

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

Financial Statements and  
Supplementary Information

Year Ended December 31, 2019

## Town/Village of Harrison, New York

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## **Independent Auditors' Report**

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the 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, 2019, 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, 2019, 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 Matters***

We draw attention to Note 2E in the notes to financial statements which disclose the effects of the Town/Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "Fiduciary Activities". Our opinion is not modified with respect to this matter.

As discussed in Note 5 in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). 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, 2019 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, 2019 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, 2019 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, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated June 21, 2019, 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, 2018 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 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
May 27, 2020

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

## **Management's Discussion and Analysis (MD&A) December 31, 2019**

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### **Introduction**

As management of the Town/Village of Harrison, New York ("Town/Village"), we offer readers of the Town/Village's financial statements this narrative overview and analysis of the financial activities of the Town/Village for the fiscal year ended December 31, 2019. 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 \$192,984,766. Of this amount, a deficit of \$248,461,146 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 postemployment benefit obligations in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" coupled with the reporting of the Town/Village's proportionate share of the net pension liability in accordance with GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*".
- ❖ The unrestricted deficit on the government-wide financial statements at December 31, 2019 is primarily attributable to the impact of the provisions of GASB Statement No. 75. This statement addressed accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identified 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. At December 31, 2019, the Town/Village reported a liability of \$220,390,188, a decrease of \$33,853,167 from the prior year. More detailed information about the Town/Village's OPEB reporting in accordance with the provisions of GASB Statement No. 75, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3F in the notes to financial statements.
- ❖ 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. 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, 2019, the Town/Village reported in its Statement of Net Position a liability of \$7,746,890 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 \$64,665,574, an increase of \$7,200,645 from the previous fiscal year.
- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,533,213 or 26.8% of total General Fund expenditures and other financing uses for 2019. This is a decrease of \$4,084,702 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 coupled with amounts set aside and restricted for capital projects.
- ❖ During the current fiscal year, the Town/Village issued \$12,636,735 in public improvement bonds and retired \$6,601,000 of general obligation bonded debt.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town/Village's finances, in a manner similar to a private-sector business. The Harrison Parking Authority ("Authority") is a discretely presented component unit of the primary government. Presently, the Town/Village is not liable for Authority debt. All operating revenues in excess of the Authority's cost of operations are retained by the Authority. Since the Town/Village does not guarantee the Authority's debt and the Authority does not provide services entirely or almost entirely to the Town/Village, the financial statements of the Authority have been reflected as a discretely presented component unit. Separate financial statements have 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 \$192,984,766 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 \$39,252,610. 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,	
	2019	2018
	Governmental Activities	Governmental Activities
Current Assets	\$ 78,300,295	\$ 119,199,692
Capital Assets, Net	110,583,419	102,674,488
Total Assets	188,883,714	221,874,180
Deferred Outflows of Resources	52,963,385	15,098,984
Current Liabilities	9,629,481	56,648,443
Long-term Liabilities	327,405,843	349,862,331
Total Liabilities	337,035,324	406,510,774
Deferred Inflows of Resources	97,796,541	36,796,185
Net Position		
Net Investment in Capital Assets	39,252,610	35,281,424
Restricted	16,223,770	5,657,571
Unrestricted	(248,461,146)	(247,272,790)
Total Net Position	\$ (192,984,766)	\$ (206,333,795)

An additional portion of the Town/Village's net position, \$16,233,770, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31,	
	2019	2018
Capital projects	\$ 9,334,047	\$ -
Law enforcement	123,604	554,473
Debt service	4,322,417	3,380,253
Trusts	1,844,477	1,152,111
Parklands	599,225	570,734
Total Net Position	\$ 16,223,770	\$ 5,657,571

The remaining balance of unrestricted net position, which is a deficit of (\$249,236,181), 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,	
	2019	2018
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 11,983,929	\$ 10,726,592
Operating Grants and Contributions	1,853,491	656,333
Capital Grants and Contributions	229,417	427,324
General Revenues:		
Real Property Taxes	53,763,210	52,841,300
Other Tax Items	2,733,423	2,889,367
Non-Property Taxes	5,687,880	5,069,960
Unrestricted Use of Money and Property	492,560	212,999
Sale of property and Compensation for loss	9,734	16,811
Unrestricted State Aid	1,994,154	1,474,493
Miscellaneous	790,167	542,543
Insurance recoveries	2,130,592	1,442,965
Gain on sale of equipment	28,637	42,325
Total Revenues	<u>81,697,194</u>	<u>76,343,012</u>
<b>PROGRAM EXPENSES</b>		
General Government		
Support	13,144,986	15,006,055
Public Safety	27,903,963	27,718,024
Health	514,533	515,860
Transportation	8,279,216	9,124,500
Economic Opportunity and Development	246,287	291,138
Culture and Recreation	8,234,929	9,683,178
Home and Community Services	7,320,506	7,755,408
Interest	2,703,745	2,100,131
Total Expenses	<u>68,348,165</u>	<u>72,194,294</u>
Change in Net Position	<u>13,349,029</u>	<u>4,148,718</u>
<b>NET POSITION</b>		
Beginning, as reported	(206,333,795)	(63,524,567)
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(146,957,946)</u>
Beginning, as restated	<u>(206,333,795)</u>	<u>(210,482,513)</u>
Ending	<u>\$ (192,984,766)</u>	<u>\$ (206,333,795)</u>

## **Governmental Activities**

Governmental activities increased the Town/Village's net position by \$13,349,029.

For the fiscal year ended December 31, 2019, revenues from governmental activities totaled \$81,697,194. Tax revenues (\$62,184,513), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (77%). Last year tax revenues represented 80%, (\$60,800,627) and total revenue was \$76,343,012.

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

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

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

### **Governmental Funds**

The focus of the Town/Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town/Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town/Village itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town/Village Board.

As of the end of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of \$64,665,574 an increase of \$7,200,645 from the prior year fund balance. The nonspendable fund balance component is \$2,171,208 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 \$35,382,462 is restricted for capital projects, law enforcement, debt service, pension benefits, trusts and parklands. The assigned fund balance classification aggregates \$11,578,691, consisting of purchases on order in the amount of \$371,788 in the General Fund, \$41,600 in the Special Districts Fund, \$3,928 in the Highway Fund and \$19,185 in the Library Fund and amounts available to be used at the Town/Village's discretion in funds other than the General Fund (\$8,342,557 in the Special Districts Fund, \$2,618,423 for highway purposes and \$176,710 for library purposes in the non-major funds). The remaining fund balance of \$15,553,213 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 \$15,533,213. This is a decrease of \$4,084,702 from last year where the unassigned fund balance was \$19,617,915. Revenues and other financing sources were \$59,378,856, which was \$4,712,576 more than the final budget, primarily from higher than anticipated tax revenues, building permit revenues which exceeded the final budget by approximately \$1,324,078 as well as state aid which exceeded the final budget by \$971,313 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 \$4,309,993 at the end of the current fiscal year, an increase of \$941,553 from the previous year. The Town/Village issued \$12,636,735 in public improvement bonds for capital projects. The Town/Village did retire \$6,601,000 of long-term bonded indebtedness for capital construction.

The Capital Projects Fund reflects a restricted fund balance of \$17,367,265 at the end of the current fiscal year, an increase of \$2,451,048 from the previous year. Total revenues, inclusive of bonds issued and transfers totaled \$18,029,665. Capital outlay expenditures totaled \$13,980,412.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$10,279,221, an increase of \$1,257,574. 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 \$5,540,119, an increase of \$1,105,323 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 \$272,709. The difference is attributable to an increase in departmental income – police fees.

The difference between the expenditures originally budgeted and the final appropriation budget for the General Fund was \$1,044,457 (\$48,336,483 vs. \$47,292,026). These changes were mainly in the areas of general government support, public safety, transportation, culture and recreation, home and community services 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, 2019, net of \$110,948,424 of accumulated depreciation, was \$110,583,419. This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles, machinery and equipment and construction-in-progress.

**Capital Assets  
December 31,**

Asset	2019	2018
Land	\$ 4,033,954	\$ 3,211,639
Construction-in-progress	7,188,512	5,841,992
Buildings and improvements	47,802,446	45,444,939
Infrastructure	134,923,798	126,790,752
Machinery and equipment	6,842,754	6,425,873
Vehicles	20,740,379	19,607,859
Less - accumulated depreciation	<u>(110,948,424)</u>	<u>(104,648,566)</u>
Total (net of depreciation)	<u>\$ 110,583,419</u>	<u>\$ 102,674,488</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 \$6,601,000 of principal on general obligation bonds through budgetary appropriations. The Town/Village issued \$12,635,735 in general obligation bonds in 2019.

At the end of the current fiscal year, the Town/Village had total bonded debt outstanding of \$87,500,335 (\$84,585,254 for capital construction and \$2,915,081 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 MacKenzie, Comptroller, Town/Village of Harrison, 1 Heineman Place, Harrison, New York 10528.

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

Statement of Net Position  
December 31, 2019

	Primary Government	Component Unit
	Governmental Activities	Harrison Parking Authority
<b>ASSETS</b>		
Cash and equivalents	\$ 66,974,514	\$ 35,045
Investments	1,267,776	-
Deposit	95,000	-
Receivables		
Taxes	2,401,066	-
Accounts	3,871,649	-
State and Federal aid	1,518,936	-
Due from component unit	492,856	-
Due from other governments	146	-
Prepaid expenses	1,678,352	-
Capital assets		
Not being depreciated	11,222,466	-
Being depreciated, net	99,360,953	-
Total Assets	188,883,714	35,045
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	52,963,385	-
<b>LIABILITIES</b>		
Accounts payable	5,120,598	2,500
Accrued liabilities	1,800,000	-
Due to other governments	74,732	-
Deposits	2,254,581	-
Employee payroll tax deductions	18,031	-
Unearned revenues	2,000	-
Due to primary government	-	492,856
Accrued interest payable	359,539	-
Non-current liabilities		
Due within one year	7,827,997	-
Due in more than one year	319,577,846	-
Total Liabilities	337,035,324	495,356
<b>DEFERRED INFLOWS OF RESOURCES</b>	97,796,541	-
<b>NET POSITION</b>		
Net investment in capital assets	39,252,610	-
Restricted for		
Capital Projects	9,334,047	-
Law enforcement	123,604	-
Debt service	4,322,417	-
Trusts	1,844,477	-
Parklands	599,225	-
Unrestricted	(248,461,146)	(460,311)
Total Net Position	\$ (192,984,766)	\$ (460,311)

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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 13,144,986	\$ 3,787,637	\$ -	\$ -
Public safety	27,903,963	3,189,222	326,382	-
Health	514,533	-	-	-
Transportation	8,279,216	577,460	253,970	27,219
Economic opportunity and development	246,287	-	-	-
Culture and recreation	8,234,929	937,440	1,238,818	-
Home and community services	7,320,506	3,492,170	34,321	147,722
Interest	2,703,745	-	-	54,476
Total Governmental Activities				
Primary Government	<u>\$ 68,348,165</u>	<u>\$ 11,983,929</u>	<u>\$ 1,853,491</u>	<u>\$ 229,417</u>
Component unit				
Harrison Parking Authority	<u>\$ 22,958</u>	<u>\$ 84,675</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

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
\$ (9,357,349)	\$ -
(24,388,359)	-
(514,533)	-
(7,420,567)	-
(246,287)	-
(6,058,671)	-
(3,646,293)	-
(2,649,269)	-
(54,281,328)	-
-	61,717
53,763,210	-
698,383	-
701,315	-
642,936	-
38,272	-
652,517	-
5,026,588	-
661,292	-
492,560	157
9,734	-
1,994,154	-
790,167	-
2,130,592	-
28,637	-
67,630,357	157
13,349,029	61,874
(206,333,795)	(522,185)
<u>\$ (192,984,766)</u>	<u>\$ (460,311)</u>

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

Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Debt Service	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 25,821,650	\$ 4,305,661	\$ 20,764,601
Investments	-	-	-
Deposit	-	-	95,000
	<u>25,821,650</u>	<u>4,305,661</u>	<u>20,859,601</u>
Taxes receivable	<u>2,401,066</u>	<u>-</u>	<u>-</u>
Other receivables			
Accounts	878,294	4,332	-
State and Federal aid	1,517,870	-	-
Due from component unit	492,856	-	-
Due from other governments	146	-	-
Due from other funds	1,418	-	-
	<u>2,890,584</u>	<u>4,332</u>	<u>-</u>
Prepaid expenditures	<u>1,158,158</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 32,271,458</u>	<u>\$ 4,309,993</u>	<u>\$ 20,859,601</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 788,663	\$ -	\$ 3,492,336
Due to other governments	74,732	-	-
Deposits	2,080,947	-	-
Employee payroll tax deductions	18,031	-	-
Unearned revenues	2,000	-	-
Due to other funds	-	-	-
Total Liabilities	<u>2,964,373</u>	<u>-</u>	<u>3,492,336</u>
Deferred inflows of resources			
Deferred tax revenues	2,138,109	-	-
Deferred miscellaneous revenue	-	-	-
Total Deferred Inflows of Resources	<u>2,138,109</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,102,482</u>	<u>-</u>	<u>3,492,336</u>
Fund balances			
Nonspendable	1,651,014	-	-
Restricted	9,612,961	4,309,993	17,367,265
Assigned	371,788	-	-
Unassigned	15,533,213	-	-
Total Fund Balances	<u>27,168,976</u>	<u>4,309,993</u>	<u>17,367,265</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,271,458</u>	<u>\$ 4,309,993</u>	<u>\$ 20,859,601</u>

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 8,366,057	\$ 5,610,187	\$ 64,868,156
1,267,776	-	1,267,776
-	-	95,000
9,633,833	5,610,187	66,230,932
-	-	2,401,066
1,623,925	28,302	2,534,853
-	1,066	1,518,936
-	-	492,856
-	-	146
188,860	-	190,278
1,812,785	29,368	4,737,069
282,053	238,141	1,678,352
<u>\$ 11,728,671</u>	<u>\$ 5,877,696</u>	<u>\$ 75,047,419</u>
\$ 484,137	\$ 163,943	\$ 4,929,079
-	-	74,732
-	173,634	2,254,581
-	-	18,031
-	-	2,000
190,278	-	190,278
674,415	337,577	7,468,701
-	-	2,138,109
775,035	-	775,035
775,035	-	2,913,144
1,449,450	337,577	10,381,845
282,053	238,141	2,171,208
1,608,511	2,483,732	35,382,462
8,388,657	2,818,246	11,578,691
-	-	15,533,213
10,279,221	5,540,119	64,665,574
<u>\$ 11,728,671</u>	<u>\$ 5,877,696</u>	<u>\$ 75,047,419</u>

## Town/Village of Harrison, New York

### Reconciliation of Governmental Funds Balance Sheet to The Government-Wide Statement of Net Position December 31, 2019

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

Fund Balances - Total Governmental Funds	\$ 64,665,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	110,583,419
Internal Service Fund is used by management to charge the costs of health insurance claims to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities in the statement of net position	1,451,635
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	2,138,109
Deferred miscellaneous revenue	775,035
	2,913,144
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension and postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on Employees' Retirement System net pension liabilities	2,193,154
Deferred amounts on Police and Fire Retirement System net pension liabilities	2,589,500
Deferred amounts on Fire Service Award's total pension liabilities	(20,535)
Deferred amounts on other post employment benefit obligations	(50,554,464)
Deferred amounts on refunding bonds	959,189
	(44,833,156)
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	(359,539)
Bonds payable	(91,057,041)
Energy performance contract debt	(1,515,303)
Compensated absences	(1,298,400)
Employees' retirement system's net pension liability	(3,335,786)
Police and Fire retirement system's net pension liability	(4,411,104)
Fire service award's total pension liability	(1,990,203)
Claims payable	(3,407,818)
Other post employment benefit obligations payable	(220,390,188)
	(327,765,382)
Net Position of Governmental Activities	\$ (192,984,766)

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, 2019

	General	Debt Service	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 39,134,774	\$ -	\$ -
Other tax items	2,733,423	-	-
Non-property taxes	5,687,880	-	-
Departmental income	2,508,660	-	-
Use of money and property	613,008	49,833	-
Licenses and permits	3,806,463	-	-
Fines and forfeitures	1,994,732	-	-
Sale of property and compensation for loss	9,734	-	-
State aid	2,031,519	-	27,219
Miscellaneous	790,167	4,332	147,722
Total Revenues	59,310,360	54,165	174,941
<b>EXPENDITURES</b>			
Current			
General government support	9,088,246	-	-
Public safety	21,308,224	-	-
Health	514,533	-	-
Transportation	293,219	-	-
Economic opportunity and development	161,578	-	-
Culture and recreation	3,678,864	-	-
Home and community services	2,875,434	-	-
Employee benefits	8,823,325	-	-
Debt service			
Principal	-	6,754,171	-
Interest	-	2,808,986	-
Capital outlay	-	-	13,980,412
Total Expenditures	46,743,423	9,563,157	13,980,412
Excess (Deficiency) of Revenues Over Expenditures	12,566,937	(9,508,992)	(13,805,471)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	-	12,636,735
Issuance premium	-	482,738	-
Insurance recoveries	39,859	-	-
Sale of equipment	28,637	-	-
Transfers in	-	9,967,807	4,217,989
Transfers out	(11,235,286)	-	(598,205)
Total Other Financing Sources (Uses)	(11,166,790)	10,450,545	16,256,519
Net Change in Fund Balances	1,400,147	941,553	2,451,048
<b>FUND BALANCES</b>			
Beginning of Year	25,768,829	3,368,440	14,916,217
End of Year	\$ 27,168,976	\$ 4,309,993	\$ 17,367,265

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 6,185,877	\$ 8,266,946	\$ 53,587,597
-	-	2,733,423
-	-	5,687,880
2,681,759	97,143	5,287,562
208,585	26,550	897,976
-	-	3,806,463
-	-	1,994,732
-	-	9,734
2,500	285,105	2,346,343
132,705	1,160,681	2,235,607
9,211,426	9,836,425	78,587,317
43,327	-	9,131,573
3,609,742	-	24,917,966
-	-	514,533
-	4,045,608	4,338,827
-	-	161,578
-	1,568,238	5,247,102
390,720	298,545	3,564,699
1,674,099	2,657,370	13,154,794
-	-	6,754,171
-	-	2,808,986
-	-	13,980,412
5,717,888	8,569,761	84,574,641
3,493,538	1,266,664	(5,987,324)
-	-	12,636,735
-	-	482,738
-	-	39,859
-	-	28,637
61,521	-	14,247,317
(2,297,485)	(116,341)	(14,247,317)
(2,235,964)	(116,341)	13,187,969
1,257,574	1,150,323	7,200,645
9,021,647	4,389,796	57,464,929
\$ 10,279,221	\$ 5,540,119	\$ 64,665,574

## 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, 2019

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

Net Change in Fund Balances - Total Governmental Funds	\$ 7,200,645
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	14,208,789
Depreciation expense	(6,299,858)
	7,908,931
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	175,613
Deferred miscellaneous revenue	775,035
	950,648
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	(12,636,735)
Issuance premium	(482,738)
Principal paid on bonds	6,601,000
Principal paid on energy performance contract	153,171
Amortization of loss on refunding and issuance premium	197,307
	(6,167,995)
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	(92,066)
Compensated absences	(196,946)
Claims	(1,706,878)
Employees' retirement system's net pension obligations	(594,571)
Police and Fire retirement system's net pension obligations	(200,336)
Fire service award's total pension obligations	(76,850)
Other post employment benefit obligations	8,264,109
	5,396,462
Internal service funds are used by management to charge the cost of health claims to individual funds. The net expense of the internal service funds are reported within governmental activities.	(1,939,662)
Change in Net Position of Governmental Activities	\$ 13,349,029

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, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 39,294,878	\$ 39,294,878	\$ 39,134,774	\$ (160,104)
Other tax items	2,318,120	2,318,120	2,733,423	415,303
Non-property taxes	4,800,000	4,800,000	5,687,880	887,880
Departmental income	1,912,900	2,185,609	2,508,660	323,051
Use of money and property	257,000	257,000	613,008	356,008
Licenses and permits	2,353,600	2,353,600	3,806,463	1,452,863
Fines and forfeitures	1,690,000	1,690,000	1,994,732	304,732
Sale of property and compensation for loss	5,000	5,000	9,734	4,734
State aid	1,060,206	1,060,206	2,031,519	971,313
Miscellaneous	638,255	638,255	790,167	151,912
Total Revenues	54,329,959	54,602,668	59,310,360	4,707,692
<b>EXPENDITURES</b>				
Current				
General government support	9,619,402	9,865,640	9,088,246	777,394
Public safety	21,124,052	21,864,744	21,308,224	556,520
Health	515,900	515,900	514,533	1,367
Transportation	364,205	293,294	293,219	75
Economic opportunity and development	168,868	168,868	161,578	7,290
Culture and recreation	3,704,269	3,803,793	3,678,864	124,929
Home and community services	2,812,691	2,889,838	2,875,434	14,404
Employee benefits	8,982,639	8,934,406	8,823,325	111,081
Total Expenditures	47,292,026	48,336,483	46,743,423	1,593,060
Excess of Revenues Over Expenditures	7,037,933	6,266,185	12,566,937	6,300,752
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	39,612	39,859	247
Sale of equipment	24,000	24,000	28,637	4,637
Transfers in	-	-	-	-
Transfers out	(7,258,519)	(11,233,288)	(11,235,286)	(1,998)
Total Other Financing Uses	(7,234,519)	(11,169,676)	(11,166,790)	2,886
Net Change in Fund Balances	(196,586)	(4,903,491)	1,400,147	6,303,638
<b>FUND BALANCES</b>				
Beginning of Year	196,586	4,903,491	25,768,829	20,865,338
End of Year	\$ -	\$ -	\$ 27,168,976	\$ 27,168,976

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

Special Districts Fund				Variance with Final Budget Positive (Negative)
Original Budget	Final Budget	Actual		
\$ 6,185,877	\$ 6,185,877	\$ 6,185,877	\$	-
-	-	-		-
-	-	-		-
2,689,783	2,689,783	2,681,759		(8,024)
2,900	2,900	208,585		205,685
-	-	-		-
-	-	-		-
-	-	-		-
-	-	2,500		2,500
31,800	31,800	132,705		100,905
8,910,360	8,910,360	9,211,426		301,066
46,136	47,011	43,327		3,684
3,903,774	4,029,067	3,609,742		419,325
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
912,827	853,330	390,720		462,610
1,727,020	1,786,120	1,674,099		112,021
6,589,757	6,715,528	5,717,888		997,640
2,320,603	2,194,832	3,493,538		1,298,706
-	-	-		-
-	-	-		-
-	-	61,521		61,521
(2,235,965)	(2,297,486)	(2,297,485)		1
(2,235,965)	(2,297,486)	(2,235,964)		61,522
84,638	(102,654)	1,257,574		1,360,228
(84,638)	102,654	9,021,647		8,918,993
\$ -	\$ -	\$ 10,279,221	\$	10,279,221

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

Statement of Net Position  
Proprietary Fund  
December 31, 2019

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	Governmental Activities- Internal Service Fund
<b>ASSETS</b>	
Cash and equivalents	\$ 2,106,358
Accounts receivable	<u>1,336,796</u>
Total Assets	<u>3,443,154</u>
<b>LIABILITIES</b>	
Accounts payable	191,519
Accrued liabilities	<u>1,800,000</u>
Total Liabilities	<u>1,991,519</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 1,451,635</u></u>

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

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

Statement of Revenues, Expenses and  
Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2019

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	Governmental Activities- Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 12,621,368
Insurance recoveries	<u>2,090,733</u>
Total Operating Revenues	<u>14,712,101</u>
<b>OPERATING EXPENSES</b>	
Insurance	687,323
Employee benefits	15,713,174
Contractual	<u>251,266</u>
Total Operating Expenses	<u>16,651,763</u>
Loss from Operations	(1,939,662)
<b>NET POSITION</b>	
Beginning of Year	<u>3,391,297</u>
End of Year	<u><u>\$ 1,451,635</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, 2019

	Governmental Activities- Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from charges for services	\$ 12,621,368
Cash received from insurance recoveries	1,334,193
Cash payments to vendors	(251,266)
Cash payments to insurance carriers and claimants	<u>(16,305,217)</u>
Net Cash from Operating Activities	(2,600,922)
<b>CASH AND EQUIVALENTS</b>	
Beginning of Year	<u>4,707,280</u>
End of Year	<u><u>\$ 2,106,358</u></u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>	
Loss from operations	\$ (1,939,662)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(756,540)
Accounts payable	14,280
Accrued liabilities	<u>81,000</u>
Net Cash from Operating Activities	<u><u>\$ (2,600,922)</u></u>

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

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

Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

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	Custodial Fund
<b>ASSETS</b>	
Cash and equivalents	\$ 7,676,005
Real property taxes receivable for other governments	<u>44,012,999</u>
Total Assets	<u>\$ 51,689,004</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 51,689,004</u>

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

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

Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Real property taxes collected for other governments	\$ 139,806,717
<b>DEDUCTIONS</b>	
Payments of real property taxes to other governments	<u>139,806,717</u>
Net Increase in Fiduciary Net Position	-
<b>NET POSITION</b>	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

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

Notes to Financial Statements  
December 31, 2019

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

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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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### **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, 2019

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### **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 on behalf of others. The Custodial Fund is primarily utilized to account for real property taxes collected for other governments.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary and Fiduciary funds. 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, total pension liability, net 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 decreases (expenses) in total net position. The component unit is accounted for on the accrual

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

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. Investments of the Length of Service Awards Program are invested in accordance with a statutory prudent person rule in accordance with an investment policy adopted by the Town/Village. 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, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", 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, 2019.

**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 satisfy the balance of forty percent by October 15th. With respect to school district taxes, the

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

Charter provides that the Town/Village satisfy the warrant of the school district by April 5th. Thus the Town's/Village's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town/Village must satisfy its obligations regardless of the amounts collected. County and school districts taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

**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, 2019, 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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

acquisition date or amount. The Town/Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Infrastructure	15-50
Machinery and equipment	5-20
Vehicles	5-8

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 \$2,000 for fees received in advance in the General 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 \$959,189 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, 2019

#### **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 \$2,138,109 for real property taxes not expected to be collected in the first sixty days of the subsequent year in the General Fund and \$775,035 for amounts not available in the current year in the Special Districts Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become 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	\$ 3,469,747	\$ 1,276,593
New York State and Local Police and Fire Retirement System	4,307,812	1,718,312
Length of Service Awards Program	247,728	268,263
Other postemployment benefit obligations	43,978,909	94,533,373
Deferred amounts on refunding bonds	959,189	-
	<u>\$ 52,963,385</u>	<u>\$ 97,796,541</u>

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



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

**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 capital projects, 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 May 27, 2020.

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

Notes to Financial Statements (Continued)  
December 31, 2019

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### **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, 2019

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### **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 redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2019 inclusive of exclusions, was \$164,428,721 which exceeded the actual levy by \$153,846,421.

Under New York State Town Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended ("*Tax Levy Limitation Law*") modified previous law by imposing a limit on the amount of real property taxes a local government may levy. 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, 2019. The Town/Village will address this deficit in the ensuing year.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2019

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

#### **D. Excess of Actual Expenditures Over Budget**

The following categories of expenditures exceeded their budgetary authorization by the amounts indicated:

General Fund	
Transfers Out	
Capital Projects Fund	\$ 2,100
Debt Service Fund	
Principal	
Energy performance contract	153,171
Interest	
Energy performance contract	36,281

#### **E. Adoption of Accounting Standard**

For the year ended December 31, 2019, the Town/Village implemented GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

#### **F. Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

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

#### **A. Taxes Receivable**

Taxes receivable at December 31, 2019 consisted of the following:

Town/Village taxes	\$ 445,502
County taxes	283,896
School District taxes	129,811
Tax liens	<u>1,541,857</u>
	<u>\$ 2,401,066</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$2,138,109, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

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

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)****B. Due From Component Unit**

The due from component unit of \$492,856 as of December 31, 2019 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.

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

The balances reflected as due from/to other funds at December 31, 2019 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,418	\$ -
Special Districts	<u>188,860</u>	<u>190,278</u>
	<u>\$ 190,278</u>	<u>\$ 190,278</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, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>
Capital Assets, not being depreciated				
Land	\$ 3,211,639	\$ 822,315	\$ -	\$ 4,033,954
Construction-in-progress	<u>5,841,992</u>	<u>2,250,616</u>	<u>(904,096)</u>	<u>7,188,512</u>
Total Capital Assets, not being depreciated	<u>\$ 9,053,631</u>	<u>\$ 3,072,931</u>	<u>\$ (904,096)</u>	<u>\$ 11,222,466</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 45,444,939	\$ 2,357,507	\$ -	\$ 47,802,446
Infrastructure	126,790,752	8,133,046	-	134,923,798
Machinery and equipment	6,425,873	416,881	-	6,842,754
Vehicles	<u>19,607,859</u>	<u>1,132,520</u>	<u>-</u>	<u>20,740,379</u>
Total Capital Assets, being depreciated	<u>198,269,423</u>	<u>12,039,954</u>	<u>-</u>	<u>210,309,377</u>
Less Accumulated Depreciation for				
Buildings and improvements	13,926,642	1,197,180	-	15,123,822
Infrastructure	73,543,691	3,297,584	-	76,841,275
Machinery and equipment	4,965,022	370,596	-	5,335,618
Vehicles	<u>12,213,211</u>	<u>1,434,498</u>	<u>-</u>	<u>13,647,709</u>
Total Accumulated Depreciation	<u>104,648,566</u>	<u>6,299,858</u>	<u>-</u>	<u>110,948,424</u>
Total Capital Assets, being depreciated, net	<u>\$ 93,620,857</u>	<u>\$ 5,740,096</u>	<u>\$ -</u>	<u>\$ 99,360,953</u>
Capital Assets, net	<u>\$ 102,674,488</u>	<u>\$ 8,813,027</u>	<u>\$ (904,096)</u>	<u>\$ 110,583,419</u>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

Governmental Activities	
General Government Support	\$ 587,493
Public Safety	845,826
Transportation	2,445,921
Culture and Recreation	697,102
Home and Community Services	<u>1,723,516</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,299,858</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>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ 1,719,000	\$ 1,633,000
Provision for Claims and Claims Adjustment Expenses	15,713,174	13,096,331
Claims and Claims Adjustment Expenses Paid	<u>(15,632,174)</u>	<u>(13,010,331)</u>
Balance - End of Year	<u>\$ 1,800,000</u>	<u>\$ 1,719,000</u>

## Town/Village of Harrison, New York

### Notes to Financial Statements (Continued) December 31, 2019

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

#### F. Long-Term Liabilities

The following table summarizes changes in the Town/Village's long-term indebtedness for the year ending December 31, 2019:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019	Due Within One Year
General Obligation Bonds Payable:					
Capital Construction	\$ 78,106,986	\$ 12,636,735	\$ 6,158,467	\$ 84,585,254	\$ 6,854,629
Judgments and claims	3,357,614	-	442,533	2,915,081	346,171
Plus - Unamortized premium on bonds	3,398,822	482,738	324,854	3,556,706	-
	84,863,422	13,119,473	6,925,854	91,057,041	7,200,800
Energy performance contract debt	1,668,474	-	153,171	1,515,303	156,197
	86,531,896	13,119,473	7,079,025	92,572,344	7,356,997
Other Non-Current Liabilities:					
Compensated absences	1,101,454	306,946	110,000	1,298,400	130,000
Total Pension Liability - Length of service award program	2,015,436	-	25,233	1,990,203	-
Net pension liability	4,269,250	3,477,640	-	7,746,890	-
Claims payable	1,700,940	3,797,389	2,090,511	3,407,818	341,000
Other post employment benefit obligations payable	254,243,355	(26,363,895)	7,489,272	220,390,188	-
Total Other Non-Current Liabilities	263,330,435	(18,781,920)	9,715,016	234,833,499	471,000
Total Long-Term Liabilities	\$ 349,862,331	\$ (5,662,447)	\$ 16,794,041	\$ 327,405,843	\$ 7,827,997

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

#### General Obligation Bonds Payable

General obligation bonds payable at December 31, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2019
Refunding Bonds	2011	10,280,000	May, 2022	4.000 %	\$ 590,000
Public Improvements and Tax Certiorari	2011	10,696,070	March, 2025	3.000-4.000	5,355,000
Public Improvements	2012	3,804,700	March, 2032	2.250-3.000	2,745,000
Public Improvements	2012	9,970,135	December, 2032	2.000-2.500	6,995,000
Public Improvements and Tax Certiorari	2013	7,963,063	December, 2033	3.000-4.000	6,355,000
Refunding Bonds	2013	15,775,000	December, 2028	3.000-5.000	7,315,000
Public Improvements and Tax Certiorari	2014	4,757,880	December, 2027	2.000-2.375	3,325,000
Public Improvements	2015	7,344,015	September, 2035	2.000	6,440,000
Refunding Bonds	2017	5,610,000	June, 2027	5.000-3.250	3,945,000
Public Improvements and Tax Certiorari	2017	9,349,300	December, 2036	3.000	8,545,000
Public Improvements	2017	800,000	December, 2032	2.500-3.000	750,000
Public Improvements and Tax Certiorari	2017	4,346,000	December, 2031	4.000	3,880,000
Public Improvements	2018	18,623,600	November, 2044	3.500-5.000	18,623,600
Public Improvements	2019	12,415,000	December, 2049	2.000-5.000	12,415,000
Environmental Facilities Corporation	2019	221,735	February, 2029	-	221,735
					<u>\$ 87,500,335</u>



## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

Interest expenditures of \$2,772,705 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,667,464 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, 2019, including interest payments of \$28,587,017 are as follows:

Year Ending December 31,	General Obligation Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 7,200,800	\$ 2,948,012	\$ 156,197	\$ 33,934	\$ 7,356,997	\$ 2,981,946
2021	6,967,200	2,702,664	159,907	30,224	7,127,107	2,732,888
2022	5,566,935	2,465,220	163,706	26,425	5,730,641	2,491,645
2023	5,587,200	2,270,089	167,595	22,537	5,754,795	2,292,626
2024	5,322,200	2,063,670	171,576	18,555	5,493,776	2,082,225
2025-2029	22,566,000	7,724,494	696,322	32,514	23,262,322	7,757,008
2030-2034	16,160,000	4,414,649	-	-	16,160,000	4,414,649
2035-2039	8,090,000	2,410,194	-	-	8,090,000	2,410,194
2040-2044	7,335,000	1,184,625	-	-	7,335,000	1,184,625
2045-2049	2,705,000	239,211	-	-	2,705,000	239,211
	<u>\$ 87,500,335</u>	<u>\$ 28,422,828</u>	<u>\$ 1,515,303</u>	<u>\$ 164,189</u>	<u>\$ 89,015,638</u>	<u>\$ 28,587,017</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 \$15,844 through October 2028. Payments include interest at 2.35%. 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, 2019 was \$1,515,303. Interest expenditures/expense of \$36,281 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, 2019

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### **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, 2019. 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, 2019

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### **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	18
Inactive participants entitled to but not yet receiving benefits payments	8
Active participants	<u>46</u>
Total	<u><u>72</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, 2018 measurement date was determined using an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 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 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. 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, 2019

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

Balance as of 12/31/17 measurement date	\$ 2,015,436
Service cost	92,222
Interest	65,533
Changes in benefit terms	-
Changes in assumptions or other inputs	(158,057)
Differences between expected and actual experience	42,723
Benefit payments	<u>(67,654)</u>
Balance as of 12/31/18 measurement date	<u>\$ 1,990,203</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, 2018 measurement date, calculated using the discount rate of 3.64 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 (2.64 percent) or 1-percentage point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Current Assumption (3.64%)	1% Increase (4.64%)
Total Pension Liability	<u>\$ 2,339,774</u>	<u>\$ 1,990,203</u>	<u>\$ 1,709,608</u>

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

For the year ended December 31, 2019, the Town/Village recognized pension expenses of \$144,504 in the Fire Service Awards Fund. At December 31, 2019, 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	\$ 50,076	\$ 24,330
Changes of assumptions or other inputs	124,053	243,933
Benefit payments & administrative expenses subsequent to the measurement date	<u>73,599</u>	<u>-</u>
	<u>\$ 247,728</u>	<u>\$ 268,263</u>

\$73,599 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, 2019

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### **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>	
2020	\$	(10,984)
2021		(10,984)
2022		(10,984)
2023		(10,984)
2024		(10,984)
Thereafter		(39,214)

### **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/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_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 2019 are as follows:

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

Notes to Financial Statements (Continued)  
December 31, 2019

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

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS-Town	3 A14	15.8%
	4 A15	15.8
	5 A15	13.2
	6 A15	9.3
ERS-Village	4 A15	15.8%
	6 A15	9.3
PFRS-Police	2 384D	24.3%
	5 384D	19.8
	6375I	8.8
	6 384D	14.6
PFRS-Fire	2 384	20.5%
	2 384D	24.3

At December 31, 2019, 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, 2019	March 31, 2019
Net pension liability	\$ 3,335,786	\$ 4,411,104
Town/Village's proportion of the net pension liability	0.0470803%	0.2630255%
Change in proportion since the prior measurement date	(0.0020725%)	(0.0024063%)

The net pension liability was measured as of March 31, 2019, 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, 2019, the Town/Village recognized pension expense in the government-wide financial statements of \$2,269,167 for ERS and \$2,767,780 for PFRS. Pension expenditures of \$1,965,082 for ERS and \$2,276,958 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, 2019

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

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General - Town	\$ 1,177,413	\$ 1,829,013
General - Village	322,678	-
Special Districts	34,372	447,945
Non-Major Governmental		
Highway	295,287	-
Public Library	135,332	-
	<u>\$ 1,965,082</u>	<u>\$ 2,276,958</u>

At December 31, 2019, 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	\$ 656,886	\$ 223,925	\$ 1,071,579	\$ 470,958
Changes in assumptions	838,480	-	1,602,672	-
Net difference between projected and actual earnings on pension plan investments	-	856,147	-	883,437
Changes in proportion and differences between Town/Village contributions and proportionate share of contributions	432,755	196,521	7,957	363,917
Town/Village contributions subsequent to the measurement date	<u>1,541,626</u>	<u>-</u>	<u>1,625,604</u>	<u>-</u>
	<u>\$ 3,469,747</u>	<u>\$ 1,276,593</u>	<u>\$ 4,307,812</u>	<u>\$ 1,718,312</u>

The \$1,541,626 and \$1,625,604 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, 2020. 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>
2020	\$ 766,796	\$ 760,147
2021	(587,641)	(257,289)
2022	(9,817)	(72,813)
2023	482,190	450,445
2024	-	83,406

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

Notes to Financial Statements (Continued)  
December 31, 2019

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**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, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0% *	7.0% *
Salary scale	4.2%	5.0%
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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<u>100 %</u>	



## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

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>\$ 14,584,587</u>	<u>\$ 3,335,786</u>	<u>\$ (6,114,006)</u>
Town/Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 15,941,071</u>	<u>\$ 4,411,104</u>	<u>\$ (5,217,757)</u>

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	<u>182,718,124,000</u>	<u>32,451,037,000</u>	<u>215,169,161,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</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, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 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, 2019 were \$1,541,626 and \$1,625,604 respectively.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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### **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,	
	2019	2018
Balance - Beginning of Year	\$ 1,700,940	\$ 1,876,298
Provision for Claims and Claims Adjustment Expenses	3,797,389	2,361,286
Claims and Claims Adjustment Expenses Paid	(2,090,511)	(2,536,644)
Balance - End of Year	<u>\$ 3,407,818</u>	<u>\$ 1,700,940</u>
Due Within One Year	<u>\$ 341,000</u>	<u>\$ 170,000</u>

The liability for general and workers' compensation claims is reflected in the government-wide financial statements in long-term liabilities.

#### **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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

At December 31, 2019, the following employees were covered by the benefit terms:

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

The Town/Villages' total OPEB liability of \$220,390,188 was measured as of December 31, 2019, 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	2.75%
Healthcare cost trend rates	5.0% for 2020, 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 updated to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, and then adjusted for mortality improvements with the scale MP-2019 mortality improvement scale on a generational basis.

The Town/Village's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

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

Notes to Financial Statements (Continued)  
December 31, 2019

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

Total OPEB Liability - Beginning of Year	\$ 254,243,355
Service cost	5,554,058
Interest	9,499,558
Differences between expected and actual experience	(96,534,310)
Changes in assumptions or other inputs	55,116,799
Benefit payments	<u>(7,489,272)</u>
Total OPEB Liability - End of Year	<u><u>\$ 220,390,188</u></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 (1.75%) or 1 percentage point higher (3.75%) than the current discount rate:

	1% Decrease (1.75%)	Current Assumption (2.75%)	1% Increase (3.75%)
Total OPEB Liability	<u><u>\$ 265,427,436</u></u>	<u><u>\$ 220,390,188</u></u>	<u><u>\$ 185,574,559</u></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><u>\$ 183,326,371</u></u>	<u><u>\$ 220,390,188</u></u>	<u><u>\$ 269,189,005</u></u>

For the year ended December 31, 2019, the Town/Village recognized OPEB expense of (\$774,837) in the government-wide financial statements. At December 31, 2019, the Town/Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 43,245,749	\$ 18,853,568
Differences between expected and actual experience	<u>733,160</u>	<u>75,679,805</u>
	<u><u>\$ 43,978,909</u></u>	<u><u>\$ 94,533,373</u></u>

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

Notes to Financial Statements (Continued)  
 December 31, 2019

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

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,	
2020	\$ (15,828,422)
2021	(15,624,215)
2022	(12,097,971)
2023	(4,731,371)
2024	(592,880)
Thereafter	(1,679,605)

**G. Joint Venture**

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

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

Balance Sheet Date - December 31, 2019

Total Assets	\$ 13,417,978
Total Liabilities	62,193,936
Net Deficit	(48,775,958)
Total Revenues	25,760,539
Total Expenses	27,715,262
Decrease in Net Position	(1,954,723)

**H. Revenues and Expenditures****Interfund Transfers**

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

	Transfers In			
Transfers Out	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Total
General Fund	\$ 7,447,970	\$ 3,787,316	\$ -	\$ 11,235,286
Capital Projects Fund	598,205	-	-	598,205
Special Districts Fund	1,921,632	314,332	61,521	2,297,485
Non-Major Governmental Funds	-	116,341	-	116,341
	<u>\$ 9,967,807</u>	<u>\$ 4,217,989</u>	<u>\$ 61,521</u>	<u>\$ 14,247,317</u>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

#### **I. Net Position**

The components of net position are detailed below:

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

*Restricted for Capital Projects* – the component of net position that reports the amount restricted for capital projects in accordance with New York State General Municipal Law Sections 6-c and 6-g.

*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, 2019

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

#### K. Fund Balances

	2019						2018					
	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	\$ 1,158,158	\$ -	\$ -	\$ 282,053	\$ 238,141	\$ 1,678,352	\$ 1,150,117	\$ -	\$ -	\$ 269,786	\$ 226,239	\$ 1,646,142
Long-term receivables	492,856	-	-	-	-	492,856	553,629	-	-	-	-	553,629
Total Nonspendable	1,651,014	-	-	282,053	238,141	2,171,208	1,703,746	-	-	269,786	226,239	2,199,771
Restricted:												
Law enforcement	123,604	-	-	-	-	123,604	554,473	-	-	-	-	554,473
Workers' compensation	142,886	-	-	-	-	142,886	142,886	-	-	-	-	142,886
Debt service	12,424	4,035,476	-	-	-	4,047,900	11,813	3,174,881	-	-	-	3,186,694
Debt service - Subsequent year's expenditures	-	274,517	-	-	-	274,517	-	193,559	-	-	-	193,559
Capital projects	9,334,047	-	17,367,265	-	-	26,701,312	-	-	14,916,217	-	-	14,916,217
Pension benefits	-	-	-	1,608,511	-	1,608,511	-	-	-	1,387,252	-	1,387,252
Trusts	-	-	-	-	1,884,477	1,884,477	-	-	-	-	1,152,111	1,152,111
Parklands	-	-	-	-	599,255	599,255	-	-	-	-	570,734	570,734
Total Restricted	9,612,961	4,309,993	17,367,265	1,608,511	2,483,732	35,382,462	709,172	3,368,440	14,916,217	1,387,252	1,722,845	22,103,926
Committed -												
Future Capital Projects	-	-	-	-	-	-	3,539,196	-	-	-	-	3,539,196
Assigned:												
Purchases on order:												
General government support	88,248	-	-	-	-	88,248	153,231	-	-	-	-	153,231
Public safety	250,559	-	-	2,500	-	253,059	43,437	-	-	70,072	-	113,509
Transportation	-	-	-	-	3,928	3,928	2,132	-	-	-	4,513	6,645
Culture and recreation	27,460	-	-	-	19,185	46,645	-	-	-	-	11,233	11,233
Home and community services	5,521	-	-	43,600	-	49,121	-	-	-	45,290	-	45,290
	371,788	-	-	46,100	23,113	441,001	198,800	-	-	115,362	15,746	329,908
Major funds	-	-	-	8,342,557	-	8,342,557	-	-	-	7,249,247	-	7,249,247
Highway purposes	-	-	-	-	2,618,423	2,618,423	-	-	-	-	2,272,908	2,272,908
Library purposes	-	-	-	-	176,710	176,710	-	-	-	-	152,058	152,058
Total Assigned	371,788	-	-	8,388,657	2,818,246	11,578,691	198,800	-	-	7,364,609	2,440,712	10,004,121
Unassigned	15,533,213	-	-	-	-	15,533,213	19,617,915	-	-	-	-	19,617,915
Total Fund Balances	\$ 27,168,976	\$ 4,309,993	\$ 17,367,265	\$ 10,279,221	\$ 5,540,119	\$ 64,665,574	\$ 25,768,829	\$ 3,368,440	\$ 14,916,217	\$ 9,021,647	\$ 4,389,796	\$ 57,464,929

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

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

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

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

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.

Restricted for Pension Benefits represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

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, 2019, 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.

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.



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

Notes to Financial Statements (Continued)  
December 31, 2019

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

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

#### **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 2019. 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, 2019, the Town/Village has recorded a liability of \$1,800,000 in the Internal Service Fund, which represents claims incurred and claims incurred but not reported.

#### **C. Contingencies**

Westchester Joint Water Works ("WJWW"), a joint venture of the Town/Village as reported in Note 3.G., is currently being fined by the New York State Health Department for not meeting a Supreme Court of the State of New York ruling requiring the construction of a filtration plant by December 3, 2008. These fines amount to \$54,616,250 as of December 31, 2019 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, 2019

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

The Town/Village currently has one labor contract that is expired as of December 31, 2019. The Harrison Professional Firefighters Association, IAFF Local 2245 (the "Harrison Firefighters") contract expired as of December 31, 2017. The Town/Village's financial statements do not include a provision for any salary increases as of December 31, 2019.

### **Note 5 - Subsequent Event**

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Town/Village's economically sensitive revenues (i.e. sales taxes, mortgage recording taxes, interest earnings, fees, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Town/Village's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Town/Village's financial position at this time.

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## 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)

	2019	2018
Total OPEB Liability:		
Service cost	\$ 5,554,058	\$ 6,514,679
Interest	9,499,558	9,260,731
Changes of benefit terms	-	-
Differences between expected and actual experience	(96,534,310) (5)	1,306,864
Changes of assumptions or other inputs	55,116,799 (4)	(33,117,268)
Benefit payments	(7,489,272)	(5,974,734)
Net Change in Total OPEB Liability	(33,853,167)	(22,009,728)
Total OPEB Liability – Beginning of Year	254,243,355	276,253,083 (3)
Total OPEB Liability – End of Year	<u>\$ 220,390,188</u>	<u>\$ 254,243,355</u>
Town/Village's covered-employee payroll	<u>\$ 26,184,965</u>	<u>\$ 24,523,951</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>841.67%</u>	<u>1036.71%</u>

#### 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 increase is attributable to: the rate used to discount future cash flows was updated from 3.71% to 2.75%, 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.

(5) The decrease in the liability from the difference between expected and actual experience results from the repeal of the "Cadillac Tax" from the Patient Protection and Affordable Care Act which was signed into law on December 20, 2019.

See independent auditors' report.

# Town/Village of Harrison, New York

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

## Schedule of the Town/Village's Proportionate Share of the Net Pension Liability (2)

	2019	2018	2017	2016	2015
Town/Village's proportion of the net pension liability	<u>0.0470803%</u>	<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>\$ 3,335,786</u>	<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>\$ 14,161,804</u>	<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>23.55%</u>	<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>96.27%</u>	<u>98.20%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

## Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,055,489</u>	<u>\$ 2,120,094</u>	<u>\$ 2,118,957</u>	<u>\$ 2,131,643</u>	<u>\$ 2,447,573</u>
Contributions in relation to the contractually required contribution	<u>(2,055,489)</u>	<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>	<u>\$ -</u>
Town/Village's covered payroll	<u>\$ 15,011,623</u>	<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>13.69%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) 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.

See independent auditors' report.

# Town/Village of Harrison, New York

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

## Schedule of the Town/Village's Proportionate Share of the Net Pension Liability (2)

	2019	2018	2017	2016	2015
Town/Village's proportion of the net pension liability	<u>0.2630255%</u>	<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>\$ 4,411,104</u>	<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>\$ 9,983,408</u>	<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>44.18%</u>	<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>95.09%</u>	<u>96.90%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

## Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,167,010</u>	<u>\$ 2,177,672</u>	<u>\$ 2,245,761</u>	<u>\$ 2,305,912</u>	<u>\$ 2,471,756</u>
Contributions in relation to the contractually required contribution	<u>(2,167,010)</u>	<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>	<u>\$ -</u>
Town/Village's covered payroll	<u>\$ 11,704,181</u>	<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>18.51%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) 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.

See independent auditors' report.

## Town/Village of Harrison, New York

### 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

	2019	2018	2017
<b>Total Pension Liability</b>			
Service cost	\$ 92,222	\$ 63,665	\$ 66,456
Interest	65,533	62,626	56,832
Changes in benefit terms	-	191,805	-
Changes in assumptions or other inputs	(158,057)	149,114	(137,637)
Differences between expected and actual experience	42,723	(29,244)	15,166
Benefit payments	(67,654)	(93,816)	(78,132)
Net Change in total pension liability	(25,233)	344,150	(77,315)
<b>Total pension liability – beginning</b>	<b>2,015,436</b>	<b>1,671,286</b>	<b>1,748,601</b>
<b>Total pension liability – ending</b>	<b>\$ 1,990,203</b>	<b>\$ 2,015,436</b>	<b>\$ 1,671,286</b>
Covered payroll	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A

(1) Schedule is intended to show information for 10 years. Additional information will be displayed as it becomes 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, 2018: 3.16%

December 31, 2019: 3.64%

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

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

General Fund  
Combining Balance Sheet - Sub Funds  
December 31, 2019  
(With Comparative Totals for 2018)

			Totals	
	Town	Village	2019	2018
<b>ASSETS</b>				
Cash and equivalents	\$ 22,948,518	\$ 2,873,132	\$ 25,821,650	\$ 24,544,323
Taxes receivable	-	2,401,066	2,401,066	2,486,302
Other receivables				
Accounts	721,358	156,936	878,294	1,246,372
State and Federal aid	1,517,870	-	1,517,870	1,155,364
Due from component unit	-	492,856	492,856	553,629
Due from other governments	-	146	146	10,652
Due from other funds	-	1,418	1,418	1,418
	2,239,228	651,356	2,890,584	2,967,435
Prepaid expenditures	985,441	172,717	1,158,158	1,150,117
Total Assets	<u>\$ 26,173,187</u>	<u>\$ 6,098,271</u>	<u>\$ 32,271,458</u>	<u>\$ 31,148,177</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 704,925	\$ 83,738	\$ 788,663	\$ 622,344
Due to other governments	-	74,732	74,732	100,052
Deposits	2,080,947	-	2,080,947	2,585,431
Employee payroll tax deduction	18,031	-	18,031	22,450
Unearned revenues	2,000	-	2,000	86,575
Total Liabilities	2,805,903	158,470	2,964,373	3,416,852
Deferred inflows of resources				
Deferred tax revenues	-	2,138,109	2,138,109	1,962,496
Total Liabilities and Deferred Inflows of Resources	2,805,903	2,296,579	5,102,482	5,379,348
Fund balances				
Nonspendable	985,441	665,573	1,651,014	1,703,746
Restricted	9,600,537	12,424	9,612,961	709,172
Committed	-	-	-	3,539,196
Assigned	366,267	5,521	371,788	198,800
Unassigned	12,415,039	3,118,174	15,533,213	19,617,915
Total Fund Balances	23,367,284	3,801,692	27,168,976	25,768,829
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,173,187</u>	<u>\$ 6,098,271</u>	<u>\$ 32,271,458</u>	<u>\$ 31,148,177</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, 2019  
(With Comparative Totals for 2018)

			Totals	
	Town	Village	2019	2018
<b>REVENUES</b>				
Real property taxes	\$ 28,712,578	\$ 10,422,196	\$ 39,134,774	\$ 38,244,065
Other tax items	-	2,733,423	2,733,423	2,889,367
Non-property taxes	5,687,880	-	5,687,880	5,069,960
Departmental income	2,508,660	-	2,508,660	2,844,357
Use of money and property	420,447	192,561	613,008	329,090
Licenses and permits	3,806,463	-	3,806,463	4,527,404
Fines and forfeitures	1,994,732	-	1,994,732	1,622,398
Sale of property and compensation for loss	-	9,734	9,734	16,811
State aid	1,034,442	997,077	2,031,519	1,524,744
Miscellaneous	654,208	135,959	790,167	543,191
Total Revenues	44,819,410	14,490,950	59,310,360	57,611,387
<b>EXPENDITURES</b>				
Current				
General government support	7,882,483	1,205,763	9,088,246	8,913,895
Public safety	21,308,224	-	21,308,224	21,302,169
Health	514,533	-	514,533	515,860
Transportation	293,219	-	293,219	325,992
Economic opportunity and development	161,578	-	161,578	150,959
Culture and recreation	3,678,864	-	3,678,864	3,604,519
Home and community services	235,940	2,639,494	2,875,434	2,732,526
Employee benefits	6,090,116	2,733,209	8,823,325	9,453,181
Total Expenditures	40,164,957	6,578,466	46,743,423	46,999,101
Excess of Revenues Over Expenditures	4,654,453	7,912,484	12,566,937	10,612,286
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	39,859	-	39,859	161,329
Sale of equipment	28,637	-	28,637	42,325
Transfers in	-	-	-	35,379
Transfers out	(3,976,768)	(7,258,518)	(11,235,286)	(7,028,610)
Total Other Financing Sources (Uses)	(3,908,272)	(7,258,518)	(11,166,790)	(6,789,577)
Net Change in Fund Balances	746,181	653,966	1,400,147	3,822,709
<b>FUND BALANCES</b>				
Beginning of Year	22,621,103	3,147,726	25,768,829	21,946,120
End of Year	\$ 23,367,284	\$ 3,801,692	\$ 27,168,976	\$ 25,768,829

See independent auditors' report.



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

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

	2019	2018
<b>ASSETS</b>		
Cash and equivalents	\$ 22,948,518	\$ 22,655,779
Receivables		
Accounts	721,358	1,075,330
State and Federal aid	1,517,870	1,155,364
	2,239,228	2,230,694
Prepaid expenditures	985,441	978,621
Total Assets	\$ 26,173,187	\$ 25,865,094
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 704,925	\$ 549,535
Deposits	2,080,947	2,585,431
Employee payroll tax deductions	18,031	22,450
Unearned revenues	2,000	86,575
Total Liabilities	2,805,903	3,243,991
Fund balance		
Nonspendable	985,441	978,621
Restricted	9,600,537	697,359
Committed	-	3,539,196
Assigned	366,267	196,579
Unassigned	12,415,039	17,209,348
Total Fund Balance	23,367,284	22,621,103
Total Liabilities and Fund Balance	\$ 26,173,187	\$ 25,865,094

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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 28,712,578	\$ 28,712,578	\$ 28,712,578	\$ -
Non-property taxes	4,800,000	4,800,000	5,687,880	887,880
Departmental income	1,912,900	2,185,609	2,508,660	323,051
Use of money and property	182,000	182,000	420,447	238,447
Licenses and permits	2,353,600	2,353,600	3,806,463	1,452,863
Fines and forfeitures	1,660,000	1,660,000	1,994,732	334,732
State aid	545,206	545,206	1,034,442	489,236
Miscellaneous	456,752	456,752	654,208	197,456
<b>Total Revenues</b>	<b>40,623,036</b>	<b>40,895,745</b>	<b>44,819,410</b>	<b>3,923,665</b>
<b>EXPENDITURES</b>				
Current				
General government support	8,551,022	8,611,893	7,882,483	729,410
Public safety	21,124,052	21,864,744	21,308,224	556,520
Health	515,900	515,900	514,533	1,367
Transportation	364,205	293,294	293,219	75
Economic opportunity and development	168,868	168,868	161,578	7,290
Culture and recreation	3,704,269	3,803,793	3,678,864	124,929
Home and community services	231,343	238,288	235,940	2,348
Employee benefits	6,183,956	6,135,872	6,090,116	45,756
<b>Total Expenditures</b>	<b>40,843,615</b>	<b>41,632,652</b>	<b>40,164,957</b>	<b>1,467,695</b>
Excess (Deficiency) of Revenues Over Expenditures	(220,579)	(736,907)	4,654,453	5,391,360
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	39,612	39,859	247
Sale of equipment	24,000	24,000	28,637	4,637
Transfers in	-	-	-	-
Transfers out	-	(3,974,769)	(3,976,768)	(1,999)
<b>Total Other Financing Sources (Uses)</b>	<b>24,000</b>	<b>(3,911,157)</b>	<b>(3,908,272)</b>	<b>2,885</b>
<b>Net Change in Fund Balance</b>	<b>(196,579)</b>	<b>(4,648,064)</b>	<b>746,181</b>	<b>5,394,245</b>
<b>FUND BALANCE</b>				
Beginning of Year	196,579	4,648,064	22,621,103	17,973,039
End of Year	\$ -	\$ -	\$ 23,367,284	\$ 23,367,284

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 28,108,980	\$ 28,108,980	\$ 28,108,980	\$ -
4,480,000	4,480,000	5,069,960	589,960
1,907,900	2,273,077	2,844,357	571,280
122,000	122,000	232,833	110,833
2,023,600	2,023,600	4,527,404	2,503,804
1,660,000	1,660,000	1,603,973	(56,027)
661,058	661,058	811,322	150,264
346,300	347,100	470,427	123,327
39,309,838	39,675,815	43,669,256	3,993,441
8,329,458	8,070,792	7,539,926	530,866
20,236,551	21,897,432	21,302,169	595,263
515,900	515,900	515,860	40
463,074	434,330	325,992	108,338
162,993	162,993	150,959	12,034
3,658,057	3,685,478	3,604,519	80,959
222,361	225,253	221,659	3,594
5,959,595	6,402,765	6,402,580	185
39,547,989	41,394,943	40,063,664	1,331,279
(238,151)	(1,719,128)	3,605,592	5,324,720
-	161,332	161,329	(3)
24,000	24,000	42,325	18,325
-	-	35,379	35,379
-	(213,606)	(213,606)	-
24,000	(28,274)	25,427	53,701
(214,151)	(1,747,402)	3,631,019	5,378,421
214,151	1,747,402	18,990,084	17,242,682
\$ -	\$ -	\$ 22,621,103	\$ 22,621,103

**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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>REAL PROPERTY TAXES</b>	<u>\$ 28,712,578</u>	<u>\$ 28,712,578</u>	<u>\$ 28,712,578</u>	<u>\$ -</u>	<u>\$ 28,108,980</u>
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	4,160,000	4,160,000	5,026,588	866,588	4,398,413
Franchise fees	<u>640,000</u>	<u>640,000</u>	<u>661,292</u>	<u>21,292</u>	<u>671,547</u>
	<u>4,800,000</u>	<u>4,800,000</u>	<u>5,687,880</u>	<u>887,880</u>	<u>5,069,960</u>
<b>DEPARTMENTAL INCOME</b>					
Clerk fees	7,000	7,000	12,334	5,334	8,664
Police fees	488,000	760,709	922,971	162,262	1,251,932
Fire inspection fees	195,000	195,000	231,635	36,635	233,020
Safety inspection fees	-	-	400	400	-
Parking meters and permit fees	340,000	340,000	340,948	948	338,780
Parks and recreation charges	835,000	835,000	899,980	64,980	883,094
Recreation commissions	1,900	1,900	2,887	987	3,263
Zoning fees	5,000	5,000	6,400	1,400	5,200
Community services	1,000	1,000	405	(595)	722
Planning Board fees	19,000	19,000	18,225	(775)	14,600
Planning Board parking fees	-	-	49,000	49,000	80,075
Senior lunch program fees	<u>21,000</u>	<u>21,000</u>	<u>23,475</u>	<u>2,475</u>	<u>25,007</u>
	<u>1,912,900</u>	<u>2,185,609</u>	<u>2,508,660</u>	<u>323,051</u>	<u>2,844,357</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	85,000	85,000	300,310	215,310	117,004
Rentals of real property	<u>97,000</u>	<u>97,000</u>	<u>120,137</u>	<u>23,137</u>	<u>115,829</u>
	<u>182,000</u>	<u>182,000</u>	<u>420,447</u>	<u>238,447</u>	<u>232,833</u>

**LICENSES AND PERMITS**

Street opening permits	70,000	70,000	150,270	80,270	154,065
Building permits	2,250,000	2,250,000	3,574,078	1,324,078	4,283,740
Wetlands permits	-	-	830	830	23,100
Bingo licenses	100	100	197	97	202
Dog license fund apportionment	3,500	3,500	4,818	1,318	4,564
Other licenses and permits	30,000	30,000	76,270	46,270	61,733
	<u>2,353,600</u>	<u>2,353,600</u>	<u>3,806,463</u>	<u>1,452,863</u>	<u>4,527,404</u>

**FINES AND FORFEITURES**

Fines and forfeited bail	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,994,732</u>	<u>334,732</u>	<u>1,603,973</u>
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**STATE AID**

Per capita	-	-	-	-	113,852
Mortgage tax	515,000	515,000	997,077	482,077	647,219
Youth programs	7,206	7,206	-	(7,206)	14,649
Bus shelters	23,000	23,000	24,451	1,451	23,006
Police grant	-	-	10,876	10,876	12,596
Justice court	-	-	2,038	2,038	-
	<u>545,206</u>	<u>545,206</u>	<u>1,034,442</u>	<u>489,236</u>	<u>811,322</u>

**MISCELLANEOUS**

Refunds of prior year's expenditures	130,000	130,000	307,330	177,330	233,594
Gifts and donations	-	-	-	-	648
Medicare Part D reimbursement	185,000	185,000	184,202	(798)	185,000
AIM related payment	113,852	113,852	113,852	-	-
Unclassified	27,900	27,900	48,824	20,924	51,185
	<u>456,752</u>	<u>456,752</u>	<u>654,208</u>	<u>197,456</u>	<u>470,427</u>

**TOTAL REVENUES**

	<u>40,623,036</u>	<u>40,895,745</u>	<u>44,819,410</u>	<u>3,923,665</u>	<u>43,669,256</u>
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(Continued)

**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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	\$ -	\$ 39,612	\$ 39,859	\$ 247	\$ 161,329
Sale of equipment	24,000	24,000	28,637	4,637	42,325
Transfers in					
Capital Projects Fund	-	-	-	-	35,379
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>24,000</u>	<u>63,612</u>	<u>68,496</u>	<u>4,884</u>	<u>239,033</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 40,647,036</u>	<u>\$ 40,959,357</u>	<u>\$ 44,887,906</u>	<u>\$ 3,928,549</u>	<u>\$ 43,908,289</u>

See independent auditors' report.

# **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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 79,880	\$ 79,880	\$ 79,880	\$ -	\$ 77,760
Town Justice	771,063	806,381	772,772	33,609	730,698
Supervisor	359,589	378,145	371,169	6,976	357,304
Finance	432,104	460,532	447,456	13,076	427,817
Auditor	38,675	38,675	38,675	-	42,000
Receiver of Taxes	180,723	180,723	166,717	14,006	161,108
Purchasing	165,730	177,880	165,038	12,842	150,181
Assessor	232,268	232,268	210,862	21,406	220,676
Town Clerk	239,355	248,257	239,927	8,330	236,945
Archive Grant	3,200	3,200	616	2,584	332
Town Attorney	1,040,618	1,039,893	831,778	208,115	1,032,068
Engineer	519,585	664,585	406,300	258,285	335,792
Elections	46,320	46,320	44,987	1,333	43,677
Commissioner of Public Works	370,567	395,181	389,290	5,891	358,240
Central services	539,937	561,455	519,841	41,614	303,974
Buildings	1,402,473	1,487,093	1,476,271	10,822	1,410,065
Central garage	814,052	882,842	881,047	1,795	825,940
Central data processing	384,820	385,406	348,362	37,044	408,428
Special items					
Special services	116,159	211,031	163,453	47,578	156,817
Professional fees	-	53,400	53,400	-	-
General code	6,000	6,000	5,104	896	5,743
Youth Council	500	500	457	43	-
Unallocated insurance	140,000	140,000	136,836	3,164	135,456
Taxes and assessments on property	100,000	101,028	101,027	1	89,477
Metropolitan commuter transportation mobility tax	30,464	31,218	31,218	-	29,428
Contingent account	536,940	-	-	-	-
	<u>8,551,022</u>	<u>8,611,893</u>	<u>7,882,483</u>	<u>729,410</u>	<u>7,539,926</u>

**PUBLIC SAFETY**

Police	11,264,175	12,039,442	11,752,833	286,609	10,739,618
Employee benefits - Police	8,559,667	8,487,978	8,341,125	146,853	9,374,747
Youth forum	54,760	56,746	53,134	3,612	48,523
Traffic control	251,463	286,591	267,491	19,100	213,849
Fire inspection	193,437	193,437	169,412	24,025	131,945
Control of animals	49,000	49,000	48,348	652	47,789
Safety inspection	751,550	751,550	675,881	75,669	745,698
	<u>21,124,052</u>	<u>21,864,744</u>	<u>21,308,224</u>	<u>556,520</u>	<u>21,302,169</u>

**HEALTH**

Ambulance	<u>515,900</u>	<u>515,900</u>	<u>514,533</u>	<u>1,367</u>	<u>515,860</u>
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**TRANSPORTATION**

Street lighting	<u>364,205</u>	<u>293,294</u>	<u>293,219</u>	<u>75</u>	<u>325,992</u>
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**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Community services	<u>168,868</u>	<u>168,868</u>	<u>161,578</u>	<u>7,290</u>	<u>150,959</u>
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**CULTURE AND RECREATION**

Parks, playgrounds and recreation	3,450,547	3,550,071	3,426,538	123,533	3,360,169
Celebrations	22,000	22,000	21,750	250	12,648
Historian	2,200	2,200	1,054	1,146	2,180
Public library	<u>229,522</u>	<u>229,522</u>	<u>229,522</u>	<u>-</u>	<u>229,522</u>
	<u>3,704,269</u>	<u>3,803,793</u>	<u>3,678,864</u>	<u>124,929</u>	<u>3,604,519</u>

**HOME AND COMMUNITY SERVICES**

Zoning	800	400	(399)	799	6
Planning	145,143	152,488	151,089	1,399	136,263
Council for the arts	82,500	82,500	82,500	-	82,500
ETPA administrative charge	<u>2,900</u>	<u>2,900</u>	<u>2,750</u>	<u>150</u>	<u>2,890</u>
	<u>231,343</u>	<u>238,288</u>	<u>235,940</u>	<u>2,348</u>	<u>221,659</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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 1,212,510	\$ 1,193,916	\$ 1,177,413	\$ 16,503	\$ 1,195,419
Social security	685,446	703,595	703,594	1	668,050
Workers' compensation benefits	300,000	265,682	248,958	16,724	254,027
Disability benefits	10,000	10,000	9,452	548	9,318
Unemployment benefits	2,500	2,500	2	2,498	-
Welfare benefits	28,000	28,000	27,075	925	26,600
Health, dental and life insurance	3,945,500	3,932,179	3,923,622	8,557	4,249,166
	<u>6,183,956</u>	<u>6,135,872</u>	<u>6,090,116</u>	<u>45,756</u>	<u>6,402,580</u>
<b>TOTAL EXPENDITURES</b>	<u>40,843,615</u>	<u>41,632,652</u>	<u>40,164,957</u>	<u>1,467,695</u>	<u>40,063,664</u>
<b>OTHER FINANCING USES</b>					
Transfers out					
Debt Service Fund	-	189,453	189,452	1	30,331
Capital Projects Fund	-	3,785,316	3,787,316	(2,000)	183,275
	<u>-</u>	<u>3,974,769</u>	<u>3,976,768</u>	<u>(1,999)</u>	<u>213,606</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 40,843,615</u>	<u>\$ 45,607,421</u>	<u>\$ 44,141,725</u>	<u>\$ 1,465,696</u>	<u>\$ 40,277,270</u>

See independent auditors' report.

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

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

	2019	2018
<b>ASSETS</b>		
Cash and equivalents	\$ 2,873,132	\$ 1,888,544
Taxes receivable	2,401,066	2,486,302
Receivables		
Accounts	156,936	171,042
Due from component unit	492,856	553,629
Due from other governments	146	10,652
Due from other funds	1,418	1,418
	651,356	736,741
Prepaid expenditures	172,717	171,496
Total Assets	<u>\$ 6,098,271</u>	<u>\$ 5,283,083</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 83,738	\$ 72,809
Due to other governments	74,732	100,052
Total Liabilities	158,470	172,861
Deferred inflows of resources		
Deferred tax revenues	2,138,109	1,962,496
Total Liabilities and Deferred Inflows of Resources	2,296,579	2,135,357
Fund balance		
Nonspendable	665,573	725,125
Restricted	12,424	11,813
Assigned	5,521	2,221
Unassigned	3,118,174	2,408,567
Total Fund Balance	3,801,692	3,147,726
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 6,098,271</u>	<u>\$ 5,283,083</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 10,582,300	\$ 10,582,300	\$ 10,422,196	\$ (160,104)
Other tax items	2,318,120	2,318,120	2,733,423	415,303
Use of money and property	75,000	75,000	192,561	117,561
Fines and forfeitures	30,000	30,000	-	(30,000)
Sale of property and compensation for loss	5,000	5,000	9,734	4,734
State aid	515,000	515,000	997,077	482,077
Miscellaneous	181,503	181,503	135,959	(45,544)
<b>Total Revenues</b>	<b>13,706,923</b>	<b>13,706,923</b>	<b>14,490,950</b>	<b>784,027</b>
<b>EXPENDITURES</b>				
Current				
General government support	1,068,380	1,253,747	1,205,763	47,984
Home and community services	2,581,348	2,651,550	2,639,494	12,056
Employee benefits	2,798,683	2,798,534	2,733,209	65,325
<b>Total Expenditures</b>	<b>6,448,411</b>	<b>6,703,831</b>	<b>6,578,466</b>	<b>125,365</b>
<b>Excess of Revenues Over Expenditures</b>	<b>7,258,512</b>	<b>7,003,092</b>	<b>7,912,484</b>	<b>909,392</b>
<b>OTHER FINANCING USES</b>				
Transfers out	(7,258,519)	(7,258,519)	(7,258,518)	1
<b>Net Change in Fund Balance</b>	<b>(7)</b>	<b>(255,427)</b>	<b>653,966</b>	<b>909,393</b>
<b>FUND BALANCE</b>				
Beginning of Year	7	255,427	3,147,726	2,892,299
End of Year	\$ -	\$ -	\$ 3,801,692	\$ 3,801,692

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,453,514	\$ 10,453,514	\$ 10,135,085	\$ (318,429)
1,975,196	2,116,521	2,889,367	772,846
10,000	10,000	96,257	86,257
15,000	15,000	18,425	3,425
5,000	5,000	16,811	11,811
596,203	596,203	713,422	117,219
100,300	100,300	72,764	(27,536)
13,155,213	13,296,538	13,942,131	645,593
914,159	1,462,829	1,373,969	88,860
2,662,324	2,518,296	2,510,867	7,429
2,764,989	3,050,609	3,050,601	8
6,341,472	7,031,734	6,935,437	96,297
6,813,741	6,264,804	7,006,694	741,890
(6,815,895)	(6,815,895)	(6,815,004)	891
(2,154)	(551,091)	191,690	742,781
2,154	551,091	2,956,036	2,404,945
\$ -	\$ -	\$ 3,147,726	\$ 3,147,726

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

General Fund - Village  
Schedule of Revenues Compared to Budget - Sub Fund  
Year Ended December 31, 2019  
(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>REAL PROPERTY TAXES</b>	<u>\$ 10,582,300</u>	<u>\$ 10,582,300</u>	<u>\$ 10,422,196</u>	<u>\$ (160,104)</u>	<u>\$ 10,135,085</u>
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	698,120	698,120	698,383	263	681,312
Interest and penalties on real property taxes	600,000	600,000	701,315	101,315	856,970
Hotel tax	325,000	325,000	642,936	317,936	617,822
Services for other governments	40,000	40,000	38,272	(1,728)	39,088
Utilities gross receipts taxes	<u>655,000</u>	<u>655,000</u>	<u>652,517</u>	<u>(2,483)</u>	<u>694,175</u>
	<u>2,318,120</u>	<u>2,318,120</u>	<u>2,733,423</u>	<u>415,303</u>	<u>2,889,367</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	<u>75,000</u>	<u>75,000</u>	<u>192,561</u>	<u>117,561</u>	<u>96,257</u>
<b>FINES AND FORFEITURES</b>					
Fines and forfeited bail	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>18,425</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Sale of recycled materials	<u>5,000</u>	<u>5,000</u>	<u>9,734</u>	<u>4,734</u>	<u>16,811</u>
<b>STATE AID</b>					
Per capita	-	-	-	-	66,203
Mortgage tax	<u>515,000</u>	<u>515,000</u>	<u>997,077</u>	<u>482,077</u>	<u>647,219</u>
	<u>515,000</u>	<u>515,000</u>	<u>997,077</u>	<u>482,077</u>	<u>713,422</u>

**MISCELLANEOUS**

Refunds of prior year's expenditures	100,000	100,000	47,220	(52,780)	47,546
AIM related payment	81,203	81,203	66,203	(15,000)	-
Miscellaneous	300	300	22,536	22,236	25,218
	<u>181,503</u>	<u>181,503</u>	<u>135,959</u>	<u>(45,544)</u>	<u>72,764</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 13,706,923</u></u>	<u><u>\$ 13,706,923</u></u>	<u><u>\$ 14,490,950</u></u>	<u><u>\$ 784,027</u></u>	<u><u>\$ 13,942,131</u></u>

See independent auditors' report.

## 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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Auditor	\$ 19,075	\$ 19,075	\$ 18,325	\$ 750	\$ 23,000
Law	127,895	138,823	137,724	1,099	127,894
Special items					
Special services	1,500	1,499	1,216	283	1,215
Stormwater management plan	2,221	2,222	-	2,222	-
Bond and note issuance costs	7,500	7,500	1,360	6,140	3,860
Unallocated insurance	110,000	110,000	107,155	2,845	98,366
Taxes and assessments on property	100,000	100,000	99,587	413	88,065
Judgments and claims	565,639	832,698	832,698	-	1,024,182
Metropolitan commuter transportation mobility tax	7,550	7,699	7,698	1	7,387
Contingent account	127,000	34,231	-	34,231	-
	<u>1,068,380</u>	<u>1,253,747</u>	<u>1,205,763</u>	<u>47,984</u>	<u>1,373,969</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Refuse and garbage collection	<u>2,581,348</u>	<u>2,651,550</u>	<u>2,639,494</u>	<u>12,056</u>	<u>2,510,867</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	331,049	327,985	322,678	5,307	335,254
Social security	169,863	173,990	173,989	1	167,329
Workers' compensation benefits	575,000	571,656	522,983	48,673	615,514
Disability benefits	3,171	3,171	2,286	885	2,286
Unemployment benefits	3,600	2,817	2,527	290	2,463
Welfare benefits	26,000	26,000	22,563	3,437	22,563
Health, dental and life insurance	<u>1,690,000</u>	<u>1,692,915</u>	<u>1,686,183</u>	<u>6,732</u>	<u>1,905,192</u>
	<u>2,798,683</u>	<u>2,798,534</u>	<u>2,733,209</u>	<u>65,325</u>	<u>3,050,601</u>

<b>TOTAL EXPENDITURES</b>	6,448,411	6,703,831	6,578,466	125,365	6,935,437
<b>OTHER FINANCING USES</b>					
Transfers out					
Debt Service Fund	<u>7,258,519</u>	<u>7,258,519</u>	<u>7,258,518</u>	<u>1</u>	<u>6,815,004</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u><u>\$ 13,706,930</u></u>	<u><u>\$ 13,962,350</u></u>	<u><u>\$ 13,836,984</u></u>	<u><u>\$ 125,366</u></u>	<u><u>\$ 13,750,441</u></u>

See independent auditors' report.



Town/Village of Harrison, New York

Debt Service Fund  
Comparative Balance Sheet  
December 31,

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,305,661	\$ 3,364,007
Accounts receivable	<u>4,332</u>	<u>4,433</u>
Total Assets	<u>\$ 4,309,993</u>	<u>\$ 3,368,440</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 4,309,993</u>	<u>\$ 3,368,440</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 49,833	\$ 49,833
Miscellaneous	-	-	4,332	4,332
Total Revenues	-	-	54,165	54,165
<b>EXPENDITURES</b>				
Debt service				
Principal				
Serial bonds	6,601,000	6,601,000	6,601,000	-
Energy performance contract	-	-	153,171	(153,171)
	6,601,000	6,601,000	6,754,171	(153,171)
Interest				
Serial bonds	2,772,707	2,772,707	2,772,705	2
Energy performance contract	-	-	36,281	(36,281)
	2,772,707	2,772,707	2,808,986	(36,279)
Total Expenditures	9,373,707	9,373,707	9,563,157	(189,450)
Deficiency of Revenues Over Expenditures	(9,373,707)	(9,373,707)	(9,508,992)	(135,285)
<b>OTHER FINANCING SOURCES</b>				
Issuance premium	-	-	482,738	482,738
Transfers in	9,180,148	9,180,148	9,967,807	787,659
Total Other Financing Sources	9,180,148	9,180,148	10,450,545	1,270,397
Net Change in Fund Balance	(193,559)	(193,559)	941,553	1,135,112
<b>FUND BALANCE</b>				
Beginning of Year	193,559	193,559	3,368,440	3,174,881
End of Year	\$ -	\$ -	\$ 4,309,993	\$ 4,309,993

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 29,248	\$ 29,248
-	-	4,433	4,433
-	-	33,681	33,681
6,404,300	6,474,300	6,474,300	-
-	-	26,307	(26,307)
6,404,300	6,474,300	6,500,607	(26,307)
2,074,616	2,240,057	2,240,056	1
-	-	4,024	(4,024)
2,074,616	2,240,057	2,244,080	(4,023)
8,478,916	8,714,357	8,744,687	(30,330)
(8,478,916)	(8,714,357)	(8,711,006)	3,351
-	-	758,999	758,999
8,450,404	8,450,404	8,970,940	520,536
8,450,404	8,450,404	9,729,939	1,279,535
(28,512)	(263,953)	1,018,933	1,282,886
28,512	263,953	2,349,507	2,085,554
\$ -	\$ -	\$ 3,368,440	\$ 3,368,440

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

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

	2019	2018
<b>ASSETS</b>		
Cash and equivalents	\$ 20,764,601	\$ 16,473,405
Deposit	95,000	82,000
Total Assets	<u>\$ 20,859,601</u>	<u>\$ 16,555,405</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 3,492,336	\$ 1,417,453
Loans payable	-	221,735
Total Liabilities	3,492,336	1,639,188
<b>FUND BALANCE</b>		
Restricted	<u>17,367,265</u>	<u>14,916,217</u>
Total Liabilities and Fund Balance	<u>\$ 20,859,601</u>	<u>\$ 16,555,405</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,

	2019	2018
<b>REVENUES</b>		
State aid	\$ 27,219	\$ 290,481
Federal aid	-	61,593
Miscellaneous	147,722	41,307
Total Revenues	174,941	393,381
<b>EXPENDITURES</b>		
Capital outlay	13,980,412	14,185,088
Deficiency of Revenues Over Expenditures	(13,805,471)	(13,791,707)
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued	12,636,735	18,623,600
Energy performance contract issued	-	1,694,781
Transfers in	4,217,989	391,862
Transfers out	(598,205)	(469,509)
Total Other Financing Sources	16,256,519	20,240,734
Net Change in Fund Balance	2,451,048	6,449,027
<b>FUND BALANCE</b>		
Beginning of Year	14,916,217	8,467,190
End of Year	\$ 17,367,265	\$ 14,916,217

See independent auditors' report.

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

Special Districts Fund  
Combining Balance Sheet - Sub Funds  
December 31, 2019  
(With Comparative Totals for 2018)

	Water District No. 2	Sewer Districts Rent
<b>ASSETS</b>		
Cash and equivalents	\$ 5,825,106	\$ -
Investments	-	-
Accounts receivable	1,033,380	289,017
Due from other funds	188,860	-
Prepaid expenditures	-	37,009
Total Assets	<u>\$ 7,047,346</u>	<u>\$ 326,026</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>		
<b>FUND BALANCES (DEFICITS)</b>		
Liabilities		
Accounts payable	\$ 1,105	\$ 5,680
Due to other funds	-	188,860
Total Liabilities	1,105	194,540
Deferred inflows of resources		
Deferred miscellaneous revenue	775,035	-
Total Liabilities and Deferred Inflows of Resources	<u>776,140</u>	<u>-</u>
Fund balances (deficits)		
Nonspendable	-	37,009
Restricted	-	-
Assigned	6,271,206	94,477
Total Fund Balances (Deficits)	<u>6,271,206</u>	<u>131,486</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 7,047,346</u>	<u>\$ 326,026</u>

See independent auditors' report.

Fire Protection Districts				Fire Service Awards Program	Totals	
No. 1	No. 2	No. 3	No. 5		2019	2018
\$ 1,195,834	\$ 1,298,928	\$ 3,768	\$ -	\$ 42,421	\$ 8,366,057	\$ 7,210,078
-	-	-	-	1,267,776	1,267,776	1,199,040
-	-	-	-	301,528	1,623,925	2,027,483
-	-	-	-	-	188,860	-
84,413	160,631	-	-	-	282,053	269,786
<u>\$ 1,280,247</u>	<u>\$ 1,459,559</u>	<u>\$ 3,768</u>	<u>\$ -</u>	<u>\$ 1,611,725</u>	<u>\$ 11,728,671</u>	<u>\$ 10,706,387</u>
\$ 325,464	\$ 148,179	\$ 495	\$ -	\$ 3,214	\$ 484,137	\$ 287,982
-	-	-	1,418	-	190,278	1,418
325,464	148,179	495	1,418	3,214	674,415	289,400
-	-	-	-	-	775,035	1,395,340
-	-	-	-	-	1,449,450	1,684,740
84,413	160,631	-	-	-	282,053	269,786
-	-	-	-	1,608,511	1,608,511	1,387,252
870,370	1,150,749	3,273	(1,418)	-	8,388,657	7,364,609
954,783	1,311,380	3,273	(1,418)	1,608,511	10,279,221	9,021,647
<u>\$ 1,280,247</u>	<u>\$ 1,459,559</u>	<u>\$ 3,768</u>	<u>\$ -</u>	<u>\$ 1,611,725</u>	<u>\$ 11,728,671</u>	<u>\$ 10,706,387</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, 2019  
(With Comparative Totals for 2018)

	Water District No. 2	Sewer Districts		
		No. 1	Maintenance	Rent
<b>REVENUES</b>				
Real property taxes	\$ 165,508	\$ -	\$ -	\$ -
Departmental income	1,653,685	-	-	988,590
Use of money and property	28,700	-	-	92
State aid	-	-	-	-
Miscellaneous	-	-	-	1,530
Total Revenues	1,847,893	-	-	990,212
<b>EXPENDITURES</b>				
Current				
General government support	-	-	-	-
Public safety	-	-	-	-
Home and community services	25,761	-	4,890	360,069
Employee benefits	-	-	-	151,942
Total Expenditures	25,761	-	4,890	512,011
Excess (Deficiency) of Revenues Over Expenditures	1,822,132	-	(4,890)	478,201
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	61,521
Transfers out	(1,441,533)	(6,442)	(55,079)	(408,236)
Total Other Financing Uses	(1,441,533)	(6,442)	(55,079)	(346,715)
Net Change in Fund Balances	380,599	(6,442)	(59,969)	131,486
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	5,890,607	6,442	59,969	-
End of Year	\$ 6,271,206	\$ -	\$ -	\$ 131,486

See independent auditors' report.



Fire Protection Districts				Fire Service Awards Program	Eliminations	Totals	
No. 1	No. 2	No. 3	No. 5			2019	2018
\$ 916,620	\$ 5,033,928	\$ 32,273	\$ 37,548	\$ -	\$ -	\$ 6,185,877	\$ 6,140,659
37,548	1,936	-	-	135,958	(135,958)	2,681,759	1,490,762
5,871	12,315	118	-	161,489	-	208,585	(20,417)
-	2,500	-	-	-	-	2,500	-
9,660	121,515	-	-	-	-	132,705	27,109
<u>969,699</u>	<u>5,172,194</u>	<u>32,391</u>	<u>37,548</u>	<u>297,447</u>	<u>(135,958)</u>	<u>9,211,426</u>	<u>7,638,113</u>
5,363	37,782	182	-	-	-	43,327	44,112
699,221	2,901,115	31,628	37,548	76,188	(135,958)	3,609,742	3,071,031
-	-	-	-	-	-	390,720	522,735
4,189	1,517,968	-	-	-	-	1,674,099	1,741,862
<u>708,773</u>	<u>4,456,865</u>	<u>31,810</u>	<u>37,548</u>	<u>76,188</u>	<u>(135,958)</u>	<u>5,717,888</u>	<u>5,379,740</u>
<u>260,926</u>	<u>715,329</u>	<u>581</u>	<u>-</u>	<u>221,259</u>	<u>-</u>	<u>3,493,538</u>	<u>2,258,373</u>
-	-	-	-	-	-	61,521	-
(233,000)	(153,195)	-	-	-	-	(2,297,485)	(1,841,475)
<u>(233,000)</u>	<u>(153,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,235,964)</u>	<u>(1,841,475)</u>
27,926	562,134	581	-	221,259	-	1,257,574	416,898
<u>926,857</u>	<u>749,246</u>	<u>2,692</u>	<u>(1,418)</u>	<u>1,387,252</u>	<u>-</u>	<u>9,021,647</u>	<u>8,604,749</u>
<u>\$ 954,783</u>	<u>\$ 1,311,380</u>	<u>\$ 3,273</u>	<u>\$ (1,418)</u>	<u>\$ 1,608,511</u>	<u>\$ -</u>	<u>\$ 10,279,221</u>	<u>\$ 9,021,647</u>

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

Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2019  
(With Comparative Totals for 2018)

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	Highway	Public Library	Special Purpose
<b>ASSETS</b>			
Cash and equivalents	\$ 2,874,010	\$ 234,442	\$ 2,501,735
Receivables			
Accounts	26,892	-	1,410
State and Federal aid	-	1,066	-
	26,892	1,066	1,410
Prepaid expenditures	174,406	63,735	-
Total Assets	<u>\$ 3,075,308</u>	<u>\$ 299,243</u>	<u>\$ 2,503,145</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 121,101	\$ 23,429	\$ 19,413
Deposits payroll	157,450	16,184	-
Total Liabilities	278,551	39,613	19,413
Fund balances			
Nonspendable	174,406	63,735	-
Restricted	-	-	2,483,732
Assigned	2,622,351	195,895	-
Total Fund Balances	2,796,757	259,630	2,483,732
Total Liabilities and Fund Balances	<u>\$ 3,075,308</u>	<u>\$ 299,243</u>	<u>\$ 2,503,145</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2019	2018
\$ 5,610,187	\$ 4,444,673
28,302	37,446
1,066	-
29,368	37,446
238,141	226,239
\$ 5,877,696	\$ 4,708,358
\$ 163,943	\$ 164,378
173,634	154,184
337,577	318,562
238,141	226,239
2,483,732	1,722,845
2,818,246	2,440,712
5,540,119	4,389,796
\$ 5,877,696	\$ 4,708,358

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

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2019  
(With Comparative Totals for 2018)

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	Highway	Public Library	Special Purpose
<b>REVENUES</b>			
Real property taxes	\$ 5,703,815	\$ 2,563,131	\$ -
Departmental income	86,242	10,901	-
Use of money and property	18,586	3,965	3,999
State aid	172,808	112,297	-
Miscellaneous	38,125	18,913	1,103,643
Total Revenues	6,019,576	2,709,207	1,107,642
<b>EXPENDITURES</b>			
Current			
Transportation	4,045,608	-	-
Culture and recreation	-	1,520,028	48,210
Home and community services	-	-	298,545
Employee benefits	1,627,031	1,030,339	-
Total Expenditures	5,672,639	2,550,367	346,755
Excess of Revenues Over Expenditures	346,937	158,840	760,887
<b>OTHER FINANCING USES</b>			
Transfers out	-	(116,341)	-
Net Change in Fund Balances	346,937	42,499	760,887
<b>FUND BALANCES</b>			
Beginning of Year	2,449,820	217,131	1,722,845
End of Year	\$ 2,796,757	\$ 259,630	\$ 2,483,732

See independent auditors' report.

Total Non-Major Governmental Funds	
2019	2018
\$ 8,266,946	\$ 8,099,713
97,143	125,842
26,550	18,979
285,105	114,154
1,160,681	465,700
9,836,425	8,824,388
4,045,608	3,848,159
1,568,238	1,512,190
298,545	275,818
2,657,370	2,888,730
8,569,761	8,524,897
1,266,664	299,491
(116,341)	(58,587)
1,150,323	240,904
4,389,796	4,148,892
\$ 5,540,119	\$ 4,389,796

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

Highway Fund  
Comparative Balance Sheet  
December 31,

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,874,010	\$ 2,497,862
Receivables		
Accounts	26,892	35,121
Prepaid expenditures	<u>174,406</u>	<u>172,399</u>
Total Assets	<u><u>\$ 3,075,308</u></u>	<u><u>\$ 2,705,382</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 121,101	\$ 120,962
Deposits	<u>157,450</u>	<u>134,600</u>
Total Liabilities	<u>278,551</u>	<u>255,562</u>
Fund balance		
Nonspendable	174,406	172,399
Assigned	<u>2,622,351</u>	<u>2,277,421</u>
Total Fund Balance	<u>2,796,757</u>	<u>2,449,820</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,075,308</u></u>	<u><u>\$ 2,705,382</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 5,703,815	\$ 5,703,815	\$ 5,703,815	\$ -
Departmental income	71,000	71,000	86,242	15,242
Use of money and property	10,000	10,000	18,586	8,586
State aid	118,000	118,000	172,808	54,808
Miscellaneous	18,000	18,000	38,125	20,125
Total Revenues	5,920,815	5,920,815	6,019,576	98,761
<b>EXPENDITURES</b>				
Current				
Transportation	4,170,873	4,170,936	4,045,608	125,328
Employee benefits	1,754,455	1,754,392	1,627,031	127,361
Total Expenditures	5,925,328	5,925,328	5,672,639	252,689
Excess of Revenues Over Expenditures	(4,513)	(4,513)	346,937	351,450
<b>FUND BALANCE</b>				
Beginning of Year	4,513	4,513	2,449,820	2,445,307
End of Year	\$ -	\$ -	\$ 2,796,757	\$ 2,796,757

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,598,916	\$ 5,598,916	\$ 5,598,916	\$ -
65,000	65,000	109,924	44,924
3,400	3,400	13,017	9,617
88,000	88,000	106,102	18,102
18,000	19,837	13,913	(5,924)
5,773,316	5,775,153	5,841,872	66,719
4,053,098	3,914,066	3,848,159	65,907
1,726,468	1,867,337	1,867,329	8
5,779,566	5,781,403	5,715,488	65,915
(6,250)	(6,250)	126,384	132,634
6,250	6,250	2,323,436	2,317,186
\$ -	\$ -	\$ 2,449,820	\$ 2,449,820



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

Public Library Fund  
Comparative Balance Sheet  
December 31,

	2019	2018
<b>ASSETS</b>		
Cash and equivalents	\$ 234,442	\$ 208,675
Due from State and Federal aid	1,066	-
Prepaid expenditures	63,735	53,840
Total Assets	<u>\$ 299,243</u>	<u>\$ 262,515</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 23,429	\$ 25,800
Deposits payable	16,184	19,584
Total Liabilities	<u>39,613</u>	<u>45,384</u>
Fund balance		
Nonspendable	63,735	53,840
Assigned	195,895	163,291
Total Fund Balance	<u>259,630</u>	<u>217,131</u>
Total Liabilities and Fund Balance	<u>\$ 299,243</u>	<u>\$ 262,515</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 2,563,131	\$ 2,563,131	\$ 2,563,131	\$ -
Departmental income	17,000	17,000	10,901	(6,099)
Use of money and property	1,500	1,500	3,965	2,465
State aid	8,000	111,641	112,297	656
Miscellaneous	-	12,700	18,913	6,213
Total Revenues	2,589,631	2,705,972	2,709,207	3,235
<b>EXPENDITURES</b>				
Current				
Culture and recreation	1,535,630	1,546,556	1,520,028	26,528
Employee benefits	1,065,234	1,054,308	1,030,339	23,969
Total Expenditures	2,600,864	2,600,864	2,550,367	50,497
Excess (Deficiency) of Revenues Over Expenditures	(11,233)	105,108	158,840	53,732
<b>OTHER FINANCING USES</b>				
Transfers out	-	(116,341)	(116,341)	-
Net Change in Fund Balance	(11,233)	(11,233)	42,499	53,732
<b>FUND BALANCE</b>				
Beginning of Year	11,233	11,233	217,131	205,898
End of Year	\$ -	\$ -	\$ 259,630	\$ 259,630

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,500,797	\$ 2,500,797	\$ 2,500,797	\$ -
17,000	17,000	15,918	(1,082)
1,500	1,500	3,166	1,666
8,000	8,000	8,052	52
-	-	351	351
2,527,297	2,527,297	2,528,284	987
1,537,774	1,504,447	1,499,842	4,605
989,523	1,021,405	1,021,401	4
2,527,297	2,525,852	2,521,243	4,609
-	1,445	7,041	5,596
-	(58,587)	(58,587)	-
-	(57,142)	(51,546)	5,596
-	57,142	268,677	211,535
\$ -	\$ -	\$ 217,131	\$ 217,131

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

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,501,735	\$ 1,738,136
Accounts receivable	<u>1,410</u>	<u>2,325</u>
Total Assets	<u><u>\$ 2,503,145</u></u>	<u><u>\$ 1,740,461</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 19,413	\$ 17,616
Fund balance		
Restricted	<u>2,483,732</u>	<u>1,722,845</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,503,145</u></u>	<u><u>\$ 1,740,461</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,

	2019	2018
<b>REVENUES</b>		
Use of money and property	\$ 3,999	\$ 2,796
Miscellaneous	1,103,643	451,436
Total Revenues	1,107,642	454,232
<b>EXPENDITURES</b>		
Current		
Culture and recreation	48,210	12,348
Home and community services	298,545	275,818
Total Expenditures	346,755	288,166
Excess of Revenues Over Expenditures	760,887	166,066
<b>FUND BALANCE</b>		
Beginning of Year	1,722,845	1,556,779
End of Year	\$ 2,483,732	\$ 1,722,845

See independent auditors' report.

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

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

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,106,358	\$ 4,707,280
Accounts receivable	<u>1,336,796</u>	<u>580,256</u>
Total Assets	<u>3,443,154</u>	<u>5,287,536</u>
<b>LIABILITIES</b>		
Accounts payable	191,519	177,239
Accrued liabilities	<u>1,800,000</u>	<u>1,719,000</u>
Total Liabilities	<u>1,991,519</u>	<u>1,896,239</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 1,451,635</u>	<u>\$ 3,391,297</u>

See independent auditors' report.

**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,

	2019	2018
<b>OPERATING REVENUES</b>		
Charges for services	\$ 12,621,368	\$ 14,168,681
Insurance recoveries	2,090,733	1,281,636
Total Operating Revenues	14,712,101	15,450,317
<b>OPERATING EXPENSES</b>		
Insurance	687,323	696,010
Employee benefits	15,713,174	13,096,331
Contractual	251,266	257,639
Total Operating Expenses	16,651,763	14,049,980
Income (loss) from Operations	(1,939,662)	1,400,337
<b>NET POSITION</b>		
Beginning of Year	3,391,297	1,990,960
End of Year	\$ 1,451,635	\$ 3,391,297

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,

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 12,621,368	\$ 14,168,681
Cash received from insurance recoveries	1,334,193	1,371,849
Cash payments to vendors	(251,266)	(257,639)
Cash payments to insurance carriers and claimants	(16,305,217)	(13,689,193)
Net Cash from Operating Activities	(2,600,922)	1,593,698
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	4,707,280	3,113,582
End of Year	<u>\$ 2,106,358</u>	<u>\$ 4,707,280</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ (1,939,662)	\$ 1,400,337
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(756,540)	90,213
Accounts payable	14,280	17,148
Accrued liabilities	81,000	86,000
Net Cash from Operating Activities	<u>\$ (2,600,922)</u>	<u>\$ 1,593,698</u>

See independent auditors' report.