\$ (206,333,795)	\$ (63,524,567)

An additional portion of the Town/Village's net position, \$5,657,571, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31,	
	2018	2017
Law enforcement	\$ 554,473	\$ 554,473
Debt service	3,380,253	2,361,122
Special districts	-	244,922
Trusts	1,152,111	1,072,822
Parklands	570,734	483,957
Total Net Position	\$ 5,657,571	\$ 4,717,296

The remaining balance of unrestricted net position, which is a deficit of (\$247,272,790), 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 other post employment benefit obligations, retirement incentives and other pension obligations and compensated absences 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,	
	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 10,726,592	\$ 9,215,952
Operating Grants and Contributions	656,333	1,009,810
Capital Grants and Contributions	427,324	62,872
General Revenues:		
Real Property Taxes	52,841,300	51,493,220
Other Tax Items	2,889,367	2,375,797
Non-Property Taxes	5,069,960	4,871,048
Unrestricted Use of Money and Property	212,999	71,035
Sale of property and Compensation for loss	16,811	16,939
Unrestricted State Aid	1,474,493	1,613,635
Miscellaneous	542,543	837,832
Insurance recoveries	1,442,965	130,731
Gain on sale of equipment	42,325	77,680
Total Revenues	<u>76,343,012</u>	<u>71,776,551</u>
PROGRAM EXPENSES		
General Government		
Support	15,006,055	17,217,894
Public Safety	27,718,024	35,250,135
Health	515,860	512,917
Transportation	9,124,500	9,971,988
Economic Opportunity and Development	291,138	333,760
Culture and Recreation	9,683,178	11,060,998
Home and Community Services	7,755,408	8,763,959
Interest	2,100,131	2,089,347
Total Expenses	<u>72,194,294</u>	<u>85,200,998</u>
Change in Net Position	<u>4,148,718</u>	<u>(13,424,447)</u>
NET POSITION		
Beginning, as reported	(63,524,567)	(48,429,651)
Cumulative Effect of Change in Accounting Principle	<u>(146,957,946)</u>	<u>(1,670,469)</u>
Beginning, as restated	<u>(210,482,513)</u>	<u>(50,100,120)</u>
Ending	<u><u>\$ (206,333,795)</u></u>	<u><u>\$ (63,524,567)</u></u>

Governmental Activities

Governmental activities increased the Town/Village's net position by \$4,148,718 prior to the cumulative effect of change in accounting principle.

For the fiscal year ended December 31, 2018, revenues from governmental activities totaled \$76,379,012. Tax revenues (\$60,800,627), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (80%). Last year tax revenues represented 82%, (\$58,740,065) and total revenue was \$71,776,551.

The largest components of governmental activities' expenses are public safety (38%), general government support (21%), culture and recreation (13%) and transportation (13%). This is comparative to last year when the largest components of governmental activities' expenses were public safety (41%), general government support (20%), culture and recreation (13%) and transportation (12%).

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 \$57,464,929, an increase of \$11,948,741 from the prior year fund balance. The nonspendable fund balance component is \$2,199,771 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 Parking Authority (a component unit of the Town/Village), 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 \$22,103,926 is restricted for law enforcement, workers compensation, debt service, capital projects, pension benefits, trusts and parklands. The Town/Village has committed \$3,539,196 for future capital projects. The assigned fund balance classification aggregates \$10,004,121, consisting of purchases on order in the amount of \$198,800 in the General Fund, \$115,362 in the Special Districts Fund, \$4,513 in the Highway Fund and \$11,233 in the Library Fund; amounts utilized to balance the fiscal 2019 budget (\$193,559 in the Debt Service Fund); and amounts available to be used at the Town/Village's discretion in funds other than the General Fund (\$7,249,247 in the Special Districts Fund, \$2,272,908 for highway purposes and \$152,058 for library purposes in the non-major funds). The remaining fund balance of \$19,617,915 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 \$19,617,915. This is an increase of \$2,220,577 from last year where the unassigned fund balance was \$17,397,338. Revenues and other financing sources were \$57,850,420, which was \$4,642,735 more than the final budget, primarily from higher than anticipated tax revenues, building permit revenues which exceeded the final budget by approximately \$2,348,740 as well as state aid which exceeded the final budget by \$267,483 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 \$3,368,440 at the end of the current fiscal year, an increase of \$1,018,933 from the previous year. The Town/Village issued \$18,623,600 in public improvement bonds for capital projects. The Town/Village did retire \$6,474,300 of long-term bonded indebtedness for capital construction.

The Capital Projects Fund reflects a restricted fund balance of \$14,916,217 at the end of the current fiscal year, an increase of \$6,449,027 from the previous year. Total revenues, inclusive of bonds issued and transfers totaled \$21,371,107. Capital outlay expenditures totaled \$14,185,088.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$9,021,647, an increase of \$416,898. This was due in part to an increase in real property taxes, offset by a decrease in water rents in Water District No. 2 and expenditures savings in the area of general government support and home and community services.

The non-major governmental funds consisting of the Highway, Public Library and Special Purpose funds reflected an aggregate fund balance of \$4,389,796, an increase of \$240,904 from the prior year. This was due primarily from increased state aid revenues and offset by expenditure increases in the area of transportation in the Highway Fund and culture and recreation in the Library Fund.

General Fund Budgetary Highlights

There was a difference between the original and final revenue budget for the General Fund of \$507,302. This difference is attributable to an increase in other taxes mostly in the area of interest and penalties on taxes of \$141,325. Departmental income – police fees increased by \$365,177 and miscellaneous gifts and donations increased by \$800.

The difference between the expenditures originally budgeted and the final appropriation budget for the General Fund was \$2,750,822 (\$55,456,178 vs. \$52,705,356). These changes were mainly in the areas of general support, public safety, home and transportation and employee benefits.

Capital Assets and Debt Administration

Capital Assets

The Town/Village's net investment in capital assets for governmental activities at December 31, 2018, net of \$104,648,566 of accumulated depreciation, was \$102,674,488. This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles, machinery and equipment and construction-in-progress.

**Capital Assets
December 31,**

Asset	2018	2017
Land	\$ 3,211,639	\$ 3,211,639
Construction-in-progress	5,841,992	6,512,080
Buildings and improvements	45,444,939	45,082,510
Infrastructure	126,790,752	114,869,131
Machinery and equipment	6,425,873	6,377,859
Vehicles	19,607,859	18,407,190
Less - accumulated depreciation	(104,648,566)	(99,723,243)
Total (net of depreciation)	<u>\$ 102,674,488</u>	<u>\$ 94,737,166</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 \$6,474,300 of principal on general obligation bonds through budgetary appropriations. The Town/Village issued \$18,623,600 in general obligation bonds in 2018.

At the end of the current fiscal year, the Town/Village had total bonded debt outstanding of \$81,464,600 (\$78,106,986 for capital construction and \$3,357,614 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 3G 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.

(This page intentionally left blank)

Town/Village of Harrison, New York

Statement of Net Position
December 31, 2018

	Primary Government	Component Unit
	Governmental Activities	Harrison Parking Authority
ASSETS		
Cash and equivalents	\$ 65,572,992	\$ 54,869
Investments	1,199,040	-
Deposit	82,000	-
Receivables		
Taxes	45,085,184	-
Accounts	3,894,689	-
State and Federal aid	1,155,364	-
Due from component unit	553,629	-
Due from other governments	10,652	-
Prepaid expenses	1,646,142	-
Capital assets		
Not being depreciated	9,053,631	-
Being depreciated, net	93,620,857	-
Total Assets	221,874,180	54,869
DEFERRED OUTFLOWS OF RESOURCES	15,098,984	-
LIABILITIES		
Accounts payable	2,591,764	2,500
Accrued liabilities	1,719,000	-
Due to other governments	38,421	-
Due to school district	50,328,135	-
Loans payable	221,735	-
Unearned revenues	1,481,915	20,925
Due to primary government	-	553,629
Accrued interest payable	267,473	-
Non-current liabilities		
Due within one year	7,040,167	-
Due in more than one year	342,822,164	-
Total Liabilities	406,510,774	577,054
DEFERRED INFLOWS OF RESOURCES	36,796,185	-
NET POSITION		
Net investment in capital assets	35,281,424	-
Restricted for		
Law enforcement	554,473	-
Debt service	3,380,253	-
Trusts	1,152,111	-
Parklands	570,734	-
Unrestricted	(247,272,790)	(522,185)
Total Net Position	\$ (206,333,795)	\$ (522,185)

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

Town/Village of Harrison, New York

Statement of Activities
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 15,006,055	\$ 4,474,530	\$ 648	\$ -
Public safety	27,718,024	3,143,786	(409)	-
Health	515,860	-	-	-
Transportation	9,124,500	602,769	156,038	352,074
Economic opportunity and development	291,138	-	-	-
Culture and recreation	9,683,178	927,484	477,563	-
Home and community services	7,755,408	1,578,023	22,493	41,307
Interest	2,100,131	-	-	33,943
Total Governmental Activities				
Primary Government	<u>\$ 72,194,294</u>	<u>\$ 10,726,592</u>	<u>\$ 656,333</u>	<u>\$ 427,324</u>
Component unit				
Harrison Parking Authority	<u>\$ 25,099</u>	<u>\$ 84,375</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues

Real property taxes
Other tax items
Payments in lieu of taxes
Interest and penalties on real property taxes
Hotel tax
Services for other governments
Utilities gross receipts taxes
Non-property taxes
Non-property tax distribution from County
Franchise fees
Unrestricted use of money and property
Sale of property and compensation for loss
Unrestricted State aid
Miscellaneous
Insurance recoveries
Gain on sale of equipment

Total General Revenues

Change in Net Position

NET POSITION

Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Beginning, as restated

Ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Harrison Parking Authority
\$ (10,530,877)	\$ -
(24,574,647)	-
(515,860)	-
(8,013,619)	-
(291,138)	-
(8,278,131)	-
(6,113,585)	-
(2,066,188)	-
(60,384,045)	-
-	59,276
52,841,300	-
681,312	-
856,970	-
617,822	-
39,088	-
694,175	-
4,398,413	-
671,547	-
212,999	204
16,811	-
1,474,493	-
542,543	-
1,442,965	-
42,325	-
64,532,763	204
4,148,718	59,480
(63,524,567)	(581,665)
(146,957,946)	-
(210,482,513)	(581,665)
\$ (206,333,795)	\$ (522,185)

Town/Village of Harrison, New York

Balance Sheet
Governmental Funds
December 31, 2018

	General	Debt Service	Capital Projects
ASSETS			
Cash and equivalents	\$ 29,527,733	\$ 3,364,007	\$ 16,473,405
Investments	-	-	-
Deposit	-	-	82,000
	<u>29,527,733</u>	<u>3,364,007</u>	<u>16,555,405</u>
Taxes receivable	<u>45,085,184</u>	<u>-</u>	<u>-</u>
Other receivables			
Accounts	1,245,071	4,433	-
State and Federal aid	1,155,364	-	-
Due from component unit	553,629	-	-
Due from other governments	10,652	-	-
Due from other funds	1,418	-	-
	<u>2,966,134</u>	<u>4,433</u>	<u>-</u>
Prepaid expenditures	<u>1,150,117</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 78,729,168</u>	<u>\$ 3,368,440</u>	<u>\$ 16,555,405</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 544,712	\$ -	\$ 1,417,453
Due to other governments	38,421	-	-
Due to school district	50,328,135	-	-
Loans payable	-	-	221,735
Unearned revenues	86,575	-	-
Due to other funds	-	-	-
Total Liabilities	<u>50,997,843</u>	<u>-</u>	<u>1,639,188</u>
Deferred inflows of resources			
Deferred tax revenues	<u>1,962,496</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>52,960,339</u>	<u>-</u>	<u>1,639,188</u>
Fund balances			
Nonspendable	1,703,746	-	-
Restricted	709,172	3,368,440	14,916,217
Committed	3,539,196	-	-
Assigned	198,800	-	-
Unassigned	19,617,915	-	-
Total Fund Balances	<u>25,768,829</u>	<u>3,368,440</u>	<u>14,916,217</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 78,729,168</u>	<u>\$ 3,368,440</u>	<u>\$ 16,555,405</u>

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 7,210,078	\$ 4,290,489	\$ 60,865,712
1,199,040	-	1,199,040
-	-	82,000
8,409,118	4,290,489	62,146,752
-	-	45,085,184
2,027,483	37,446	3,314,433
-	-	1,155,364
-	-	553,629
-	-	10,652
-	-	1,418
2,027,483	37,446	5,035,496
269,786	226,239	1,646,142
<u>\$ 10,706,387</u>	<u>\$ 4,554,174</u>	<u>\$ 113,913,574</u>
\$ 287,982	\$ 164,378	\$ 2,414,525
-	-	38,421
-	-	50,328,135
-	-	221,735
1,395,340	-	1,481,915
1,418	-	1,418
1,684,740	164,378	54,486,149
-	-	1,962,496
1,684,740	164,378	56,448,645
269,786	226,239	2,199,771
1,387,252	1,722,845	22,103,926
-	-	3,539,196
7,364,609	2,440,712	10,004,121
-	-	19,617,915
9,021,647	4,389,796	57,464,929
<u>\$ 10,706,387</u>	<u>\$ 4,554,174</u>	<u>\$ 113,913,574</u>

(This page intentionally left blank)

Town/Village of Harrison, New York

Reconciliation of Governmental Funds Balance Sheet to The Government-Wide Statement of Net Position December 31, 2018

Fund Balances - Total Governmental Funds	\$ 57,464,929
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.	102,674,488
Net position of the Internal Service Fund is included with government activities.	3,391,297
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	1,962,496
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on Employees' Retirement System's net pension liabilities	644,084
Deferred amounts on Police and Fire Retirement System's net pension liabilities	1,455,837
Deferred amounts on Fire Service Award's net pension liabilities	81,548
Deferred amounts on other post employment benefit obligations payable	(24,965,406)
Deferred amounts on refunding bonds	1,086,736
	(21,697,201)
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	(267,473)
Bonds payable	(84,863,422)
Energy performance contract debt	(1,668,474)
Compensated absences	(1,101,454)
Employees' retirement system's net pension liability	(1,586,380)
Police and fire retirement system's net pension liability	(2,682,870)
Fire service award's net pension liability	(2,015,436)
Claims payable	(1,700,940)
Other post employment benefit obligations payable	(254,243,355)
	(350,129,804)
Net Position of Governmental Activities	\$ (206,333,795)

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, 2018

	General	Debt Service	Capital Projects
REVENUES			
Real property taxes	\$ 38,244,065	\$ -	\$ -
Other tax items	2,889,367	-	-
Non-property taxes	5,069,960	-	-
Departmental income	2,844,357	-	-
Use of money and property	329,090	29,248	-
Licenses and permits	4,527,404	-	-
Fines and forfeitures	1,622,398	-	-
Sale of property and compensation for loss	16,811	-	-
State aid	1,524,744	-	290,481
Federal aid	-	-	61,593
Miscellaneous	543,191	4,433	41,307
Total Revenues	<u>57,611,387</u>	<u>33,681</u>	<u>393,381</u>
EXPENDITURES			
Current			
General government support	8,913,895	-	-
Public safety	21,302,169	-	-
Health	515,860	-	-
Transportation	325,992	-	-
Economic opportunity and development	150,959	-	-
Culture and recreation	3,605,021	-	-
Home and community services	2,732,024	-	-
Employee benefits	9,453,181	-	-
Debt service			
Principal	-	6,500,607	-
Interest	-	2,244,080	-
Capital outlay	-	-	14,185,088
Total Expenditures	<u>46,999,101</u>	<u>8,744,687</u>	<u>14,185,088</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,612,286</u>	<u>(8,711,006)</u>	<u>(13,791,707)</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	18,623,600
Energy performance contract issued	-	-	1,694,781
Issuance premium	-	758,999	-
Insurance recoveries	161,329	-	-
Sale of equipment	42,325	-	-
Transfers in	35,379	8,970,940	391,862
Transfers out	(7,028,610)	-	(469,509)
Total Other Financing Sources (Uses)	<u>(6,789,577)</u>	<u>9,729,939</u>	<u>20,240,734</u>
Net Change in Fund Balances	<u>3,822,709</u>	<u>1,018,933</u>	<u>6,449,027</u>
FUND BALANCES			
Beginning of Year	<u>21,946,120</u>	<u>2,349,507</u>	<u>8,467,190</u>
End of Year	<u>\$ 25,768,829</u>	<u>\$ 3,368,440</u>	<u>\$ 14,916,217</u>

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 6,140,659	\$ 8,099,713	\$ 52,484,437
-	-	2,889,367
-	-	5,069,960
1,490,762	125,842	4,460,961
(20,417)	18,979	356,900
-	-	4,527,404
-	-	1,622,398
-	-	16,811
-	114,154	1,929,379
-	-	61,593
27,109	465,609	1,081,649
<u>7,638,113</u>	<u>8,824,297</u>	<u>74,500,859</u>
44,112	-	8,958,007
3,071,031	-	24,373,200
-	-	515,860
-	3,848,159	4,174,151
-	-	150,959
-	1,512,099	5,117,120
522,735	275,818	3,530,577
1,741,862	2,888,730	14,083,773
-	-	6,500,607
-	-	2,244,080
-	-	14,185,088
<u>5,379,740</u>	<u>8,524,806</u>	<u>83,833,422</u>
<u>2,258,373</u>	<u>299,491</u>	<u>(9,332,563)</u>
-	-	18,623,600
-	-	1,694,781
-	-	758,999
-	-	161,329
-	-	42,325
-	-	9,398,181
(1,841,475)	(58,587)	(9,398,181)
<u>(1,841,475)</u>	<u>(58,587)</u>	<u>21,281,034</u>
416,898	240,904	11,948,471
<u>8,604,749</u>	<u>4,148,892</u>	<u>45,516,458</u>
<u>\$ 9,021,647</u>	<u>\$ 4,389,796</u>	<u>\$ 57,464,929</u>

(This page intentionally left blank)

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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 11,948,471</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	13,915,858
Depreciation expense	<u>(5,978,536)</u>
	<u>7,937,322</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>356,863</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	(18,623,600)
Energy performance contract debt issued	(1,694,781)
Issuance premium	(758,999)
Principal paid on bonds	6,474,300
Principal paid on energy performance contract	26,307
Amortization of loss on refunding and issuance premium	<u>174,667</u>
	<u>(14,402,106)</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	(30,718)
Compensated absences	83,771
Claims	175,358
Pension obligations	(364,902)
Other post employment benefit obligations	<u>(2,955,678)</u>
	<u>(3,092,169)</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 are reported within governmental activities	<u>1,400,337</u>
Change in Net Position of Governmental Activities	<u>\$ 4,148,718</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, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 38,562,494	\$ 38,562,494	\$ 38,244,065	\$ (318,429)
Other tax items	1,975,196	2,116,521	2,889,367	772,846
Non-property taxes	4,480,000	4,480,000	5,069,960	589,960
Departmental income	1,907,900	2,273,077	2,844,357	571,280
Use of money and property	132,000	132,000	329,090	197,090
Licenses and permits	2,023,600	2,023,600	4,527,404	2,503,804
Fines and forfeitures	1,675,000	1,675,000	1,622,398	(52,602)
Sale of property and compensation for loss	5,000	5,000	16,811	11,811
State aid	1,257,261	1,257,261	1,524,744	267,483
Miscellaneous	446,600	447,400	543,191	95,791
Total Revenues	52,465,051	52,972,353	57,611,387	4,639,034
EXPENDITURES				
Current				
General government support	9,243,617	9,533,621	8,913,895	619,726
Public safety	20,236,551	21,897,432	21,302,169	595,263
Health	515,900	515,900	515,860	40
Transportation	463,074	434,330	325,992	108,338
Economic opportunity and development	162,993	162,993	150,959	12,034
Culture and recreation	3,658,557	3,685,980	3,605,021	80,959
Home and community services	2,884,185	2,743,047	2,732,024	11,023
Employee benefits	8,724,584	9,453,374	9,453,181	193
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	45,889,461	48,426,677	46,999,101	1,427,576
Excess of Revenues Over Expenditures	6,575,590	4,545,676	10,612,286	6,066,610
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	161,332	161,329	(3)
Sale of equipment	24,000	24,000	42,325	18,325
Transfers in	-	-	35,379	35,379
Transfers out	(6,815,895)	(7,029,501)	(7,028,610)	891
Total Other Financing Uses	(6,791,895)	(6,844,169)	(6,789,577)	54,592
Net Change in Fund Balances	(216,305)	(2,298,493)	3,822,709	6,121,202
FUND BALANCES				
Beginning of Year	216,305	2,298,493	21,946,120	19,647,627
End of Year	\$ -	\$ -	\$ 25,768,829	\$ 25,768,829

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)
\$ 6,140,659	\$ 6,140,659	\$ 6,140,659	\$ -
-	-	-	-
-	-	-	-
1,489,179	1,489,179	1,490,762	1,583
3,500	3,500	(20,417)	(23,917)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
31,800	31,800	27,109	(4,691)
7,665,138	7,665,138	7,638,113	(27,025)
31,295	45,694	44,112	1,582
3,412,075	3,288,431	3,071,031	217,400
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
730,439	770,739	522,735	248,004
1,706,822	1,750,893	1,741,862	9,031
-	-	-	-
-	-	-	-
5,880,631	5,855,757	5,379,740	476,017
1,784,507	1,809,381	2,258,373	448,992
-	-	-	-
-	-	-	-
-	-	-	-
(1,784,507)	(1,846,185)	(1,841,475)	4,710
(1,784,507)	(1,846,185)	(1,841,475)	4,710
-	(36,804)	416,898	453,702
-	36,804	8,604,749	8,567,945
\$ -	\$ -	\$ 9,021,647	\$ 9,021,647

Town/Village of Harrison, New York

Statement of Net Position

Proprietary Fund

December 31, 2018

	Governmental Activities- Internal Service Fund
ASSETS	
Cash and equivalents	\$ 4,707,280
Accounts receivable	580,256
Total Assets	5,287,536
LIABILITIES	
Accounts payable	177,239
Accrued liabilities	1,719,000
Total Liabilities	1,896,239
NET POSITION	
Unrestricted	\$ 3,391,297

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, 2018

	Governmental Activities- Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 14,168,681
Insurance recoveries	<u>1,281,636</u>
Total Operating Revenues	<u>15,450,317</u>
OPERATING EXPENSES	
Insurance	696,010
Employee benefits	13,096,331
Contractual	<u>257,639</u>
Total Operating Expenses	<u>14,049,980</u>
Income from Operations	1,400,337
NET POSITION	
Beginning of Year	<u>1,990,960</u>
End of Year	<u><u>\$ 3,391,297</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, 2018

	Governmental Activities- Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 14,168,681
Cash received from insurance recoveries	1,371,849
Cash payments to vendors	(257,639)
Cash payments to insurance carriers and claimants	<u>(13,689,193)</u>
Net Cash from Operating Activities	1,593,698
CASH AND EQUIVALENTS	
Beginning of Year	<u>3,113,582</u>
End of Year	<u><u>\$ 4,707,280</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	\$ 1,400,337
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	90,213
Accounts payable	17,148
Accrued liabilities	<u>86,000</u>
Net Cash from Operating Activities	<u><u>\$ 1,593,698</u></u>

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

Town/Village of Harrison, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2018

	Agency Fund
ASSETS	
Cash and equivalents	\$ 2,838,396
Accounts receivable	<u>1,301</u>
Total Assets	<u><u>\$ 2,839,697</u></u>
LIABILITIES	
Accounts payable	77,632
Employee payroll deductions	22,450
Guarantee and bid deposits	<u>2,739,615</u>
Total Liabilities	<u><u>\$ 2,839,697</u></u>

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

(This page intentionally left blank)

Town/Village of Harrison, New York

Notes to Financial Statements
December 31, 2018

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 2004, 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.

Complete financial statements can be obtained from its administrative office located at the Town/Village of Harrison, New York, 1 Heineman Place, Harrison, New York 10528.

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. The primary government is reported separately from the legally separate component unit.

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 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:

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

- 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. 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 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. 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, total pension liability, 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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

decreases (expenses) in total net position. The component unit 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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Town/Village's deposits and 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.

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.

Investments (except Length of Service Awards Program investments, which are discussed below) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town/Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Length of Service Awards Program Investments

Fire Service Awards Program –The program policy allows investments in the following: (1) fixed income mutual funds; (2) international equities; (3) United States government obligations; and (4) mixed assets. These investments are measured using level 1 inputs.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town/Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town/Village does not invest in any long-term investment obligations.

Custodial Credit Risk - 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 balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2018.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town/Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town/Village's investment policy limits the amount on deposit at each of its banking institutions.

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 of Westchester ("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 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/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Deposit - The Town/Village made a deposit of \$82,000 for the purchase of property, in the Capital Projects Fund. These funds were placed in escrow in the name of the Town/Village.

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 Component Unit - the due from component unit represents amounts advanced to the Authority in the form of a note plus accrued interest. The note is due on demand.

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, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental 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 acquisition 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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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	5-8

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 \$86,575 for fees received in advance in the General Fund and \$1,395,340 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 \$1,086,736 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$1,962,496 for real property taxes not expected to be collected in the first sixty days of the subsequent year 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/inflows of resources in relation to its pension obligations as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 5,821,515	\$ 5,177,431
New York State and Local Police and Fire Retirement System	6,950,476	5,494,639
Length of Service Awards Program	220,245	138,697
Other post employment benefit obligations	1,020,012	25,985,418
Deferred amounts on refunding bonds	1,086,736	-
	<u>\$ 15,098,984</u>	<u>\$ 36,796,185</u>

These amount are detailed in the discussion of the Town/Village's pension plans in Note 3G.

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

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

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

Net 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,

Note 1 - Summary of Significant Accounting Policies (Continued)

"Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date."*

Total Pension Liability - Length of Service Award Programs - The total pension liability for the Fire Service Awards Program is presented in accordance with the provisions of GASB Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*.

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 June 21, 2019.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

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.
- 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.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 2018 inclusive of exclusions, was \$161,573,486 which exceeded the actual levy by \$151,292,461.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town/Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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 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 \$1,418 as of December 31, 2018. The Town/Village will address this deficit in the ensuing year.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2018, the Town/Village implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the 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 principle of \$(146,957,946).

E. Excess of Actual Expenditures Over Budget

The following fund exceeded their budgetary authorization by the amounts indicated:

General Fund – Village -		
General Government Support – Judgment and claims	\$	2,213
Debt Service Fund:		
Principal – Energy performance contract		26,307
Interest – Energy performance contract		4,024

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2018 consisted of the following:

Town/Village taxes	\$	461,167
County taxes		252,602
School District taxes		42,769,599
Tax liens		<u>1,601,816</u>
	\$	<u>45,085,184</u>

School district taxes are offset by liabilities to the school district which will be paid no later than April 5, 2019. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$1,962,496, 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 \$553,629 as of December 31, 2018 represents amounts advanced in 2006, 2007, 2008 and 2017 to the Authority plus accrued interest. Interest is payable at 4%. The note is due on demand.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

C. Due From/To Other Funds,

The balances reflected as due from/to other funds at December 31, 2018 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,418	\$ -
Special Districts	-	1,418
	<u>\$ 1,418</u>	<u>\$ 1,418</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, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2018</u>
Capital Assets, not being depreciated				
Land	\$ 3,211,639	\$ -	\$ -	\$ 3,211,639
Construction-in-progress	6,512,080	2,361,455	(3,031,543)	5,841,992
Total Capital Assets, not being depreciated	<u>\$ 9,723,719</u>	<u>\$ 2,361,455</u>	<u>\$ (3,031,543)</u>	<u>\$ 9,053,631</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 45,082,510	\$ 362,429	\$ -	\$ 45,444,939
Infrastructure	114,869,131	11,921,621	-	126,790,752
Machinery and equipment	6,377,859	97,898	(49,884)	6,425,873
Vehicles	18,407,190	2,203,998	(1,003,329)	19,607,859
Total Capital Assets, being depreciated	<u>184,736,690</u>	<u>14,585,946</u>	<u>(1,053,213)</u>	<u>198,269,423</u>
Less Accumulated Depreciation for				
Buildings and improvements	12,838,577	1,088,065	-	13,926,642
Infrastructure	70,373,623	3,170,068	-	73,543,691
Machinery and equipment	4,657,092	357,814	(49,884)	4,965,022
Vehicles	11,853,951	1,362,589	(1,003,329)	12,213,211
Total Accumulated Depreciation	<u>99,723,243</u>	<u>5,978,536</u>	<u>(1,053,213)</u>	<u>104,648,566</u>
Total Capital Assets, being depreciated, net	<u>\$ 85,013,447</u>	<u>\$ 8,607,410</u>	<u>\$ -</u>	<u>\$ 93,620,857</u>
Capital Assets, net	<u>\$ 94,737,166</u>	<u>\$ 10,968,865</u>	<u>\$ (3,031,543)</u>	<u>\$ 102,674,488</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities	
General Government Support	\$ 577,511
Public Safety	764,700
Transportation	2,387,515
Culture and Recreation	595,243
Home and Community Services	<u>1,653,567</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,978,536</u>

E. Accrued Liabilities - Unpaid Claim Liabilities

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

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

	<u>2018</u>	<u>2017</u>
Balance - Beginning of Year	\$ 1,633,000	\$ 1,398,000
Provision for Claims and Claims Adjustment Expenses	13,096,331	14,961,274
Claims and Claims Adjustment Expenses Paid	<u>(13,010,331)</u>	<u>(14,726,274)</u>
Balance - End of Year	<u>\$ 1,719,000</u>	<u>\$ 1,633,000</u>

F. Short-Term Capital Borrowings

Loans Payable - New York State Environmental Facilities Corporation

The Town/Village, in 2018, received a loan from the New York State Environmental Facilities Corporation ("NYSEFC") in the amount of \$221,735, to finance improvements to its drinking and clean water systems. The interest free loan has a scheduled maturity of September 24, 2020. The amount of the Town/Village's principal payments will be calculated by the EFC Corporation using a factor of 12.00% per annum multiplied by the amount drawn on the Recipient Notes through the period ending one year prior to the date the principal payment is due from the recipient. The balance due at December 31, 2018 was \$221,735.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued) December 31, 2018

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, 2018:

	Balance as Reported January 1, 2018	Cumulative Effect of Change in Accounting Principle*	Balance as Restated January 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2018	Due Within One Year
Bonds Payable - Capital Construction	\$ 65,579,426	\$ -	\$ 65,579,426	\$ 18,623,600	\$ 6,096,040	\$ 78,106,986	\$ 6,158,467
Bonds Payable - Judgments and claims	3,735,874	-	3,735,874	-	378,260	3,357,614	442,533
Plus - Unamortized premium on bonds	2,942,036	-	2,942,036	758,999	302,213	3,398,822	-
	<u>72,257,336</u>	<u>-</u>	<u>72,257,336</u>	<u>19,382,599</u>	<u>6,776,513</u>	<u>84,863,422</u>	<u>6,601,000</u>
Other Non-Current Liabilities							
Energy performance contract debt	-	-	-	1,694,781	26,307	1,668,474	159,167
Compensated absences	1,185,225	-	1,185,225	35,229	119,000	1,101,454	110,000
Total Pension Liability - Length of service award program	1,671,286	-	1,671,286	344,150	-	2,015,436	-
Net pension liability	10,542,767	-	10,542,767	-	6,273,517	4,269,250	-
Claims payable	1,876,298	-	1,876,298	2,361,286	2,536,644	1,700,940	170,000
Other post employment benefit obligations payable	129,295,137	146,957,946	276,253,083	17,082,274	39,092,002	254,243,355	-
Total Other Non-Current Liabilities	<u>144,570,713</u>	<u>146,957,946</u>	<u>291,528,659</u>	<u>21,517,720</u>	<u>48,047,470</u>	<u>264,998,909</u>	<u>439,167</u>
Total Long-Term Liabilities	<u>\$ 216,828,049</u>	<u>\$ 146,957,946</u>	<u>\$ 363,785,995</u>	<u>\$ 40,900,319</u>	<u>\$ 54,823,983</u>	<u>\$ 349,862,331</u>	<u>\$ 7,040,167</u>

*See Note 2D.

Liabilities for bonds are liquidated by the Debt Service Fund. Each fund's liability for energy performance contract debt, compensated absences, net pension liability, total pension liability - length of service award program, claims and other post employment benefit obligations are liquidated by the respective fund.

Bonds Payable

Bonds payable at December 31, 2018 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2018
Refunding Bonds	2011	10,280,000	May, 2022	4.000 %	\$ 1,110,000
Public Improvements and Tax Certiorari	2011	10,696,070	March, 2025	3.000-4.000	6,140,000
Public Improvements	2012	3,804,700	March, 2032	2.250-3.000	2,915,000
Public Improvements	2012	9,970,135	December, 2032	2.000-2.500	7,450,000
Public Improvements and Tax Certiorari	2013	7,963,063	December, 2033	3.000-4.000	6,695,000
Refunding Bonds	2013	15,775,000	December, 2028	3.000-5.000	9,300,000
Public Improvements and Tax Certiorari	2014	4,757,880	December, 2027	2.000-2.375	3,695,000
Public Improvements	2015	7,344,015	September, 2035	2.000-3.000	6,750,000
Refunding Bonds	2017	5,610,000	June, 2027	5.000	4,795,000
Public Improvements and Tax Certiorari	2017	9,349,300	December, 2036	3.000	8,950,000
Public Improvements	2017	800,000	December, 2032	2.500-3.000	800,000
Public Improvements and Tax Certiorari	2017	4,346,000	December, 2031	4.000	4,241,000
Public Improvements	2018	18,623,600	November, 2044	3.500-5.000	18,623,600
					<u>\$ 81,464,600</u>

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$2,240,056 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,096,107 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt and energy performance contract debt outstanding as of December 31, 2018, including interest payments of \$25,284,344 are as follows:

Year Ending December 31,	Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,601,000	\$ 2,772,705	\$ 159,167	\$ 22,819	\$ 6,760,167	\$ 2,795,524
2020	7,178,600	2,570,244	161,458	20,528	7,340,058	2,590,772
2021	6,610,000	2,312,989	163,782	18,204	6,773,782	2,331,193
2022	5,210,000	2,092,295	166,139	15,846	5,376,139	2,108,141
2023	5,225,000	1,913,914	168,531	13,455	5,393,531	1,927,369
2024-2028	22,340,000	7,025,219	849,397	30,196	23,189,397	7,055,415
2029-2033	15,625,000	3,850,174	-	-	15,625,000	3,850,174
2034-2038	6,850,000	1,787,756	-	-	6,850,000	1,787,756
2039-2043	4,770,000	795,800	-	-	4,770,000	795,800
2044	1,055,000	42,200	-	-	1,055,000	42,200
	<u>\$ 81,464,600</u>	<u>\$ 25,163,296</u>	<u>\$ 1,668,474</u>	<u>\$ 121,048</u>	<u>\$ 83,133,074</u>	<u>\$ 25,284,344</u>

The above general obligation bonds and energy performance contract debt payable 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.

Energy Performance Contract Debt Payable

The Town/Village, in 2018, entered into a \$1,694,781 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over ten years, with monthly installments of \$15,165 through October 2028. Payments include interest at 1.43%. The contract further provides that the savings in energy costs resulting from these upgrades will equal or exceed the lease payment terms. The balance due at December 31, 2018 was \$1,668,474. Interest expenditures/expense of \$4,024 were recorded in the fund financial statements in the Debt Service Fund and in the government-wide financial statements for governmental activities.

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Defined Benefit - Fire Service Awards Program

The Town/Village's financial statements are for the year ended December 31, 2018. The information contained in this note is based on information for the Town of Harrison – West Harrison Fire Department Service Award Program for the program year ending on December 31, 2018, which is the most recent program year for which complete information is available. The Program is accounted for in the Town/Village's financial statements within the Fire Protection District #1 Fund.

Plan description

The Town/Village established a defined benefit Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2004 for the active volunteer firefighter members of the West Harrison Fire Department. This is a single employer defined benefit plan. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Town/Village is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Town/Village 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 a ten-year certain and continuous monthly payment life annuity.

Benefits provided

The monthly benefits are \$30 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. All death and disability benefits are self-insured and are paid from the Program Trust Fund. Separate financial statements are not issued by the Program.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Participants covered by the benefit terms.

At the December 31, 2018 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	17
Inactive participants entitled to but not yet receiving benefits payments	8
Active participants	<u>44</u>
Total	<u><u>69</u></u>

Contributions

New York State General Municipal Law §219(d) requires the Town/Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town/Village.

Trust Assets. Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town/Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The trust assets are recorded in the Fire Service Award Fund as investments and as a component of Restricted fund balance.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal
Inflation: 2.25%
Salary Scale: None assumed

Mortality rates were based on RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate. The discount rate used to measure the total pension liability was 3.16%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch or AA by Standard & Poor's Rating Services.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)**Changes in the Total Pension Liability**

Balance as of 12/31/17 measurement date	\$ 1,671,286
Service cost	63,665
Interest	62,626
Changes in benefit terms	191,805
Changes in assumptions or other inputs	149,114
Differences between expected and actual experience	(29,244)
Benefit payments	<u>(93,816)</u>
Balance as of 12/31/18 measurement date	<u>\$ 2,015,436</u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Town/Village as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Town/Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Assumption (3.16%)	1% Increase (4.16%)
Total Pension Liability	<u>\$ 2,383,034</u>	<u>\$ 2,015,436</u>	<u>\$ 1,721,876</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the Town/Village recognized pension expenditures of \$78,114 in the Fire Service Awards Fund. At December 31, 2018, the Town/Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,331	\$ 26,787
Changes of assumptions or other inputs	136,583	111,910
Benefit payments & administrative expenses subsequent to the measurement date	<u>71,331</u>	<u>-</u>
	<u>\$ 220,245</u>	<u>\$ 138,697</u>

\$71,331 reported as deferred outflows of resources related to pensions resulting from Town/Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2019.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	
2019	\$ (1,373)
2020	(1,373)
2021	(1,373)
2022	(1,373)
2023	(1,373)
Thereafter	17,082

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 2018 are as follows:

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS-Town	3 A14	15.7%
	4 A15	15.7
	5 A15	12.9
	6 A15	9.2
ERS-Village	4 A15	15.7%
	6 A15	9.2
PFRS-Police	2 384D	24.0%
	5 384D	19.4
	6 375I	8.5
	6 384D	14.4
PFRS-Fire	2 384	20.1%
	2 384D	24.0

At December 31, 2018, the Town/Village reported its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2018	March 31, 2018
Net pension liability	\$ 1,586,380	\$ 2,682,870
Town/Village's proportion of the net pension liability	0.0491528%	0.2654318%
Change in proportion since the prior measurement date	(0.0014950%)	(0.0136211%)

The net pension liability was measured as of March 31, 2018, 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.

For the year ended December 31, 2018, the Town/Village recognized pension expense in the government-wide financial statements of \$1,967,129 for ERS and \$2,464,009 for PFRS. Pension expenditures of \$2,017,506 for ERS and \$2,296,632 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General - Town	\$ 1,195,419	\$ 1,829,514
General - Village	335,254	-
Special Districts	37,920	467,118
Non-Major Governmental		
Highway	307,471	-
Public Library	141,442	-
	<u>\$ 2,017,506</u>	<u>\$ 2,296,632</u>

At December 31, 2018, the Town/Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 565,810	\$ 467,565	\$ 1,104,243	\$ 712,900
Changes in assumptions	1,051,901	-	2,032,760	-
Net difference between projected and actual earnings on pension plan investments	2,304,091	4,548,045	2,171,469	4,373,221
Changes in proportion and differences between Town/Village contributions and proportionate share of contributions	306,822	161,821	11,936	408,518
Town/Village contributions subsequent to the measurement date	1,592,891	-	1,630,068	-
	<u>\$ 5,821,515</u>	<u>\$ 5,177,431</u>	<u>\$ 6,950,476</u>	<u>\$ 5,494,639</u>

The \$1,592,891 and \$1,630,068 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town/Village's accrued contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the plan year ended March 31, 2019. 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:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2019	\$ 388,869	\$ 450,526
2020	295,325	389,202
2021	(1,118,484)	(637,959)
2022	(514,517)	(451,882)
2023	-	75,882

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS and PFRS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2018	March 31, 2018
Actuarial valuation date	April 1, 2017	April 1, 2017
Investment rate of return	7.0% *	7.0% *
Salary scale	3.8%	4.50%
Inflation rate	2.5%	2.5%
Cost of living adjustments'	1.3%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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.

The following presents the Town/Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town/Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 12,002,976</u>	<u>\$ 1,586,380</u>	<u>\$ (7,225,645)</u>
Town/Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 13,141,426</u>	<u>\$ 2,682,870</u>	<u>\$ (6,089,404)</u>

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 183,400,590,000	\$ 32,914,423,000	\$ 216,315,013,000
Fiduciary net position	<u>180,173,145,000</u>	<u>31,903,666,000</u>	<u>212,076,811,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>	<u>\$ 1,010,757,000</u>	<u>\$ 4,238,202,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</u>

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, 2018 represent the employer contribution for the period of April 1, 2018 through December 31, 2018 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, 2018 were \$1,592,891 and \$1,630,068 respectively.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

The Town/Village can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town/Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

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.

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

	Year Ended December 31,	
	2018	2017
Balance - Beginning of Year	\$ 1,876,298	\$ 2,268,139
Provision for Claims and Claims Adjustment Expenses	2,361,286	2,256,430
Claims and Claims Adjustment Expenses Paid	(2,536,644)	(2,648,271)
Balance - End of Year	<u>\$ 1,700,940</u>	<u>\$ 1,876,298</u>
Due Within One Year	<u>\$ 170,000</u>	<u>\$ 188,000</u>

Other Post Employment Benefit Obligations ("OPEB")

In addition to providing pension benefits, the Town/Village provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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. The cost of providing post employment health care benefits is shared between the Town/Village and the retired employee as noted below. Substantially all of the Town/Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Town/Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	300
Active employees	<u>241</u>
	<u>541</u>

The Town/Villages' total OPEB liability of \$254,243,355 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increase	2.75%
Discount rate	3.71%
Healthcare cost trend rates	5.0% for 2019, decreasing by up to .25% per year to an ultimate rate of 4.242% for 2065 and decreasing to 3.784% for 2075 and later years
Retirees' share of benefit-related costs	Retirees are not required to contribute to retiree health benefits if they paid contributions toward healthcare benefit as an active employee for at least a defined number of years as per their bargaining unit.

The discount rate was based on the Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2018 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2018 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The Town/Village's change in the total OPEB liability for the year ended December 31, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 276,253,083
Service cost	6,514,679
Interest	9,260,731
Differences between expected and actual experience	1,306,864
Changes in assumptions or other inputs	(33,117,268)
Benefit payments	<u>(5,974,734)</u>
Total OPEB Liability - End of Year	<u>\$ 254,243,355</u>

The following presents the total OPEB liability of the Town/Village, as well as what the Town/Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current discount rate:

	1% Decrease (2.71%)	Current Assumption (3.71%)	1% Increase (4.71%)
Total OPEB Liability	<u>\$ 305,251,754</u>	<u>\$ 254,243,355</u>	<u>\$ 214,602,491</u>

The following presents the total OPEB liability of the Town/Village, as well as what the Town/Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.0% decreasing to 2.784%) or 1 percentage point higher (6.0% decreasing to 4.784%) than the current healthcare cost trend rates:

	1% Decrease (4.0% decreasing to 2.784%)	Healthcare Cost Trend Rates (5.0% decreasing to 3.784%)	1% Increase (6.0% decreasing to 4.784%)
Total OPEB Liability	<u>\$ 202,743,046</u>	<u>\$ 254,243,355</u>	<u>\$ 321,473,199</u>

For the year ended December 31, 2018, the Town/Village recognized OPEB expense of \$8,930,412 in the government-wide financial statements. At December 31, 2018, the Town/Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 25,985,418
Differences between expected and actual experience	1,020,012	-
	<u>\$ 1,020,012</u>	<u>\$ 25,985,418</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	\$ (6,844,998)
2020	(6,844,998)
2021	(6,640,791)
2022	(3,314,508)
2023	(336,770)
Thereafter	(983,341)

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.

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, 2018

Total Assets	\$ 15,068,891
Total Liabilities	57,524,990
Net Deficit	(42,456,099)
Total Revenues	27,316,318
Total Expenses	27,428,756
Decrease in Net Position	(112,438)

I. Revenues and Expenditures**Interfund Transfers**

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	General Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ 6,845,335	\$ 183,275	\$ 7,028,610
Capital Projects Fund	35,379	434,130	-	469,509
Special Districts Fund	-	1,691,475	150,000	1,841,475
Non-Major Governmental Funds	-	-	58,587	58,587
	<u>\$ 35,379</u>	<u>\$ 8,970,940</u>	<u>\$ 391,862</u>	<u>\$ 9,398,181</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.

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2018						2017					
	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	\$ 1,150,117	\$ -	\$ -	\$ 269,786	\$ 226,239	\$ 1,646,142	\$ 1,151,592	\$ -	\$ -	\$ 274,146	\$ 238,020	\$ 1,663,758
Long-term receivables	553,629	-	-	-	-	553,629	693,495	-	-	-	-	693,495
Total Nonspendable	1,703,746	-	-	269,786	226,239	2,199,771	1,845,087	-	-	274,146	238,020	2,357,253
Restricted:												
Law enforcement	554,473	-	-	-	-	554,473	554,473	-	-	-	-	554,473
Workers' compensation	142,886	-	-	-	-	142,886	142,886	-	-	-	-	142,886
Debt service	11,813	3,174,881	-	-	-	3,186,694	11,615	2,320,995	-	-	-	2,332,610
Debt service - Subsequent Year's Expenditures	-	193,559	-	-	-	193,559	-	28,512	-	-	-	28,512
Capital projects	-	-	14,916,217	-	-	14,916,217	-	-	8,467,190	-	-	8,467,190
Pension benefits	-	-	-	1,387,252	-	1,387,252	-	-	-	1,416,248	-	1,416,248
Trusts	-	-	-	-	1,152,111	1,152,111	-	-	-	-	1,072,822	1,072,822
Parklands	-	-	-	-	570,734	570,734	-	-	-	-	483,957	483,957
Total Restricted	709,172	3,368,440	14,916,217	1,387,252	1,722,845	22,103,926	708,974	2,349,507	8,467,190	1,416,248	1,556,779	14,498,698
Committed - Future Capital Projects	3,539,196	-	-	-	-	3,539,196	1,389,196	-	-	-	-	1,389,196
Assigned:												
Purchases on order:												
General government support	153,231	-	-	-	-	153,231	152,287	-	-	-	-	152,287
Public safety	43,437	-	-	70,072	-	113,509	64,085	-	-	-	-	64,085
Transportation	2,132	-	-	-	4,513	6,645	-	-	-	-	6,250	6,250
Culture and recreation	-	-	-	-	11,233	11,233	-	-	-	-	-	-
Home and community services	-	-	-	45,290	-	45,290	-	-	-	-	-	-
	198,800	-	-	115,362	15,746	329,908	216,372	-	-	-	6,250	222,622
Subsequent year's expenditures	-	-	-	-	-	-	216	-	-	-	-	216
Tax certiorari	-	-	-	-	-	-	388,937	-	-	-	-	388,937
Major funds	-	-	-	7,249,247	-	7,249,247	-	-	-	6,914,355	-	6,914,355
Highway purposes	-	-	-	-	2,272,908	2,272,908	-	-	-	-	2,140,172	2,140,172
Library purposes	-	-	-	-	152,058	152,058	-	-	-	-	207,671	207,671
Total Assigned	198,800	-	-	7,364,609	2,440,712	10,004,121	605,525	-	-	6,914,355	2,354,093	9,873,973
Unassigned	19,617,915	-	-	-	-	19,617,915	17,397,338	-	-	-	-	17,397,338
Total Fund Balances	\$ 25,768,829	\$ 3,368,440	\$ 14,916,217	\$ 9,021,647	\$ 4,389,796	\$ 57,464,929	\$ 21,946,120	\$ 2,349,507	\$ 8,467,190	\$ 8,604,749	\$ 4,148,892	\$ 45,516,458

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

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 represents funds to be used for a specific purpose in accordance with Section 6-j of New York State General Municipal Law.

Capital Projects represents the component of net position that reports the amount restricted for capital projects.

The Town/Village has committed \$3,539,196 for future capital projects.

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, 2018, the Town/Village Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

Town/Village of Harrison, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town/Village is a defendant, along with Westchester County and ten other municipalities in Westchester County, in claims brought under the citizen suit provision of the Federal Clean Water Act alleging that defects in the defendants' sanitary sewer systems are leading to discharges of sewage to Long Island Sound. Plaintiffs seek injunctive relief in the form of sewer system infrastructure repairs as well as statutory penalties and attorneys' fees. No provision has been included in the financial statements.

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.

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/auto 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 2018. General liability and auto 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 Employment Practice Liability 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 \$10 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 \$225,000 for each individual covered in the plan. At December 31, 2018, the Town/Village has recorded a liability of \$1,719,000 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.H., 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 \$49,597,500 as of December 31, 2018 and continue to accrue at \$13,750 a day. The Town/Village's share of these fines is approximately 54.4 % 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 Uniform Guidance. 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

Notes to Financial Statements (Concluded)
December 31, 2018

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town currently has three labor contracts that are expired as of December 31, 2018. The Local 456, I.B.T. (the "Teamsters") contract expired as of December 31, 2017. The Harrison Professional Firefighters Association, IAFF Local 2245 (the "Harrison Firefighters") contract expired as of December 31, 2017. The Civil Service Employees Association, Inc. Local 1000, AFSCME, AFL-CIO contract expired as of December 31, 2017. The Town's financial statements do not include a provision for any salary increases as of December 31, 2018.

Note 5 - Subsequent Events

The Town/village, in February 2019, issued \$221,735 in EFC Drinking Water Statutory Bonds. The bonds are interest free and mature annually through 2029.

(This page intentionally left blank)

Town/Village of Harrison, New York

Required Supplementary Information - Schedule of Changes in the Town/Village's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1) (2)

	2018
Total OPEB Liability:	
Service cost	\$ 6,514,679
Interest	9,260,731
Changes of benefit terms	-
Differences between expected and actual experience	1,306,864
Changes of assumptions or other inputs	(33,117,268) (4)
Benefit payments	(5,974,734)
Net Change in Total OPEB Liability	(22,009,728)
Total OPEB Liability – Beginning of Year	276,253,083 (3)
Total OPEB Liability – End of Year	\$ 254,243,355
Town/Village's covered-employee payroll	\$ 24,523,951
Total OPEB liability as a percentage of covered-employee payroll	1036.71%

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) The decrease is attributable to: the rate used to discount future cash flows was updated from 3.31% to 3.71%, revised healthcare trend rates and the mortality assumption was revised to the sex-district RPH-2014 Mortality Tables and then adjusted for mortality improvements with scale MP-2015.

See independent auditors' report.

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)

	2018	2017	2016 (2)	2015
Town/Village's proportion of the net pension liability	<u>0.0491528%</u>	<u>0.0506478%</u>	<u>0.0516169%</u>	<u>0.0552982%</u>
Town/Village's proportionate share of the net pension liability	<u>\$ 1,586,380</u>	<u>\$ 4,758,972</u>	<u>\$ 8,284,651</u>	<u>\$ 1,868,110</u>
Town/Village's covered payroll	<u>\$ 14,353,517</u>	<u>\$ 14,059,991</u>	<u>\$ 13,880,279</u>	<u>\$ 13,450,800</u>
Town/Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>11.05%</u>	<u>33.85%</u>	<u>59.69%</u>	<u>13.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.20%</u>	<u>94.70%</u>	<u>90.70%</u>	<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*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,120,094	\$ 2,118,957	\$ 2,131,643	\$ 2,447,573
Contributions in relation to the contractually required contribution	<u>(2,120,094)</u>	<u>(2,118,957)</u>	<u>(2,131,643)</u>	<u>(2,447,573)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town/Village's covered payroll	<u>\$ 14,248,238</u>	<u>\$ 14,171,397</u>	<u>\$ 14,193,012</u>	<u>\$ 13,963,555</u>
Contributions as a percentage of covered payroll	<u>14.88%</u>	<u>14.95%</u>	<u>15.02%</u>	<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)

	2018	2017	2016 (2)	2015
Town/Village's proportion of the net pension liability	<u>0.2654318%</u>	<u>0.2790529%</u>	<u>0.3083435%</u>	<u>0.2923915%</u>
Town/Village's proportionate share of the net pension liability	<u>\$ 2,682,870</u>	<u>\$ 5,783,795</u>	<u>\$ 9,129,396</u>	<u>\$ 804,835</u>
Town/Village's covered payroll	<u>\$ 9,939,063</u>	<u>\$ 9,858,257</u>	<u>\$ 10,050,196</u>	<u>\$ 9,815,085</u>
Town/Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>26.99%</u>	<u>58.67%</u>	<u>90.84%</u>	<u>8.20%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.90%</u>	<u>93.50%</u>	<u>90.20%</u>	<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*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,177,672	\$ 2,245,761	\$ 2,305,912	\$ 2,471,756
Contributions in relation to the contractually required contribution	<u>(2,177,672)</u>	<u>(2,245,761)</u>	<u>(2,305,912)</u>	<u>(2,471,756)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town/Village's covered payroll	<u>\$ 10,786,463</u>	<u>\$ 10,642,343</u>	<u>\$ 9,898,572</u>	<u>\$ 9,908,337</u>
Contributions as a percentage of covered payroll	<u>20.19%</u>	<u>21.10%</u>	<u>23.30%</u>	<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*.

Town/Village of Harrison

Required Supplementary Information - Schedule of Changes in the Town/Village's Total Pension Liability - Fire Service Awards Program Last Ten Fiscal Years (1)

Schedule of Changes in the Town/Village's Total Pension Liability

	2018	2017
Total Pension Liability		
Service cost	\$ 63,665	\$ 66,456
Interest	62,626	56,832
Changes in benefit terms	191,805	-
Changes in assumptions or other inputs	149,114	(137,637)
Differences between expected and actual experience	(29,244)	15,166
Benefit payments	(93,816)	(78,132)
Net Change in total pension liability	344,150	(77,315)
Total pension liability – beginning	1,671,286	1,748,601
Total pension liability – ending	\$2,015,436	\$ 1,671,286
Covered payroll	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A

(1) Schedule is intended to show information for 10 years. Additional information will be displayed as they become available.

Notes to Required Supplementary information

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2017: 3.71%

December 31, 2018: 3.16%

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB No. 73 to pay related benefits.

Town/Village of Harrison, New York

General Fund
Combining Balance Sheet - Sub Funds
December 31, 2018
(With Comparative Totals for 2017)

			Totals	
	Town	Village	2018	2017
ASSETS				
Cash and equivalents	\$ 19,971,567	\$ 9,556,166	\$ 29,527,733	\$ 54,905,628
Taxes receivable	-	45,085,184	45,085,184	28,478,787
Other receivables				
Accounts	1,074,029	171,042	1,245,071	1,514,727
State and Federal aid	1,155,364	-	1,155,364	1,092,691
Due from component unit	-	553,629	553,629	693,495
Due from other governments	-	10,652	10,652	69,294
Due from other funds	-	1,418	1,418	1,158
	<u>2,229,393</u>	<u>736,741</u>	<u>2,966,134</u>	<u>3,371,365</u>
Prepaid expenditures	<u>978,621</u>	<u>171,496</u>	<u>1,150,117</u>	<u>1,151,592</u>
Total Assets	<u>\$ 23,179,581</u>	<u>\$ 55,549,587</u>	<u>\$ 78,729,168</u>	<u>\$ 87,907,372</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 471,903	\$ 72,809	\$ 544,712	\$ 1,022,749
Due to other governments	-	38,421	38,421	7,488
Due to school district	-	50,328,135	50,328,135	48,779,985
Unearned revenues	<u>86,575</u>	<u>-</u>	<u>86,575</u>	<u>306,075</u>
Total Liabilities	<u>558,478</u>	<u>50,439,365</u>	<u>50,997,843</u>	<u>50,116,297</u>
Deferred inflows of resources				
Deferred tax revenues	-	1,962,496	1,962,496	1,605,633
Taxes collected in advance	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,239,322</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,962,496</u>	<u>1,962,496</u>	<u>15,844,955</u>
Total Liabilities and Deferred Inflows of Resources	<u>558,478</u>	<u>52,401,861</u>	<u>52,960,339</u>	<u>65,961,252</u>
Fund balances				
Nonspendable	978,621	725,125	1,703,746	1,845,087
Restricted	697,359	11,813	709,172	708,974
Committed	3,539,196	-	3,539,196	1,389,196
Assigned	196,579	2,221	198,800	605,525
Unassigned	<u>17,209,348</u>	<u>2,408,567</u>	<u>19,617,915</u>	<u>17,397,338</u>
Total Fund Balances	<u>22,621,103</u>	<u>3,147,726</u>	<u>25,768,829</u>	<u>21,946,120</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,179,581</u>	<u>\$ 55,549,587</u>	<u>\$ 78,729,168</u>	<u>\$ 87,907,372</u>

See independent auditors' report.

Town/Village of Harrison, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended December 31, 2018
(With Comparative Totals for 2017)

			Totals	
	Town	Village	2018	2017
REVENUES				
Real property taxes	\$ 28,108,980	\$ 10,135,085	\$ 38,244,065	\$ 37,392,499
Other tax items	-	2,889,367	2,889,367	2,375,797
Non-property taxes	5,069,960	-	5,069,960	4,871,048
Departmental income	2,844,357	-	2,844,357	2,136,602
Use of money and property	232,833	96,257	329,090	185,510
Licenses and permits	4,527,404	-	4,527,404	2,504,899
Fines and forfeitures	1,603,973	18,425	1,622,398	2,256,004
Sale of property and compensation for loss	-	16,811	16,811	16,939
State aid	811,322	713,422	1,524,744	1,669,111
Miscellaneous	470,427	72,764	543,191	848,180
Total Revenues	43,669,256	13,942,131	57,611,387	54,256,589
EXPENDITURES				
Current				
General government support	7,539,926	1,373,969	8,913,895	8,886,287
Public safety	21,302,169	-	21,302,169	20,265,340
Health	515,860	-	515,860	512,917
Transportation	325,992	-	325,992	343,708
Economic opportunity and development	150,959	-	150,959	148,799
Culture and recreation	3,605,021	-	3,605,021	3,541,423
Home and community services	221,157	2,510,867	2,732,024	2,768,978
Employee benefits	6,402,580	3,050,601	9,453,181	9,310,767
Debt service				
Principal	-	-	-	635,000
Interest	-	-	-	1,704
Total Expenditures	40,063,664	6,935,437	46,999,101	46,414,923
Excess of Revenues Over Expenditures	3,605,592	7,006,694	10,612,286	7,841,666
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	1,160,000
Insurance recoveries	161,329	-	161,329	130,731
Sale of equipment	42,325	-	42,325	77,680
Transfers in	35,379	-	35,379	51,954
Transfers out	(213,606)	(6,815,004)	(7,028,610)	(7,528,409)
Total Other Financing Sources (Uses)	25,427	(6,815,004)	(6,789,577)	(6,108,044)
Net Change in Fund Balances	3,631,019	191,690	3,822,709	1,733,622
FUND BALANCES				
Beginning of Year	18,990,084	2,956,036	21,946,120	20,212,498
End of Year	\$ 22,621,103	\$ 3,147,726	\$ 25,768,829	\$ 21,946,120

See independent auditors' report.

Town/Village of Harrison, New York

General Fund - Town

Comparative Balance Sheet - Sub Fund

December 31,

	2018	2017
ASSETS		
Cash and equivalents	<u>\$ 19,971,567</u>	<u>\$ 16,748,498</u>
Receivables		
Accounts	1,074,029	1,261,799
State and Federal aid	<u>1,155,364</u>	<u>1,092,691</u>
	<u>2,229,393</u>	<u>2,354,490</u>
Prepaid expenditures	<u>978,621</u>	<u>984,380</u>
Total Assets	<u><u>\$ 23,179,581</u></u>	<u><u>\$ 20,087,368</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 471,903	\$ 791,209
Unearned revenues	<u>86,575</u>	<u>306,075</u>
Total Liabilities	<u>558,478</u>	<u>1,097,284</u>
Fund balance		
Nonspendable	978,621	984,380
Restricted	697,359	697,359
Committed	3,539,196	1,389,196
Assigned	196,579	214,151
Unassigned	<u>17,209,348</u>	<u>15,704,998</u>
Total Fund Balance	<u>22,621,103</u>	<u>18,990,084</u>
Total Liabilities and Fund Balance	<u><u>\$ 23,179,581</u></u>	<u><u>\$ 20,087,368</u></u>

See independent auditors' report.

Town/Village of Harrison, New York

General Fund - Town

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

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 28,108,980	\$ 28,108,980	\$ 28,108,980	\$ -
Non-property taxes	4,480,000	4,480,000	5,069,960	589,960
Departmental income	1,907,900	2,273,077	2,844,357	571,280
Use of money and property	122,000	122,000	232,833	110,833
Licenses and permits	2,023,600	2,023,600	4,527,404	2,503,804
Fines and forfeitures	1,660,000	1,660,000	1,603,973	(56,027)
State aid	661,058	661,058	811,322	150,264
Miscellaneous	346,300	347,100	470,427	123,327
Total Revenues	39,309,838	39,675,815	43,669,256	3,993,441
EXPENDITURES				
Current				
General government support	8,329,458	8,070,792	7,539,926	530,866
Public safety	20,236,551	21,897,432	21,302,169	595,263
Health	515,900	515,900	515,860	40
Transportation	463,074	434,330	325,992	108,338
Economic opportunity and development	162,993	162,993	150,959	12,034
Culture and recreation	3,658,557	3,685,980	3,605,021	80,959
Home and community services	221,861	224,751	221,157	3,594
Employee benefits	5,959,595	6,402,765	6,402,580	185
Total Expenditures	39,547,989	41,394,943	40,063,664	1,331,279
Excess (Deficiency) of Revenues Over Expenditures	(238,151)	(1,719,128)	3,605,592	5,324,720
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	161,332	161,329	(3)
Sale of equipment	24,000	24,000	42,325	18,325
Transfers in	-	-	35,379	35,379
Transfers out	-	(213,606)	(213,606)	-
Total Other Financing Sources (Uses)	24,000	(28,274)	25,427	53,701
Net Change in Fund Balance	(214,151)	(1,747,402)	3,631,019	5,378,421
FUND BALANCE				
Beginning of Year	214,151	1,747,402	18,990,084	17,242,682
End of Year	\$ -	\$ -	\$ 22,621,103	\$ 22,621,103

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 27,285,515	\$ 27,285,515	\$ 27,285,515	\$ -
4,365,000	4,365,000	4,871,048	506,048
1,850,900	1,850,900	2,136,602	285,702
112,000	112,000	161,910	49,910
1,988,600	1,988,600	2,504,899	516,299
1,560,000	1,560,000	2,220,998	660,998
666,058	675,301	872,898	197,597
349,300	498,375	704,394	206,019
38,177,373	38,335,691	40,758,264	2,422,573
7,718,905	7,890,620	7,565,908	324,712
20,061,462	20,505,551	20,265,340	240,211
521,900	521,900	512,917	8,983
472,749	472,748	343,708	129,040
153,768	153,768	148,799	4,969
3,572,406	3,580,267	3,541,423	38,844
216,839	219,953	216,914	3,039
5,623,574	6,375,801	6,328,944	46,857
38,341,603	39,720,608	38,923,953	796,655
(164,230)	(1,384,917)	1,834,311	3,219,228
-	129,618	130,731	1,113
24,000	24,000	77,680	53,680
-	-	42,897	42,897
-	(897,431)	(897,431)	-
24,000	(743,813)	(646,123)	97,690
(140,230)	(2,128,730)	1,188,188	3,316,918
140,230	2,128,730	17,801,896	15,673,166
\$ -	\$ -	\$ 18,990,084	\$ 18,990,084

Town/Village of Harrison, New York

General Fund - Town

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub Fund

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	<u>\$ 28,108,980</u>	<u>\$ 28,108,980</u>	<u>\$ 28,108,980</u>	<u>\$ -</u>	<u>\$ 27,285,515</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	3,900,000	3,900,000	4,398,413	498,413	4,191,542
Franchise fees	<u>580,000</u>	<u>580,000</u>	<u>671,547</u>	<u>91,547</u>	<u>679,506</u>
	<u>4,480,000</u>	<u>4,480,000</u>	<u>5,069,960</u>	<u>589,960</u>	<u>4,871,048</u>
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	8,664	1,664	9,500
Police fees	493,000	858,177	1,251,932	393,755	663,908
Fire inspection fees	195,000	195,000	233,020	38,020	213,544
Parking meters and permit fees	340,000	340,000	338,780	(1,220)	347,559
Parks and recreation charges	825,000	825,000	883,094	58,094	813,316
Recreation commissions	1,900	1,900	3,263	1,363	3,745
Zoning fees	5,000	5,000	5,200	200	8,325
Community services	1,000	1,000	722	(278)	1,333
Planning Board fees	19,000	19,000	14,600	(4,400)	19,625
Planning Board parking fees	-	-	80,075	80,075	34,075
Senior lunch program fees	<u>21,000</u>	<u>21,000</u>	<u>25,007</u>	<u>4,007</u>	<u>21,672</u>
	<u>1,907,900</u>	<u>2,273,077</u>	<u>2,844,357</u>	<u>571,280</u>	<u>2,136,602</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	25,000	25,000	117,004	92,004	47,480
Rentals of real property	<u>97,000</u>	<u>97,000</u>	<u>115,829</u>	<u>18,829</u>	<u>114,430</u>
	<u>122,000</u>	<u>122,000</u>	<u>232,833</u>	<u>110,833</u>	<u>161,910</u>

LICENSES AND PERMITS

Street opening permits	60,000	60,000	154,065	94,065	184,068
Building permits	1,935,000	1,935,000	4,283,740	2,348,740	2,214,357
Wetlands permits	-	-	23,100	23,100	14,724
Bingo licenses	100	100	202	102	167
Dog license fund apportionment	3,500	3,500	4,564	1,064	4,778
Other licenses and permits	25,000	25,000	61,733	36,733	86,805

	<u>2,023,600</u>	<u>2,023,600</u>	<u>4,527,404</u>	<u>2,503,804</u>	<u>2,504,899</u>
--	------------------	------------------	------------------	------------------	------------------

FINES AND FORFEITURES

Fines and forfeited bail	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,603,973</u>	<u>(56,027)</u>	<u>2,220,998</u>
--------------------------	------------------	------------------	------------------	-----------------	------------------

STATE AID

Per capita	113,852	113,852	113,852	-	113,852
Mortgage tax	515,000	515,000	647,219	132,219	703,570
Youth programs	7,206	7,206	14,649	7,443	12,320
Bus shelters	25,000	25,000	23,006	(1,994)	22,154
Police grant	-	-	12,596	12,596	3,845
Justice court	-	-	-	-	17,157

	<u>661,058</u>	<u>661,058</u>	<u>811,322</u>	<u>150,264</u>	<u>872,898</u>
--	----------------	----------------	----------------	----------------	----------------

MISCELLANEOUS

Refunds of prior year's expenditures	130,000	130,000	233,594	103,594	487,552
Gifts and donations	-	800	648	(152)	10,348
Medicare Part D reimbursement	185,000	185,000	185,000	-	161,735
Unclassified	31,300	31,300	51,185	19,885	44,759

	<u>346,300</u>	<u>347,100</u>	<u>470,427</u>	<u>123,327</u>	<u>704,394</u>
--	----------------	----------------	----------------	----------------	----------------

TOTAL REVENUES

	<u>39,309,838</u>	<u>39,675,815</u>	<u>43,669,256</u>	<u>3,993,441</u>	<u>40,758,264</u>
--	-------------------	-------------------	-------------------	------------------	-------------------

(Continued)

(This page intentionally left blank)

Town/Village of Harrison, New York

General Fund - Town

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	\$ -	\$ 161,332	\$ 161,329	\$ (3)	\$ 130,731
Sale of equipment	24,000	24,000	42,325	18,325	77,680
Transfers in					
Capital Projects Fund	-	-	35,379	35,379	42,897
TOTAL OTHER FINANCING SOURCES	<u>24,000</u>	<u>185,332</u>	<u>239,033</u>	<u>53,701</u>	<u>251,308</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 39,333,838</u>	<u>\$ 39,861,147</u>	<u>\$ 43,908,289</u>	<u>\$ 4,047,142</u>	<u>\$ 41,009,572</u>

Town/Village of Harrison, New York

General Fund - Town

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub Fund

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 76,760	\$ 77,760	\$ 77,760	\$ -	\$ 73,784
Town Justice	758,165	753,899	730,698	23,201	745,835
Supervisor	354,149	358,415	357,304	1,111	349,229
Finance	449,450	449,450	427,817	21,633	434,841
Auditor	42,000	42,000	42,000	-	42,000
Receiver of Taxes	200,107	165,472	161,108	4,364	235,956
Purchasing	156,014	156,014	150,181	5,833	143,541
Assessor	224,118	224,118	220,676	3,442	211,737
Town Clerk	237,339	237,524	236,945	579	223,103
Archive Grant	4,820	4,635	332	4,303	1,525
Town Attorney	1,063,800	1,090,417	1,032,068	58,349	939,372
Engineer	516,115	344,593	335,792	8,801	583,252
Elections	45,000	45,000	43,677	1,323	42,405
Commissioner of Public Works	352,095	360,523	358,240	2,283	335,428
Central services	407,254	327,072	303,974	23,098	279,465
Buildings	1,393,959	1,411,243	1,410,065	1,178	1,393,871
Central garage	828,302	828,302	825,940	2,362	761,997
Central data processing	413,261	413,261	408,428	4,833	407,224
Special items					
Special services	145,550	225,550	156,817	68,733	98,370
Appraisals	-	5,000	-	5,000	-
General code	6,000	6,000	5,743	257	4,616
Youth Council	500	500	-	500	457
Unallocated insurance	140,000	140,000	135,456	4,544	138,432
Taxes and assessments on property	100,000	95,000	89,477	5,523	90,024
Metropolitan commuter transportation mobility tax	30,502	30,502	29,428	1,074	29,444
Contingent account	384,198	278,542	-	278,542	-
	<u>8,329,458</u>	<u>8,070,792</u>	<u>7,539,926</u>	<u>530,866</u>	<u>7,565,908</u>

PUBLIC SAFETY

Police	10,830,857	11,032,533	10,739,618	292,915	10,176,359
Employee benefits - Police	8,070,322	9,509,424	9,374,747	134,677	9,010,432
Youth forum	51,501	51,501	48,523	2,978	47,064
Traffic control	219,729	239,832	213,849	25,983	183,321
Fire inspection	230,415	230,415	131,945	98,470	124,738
Control of animals	48,500	48,500	47,789	711	47,167
Safety inspection	785,227	785,227	745,698	39,529	676,259

	<u>20,236,551</u>	<u>21,897,432</u>	<u>21,302,169</u>	<u>595,263</u>	<u>20,265,340</u>
--	-------------------	-------------------	-------------------	----------------	-------------------

HEALTH

Ambulance	<u>515,900</u>	<u>515,900</u>	<u>515,860</u>	<u>40</u>	<u>512,917</u>
-----------	----------------	----------------	----------------	-----------	----------------

TRANSPORTATION

Street lighting	<u>463,074</u>	<u>434,330</u>	<u>325,992</u>	<u>108,338</u>	<u>343,708</u>
-----------------	----------------	----------------	----------------	----------------	----------------

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Community services	<u>162,993</u>	<u>162,993</u>	<u>150,959</u>	<u>12,034</u>	<u>148,799</u>
--------------------	----------------	----------------	----------------	---------------	----------------

CULTURE AND RECREATION

Parks, playgrounds and recreation	3,414,835	3,441,458	3,360,671	80,787	3,302,406
Celebrations	12,000	12,800	12,648	152	12,500
Historian	2,200	2,200	2,180	20	1,643
Public library	229,522	229,522	229,522	-	225,375

	<u>3,658,557</u>	<u>3,685,980</u>	<u>3,605,021</u>	<u>80,959</u>	<u>3,541,924</u>
--	------------------	------------------	------------------	---------------	------------------

HOME AND COMMUNITY SERVICES

Zoning	2,300	2,300	6	2,294	363
Planning	134,161	137,051	135,761	1,290	131,160
Council for the arts	82,500	82,500	82,500	-	82,000
ETPA administrative charge	2,900	2,900	2,890	10	2,890

	<u>221,861</u>	<u>224,751</u>	<u>221,157</u>	<u>3,594</u>	<u>216,413</u>
--	----------------	----------------	----------------	--------------	----------------

(Continued)

Town/Village of Harrison, New York

General Fund - Town

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 1,216,510	\$ 1,195,419	\$ 1,195,419	\$ -	\$ 1,153,940
Social security	686,295	668,050	668,050	-	665,803
Workers' compensation benefits	300,000	254,027	254,027	-	379,096
Disability benefits	9,500	9,500	9,318	182	8,585
Unemployment benefits	2,500	-	-	-	83
Welfare benefits	28,000	26,600	26,600	-	26,600
Health, dental and life insurance	3,716,790	4,249,169	4,249,166	3	4,094,837
	<u>5,959,595</u>	<u>6,402,765</u>	<u>6,402,580</u>	<u>185</u>	<u>6,328,944</u>
TOTAL EXPENDITURES	<u>39,547,989</u>	<u>41,394,943</u>	<u>40,063,664</u>	<u>1,331,279</u>	<u>38,923,953</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	-	30,331	30,331	-	-
Capital Projects Fund	-	183,275	183,275	-	897,431
	<u>-</u>	<u>213,606</u>	<u>213,606</u>	<u>-</u>	<u>897,431</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 39,547,989</u>	<u>\$ 41,608,549</u>	<u>\$ 40,277,270</u>	<u>\$ 1,331,279</u>	<u>\$ 39,821,384</u>

See independent auditors' report.

Town/Village of Harrison, New York

General Fund - Village
Comparative Balance Sheet - Sub Fund
December 31,

	2018	2017
ASSETS		
Cash and equivalents	\$ 9,556,166	\$ 38,157,130
Taxes receivable	45,085,184	28,478,787
Receivables		
Accounts	171,042	252,928
Due from component unit	553,629	693,495
Due from other governments	10,652	69,294
Due from other funds	1,418	1,158
	736,741	1,016,875
Prepaid expenditures	171,496	167,212
Total Assets	<u>\$ 55,549,587</u>	<u>\$ 67,820,004</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 72,809	\$ 231,540
Due to other governments	38,421	7,488
Due to school district	50,328,135	48,779,985
Total Liabilities	50,439,365	49,019,013
Deferred inflows of resources		
Deferred tax revenues	1,962,496	1,605,633
Taxes collected in advance	-	14,239,322
Total Deferred Inflows of Resources	1,962,496	15,844,955
Total Liabilities and Deferred Inflows of Resources	52,401,861	64,863,968
Fund balance		
Nonspendable	725,125	860,707
Restricted	11,813	11,615
Assigned	2,221	391,374
Unassigned	2,408,567	1,692,340
Total Fund Balance	3,147,726	2,956,036
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 55,549,587</u>	<u>\$ 67,820,004</u>

See independent auditors' report.

Town/Village of Harrison, New York

General Fund - Village

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual - Sub Fund

Years Ended December 31,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,453,514	\$ 10,453,514	\$ 10,135,085	\$ (318,429)
Other tax items	1,975,196	2,116,521	2,889,367	772,846
Use of money and property	10,000	10,000	96,257	86,257
Fines and forfeitures	15,000	15,000	18,425	3,425
Sale of property and compensation for loss	5,000	5,000	16,811	11,811
State aid	596,203	596,203	713,422	117,219
Miscellaneous	100,300	100,300	72,764	(27,536)
Total Revenues	13,155,213	13,296,538	13,942,131	645,593
EXPENDITURES				
Current				
General government support	914,159	1,462,829	1,373,969	88,860
Home and community services	2,662,324	2,518,296	2,510,867	7,429
Employee benefits	2,764,989	3,050,609	3,050,601	8
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	6,341,472	7,031,734	6,935,437	96,297
Excess of Revenues Over Expenditures	6,813,741	6,264,804	7,006,694	741,890
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(6,815,895)	(6,815,895)	(6,815,004)	891
Total Other Financing Uses	(6,815,895)	(6,815,895)	(6,815,004)	891
Net Change in Fund Balance	(2,154)	(551,091)	191,690	742,781
FUND BALANCE				
Beginning of Year	2,154	551,091	2,956,036	2,404,945
End of Year	\$ -	\$ -	\$ 3,147,726	\$ 3,147,726

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,244,900	\$ 10,244,900	\$ 10,106,984	\$ (137,916)
1,933,063	1,933,063	2,375,797	442,734
5,000	5,000	23,600	18,600
30,000	30,000	35,006	5,006
5,000	5,000	16,939	11,939
581,203	581,203	796,213	215,010
100,300	100,300	143,786	43,486
12,899,466	12,899,466	13,498,325	598,859
844,771	1,758,877	1,320,379	438,498
2,802,183	2,552,071	2,552,064	7
2,641,656	2,990,706	2,981,823	8,883
-	635,000	635,000	-
-	1,704	1,704	-
6,288,610	7,938,358	7,490,970	447,388
6,610,856	4,961,108	6,007,355	1,046,247
-	1,160,000	1,160,000	-
-	8,038	9,057	1,019
(6,613,077)	(6,637,075)	(6,630,978)	6,097
(6,613,077)	(5,469,037)	(5,461,921)	7,116
(2,221)	(507,929)	545,434	1,053,363
2,221	507,929	2,410,602	1,902,673
\$ -	\$ -	\$ 2,956,036	\$ 2,956,036

Town/Village of Harrison, New York

General Fund - Village

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub Fund

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	<u>\$ 10,453,514</u>	<u>\$ 10,453,514</u>	<u>\$ 10,135,085</u>	<u>\$ (318,429)</u>	<u>\$ 10,106,984</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	680,196	680,196	681,312	1,116	645,941
Interest and penalties on real property taxes	550,000	691,325	856,970	165,645	638,582
Hotel tax	50,000	50,000	617,822	567,822	377,918
Services for other governments	40,000	40,000	39,088	(912)	40,302
Utilities gross receipts taxes	<u>655,000</u>	<u>655,000</u>	<u>694,175</u>	<u>39,175</u>	<u>673,054</u>
	<u>1,975,196</u>	<u>2,116,521</u>	<u>2,889,367</u>	<u>772,846</u>	<u>2,375,797</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	<u>10,000</u>	<u>10,000</u>	<u>96,257</u>	<u>86,257</u>	<u>23,600</u>
FINES AND FORFEITURES					
Fines and forfeited bail	<u>15,000</u>	<u>15,000</u>	<u>18,425</u>	<u>3,425</u>	<u>35,006</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of recycled materials	<u>5,000</u>	<u>5,000</u>	<u>16,811</u>	<u>11,811</u>	<u>16,939</u>
STATE AID					
Per capita	81,203	81,203	66,203	(15,000)	92,643
Mortgage tax	<u>515,000</u>	<u>515,000</u>	<u>647,219</u>	<u>132,219</u>	<u>703,570</u>
	<u>596,203</u>	<u>596,203</u>	<u>713,422</u>	<u>117,219</u>	<u>796,213</u>

MISCELLANEOUS

Refunds of prior year's expenditures

Miscellaneous

100,000	100,000	47,546	(52,454)	135,009
300	300	25,218	24,918	8,777

100,300	100,300	72,764	(27,536)	143,786
---------	---------	--------	----------	---------

TOTAL REVENUES

13,155,213	13,296,538	13,942,131	645,593	13,498,325
------------	------------	------------	---------	------------

OTHER FINANCING SOURCES

Bonds issued

Transfers in

Capital Projects Fund

Debt Service Fund

-	-	-	-	1,160,000
---	---	---	---	-----------

-	-	-	-	8,038
---	---	---	---	-------

-	-	-	-	1,019
---	---	---	---	-------

TOTAL OTHER FINANCING SOURCES

-	-	-	-	1,169,057
---	---	---	---	-----------

**TOTAL REVENUES AND
OTHER FINANCING SOURCES**

\$ 13,155,213	\$ 13,296,538	\$ 13,942,131	\$ 645,593	\$ 14,667,382
---------------	---------------	---------------	------------	---------------

Town/Village of Harrison, New York

General Fund - Village

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub Fund

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

85

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 23,750	\$ 23,750	\$ 23,000	\$ 750	\$ 23,000
Law	127,895	127,895	127,894	1	117,504
Special items					
Special services	1,500	1,500	1,215	285	1,260
Stormwater management plan	2,221	2,221	-	2,221	-
Bond and note issuance costs	5,000	5,000	3,860	1,140	7,796
Unallocated insurance	110,000	102,607	98,366	4,241	106,721
Taxes and assessments on property	100,000	100,000	88,065	11,935	88,657
Judgments and claims	465,639	1,021,969	1,024,182	(2,213)	968,776
Metropolitan commuter transportation mobility tax	7,654	7,387	7,387	-	6,665
Contingent account	70,500	70,500	-	70,500	-
	914,159	1,462,829	1,373,969	88,860	1,320,379
HOME AND COMMUNITY SERVICES					
Refuse and garbage collection	2,662,324	2,518,296	2,510,867	7,429	2,552,064
EMPLOYEE BENEFITS					
State retirement	350,000	335,255	335,254	1	352,271
Social security	172,218	167,330	167,329	1	168,379
Workers' compensation benefits	575,000	615,515	615,514	1	639,308
Disability benefits	3,171	2,287	2,286	1	2,437
Unemployment benefits	3,600	2,464	2,463	1	2,555
Welfare benefits	26,000	22,563	22,563	-	23,275
Health, dental and life insurance	1,635,000	1,905,195	1,905,192	3	1,793,598
	2,764,989	3,050,609	3,050,601	8	2,981,823

DEBT SERVICE

Bond anticipation notes

Principal

Interest

-	-	-	-	635,000
-	-	-	-	1,704
-	-	-	-	636,704

TOTAL EXPENDITURES

6,341,472

7,031,734

6,935,437

96,297

7,490,970

OTHER FINANCING USES

Transfers out

Debt Service Fund

6,815,895	6,815,895	6,815,004	891	6,630,978
-----------	-----------	-----------	-----	-----------

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 13,157,367	\$ 13,847,629	\$ 13,750,441	\$ 97,188	\$ 14,121,948
---------------	---------------	---------------	-----------	---------------

(This page intentionally left blank)

Town/Village of Harrison, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 3,364,007	\$ 2,340,069
Accounts receivable	<u>4,433</u>	<u>9,438</u>
Total Assets	<u>\$ 3,368,440</u>	<u>\$ 2,349,507</u>
FUND BALANCE		
Restricted	<u>\$ 3,368,440</u>	<u>\$ 2,349,507</u>

See independent auditors' report.

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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 29,248	\$ 29,248
Miscellaneous	-	-	4,433	4,433
Total Revenues	-	-	33,681	33,681
EXPENDITURES				
Debt service				
Refunding bond issuance costs	-	-	-	-
Principal				
Serial bonds	6,404,300	6,474,300	6,474,300	-
Energy performance contract	-	-	26,307	(26,307)
	6,404,300	6,474,300	6,500,607	(26,307)
Interest				
Serial bonds	2,074,616	2,240,057	2,240,056	1
Energy performance contract	-	-	4,024	(4,024)
	2,074,616	2,240,057	2,244,080	(4,023)
Total Expenditures	8,478,916	8,714,357	8,744,687	(30,330)
Deficiency of Revenues Over Expenditures	(8,478,916)	(8,714,357)	(8,711,006)	3,351
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	758,999	758,999
Transfers in	8,450,404	8,450,404	8,970,940	520,536
Transfers out	-	-	-	-
Total Other Financing Sources	8,450,404	8,450,404	9,729,939	1,279,535
Net Change in Fund Balance	(28,512)	(263,953)	1,018,933	1,282,886
FUND BALANCE				
Beginning of Year	28,512	263,953	2,349,507	2,085,554
End of Year	\$ -	\$ -	\$ 3,368,440	\$ 3,368,440

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 6,532	\$ 6,532
-	-	9,438	9,438
-	-	15,970	15,970
-	59,108	59,108	-
5,969,015	5,979,015	5,979,015	-
-	-	-	-
5,969,015	5,979,015	5,979,015	-
2,146,454	2,168,842	2,168,842	-
-	-	-	-
2,146,454	2,168,842	2,168,842	-
8,115,469	8,206,965	8,206,965	-
(8,115,469)	(8,206,965)	(8,190,995)	15,970
-	5,610,000	5,610,000	-
-	(6,400,968)	(6,400,968)	-
-	850,076	1,526,628	676,552
8,087,327	8,119,715	8,163,720	44,005
-	-	(1,019)	1,019
8,087,327	8,178,823	8,898,361	721,576
(28,142)	(28,142)	707,366	737,546
28,142	28,142	1,642,141	1,613,999
\$ -	\$ -	\$ 2,349,507	\$ 2,351,545

Town/Village of Harrison, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 16,473,405	\$ 9,506,234
Deposit	82,000	-
State and Federal aid receivable	-	245,235
	<u>-</u>	<u>245,235</u>
Total Assets	<u>\$ 16,555,405</u>	<u>\$ 9,751,469</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,417,453	\$ 1,039,044
Loans payable	221,735	-
Unearned revenues	-	245,235
	<u>-</u>	<u>245,235</u>
Total Liabilities	1,639,188	1,284,279
FUND BALANCE		
Restricted	<u>14,916,217</u>	<u>8,467,190</u>
Total Liabilities and Fund Balance	<u>\$ 16,555,405</u>	<u>\$ 9,751,469</u>

See independent auditors' report.

Town/Village of Harrison, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	2018	2017
REVENUES		
State aid	\$ 290,481	\$ -
Federal aid	61,593	3,960
Miscellaneous	41,307	42,897
Total Revenues	393,381	46,857
EXPENDITURES		
Capital outlay	14,185,088	7,321,227
Deficiency of Revenues Over Expenditures	(13,791,707)	(7,274,370)
OTHER FINANCING SOURCES (USES)		
Bonds issued	18,623,600	13,335,300
Energy performance contract issued	1,694,781	-
Transfers in	391,862	1,313,854
Transfers out	(469,509)	(94,940)
Total Other Financing Sources	20,240,734	14,554,214
Net Change in Fund Balance	6,449,027	7,279,844
FUND BALANCE		
Beginning of Year	8,467,190	1,187,346
End of Year	\$ 14,916,217	\$ 8,467,190

See independent auditors' report.

Town/Village of Harrison, New York

Special Districts Fund
Combining Balance Sheet - Sub Funds
December 31, 2018
(With Comparative Totals for 2017)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
ASSETS			
Cash and equivalents	\$ 5,425,525	\$ 6,442	\$ 52,901
Investments	-	-	-
Accounts receivable	1,860,454	-	2,380
Prepaid expenditures	-	-	36,772
Total Assets	\$ 7,285,979	\$ 6,442	\$ 92,053
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 32	\$ -	\$ 32,084
Unearned revenues	1,395,340	-	-
Due to other funds	-	-	-
Total Liabilities	1,395,372	-	32,084
Fund balances (deficits)			
Nonspendable	-	-	36,772
Restricted	-	-	-
Assigned	5,890,607	6,442	23,197
Total Fund Balances (Deficits)	5,890,607	6,442	59,969
Total Liabilities and Fund Balances (Deficits)	\$ 7,285,979	\$ 6,442	\$ 92,053

See independent auditors' report.

Fire Protection Districts				Fire Service Awards Program	Totals	
No. 1	No. 2	No. 3	No. 5		2018	2017
\$ 1,041,441	\$ 653,805	\$ 3,187	\$ -	\$ 26,777	\$ 7,210,078	\$ 5,679,398
-	-	-	-	1,199,040	1,199,040	1,215,631
-	-	-	-	164,649	2,027,483	2,704,541
68,464	164,550	-	-	-	269,786	274,146
<u>\$ 1,109,905</u>	<u>\$ 818,355</u>	<u>\$ 3,187</u>	<u>\$ -</u>	<u>\$ 1,390,466</u>	<u>\$ 10,706,387</u>	<u>\$ 9,873,716</u>
\$ 183,048	\$ 69,109	\$ 495	\$ -	\$ 3,214	\$ 287,982	\$ 278,441
-	-	-	-	-	1,395,340	989,368
-	-	-	1,418	-	1,418	1,158
<u>183,048</u>	<u>69,109</u>	<u>495</u>	<u>1,418</u>	<u>3,214</u>	<u>1,684,740</u>	<u>1,268,967</u>
68,464	164,550	-	-	-	269,786	274,146
-	-	-	-	1,387,252	1,387,252	1,416,248
858,393	584,696	2,692	(1,418)	-	7,364,609	6,914,355
<u>926,857</u>	<u>749,246</u>	<u>2,692</u>	<u>(1,418)</u>	<u>1,387,252</u>	<u>9,021,647</u>	<u>8,604,749</u>
<u>\$ 1,109,905</u>	<u>\$ 818,355</u>	<u>\$ 3,187</u>	<u>\$ -</u>	<u>\$ 1,390,466</u>	<u>\$ 10,706,387</u>	<u>\$ 9,873,716</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, 2018
(With Comparative Totals for 2017)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
REVENUES			
Real property taxes	\$ 237,570	\$ -	\$ 734,977
Departmental income	1,454,326	-	-
Use of money and property	18,622	-	1,075
Sale of property and compensation for loss	-	-	-
Miscellaneous	-	-	2,550
Total Revenues	1,710,518	-	738,602
EXPENDITURES			
Current			
General government support	-	-	-
Public safety	-	-	-
Home and community services	50,703	-	472,032
Employee benefits	-	-	143,725
Total Expenditures	50,703	-	615,757
Excess (Deficiency) of Revenues Over Expenditures	1,659,815	-	122,845
OTHER FINANCING USES			
Transfers out	(1,386,905)	-	(156,612)
Net Change in Fund Balances	272,910	-	(33,767)
FUND BALANCES (DEFICITS)			
Beginning of Year	5,617,697	6,442	93,736
End of Year	\$ 5,890,607	\$ 6,442	\$ 59,969

Fire Protection Districts				Fire Service Awards Program	Eliminations	Totals	
No. 1	No. 2	No. 3	No. 5			2018	2017
\$ 892,549	\$ 4,208,790	\$ 32,273	\$ 34,500	\$ -	\$ -	\$ 6,140,659	\$ 6,012,410
34,500	1,936	-	-	100,303	(100,303)	1,490,762	2,113,557
4,034	6,973	64	-	(51,185)	-	(20,417)	140,264
-	-	-	-	-	-	-	3,000
-	24,559	-	-	-	-	27,109	120,326
931,083	4,242,258	32,337	34,500	49,118	(100,303)	7,638,113	8,389,557
3,473	40,455	184	-	-	-	44,112	62,098
599,582	2,427,253	31,625	34,760	78,114	(100,303)	3,071,031	3,266,315
-	-	-	-	-	-	522,735	440,674
2,067	1,596,070	-	-	-	-	1,741,862	1,807,687
605,122	4,063,778	31,809	34,760	78,114	(100,303)	5,379,740	5,576,774
325,961	178,480	528	(260)	(28,996)	-	2,258,373	2,812,783
(210,740)	(87,218)	-	-	-	-	(1,841,475)	(1,613,737)
115,221	91,262	528	(260)	(28,996)	-	416,898	1,199,046
811,636	657,984	2,164	(1,158)	1,416,248	-	8,604,749	7,405,703
\$ 926,857	\$ 749,246	\$ 2,692	\$ (1,418)	\$ 1,387,252	\$ -	\$ 9,021,647	\$ 8,604,749

Town/Village of Harrison, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2018
(With Comparative Totals for 2017)

	Highway	Public Library	Special Purpose
ASSETS			
Cash and equivalents	<u>\$ 2,363,262</u>	<u>\$ 189,091</u>	<u>\$ 1,738,136</u>
Receivables			
Accounts	35,121	-	2,325
State and Federal aid	<u>-</u>	<u>-</u>	<u>-</u>
	<u>35,121</u>	<u>-</u>	<u>2,325</u>
Prepaid expenditures	<u>172,399</u>	<u>53,840</u>	<u>-</u>
Total Assets	<u><u>\$ 2,570,782</u></u>	<u><u>\$ 242,931</u></u>	<u><u>\$ 1,740,461</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	<u>\$ 120,962</u>	<u>\$ 25,800</u>	<u>\$ 17,616</u>
Fund balances			
Nonspendable	172,399	53,840	-
Restricted	-	-	1,722,845
Assigned	<u>2,277,421</u>	<u>163,291</u>	<u>-</u>
Total Fund Balances	<u>2,449,820</u>	<u>217,131</u>	<u>1,722,845</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,570,782</u></u>	<u><u>\$ 242,931</u></u>	<u><u>\$ 1,740,461</u></u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2018	2017
\$ 4,290,489	\$ 4,084,326
37,446	34,977
-	47,528
37,446	82,505
226,239	238,020
\$ 4,554,174	\$ 4,404,851
\$ 164,378	\$ 255,959
226,239	238,020
1,722,845	1,556,779
2,440,712	2,354,093
4,389,796	4,148,892
\$ 4,554,174	\$ 4,404,851

Town/Village of Harrison, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2018
(With Comparative Totals for 2017)

	Highway	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ 5,598,916	\$ 2,500,797	\$ -
Departmental income	109,924	15,918	-
Use of money and property	13,017	3,166	2,796
State aid	106,102	8,052	-
Miscellaneous	13,913	260	451,436
Total Revenues	5,841,872	2,528,193	454,232
EXPENDITURES			
Current			
Transportation	3,848,159	-	-
Culture and recreation	-	1,499,751	12,348
Home and community services	-	-	275,818
Employee benefits	1,867,329	1,021,401	-
Total Expenditures	5,715,488	2,521,152	288,166
Excess of Revenues Over Expenditures	126,384	7,041	166,066
OTHER FINANCING USES			
Transfers out	-	(58,587)	-
Net Change in Fund Balances	126,384	(51,546)	166,066
FUND BALANCES			
Beginning of Year	2,323,436	268,677	1,556,779
End of Year	\$ 2,449,820	\$ 217,131	\$ 1,722,845

See independent auditors' report.

Total Non-Major Governmental Funds	
2018	2017
\$ 8,099,713	\$ 7,949,966
125,842	90,460
18,979	5,594
114,154	238,180
465,609	570,221
<u>8,824,297</u>	<u>8,854,421</u>
3,848,159	3,871,669
1,512,099	1,794,405
275,818	300,318
2,888,730	2,597,536
<u>8,524,806</u>	<u>8,563,928</u>
299,491	290,493
<u>(58,587)</u>	<u>(291,423)</u>
240,904	(930)
<u>4,148,892</u>	<u>4,149,822</u>
<u>\$ 4,389,796</u>	<u>\$ 4,148,892</u>

(This page intentionally left blank)

Town/Village of Harrison, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 2,363,262</u>	<u>\$ 2,283,616</u>
Receivables		
Accounts	35,121	34,649
State and Federal aid	<u>-</u>	<u>47,528</u>
	<u>35,121</u>	<u>82,177</u>
Prepaid expenditures	<u>172,399</u>	<u>177,014</u>
Total Assets	<u><u>\$ 2,570,782</u></u>	<u><u>\$ 2,542,807</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 120,962</u>	<u>\$ 219,371</u>
Fund balance		
Nonspendable	172,399	177,014
Assigned	<u>2,277,421</u>	<u>2,146,422</u>
Total Fund Balance	<u>2,449,820</u>	<u>2,323,436</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,570,782</u></u>	<u><u>\$ 2,542,807</u></u>

See independent auditors' report.

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,**

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,598,916	\$ 5,598,916	\$ 5,598,916	\$ -
Departmental income	65,000	65,000	109,924	44,924
Use of money and property	3,400	3,400	13,017	9,617
State aid	88,000	88,000	106,102	18,102
Miscellaneous	18,000	19,837	13,913	(5,924)
Total Revenues	5,773,316	5,775,153	5,841,872	66,719
EXPENDITURES				
Current				
Transportation	4,053,098	3,914,066	3,848,159	65,907
Employee benefits	1,726,468	1,867,337	1,867,329	8
Total Expenditures	5,779,566	5,781,403	5,715,488	65,915
Excess (Deficiency) of Revenues Over Expenditures	(6,250)	(6,250)	126,384	132,634
FUND BALANCE				
Beginning of Year	6,250	6,250	2,323,436	2,317,186
End of Year	\$ -	\$ -	\$ 2,449,820	\$ 2,449,820

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,500,691	\$ 5,500,691	\$ 5,500,691	\$ -
65,000	65,000	71,511	6,511
3,400	3,400	3,620	220
88,000	88,000	118,784	30,784
18,000	18,000	46,698	28,698
5,675,091	5,675,091	5,741,304	66,213
3,979,523	3,979,523	3,871,669	107,854
1,699,143	1,699,143	1,603,721	95,422
5,678,666	5,678,666	5,475,390	203,276
(3,575)	(3,575)	265,914	269,489
3,575	3,575	2,057,522	2,053,947
\$ -	\$ -	\$ 2,323,436	\$ 2,323,436

(This page intentionally left blank)

Town/Village of Harrison, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 189,091	\$ 232,173
Accounts receivable	-	68
Prepaid expenditures	<u>53,840</u>	<u>61,006</u>
Total Assets	<u><u>\$ 242,931</u></u>	<u><u>\$ 293,247</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 25,800</u>	<u>\$ 24,570</u>
Fund balance		
Nonspendable	53,840	61,006
Assigned	<u>163,291</u>	<u>207,671</u>
Total Fund Balance	<u>217,131</u>	<u>268,677</u>
Total Liabilities and Fund Balance	<u><u>\$ 242,931</u></u>	<u><u>\$ 293,247</u></u>

See independent auditors' report.

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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,500,797	\$ 2,500,797	\$ 2,500,797	\$ -
Departmental income	17,000	17,000	15,918	(1,082)
Use of money and property	1,500	1,500	3,166	1,666
State aid	8,000	8,000	8,052	52
Miscellaneous	-	-	260	260
Total Revenues	<u>2,527,297</u>	<u>2,527,297</u>	<u>2,528,193</u>	<u>896</u>
EXPENDITURES				
Current				
Culture and recreation	1,537,774	1,504,447	1,499,751	4,696
Employee benefits	<u>989,523</u>	<u>1,021,405</u>	<u>1,021,401</u>	<u>4</u>
Total Expenditures	<u>2,527,297</u>	<u>2,525,852</u>	<u>2,521,152</u>	<u>4,700</u>
Excess of Revenues Over Expenditures	-	1,445	7,041	5,596
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(58,587)</u>	<u>(58,587)</u>	<u>-</u>
Net Change in Fund Balance	-	(57,142)	(51,546)	5,596
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>57,142</u>	<u>268,677</u>	<u>211,535</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,131</u>	<u>\$ 217,131</u>

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,449,275	\$ 2,449,275	\$ 2,449,275	\$ -
15,000	15,000	18,949	3,949
1,500	1,500	1,244	(256)
8,000	119,423	119,396	(27)
-	-	1,302	1,302
2,473,775	2,585,198	2,590,166	4,968
1,530,120	1,480,589	1,464,768	15,821
943,655	993,818	993,815	3
2,473,775	2,474,407	2,458,583	15,824
-	110,791	131,583	20,792
-	(291,423)	(291,423)	-
-	(180,632)	(159,840)	20,792
-	180,632	428,517	247,885
\$ -	\$ -	\$ 268,677	\$ 268,677

Town/Village of Harrison, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 1,738,136	\$ 1,568,537
Accounts receivable	<u>2,325</u>	<u>260</u>
 Total Assets	 <u><u>\$ 1,740,461</u></u>	 <u><u>\$ 1,568,797</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 17,616	\$ 12,018
 Fund balance		
Restricted	<u>1,722,845</u>	<u>1,556,779</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 1,740,461</u></u>	 <u><u>\$ 1,568,797</u></u>

See independent auditors' report.

Town/Village of Harrison, New York

Special Purpose Fund

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

	<u>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 2,796	\$ 730
Miscellaneous	<u>451,436</u>	<u>522,221</u>
Total Revenues	<u>454,232</u>	<u>522,951</u>
EXPENDITURES		
Current		
Culture and recreation	12,348	329,637
Home and community services	<u>275,818</u>	<u>300,318</u>
Total Expenditures	<u>288,166</u>	<u>629,955</u>
Excess (Deficiency) of Revenues Over Expenditures	166,066	(107,004)
FUND BALANCE		
Beginning of Year	<u>1,556,779</u>	<u>1,663,783</u>
End of Year	<u><u>\$ 1,722,845</u></u>	<u><u>\$ 1,556,779</u></u>

See independent auditors' report.

Town/Village of Harrison, New York

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

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 4,707,280	\$ 3,113,582
Accounts receivable	<u>580,256</u>	<u>670,469</u>
Total Assets	<u>5,287,536</u>	<u>3,784,051</u>
LIABILITIES		
Accounts payable	177,239	160,091
Accrued liabilities	<u>1,719,000</u>	<u>1,633,000</u>
Total Liabilities	<u>1,896,239</u>	<u>1,793,091</u>
NET POSITION		
Unrestricted	<u>\$ 3,391,297</u>	<u>\$ 1,990,960</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>2018</u>	<u>2017</u>
OPERATING REVENUES		
Charges for services	\$ 14,168,681	\$ 13,320,576
Insurance recoveries	<u>1,281,636</u>	<u>2,641,200</u>
Total Operating Revenues	<u>15,450,317</u>	<u>15,961,776</u>
OPERATING EXPENSES		
Insurance	696,010	546,767
Employee benefits	13,096,331	14,961,274
Contractual	<u>257,639</u>	<u>329,697</u>
Total Operating Expenses	<u>14,049,980</u>	<u>15,837,738</u>
Income from Operations	1,400,337	124,038
NET POSITION		
Beginning of Year	<u>1,990,960</u>	<u>1,866,922</u>
End of Year	<u>\$ 3,391,297</u>	<u>\$ 1,990,960</u>

See independent auditors' report.

Town/Village of Harrison, New York

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

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 14,168,681	\$ 13,320,576
Cash received from insurance recoveries	1,371,849	2,278,757
Cash payments to vendors	(257,639)	(329,697)
Cash payments to insurance carriers and claimants	<u>(13,689,193)</u>	<u>(15,254,637)</u>
Net Cash from Operating Activities	1,593,698	14,999
CASH AND EQUIVALENTS		
Beginning of Year	<u>3,113,582</u>	<u>3,098,583</u>
End of Year	<u><u>\$ 4,707,280</u></u>	<u><u>\$ 3,113,582</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 1,400,337	\$ 124,038
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	90,213	(362,443)
Accounts payable	17,148	18,404
Accrued liabilities	<u>86,000</u>	<u>235,000</u>
Net Cash from Operating Activities	<u><u>\$ 1,593,698</u></u>	<u><u>\$ 14,999</u></u>

See independent auditors' report.