

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

Financial Statements and  
Supplementary Information

Year Ended December 31, 2022



## 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 Audit of the Financial Statements

##### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town/Village of Harrison, New York ("Town/Village") as of and for the year ended December 31, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town/Village, as of December 31, 2022, 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.

##### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town/Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### *Change in Accounting Policy*

We draw attention to Note 2E in the notes to financial statements which discloses the effects of the Town/Village adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

##### *Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town/Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town/Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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 Information**

Our audit for the year ended December 31, 2022 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 and the schedule of expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended December 31, 2022 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022 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 for the year ended December 31, 2022 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

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, 2021 (not presented herein), and have issued our report thereon dated July 8, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended December 31, 2021 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 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 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 the auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2023 on our consideration of the Town/Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town/Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town/Village's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
September 11, 2023

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# Town/Village of Harrison, New York

Management's Discussion and Analysis (MD&A)  
December 31, 2022

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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, 2022. 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 governmental activities of the Town/Village exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$121,007,099. Of this amount, a deficit of (\$196,598,790) is unrestricted. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34, which will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences and the accrual of the Town/Village's annual other postemployment benefit obligations in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB") 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 business-type activities reflected a net deficit of \$1,206,941.
- ❖ The Town/Village is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Town/Village has recognized substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2022, the Town/Village had liabilities of \$167,333,727 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB") and \$1,720,933 for its proportionate share of the net pension liability of the New York State and Local Police and Fire Retirement System ("PFRS") recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". Due to investment gains as of the plan's year end of March 31, 2022, the Town/Village was able to report its proportionate share of the net pension asset of the New York State and Local Employees' Retirement System ("ERS") of \$3,928,750 at December 31, 2022. More detailed information about the Town/Village's OPEB and pension reporting is presented in Note 3G in the notes to the financial statements.
- ❖ As of the close of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of \$82,014,001, an increase of \$12,720,602 from the previous fiscal year.

- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,756,977 or 65.3% of total General Fund expenditures and other financing uses for 2022. This is a decrease of \$2,324,356 from the previous year and was primarily caused increased amounts set aside and restricted for capital projects.
- ❖ During the current fiscal year, the Town/Village issued \$15,315,000 in public improvement general obligation bonds (a portion \$8,380,000 to pay off a previous bond anticipation note) and retired \$5,761,935 of general obligation/judgements and claims bonded debt. The Town also issued \$15,395,000 in general obligation bonds to pay-off the previous bond anticipation note (after a \$255,000 redemption) for business-type activities in the Enterprise Fund – Harrison Meadows Country Club for the purchase of and improvements to the facility.

### **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 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**

### **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 enterprise fund to account for the activities of the Harrison Meadows Country Club. These services are classified as business-type activities in the government-wide financial statements. 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 Custodial Fund is primarily utilized to account for real property taxes collected for other governments.

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 postemployment 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 and deferred outflows of resources by \$121,007,099 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 \$54,360,673. 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,			
	2022		2021	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Current Assets	\$ 110,444,078	\$ 2,465,724	\$ 93,040,529	\$ 1,540,914
Capital Assets, Net	136,091,510	16,182,386	123,982,379	13,650,000
Total Assets	246,535,588	18,648,110	217,022,908	15,190,914
Deferred Outflows of Resources	50,512,236	-	74,686,586	-
Current Liabilities	16,132,319	3,135,992	17,427,287	15,675,946
Long-term Liabilities	284,785,840	16,719,059	351,482,148	-
Total Liabilities	300,918,159	19,855,051	368,909,435	15,675,946
Deferred Inflows of Resources	117,136,764	-	84,562,071	84,692,451
Net Position				
Net Investment in Capital Assets	54,360,673	223,667	36,031,612	-
Restricted	21,231,018	-	15,035,155	-
Unrestricted	(196,598,790)	(1,430,608)	(212,828,779)	(485,032)
Total Net Position	\$ (121,007,099)	\$ (1,206,941)	\$ (161,762,012)	\$ (485,032)

Current assets increased in governmental activities by \$17,403,550 from the prior year due to an increase in cash and equivalents based on revenues received in excess of budget and overall expenditure savings coupled with the issuance of general obligation bonds of \$15,315,000. The net pension asset for ERS increased by \$3,928,750 due to investment gains by ERS for its fiscal year ended March 31, 2022.

Capital assets, net of depreciation for governmental activities increased \$12,109,131 due to continued activity as it relates to the Westchester Joint Water Works capital projects. Capital assets for the business-type activities increased by \$2,532,386 due the improvements to the Harrison Meadows Country Club as well as the recording of leases in accordance with GASB Statement No.87.

Current liabilities for governmental activities decreased by \$1,294,968 from the previous year due to a decrease in capital expenditures. Current liabilities for business-type activities decreased by \$12,539,954 while long-term liabilities increased by \$16,719,059 mainly due to the conversion of short-term bond anticipation notes into general obligation bonds, the recording of the unamortized premium on the bonds as well as the liability for leases.

Long-term liabilities, which consist of bonds, energy performance contract, net pension liability, claims payable, OPEB liability, total pension liability and compensated absences decreased the governmental activities by \$66,696,308 from the previous year for governmental activities mainly from the decrease in net pension liability due the retirement systems as well as a decrease in OPEB liability.

An additional portion of the Town/Village's net position, \$21,231,018, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31,	
	2022	2021
Capital projects	\$ 12,797,304	\$ 7,098,369
Law enforcement	96,474	75,593
Worker's compensation	331,485	331,485
Debt service	4,716,552	4,281,058
Trusts	2,586,104	2,542,062
Parklands	703,099	706,588
<b>Total Net Position</b>	<b>\$ 21,231,018</b>	<b>\$ 15,035,155</b>

The remaining balance of unrestricted net position, which is a deficit of (\$196,598,790), must be financed from future operations. This deficit does not mean that the Town/Village does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including other postemployment 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,			
	2022		2021	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<b>REVENUES</b>				
Program Revenues				
Charges for Services	\$ 17,870,872	\$ 3,928,279	\$ 13,484,000	\$ 14,165
Operating Grants and Contributions	2,507,635	-	559,733	-
Capital Grants and Contributions	2,132,731	-	388,613	-
General Revenues:		308,246		
Real Property Taxes	56,129,861	-	53,122,904	-
Other Tax Items	2,515,809	-	2,488,429	-
Non-Property Taxes	7,923,481	-	7,291,481	-
Unrestricted Use of Money and Property	563,337	-	167,450	133,182
Sale of property and Compensation for loss	13,420	-	22,156	-
Unrestricted State Aid	3,141,429	-	2,529,544	-
Miscellaneous	925,420	127,914	1,199,759	-
Insurance recoveries	1,985,040	-	1,281,798	-
Gain on sale of equipment	13,478	-	130,350	-
Transfers	(972,912)	972,912	(71,981)	71,981
<b>Total Revenues</b>	<b>94,749,601</b>	<b>5,337,351</b>	<b>82,594,236</b>	<b>219,328</b>
<b>EXPENSES</b>				
General Government				
Support	9,311,430	-	12,170,626	-
Public Safety	26,576,145	-	28,905,495	-
Health	536,211	-	516,457	-
Transportation	5,972,813	-	8,251,377	-
Economic Opportunity and Development	87,274	-	105,636	-
Culture and Recreation	4,803,859	-	6,772,131	-
Home and Community Services	4,068,450	-	6,267,356	-
Interest	2,638,506	-	2,372,694	-
Harrison Meadows Country Club	-	6,059,260	-	704,360
<b>Total Expenses</b>	<b>53,994,688</b>	<b>6,059,260</b>	<b>65,361,772</b>	<b>704,360</b>
Change in Net Position	40,754,913	(721,909)	17,232,464	(485,032)
<b>NET POSITION</b>				
Beginning	(161,762,012)	(485,032)	(178,994,476)	-
Ending	<b>\$ (121,007,099)</b>	<b>\$ (1,206,941)</b>	<b>\$ (161,762,012)</b>	<b>\$ (485,032)</b>

## **Governmental Activities**

Governmental activities increased the Town/Village's net position by \$40,754,913.

For the fiscal year ended December 31, 2022, revenues from governmental activities totaled \$94,749,601. Tax revenues (\$66,569,151), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (70%). Last year tax revenues represented 76%, (\$62,902,814) and total revenue was \$82,594,236.

The largest components of governmental activities' expenses are public safety (49%), general government support (17%), culture and recreation (9%) and transportation (11%). This is comparative to last year when the largest components of governmental activities' expenses were public safety (44%), general government support (19%), culture and recreation (10%) and transportation (13%).

The major changes are as follows:

### *Revenues*

- Real property taxes increased by \$3,006,957 as the result of adjustments to the net tax allowance account due to varying collections from year to year.
- Charges for services increased by \$4,386,872. This was mainly due to an increase in police fees, fire inspection fees and recreation program fees.
- Capital grants and contributions increased by \$1,744,118. This was a result of: \$836,068 in state aid from the Consolidated Local Street and Highway Improvement Program, \$972,912 realized from the American Rescue Plan Act and higher interest earnings from the current economic environment of rising interest rates.
- Non-property taxes increased by \$632,000, due to strong sales tax activity.
- Unrestricted state aid increased \$611,885. Mortgage tax receipts continued to come in strong but this will likely decrease in ensuing years due to rising interest rates.

### *Expenses*

- Total governmental activities expenses have decreased as compared to the prior year by \$11,367,084 mainly due to a large decrease in the OPEB liability.

## **Business-Type Activities**

In May 2021, the Town/Village acquired the Harrison Meadows Country Club for \$13,650,000. The Harrison Meadows Country Club is treated as an enterprise fund whereas the operations are financed and operated in a manner similar to private enterprises and provide services to the public.

For the year ended December 31, 2022 revenues from business-type activities totaled \$5,337,351 while expenses aggregated \$6,059,260 resulting in a net deficit of \$1,206,941. The County Club was fully operational in 2022 and the Town/Village anticipates that the Country Club will continue to operate at full capacity and that such deficit will be eliminated.

## 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 \$82,014,001 an increase of \$12,720,602 from the prior year fund balance. The nonspendable fund balance component is \$2,951,123 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 \$46,145,418 is restricted for capital projects, law enforcement, debt service, pension benefits, trusts and parklands. The assigned fund balance classification aggregates \$14,160,483, consisting of purchases on order in the amount of \$321,6038 in the General Fund, \$146,489 in the Special Districts Fund, \$3,104 in the Highway Fund and amounts available to be used at the Town/Village's discretion in funds other than the General Fund (\$9,390,041 in the Special Districts Fund, \$3,675,911 for highway purposes and \$623,900 for library purposes in the non-major funds). The remaining fund balance of \$18,756,977 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 \$18,756,977. This is a decrease of \$2,324,356 from last year where the unassigned fund balance was \$21,081,333. Revenues and other financing sources were \$70,305,904, which was \$8,682,186 more than the final budget, primarily from higher than anticipated real property tax collections, higher than anticipated sales tax revenues which exceeded the budget by \$816,875, other tax items including hotel taxes which fell short of the budget by exceeded the budget by \$147,246, departmental income such as parks and recreation charges which fell short of the budget by \$159,836, all of which were mostly due to changes after the impact of the COVID-19 pandemic. This can be truly seen by building permit revenue which exceeded the budget by \$6,198,019, mortgage tax revenues which exceeded the budget by \$480,687 and various miscellaneous revenues which exceeded the budget by \$408,605. Savings were also achieved throughout all expenditure categories due to tight controls on expenditures as well as the continued impact of the COVID-19 pandemic.

The Debt Service Fund reflects a restricted fund balance of \$4,700,188 at the end of the current fiscal year, an increase of \$434,833 from the previous year. The Town/Village issued \$13,315,000 in public improvement bonds for capital projects. The Town/Village did retire

\$5,761,955 of long-term bonded indebtedness for capital construction and judgements and claims.

The Capital Projects Fund reflects a restricted fund balance of \$23,100,111 at the end of the current fiscal year, an increase of \$7,433,460 from the previous year. Total revenues, inclusive of bonds issued and transfers totaled \$23,291,566. Capital outlay expenditures and transfers totaled \$15,858,106.

The Special Districts Fund's total fund balance at the end of the current fiscal year was \$11,729,405, a decrease of \$268,037. 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 overall increases in expenditures.

The non-major governmental funds consisting of the Highway, Public Library and Special Purpose funds reflected an aggregate fund balance of \$7,968,672, an increase of \$1,502,809 from the prior year. This was due primarily from increased real property tax revenues a, the addition of substantial Federal aid while overall expenditures remained consistent with the 2021 results.

### **General Fund Budgetary Highlights**

There was a difference between the original and final revenue budget for the General Fund of \$8,688,708. The difference is attributable to a increases in fines and forfeitures, use of money and property, building permits, mortgage tax revenues, sales tax revenues and State and Federal aid revenues.

The difference between the expenditures originally budgeted and the final appropriation budget for the General Fund was \$2,191,217. These favorable variances were mainly in the areas of general government support, public safety, transportation, culture and recreation and home and community services.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The Town/Village's net investment in capital assets for governmental activities at December 31, 2022, net of \$127,121,954 of accumulated depreciation, was \$136,091,510. This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles, machinery and equipment and construction-in-progress. The business-type activities reported \$16,182,387, net of accumulated depreciation/amortization, in land, construction-in-progress, buildings and improvements, machinery and equipment and right-to-use leased equipment for the Harrison Meadows Country Club.

**Capital Assets  
December 31,**

Asset	2022		2021	
	Governmental Activities	Business - Type Activities	Governmental Activities	Business - Type Activities
Land	\$ 6,895,608	\$ 7,234,500	\$ 4,990,727	\$ 7,234,500
Construction-in-progress	33,930,008	1,371,797	22,760,667	6,415,500
Buildings and improvements	47,983,805	6,495,232	47,802,767	-
Infrastructure	142,449,413	-	141,256,125	-
Machinery and equipment	7,459,187	502,750	7,298,244	-
Vehicles	24,495,443	-	21,656,017	-
Right-to-use leased equipment	-	868,001	-	-
Less - accumulated depreciation	(127,121,954)	(289,893)	(121,782,168)	-
Total (net of depreciation/ amortization)	<u>\$ 136,091,510</u>	<u>\$ 16,182,387</u>	<u>\$ 123,982,379</u>	<u>\$ 13,650,000</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 and Short-Term Capital Borrowings**

During the current fiscal year, the Town/Village retired \$5,761,935 of principal on general obligation bonds through budgetary appropriations for governmental activities. The Town/Village issued \$15,315,000 in general obligation bonds in 2022 for governmental activities.

At the end of the current fiscal year, the Town/Village had total bonded debt outstanding for governmental activities of \$100,790,400 (\$99,118,020 for capital construction and \$1,672,380 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.

During 2022, the Town/Village converted a previously issued \$8,475,000 bond anticipation note for governmental activities in the Fire Protection District No. 2 to a general obligation bond (after a \$95,000 paydown). The Town/Village also converted a \$15,650,000 bond anticipation note for business-type activities in the Enterprise Fund – Harrison Meadows Country Club to a general obligation bond (after a \$255,000 paydown). General obligation bonds outstanding for the business-type activities was \$15,395,000 at December 31, 2022.

Additional information on the Town/Village's short-term and long-term debt can be found in Note 3F and 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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Harrison Parking Authority
<b>ASSETS</b>				
Cash and equivalents	\$ 91,094,340	\$ 2,291,498	\$ 93,385,838	\$ 31,324
Investments	1,534,550	-	1,534,550	-
Receivables				
Taxes	2,753,537	-	2,753,537	-
Accounts	4,933,487	-	4,933,487	-
State and Federal aid	3,142,742	-	3,142,742	-
Due from component unit	296,838	-	296,838	-
Inventory	-	143,108	143,108	-
Prepaid expenses	2,759,834	31,118	2,790,952	-
Net pension asset - ERS	3,928,750	-	3,928,750	-
Capital assets				
Not being depreciated	40,825,616	8,606,297	49,431,913	-
Being depreciated, net	95,265,894	7,576,089	102,841,983	-
Total Assets	246,535,588	18,648,110	265,183,698	31,324
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding bonds	1,211,463	-	1,211,463	-
Pension related	23,054,004	-	23,054,004	-
Length of service awards program	832,657	-	832,657	-
OPEB related	25,414,112	-	25,414,112	-
Total Deferred Outflows of Resources	50,512,236	-	50,512,236	-
<b>LIABILITIES</b>				
Accounts payable	4,918,599	281,825	5,200,424	2,500
Accrued liabilities	1,161,000	142,944	1,303,944	-
Due to other governments	11,291	-	11,291	-
Deposits payable	8,800,197	-	8,800,197	-
Employee payroll tax deductions	16,624	-	16,624	-
Unearned revenues	2,063,692	1,516,139	3,579,831	-
Due to primary government	(1,195,084)	1,195,084	-	296,838
Accrued interest payable	356,000	-	356,000	-
Non-current liabilities				
Due within one year	7,423,855	772,409	8,196,264	-
Due in more than one year	277,361,985	15,946,650	293,308,635	-
Total Liabilities	300,918,159	19,855,051	320,773,210	299,338
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	28,524,380	-	28,524,380	-
Length of service awards program	322,751	-	322,751	-
OPEB related	88,289,633	-	88,289,633	-
Total Deferred Inflows of Resources	117,136,764	-	117,136,764	-
<b>NET POSITION</b>				
Net investment in capital assets	54,360,673	223,667	54,584,340	-
Restricted for				
Capital projects	12,797,304	-	12,797,304	-
Law enforcement	96,474	-	96,474	-
Worker's compensation	331,485	-	331,485	-
Debt service	4,716,552	-	4,716,552	-
Trusts	2,586,104	-	2,586,104	-
Parklands	703,099	-	703,099	-
Unrestricted	(196,598,790)	(1,430,608)	(198,029,398)	(268,014)
Total Net Position	\$ (121,007,099)	\$ (1,206,941)	\$ (122,214,040)	\$ (268,014)

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, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 9,311,430	\$ 9,508,927	\$ 1,877	\$ -
Public safety	26,576,145	3,540,138	239,916	95,000
Health	536,211	-	-	-
Transportation	5,972,813	545,888	1,714,191	836,068
Economic opportunity and development	87,274	-	-	-
Culture and recreation	4,803,859	1,250,200	217,280	972,912
Home and community services	4,068,450	3,025,719	334,371	-
Interest	2,638,506	-	-	228,751
<b>Total Governmental Activities</b>				
Primary Government	<u>\$ 53,994,688</u>	<u>\$ 17,870,872</u>	<u>\$ 2,507,635</u>	<u>\$ 2,132,731</u>
Business-type activities				
Harrison Meadows Country Club	<u>\$ 6,059,260</u>	<u>\$ 3,928,279</u>	<u>\$ -</u>	<u>\$ 308,246</u>
Component unit				
Harrison Parking Authority	<u>\$ 16,020</u>	<u>\$ 88,575</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				
Transfers				
Total General Revenues				
Change in Net Position				
<b>NET POSITION</b>				
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	Business-type Activities	Harrison Parking Authority
\$ 199,374	\$ -	\$ -
(22,701,091)	-	-
(536,211)	-	-
(2,876,666)	-	-
(87,274)	-	-
(2,363,467)	-	-
(708,360)	-	-
(2,409,755)	-	-
(31,483,450)	-	-
<u>\$ -</u>	<u>\$ (1,822,735)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,555</u>
56,129,861	-	-
668,104	-	-
660,919	-	-
322,246	-	-
36,867	-	-
827,673	-	-
7,316,875	-	-
606,606	-	-
563,337	-	83
13,420	-	-
3,141,429	-	-
925,420	127,914	-
1,985,040	-	-
13,478	-	-
(972,912)	972,912	-
<u>72,238,363</u>	<u>1,100,826</u>	<u>83</u>
<u>40,754,913</u>	<u>(721,909)</u>	<u>72,638</u>
(161,762,012)	(485,032)	(340,652)
<u>\$ (121,007,099)</u>	<u>\$ (1,206,941)</u>	<u>\$ (268,014)</u>

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

Balance Sheet  
 Governmental Funds  
 December 31, 2022

	General	Debt Service	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 39,432,621	\$ 4,700,188	\$ 25,594,782
Investments	-	-	-
	<u>39,432,621</u>	<u>4,700,188</u>	<u>25,594,782</u>
Taxes receivable	<u>2,753,537</u>	-	-
Other receivables			
Accounts	872,069	-	-
State and Federal aid	2,156,074	-	755,802
Due from component unit	296,838	-	-
Due from other funds	<u>1,196,828</u>	-	-
	<u>4,521,809</u>	-	<u>755,802</u>
Prepaid expenditures	<u>1,899,145</u>	-	-
Total Assets	<u>\$ 48,607,112</u>	<u>\$ 4,700,188</u>	<u>\$ 26,350,584</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 982,719	\$ -	\$ 3,250,473
Due to other governments	11,291	-	-
Deposits payable	8,411,069	-	-
Employee payroll tax deductions	16,624	-	-
Unearned revenues	2,063,392	-	-
Due to other funds	-	-	-
Total Liabilities	11,485,095	-	3,250,473
Deferred inflows of resources			
Deferred tax revenues	<u>2,606,392</u>	-	-
Total Liabilities and Deferred Inflows of Resources	<u>14,091,487</u>	-	<u>3,250,473</u>
Fund balances			
Nonspendable	2,195,983	-	-
Restricted	13,241,627	4,700,188	23,100,111
Assigned	321,038	-	-
Unassigned	<u>18,756,977</u>	-	-
Total Fund Balances	<u>34,515,625</u>	<u>4,700,188</u>	<u>23,100,111</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,607,112</u>	<u>\$ 4,700,188</u>	<u>\$ 26,350,584</u>

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 8,965,196	\$ 7,970,026	\$ 86,662,813
1,534,550	-	1,534,550
<u>10,499,746</u>	<u>7,970,026</u>	<u>88,197,363</u>
-	-	2,753,537
3,005,978	46,019	3,924,066
-	230,866	3,142,742
-	-	296,838
-	-	1,196,828
<u>3,005,978</u>	<u>276,885</u>	<u>8,560,474</u>
<u>378,586</u>	<u>376,554</u>	<u>2,654,285</u>
<u>\$ 13,884,310</u>	<u>\$ 8,623,465</u>	<u>\$ 102,165,659</u>
\$ 343,515	\$ 265,365	\$ 4,842,072
-	-	11,291
-	389,128	8,800,197
-	-	16,624
-	300	2,063,692
1,744	-	1,744
<u>345,259</u>	<u>654,793</u>	<u>15,735,620</u>
<u>1,809,646</u>	<u>-</u>	<u>4,416,038</u>
<u>2,154,905</u>	<u>654,793</u>	<u>20,151,658</u>
378,586	376,554	2,951,123
1,814,289	3,289,203	46,145,418
9,536,530	4,302,915	14,160,483
-	-	18,756,977
<u>11,729,405</u>	<u>7,968,672</u>	<u>82,014,001</u>
<u>\$ 13,884,310</u>	<u>\$ 8,623,465</u>	<u>\$ 102,165,659</u>

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

Reconciliation of Governmental Funds Balance Sheet to  
The Government-Wide Statement of Net Position  
December 31, 2022

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

Total Fund Balances - Governmental Funds	\$ 82,014,001
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	40,825,616
Capital assets - depreciable	222,387,848
Accumulated depreciation	<u>(127,121,954)</u>
	<u>136,091,510</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	23,054,004
Deferred outflows - length of service awards program	832,657
Deferred outflows - OPEB related	25,414,112
Deferred inflows - pension related	(28,524,380)
Deferred inflows - length of service awards program	(322,751)
Deferred inflows - OPEB related	<u>(88,289,633)</u>
	<u>(67,835,991)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - ERS	3,928,750
Real property taxes	<u>4,416,038</u>
	<u>8,344,788</u>
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 are included in governmental activities in the statement of net position.	<u>4,308,970</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(356,000)
General obligation bonds payable	(100,790,400)
Energy performance contract debt	(1,039,941)
Compensated absences	(1,667,711)
Fire service award's total pension liability	(2,877,459)
Police and Fire retirement system's net pension liability	(1,720,933)
Claims payable	(3,504,955)
Total OPEB Liability	<u>(167,333,727)</u>
	<u>(279,291,126)</u>
Governmental funds report the effect of premiums, discounts and refundings when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities.	
Premium on bonds	(5,850,714)
Deferred charges on refunding bonds	<u>1,211,463</u>
	<u>(4,639,251)</u>
Net Position of Governmental Activities	<u>\$ (121,007,099)</u>

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

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

Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Governmental Funds  
 Year Ended December 31, 2022

	General	Debt Service	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 39,300,668	\$ -	\$ -
Other tax items	2,515,809	-	-
Non-property taxes	7,923,481	-	-
Departmental income	3,685,814	-	-
Use of money and property	779,141	227,953	-
Licenses and permits	9,595,230	-	-
Fines and forfeitures	1,118,307	-	-
Sale of property and compensation for loss	13,420	-	-
State aid	3,196,883	-	836,068
Federal aid	1,233,678	-	-
Miscellaneous	925,420	-	-
<b>Total Revenues</b>	<b>70,287,851</b>	<b>227,953</b>	<b>836,068</b>
<b>EXPENDITURES</b>			
Current			
General government support	12,276,062	28,431	-
Public safety	25,205,204	-	-
Health	536,211	-	-
Transportation	403,824	-	-
Economic opportunity and development	159,903	-	-
Culture and recreation	3,554,632	-	-
Home and community services	3,139,007	-	-
Employee benefits	8,847,123	-	-
Debt service			
Principal	-	5,924,507	-
Interest	-	3,084,388	-
Capital outlay	-	-	15,858,106
<b>Total Expenditures</b>	<b>54,121,966</b>	<b>9,037,326</b>	<b>15,858,106</b>
Excess (Deficiency) of Revenues Over Expenditures	16,165,885	(8,809,373)	(15,022,038)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	-	15,315,000
Issuance premium	-	688,051	228,400
Insurance recoveries	4,575	-	-
Sale of equipment	13,478	-	-
Transfers in	-	8,556,155	6,912,098
Transfers out	(12,566,401)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(12,548,348)</b>	<b>9,244,206</b>	<b>22,455,498</b>
<b>Net Change in Fund Balances</b>	<b>3,617,537</b>	<b>434,833</b>	<b>7,433,460</b>
<b>FUND BALANCES</b>			
Beginning of Year	30,898,088	4,265,355	15,666,651
End of Year	<u>\$ 34,515,625</u>	<u>\$ 4,700,188</u>	<u>\$ 23,100,111</u>

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

Special Districts	Non-Major Governmental	Total Governmental Funds
\$ 6,577,137	\$ 8,757,643	\$ 54,635,448
-	-	2,515,809
-	-	7,923,481
2,782,190	133,453	6,601,457
(93,666)	75,052	988,480
-	-	9,595,230
-	-	1,118,307
8,000	-	21,420
-	468,737	4,501,688
-	1,244,606	2,478,284
342,570	486,988	1,754,978
<u>9,616,231</u>	<u>11,166,479</u>	<u>92,134,582</u>
82,441	-	12,386,934
3,276,624	-	28,481,828
-	-	536,211
-	4,549,103	4,952,927
-	-	159,903
-	1,900,936	5,455,568
623,204	89,382	3,851,593
2,162,357	2,989,127	13,998,607
-	-	5,924,507
-	-	3,084,388
-	-	15,858,106
<u>6,144,626</u>	<u>9,528,548</u>	<u>94,690,572</u>
<u>3,471,605</u>	<u>1,637,931</u>	<u>(2,555,990)</u>
-	-	15,315,000
-	-	916,451
-	-	4,575
-	-	13,478
-	-	15,468,253
(3,739,642)	(135,122)	(16,441,165)
<u>(3,739,642)</u>	<u>(135,122)</u>	<u>15,276,592</u>
(268,037)	1,502,809	12,720,602
<u>11,997,442</u>	<u>6,465,863</u>	<u>69,293,399</u>
<u>\$ 11,729,405</u>	<u>\$ 7,968,672</u>	<u>\$ 82,014,001</u>

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## Town/Village of Harrison, New York

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ 12,720,602
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	17,448,917
Depreciation expense	<u>(5,339,786)</u>
	<u>12,109,131</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>1,494,413</u>
<p>Bond proceeds and other long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
General obligation bonds issued	(15,315,000)
Issuance premium	(821,451)
Principal paid on general obligation bonds	5,761,935
Principal paid on energy performance contract	<u>162,572</u>
	<u>(10,211,944)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	41,096
Compensated absences	56,127
Claims payable	2,086,687
Fire service award's total pension liabilities	(128,763)
Changes in pension liabilities and related deferred outflows and inflows of resources	3,151,417
Changes in OPEB liabilities and related deferred outflows and inflows of resources	18,617,705
Amortization of loss on refunding bonds and issuance premium	<u>404,786</u>
	<u>24,229,055</u>
<p>Internal service funds are used by management to charge the cost of health claims to individual funds. The change in net position of the internal service funds are reported within governmental activities.</p>	
	<u>413,656</u>
Change in Net Position of Governmental Activities	<u>\$ 40,754,913</u>

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

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

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General and Special Districts Funds  
Year Ended December 31, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 39,665,697	\$ 39,665,697	\$ 39,300,668	\$ (365,029)
Other tax items	2,219,167	2,219,167	2,515,809	296,642
Non-property taxes	7,170,000	7,170,000	7,923,481	753,481
Departmental income	2,118,100	3,172,162	3,685,814	513,652
Use of money and property	300,000	300,000	779,141	479,141
Licenses and permits	3,218,600	3,218,600	9,595,230	6,376,630
Fines and forfeitures	1,010,000	1,010,000	1,118,307	108,307
Sale of property and compensation for loss	5,000	5,000	13,420	8,420
State aid	2,208,455	2,208,455	3,196,883	988,428
Federal aid	-	2,235,462	1,233,678	(1,001,784)
Miscellaneous	394,600	394,600	925,420	530,820
<b>Total Revenues</b>	<b>58,309,619</b>	<b>61,599,143</b>	<b>70,287,851</b>	<b>8,688,708</b>
<b>EXPENDITURES</b>				
Current				
General government support	10,685,221	13,144,604	12,276,062	868,542
Public safety	24,686,201	25,826,562	25,205,204	621,358
Health	518,400	536,213	536,211	2
Transportation	370,356	411,729	403,824	7,905
Economic opportunity and development	182,991	176,190	159,903	16,287
Culture and recreation	3,977,411	3,879,995	3,554,632	325,363
Home and community services	3,142,929	3,144,607	3,139,007	5,600
Employee benefits	9,190,634	9,193,283	8,847,123	346,160
<b>Total Expenditures</b>	<b>52,754,143</b>	<b>56,313,183</b>	<b>54,121,966</b>	<b>2,191,217</b>
Excess of Revenues Over Expenditures	5,555,476	5,285,960	16,165,885	10,879,925
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	4,575	4,575	-
Sale of equipment	20,000	20,000	13,478	(6,522)
Transfers out	(5,807,361)	(14,102,449)	(12,566,401)	1,536,048
<b>Total Other Financing Uses</b>	<b>(5,787,361)</b>	<b>(14,077,874)</b>	<b>(12,548,348)</b>	<b>1,529,526</b>
<b>Net Change in Fund Balances</b>	<b>(231,885)</b>	<b>(8,791,914)</b>	<b>3,617,537</b>	<b>12,409,451</b>
<b>FUND BALANCES</b>				
Beginning of Year	231,885	8,791,914	30,898,088	22,106,174
End of Year	\$ -	\$ -	\$ 34,515,625	\$ 34,515,625

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

Special Districts Fund

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 6,552,437	\$ 6,552,437	\$ 6,577,137	\$ 24,700
-	-	-	-
-	-	-	-
3,259,949	3,259,949	2,782,190	(477,759)
6,500	6,500	(93,666)	(100,166)
-	-	-	-
-	-	-	-
-	-	8,000	8,000
-	-	-	-
-	-	-	-
31,900	115,900	342,570	226,670
<u>9,850,786</u>	<u>9,934,786</u>	<u>9,616,231</u>	<u>(318,555)</u>
67,109	82,440	82,441	(1)
3,710,366	3,732,695	3,276,624	456,071
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
730,744	909,832	623,204	286,628
2,469,947	2,432,287	2,162,357	269,930
<u>6,978,166</u>	<u>7,157,254</u>	<u>6,144,626</u>	<u>1,012,628</u>
<u>2,872,620</u>	<u>2,777,532</u>	<u>3,471,605</u>	<u>694,073</u>
-	-	-	-
-	-	-	-
<u>(2,993,036)</u>	<u>(3,739,643)</u>	<u>(3,739,642)</u>	<u>1</u>
<u>(2,993,036)</u>	<u>(3,739,643)</u>	<u>(3,739,642)</u>	<u>1</u>
(120,416)	(962,111)	(268,037)	694,074
<u>120,416</u>	<u>962,111</u>	<u>11,997,442</u>	<u>11,035,331</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,729,405</u>	<u>\$ 11,729,405</u>

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

Statement of Net Position  
 Proprietary Funds  
 December 31, 2022

	Business-Type Activities - Enterprise Fund - Harrison Meadows Country Club	Governmental Activities- Internal Service Fund
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 2,291,498	\$ 4,431,527
Accounts receivable	-	1,009,421
Inventory	143,108	-
Prepaid expenses	31,118	105,549
<b>Total Current Assets</b>	<b>2,465,724</b>	<b>5,546,497</b>
Noncurrent assets		
Capital assets		
Not being depreciated/amortized	8,606,297	-
Being depreciated/amortized, net	7,576,089	-
<b>Total Noncurrent Assets</b>	<b>16,182,386</b>	<b>-</b>
<b>Total Assets</b>	<b>18,648,110</b>	<b>5,546,497</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	281,825	76,527
Accrued liabilities	142,944	1,161,000
Due to other funds	1,195,084	-
Unearned revenue	1,516,139	-
Current maturities of lease payable	232,409	-
Current maturities of bonds payable	540,000	-
<b>Total Current Liabilities</b>	<b>3,908,401</b>	<b>1,237,527</b>
Noncurrent liabilities		
Lease payable, less current maturities	439,068	-
Bonds payable, less current maturities	15,507,582	-
<b>Total Noncurrent Liabilities</b>	<b>15,946,650</b>	<b>-</b>
<b>Total Liabilities</b>	<b>19,855,051</b>	<b>1,237,527</b>
<b>NET POSITION</b>		
Net investment in capital assets	223,667	-
Unrestricted	(1,430,608)	4,308,970
	<b>\$ (1,206,941)</b>	<b>\$ 4,308,970</b>

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

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

Statement of Revenues, Expenses and  
Changes in Net Position  
Proprietary Funds  
Year Ended December 31, 2022

	Business-type Activities - Enterprise Fund - Harrison Meadows Country Club	Governmental Activities- Internal Service Fund
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,928,279	\$ 13,855,658
Insurance recoveries	-	1,980,465
Miscellaneous	127,914	
	<u>4,056,193</u>	<u>15,836,123</u>
<b>OPERATING EXPENSES</b>		
Personal services	319,555	-
Utilities	127,904	-
Insurance	86,225	1,307,434
Depreciation/amortization	289,893	
Employee benefits	-	13,848,682
Contractual	4,955,347	266,351
Miscellaneous	95,294	-
	<u>5,874,218</u>	<u>15,422,467</u>
Total Operating Expenses	<u>5,874,218</u>	<u>15,422,467</u>
Operating Income (Loss)	(1,818,025)	413,656
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest expense	(185,042)	-
Premium on securities	308,246	-
	<u>123,204</u>	<u>-</u>
Total Non-Operating Revenues	<u>123,204</u>	<u>-</u>
Change in Net Position Before Transfers	(1,694,821)	413,656
<b>TRANSFERS</b>		
Transfers in	972,912	-
	<u>972,912</u>	<u>-</u>
Change in Net Position	(721,909)	413,656
<b>NET POSITION</b>		
Beginning of Year	<u>(485,032)</u>	<u>3,895,314</u>
End of Year	<u>\$ (1,206,941)</u>	<u>\$ 4,308,970</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 Funds  
 Year Ended December 31, 2022

	Business-type Activities Enterprise Fund	Governmental Activities- Internal Service Fund
	Harrison Meadows Country Club	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 6,229,918	\$ 13,855,658
Cash received from insurance recoveries	-	1,106,114
Cash payments to employees	(319,555)	
Cash payments to vendors	(5,040,173)	(266,351)
Cash payments to insurance carriers and claimants	-	(14,763,762)
	<u>870,190</u>	<u>(68,341)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers in	<u>972,912</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bonds issued	15,395,000	-
Issuance premium	960,828	-
Leases issued	312,611	-
Principal paid on bond anticipation notes	(15,650,000)	-
Principal paid on leases	(196,524)	-
Interest paid on bond anticipation notes	(156,500)	-
Interest paid on leases	(28,542)	-
Acquisition and construction of capital assets	<u>(2,266,889)</u>	<u>-</u>
	<u>(1,630,016)</u>	<u>-</u>
Net Change in Cash and Equivalents	213,086	(68,341)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>2,078,412</u>	<u>4,499,868</u>
End of Year	<u>\$ 2,291,498</u>	<u>\$ 4,431,527</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ (1,818,025)	\$ 413,656
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation/amortization	289,893	-
Changes in operating assets and liabilities		
Accounts receivable	-	(874,351)
Inventory	(143,108)	-
Prepaid expenses	(31,118)	(105,549)
Accounts payable	255,879	36,903
Due to other funds	657,586	-
Accrued liabilities	142,944	461,000
Unearned revenue	1,516,139	-
	<u>\$ 870,190</u>	<u>\$ (68,341)</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Right-to-use leased equipment	\$ 312,611	-
Leases issued	(312,611)	-

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, 2022

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	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 10,775,303
Real property taxes receivable for other governments	<u>44,452,506</u>
Total Assets	<u>\$ 55,227,809</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 55,227,809</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, 2022

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Real property taxes collected for other governments	\$ 147,748,410
<b>DEDUCTIONS</b>	
Payments of real property taxes to other governments	<u>147,748,410</u>
Net Change 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, 2022

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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 financial statements of the Town/Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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 Town/Village's significant accounting policies are described below:

#### **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 for 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.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

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

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town/Village's enterprise funds. 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 Enterprise Fund and 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 this 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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

presentation. The Town/Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

#### **Fund Categories**

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

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

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

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

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

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

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

#### Special Revenue Funds:

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

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

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, 2022

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

- b. Proprietary Fund - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. 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. The Enterprise fund accounts for the operations of the Harrison Meadows Country Club.
- 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 when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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 postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally 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.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

#### **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 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 Measurement 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.

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

**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.

**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, 2022.

**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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

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 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.

**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, 2022, 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

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town/Village chose to include all such items regardless of their acquisition date or amount. The Town/Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Infrastructure	15-50
Machinery and equipment	5-20
Vehicles	5-8
Right-to-use leased equipment	2-6

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 \$2,063,392 in American Rescue Plan Act funds received in advance in the General Fund - Village. 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 includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

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

The Town/Village has reported deferred outflows of resources of \$1,211,463 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town/Village has reported deferred inflows of resources of \$2,606,392 for real property taxes not expected to be collected in the first sixty days of the subsequent year in the General Fund and \$1,809,646 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 reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town/Village has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, fire service award and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town/Village's pension, fire service award and other postemployment benefit liabilities in Note 3.

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

**Leases** - The Town/Village is a lessee for noncancellable leases of equipment. The Town/Village recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the Harrison Meadows Country Club – Enterprise Fund. The Town/Village recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the Town/Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)

December 31, 2022

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

related to leases include how the Town/Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Town/Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town/Village generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town/Village is reasonably certain to exercise. The Town/Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported on the Statement of Net Position in the Harrison Meadows Country Club – Enterprise Fund.

**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 (Asset)** - The net pension liability (asset) represents the Town/Village's proportionate share of the net pension liability (asset) 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 – An Amendment of GASB Statement No. 68."*

**Other Postemployment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the Town/Village provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

**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** - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components, net investment in capital assets, restricted, and unrestricted.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town/Village or through external restrictions imposed by creditors, grantors, or laws or regulations of the governments. Restricted net position for the Town/Village includes restricted for capital projects, law enforcement, debt service, trust and parklands.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**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.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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### **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 unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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 September 11, 2023.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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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 the General, Highway, Special Districts, Public Library and Debt Service funds.
- i) Budgets for the 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 since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- 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.

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

- k) Appropriations in the General, Highway, Special Districts, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

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

The Village component of the Town/Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2022 inclusive of exclusions, was \$173,173,371 which exceeded the actual levy by \$163,750,812.

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 \$1,744 as of December 31, 2022. The Town/Village will address this deficit in the ensuing year.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

**D. Expenditures in Excess of Budget**

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund - Town	
General Government Support	
Purchase of property	\$ 72,500
Health, dental and life insurance	11,429
Debt Service Fund	
Debt service - Bond issuance costs	28,431
Highway Fund	
Current - Employee benefits	121,024

**E. Cumulative Effect of Change in Accounting Principle**

The Town/Village implemented the provisions of GASB Statement No. 87, "Leases," for the year ended December 31, 2022, which established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. As a result, the Business-type activities of the Harrison Meadows Country Club - Enterprise Fund has reported a cumulative effect of change in accounting principle of \$555,390 for the right-to-use leased assets and a (\$555,390) liability for leases payable for a net cumulative effect of \$0 to the January 1, 2022 net position of the Harrison Meadows Country Club - Enterprise Fund. For governmental activities, the Town/Village has determined that the implementation of this standard was not required as it did not have a material impact on the financial statements.

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

**A. Taxes Receivable**

Taxes receivable at December 31, 2022 consisted of the following:

Town/Village taxes	\$ 337,903
County taxes	175,930
Tax liens	<u>2,239,704</u>
	<u>\$ 2,753,537</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$2,606,392, 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, 2022

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

**B. Due From Component Unit**

The due from component unit of \$296,838 as of December 31, 2022 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, 2022 were as follows:

Fund	Due From	Due To
General	\$ 1,196,828	\$ -
Special Districts	-	1,744
Enterprise - Harrison Meadows Country Club	-	1,195,084
	<u>\$ 1,196,828</u>	<u>\$ 1,196,828</u>

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

**D. Capital Assets**

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

Class	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$ 4,990,727	\$ 1,904,881	\$ -	\$ 6,895,608
Construction-in-progress	22,760,667	11,169,341	-	33,930,008
Total Capital Assets, not being depreciated	<u>\$ 27,751,394</u>	<u>\$ 13,074,222</u>	<u>\$ -</u>	<u>\$ 40,825,616</u>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

Class	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Capital Assets, being depreciated:				
Buildings and improvements	\$ 47,802,767	\$ 181,038	\$ -	\$ 47,983,805
Infrastructure	141,256,125	1,193,288	-	142,449,413
Machinery and equipment	7,298,244	160,943	-	7,459,187
Vehicles	21,656,017	2,839,426	-	24,495,443
Total Capital Assets, being depreciated	218,013,153	4,374,695	-	222,387,848
Less Accumulated Depreciation for:				
Buildings and improvements	17,509,573	1,199,824	-	18,709,397
Infrastructure	82,543,542	2,366,395	-	84,909,937
Machinery and equipment	6,012,436	333,848	-	6,346,284
Vehicles	15,716,617	1,439,719	-	17,156,336
Total Accumulated Depreciation	121,782,168	5,339,786	-	127,121,954
Total Capital Assets, being depreciated, net	96,230,985	(965,091)	-	95,265,894
Capital Assets, net	\$ 123,982,379	\$ 12,109,131	\$ -	\$ 136,091,510
<b>Business Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 7,234,500	\$ -	\$ -	\$ 7,234,500
Construction-in-progress	6,415,500	1,371,797	(6,415,500)	1,371,797
Total Capital Assets, not being depreciated	13,650,000	1,371,797	(6,415,500)	8,606,297
Capital Assets, being depreciated/amortized:				
Buildings and improvements	-	6,495,232	-	6,495,232
Machinery and equipment	-	502,750	-	502,750
Right-to-use leased equipment - **	555,390	312,611	-	868,001
Total Capital Assets, being depreciated	555,390	7,310,593	-	7,865,983
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	-	66,922	-	66,922
Machinery and equipment	-	25,138	-	25,138
Right-to-use leased equipment	-	197,833	-	197,833
Total Accumulated Depreciation/Amortization	-	289,893	-	289,893
Total Capital Assets, being depreciated/amortized, net	555,390	7,020,700	-	7,576,090
Capital Assets, net	\$ 14,205,390	\$ 8,392,497	\$ (6,415,500)	\$ 16,182,387

\*\* As restated, See Note 2E.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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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	\$ 579,976
Public Safety	779,531
Transportation	1,681,370
Culture and Recreation	671,520
Home and Community Services	<u>1,627,389</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,339,786</u>
Total Depreciation/Amortization Expense - Business Type Activities	<u>\$ 289,893</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>2022</u>	<u>2021</u>
Balance - Beginning of Year	\$ 700,000	\$ 1,225,000
Provision for Claims and Claims Adjustment Expenses	13,848,682	13,080,410
Claims and Claims Adjustment Expenses Paid	<u>(13,387,682)</u>	<u>(13,605,410)</u>
Balance - End of Year	<u>\$ 1,161,000</u>	<u>\$ 700,000</u>

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

**F. Short-Term Capital Borrowings**

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

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance January 1, 2022	New Issues	Redemptions	Balance December 31, 2022
Governmental Activities - Fire District #2	8/10/2021	8/10/2022	1.00 %	\$ 8,475,000	\$ -	\$ 8,475,000	\$ -
Business-Type Activities - Harrison Meadows County Club	7/13/2021	7/13/2022	1.00	15,650,000	-	15,650,000	-
				<u>\$ 24,125,000</u>	<u>\$ -</u>	<u>\$ 24,125,000</u>	<u>\$ -</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgements or settled claims are recorded in the fund paying the claim. Principle payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgements be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. The Town/Village also issued bond anticipation notes for its Enterprise Fund – Harrison Meadows Country Club for the purchase and improvements to the facility.

Interest expenditures/expense of \$84,750 was recorded in the Fund financial statements in the Debt Service Fund. Interest expense of \$156,500 was recorded in the Harrison Meadows Country Club – Enterprise Fund.

**G. Long-Term Liabilities**

The following table summarizes changes in the Town/Village's long-term liabilities for the year ending December 31, 2022:

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable:					
Capital Construction	\$ 89,315,989	\$ 15,315,000	\$ 5,512,969	\$ 99,118,020	\$ 6,517,552
Judgments and claims	1,921,346	-	248,966	1,672,380	229,648
Plus - Unamortized premium on bonds	5,627,957	821,451	598,694	5,850,714	-
	96,865,292	16,136,451	6,360,629	106,641,114	6,747,200
Energy performance contract debt	1,202,513	-	162,572	1,039,941	159,655
	98,067,805	16,136,451	6,523,201	107,681,055	6,906,855
Other Non-Current Liabilities:					
Compensated absences	1,723,838	115,873	172,000	1,667,711	167,000
Total Pension Liability - Length of service award program	2,904,028	42,741	69,310	2,877,459	-
Net pension liability - PFRS	5,218,296	-	3,497,363	1,720,933	-
Claims payable	5,591,642	-	2,086,687	3,504,955	350,000
Other postemployment benefit liability	238,076,539	(63,628,407)	7,114,405	167,333,727	-
Total Other Non-Current Liabilities	253,514,343	(63,469,793)	12,939,765	177,104,785	517,000
Total Long-Term Liabilities	<u>\$ 351,582,148</u>	<u>\$ (47,333,342)</u>	<u>\$ 19,462,966</u>	<u>\$ 284,785,840</u>	<u>\$ 7,423,855</u>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

	Balance January 1, 2022 (As restated)	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2022	Due Within One Year
Business Type Activities					
General Obligation Bonds Payable -					
Capital Construction	\$ -	\$ 15,395,000	\$ -	\$ 15,395,000	\$ 540,000
Plus - Unamortized premium on bonds	-	960,828	308,246	652,582	-
	-	16,355,828	308,246	16,047,582	540,000
Leases payable	555,390	312,611	196,524	671,477	232,409
Total Long-Term Liabilities	<u>\$ 555,390</u>	<u>\$ 16,668,439</u>	<u>\$ 504,770</u>	<u>\$ 16,719,059</u>	<u>\$ 772,409</u>

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, leases and other postemployment benefit liabilities are liquidated by the respective fund.

#### General Obligation Bonds Payable

General obligation bonds payable at December 31, 2022 are comprised of the following individual issues:

Governmental Activities	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2022
Public Improvements	2012	\$ 9,970,135	December, 2032	2.000-2.500 %	\$ 5,570,000
Refunding Bonds	2013	15,775,000	December, 2028	3.000-5.000	795,000
Public Improvements and Tax Certiorari	2014	4,757,880	December, 2027	2.000-2.375	2,160,000
Public Improvements	2015	7,344,015	September, 2035	2.000	5,450,000
Refunding Bonds	2017	5,610,000	June, 2027	5.000-3.250	1,810,000
Public Improvements and Tax Certiorari	2017	9,349,300	December, 2036	3.000	7,285,000
Public Improvements	2017	800,000	December, 2032	2.500-3.000	595,000
Public Improvements and Tax Certiorari	2017	4,346,000	December, 2031	4.000	2,750,000
Public Improvements	2018	18,623,600	November, 2044	3.500-5.000	17,000,000
Public Improvements	2019	12,415,000	December, 2049	2.000-5.000	11,745,000
Environment Facilities Corporation	2019	221,735	February, 2029	-	155,400
Public Improvements	2020	4,455,000	October, 2040	2.000-5.000	4,295,000
Public Improvement Refunding Bonds	2020	4,140,000	March, 2025	5.000	2,585,000
Public Improvement Refunding Bonds	2020	10,425,000	March, 2033	2.000	10,035,000
Public Improvements	2020	600,000	November, 2035	1.790	560,000
Public Improvements	2021	12,346,837	June, 2035	2.000-5.000	12,346,837
Tax Certiorari	2021	338,163	June, 2035	2.000-5.000	338,163
Public Improvements	2022	6,935,000	December, 2042	4.000-5.000	6,935,000
Public Improvements	2022	8,380,000	December, 2046	4.000-5.000	8,380,000
					<u>\$ 100,790,400</u>
<b>Business-Type Activities</b>					
Public Improvements	2022	\$ 15,395,000	July, 2041	4.000 %	<u>\$ 15,395,000</u>

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

Interest expenditures of \$2,969,581 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,523,699 was recorded in the government-wide financial statements for governmental activities.

**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, 2022 was \$1,202,513. Interest expenditures/expense of \$30,057 were recorded in the fund financial statements in the Debt Service Fund and in the government-wide financial statements for governmental activities.

**Leases Payable**

Leases payable at December 31, 2022 are comprised of the following individual agreements:

<b>Business-Type Activities</b>	<b>Year of Issue</b>	<b>Original Issue Amount</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Amount Outstanding at December 31, 2022</b>
Equipment	2021	\$ 201,452	September, 2024	4.49 %	\$ 158,401
Equipment	2022	114,160	February, 2024	6.35	111,475
Equipment	2021	374,246	January, 2025	4.48	271,910
Equipment	2022	66,486	January, 2026	6.28	48,754
Equipment - Golf Carts	2022	137,349	February, 2042	5.78	80,937
					<b>\$ 671,477</b>

Interest expense of \$28,542 was recorded in the Harrison Meadows Country Club – Enterprise Fund for Business-Type Activities.

**Payments to Maturity**

The annual requirements to amortize all bonded debt and energy performance contract debt outstanding as of December 31, 2022, including interest payments of \$39,222,531 are as follows:

Year Ending December 31,	Governmental Activities				Business-Type Activities				Total	
	General Obligation Bonds		Energy Performance Contract		General Obligation Bonds		Leases		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2023	\$ 6,747,200	\$ 3,372,762	\$ 159,655	\$ 43,144	\$ 540,000	\$ 652,582	\$ 232,409	\$ 27,799	\$ 7,679,264	\$ 4,096,287
2024	6,772,200	3,120,547	166,924	35,876	545,000	646,150	192,945	16,809	7,677,069	3,819,382
2025	6,997,200	2,866,656	174,523	28,277	570,000	618,900	167,760	8,117	7,909,483	3,521,950
2026	6,282,200	2,626,059	182,468	20,332	600,000	590,400	78,363	2,018	7,143,031	3,238,809
2027	6,472,200	2,398,505	190,774	12,026	630,000	560,400	-	-	7,292,974	2,970,931
2028-2032	28,429,400	8,935,846	165,597	3,404	3,655,000	2,297,000	-	-	32,249,997	11,236,250
2033-2037	19,020,000	5,041,953	-	-	4,530,000	1,423,000	-	-	23,550,000	6,464,953
2038-2042	12,275,000	2,667,744	-	-	4,325,000	440,800	-	-	16,600,000	3,108,544
2043-2047	6,675,000	714,875	-	-	-	-	-	-	6,675,000	714,875
2048-2049	1,120,000	50,550	-	-	-	-	-	-	1,120,000	50,550
	<b>\$ 100,790,400</b>	<b>\$ 31,795,497</b>	<b>\$ 1,039,941</b>	<b>\$ 143,059</b>	<b>\$ 15,395,000</b>	<b>\$ 7,229,232</b>	<b>\$ 671,477</b>	<b>\$ 54,743</b>	<b>\$ 117,896,818</b>	<b>\$ 39,222,531</b>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

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

#### **Legal Debt Margin**

The Town/Village is subject to legal limitations on the amount of debt that it may issue. The Town/Village's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2021, that amount was \$596,959,323. As of December 31, 2021, the total outstanding debt applicable to the limit was \$77,075,420, which is 12.91% of the total debt limit.

#### **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.

#### **Defined Benefit - Fire Service Awards Program**

The Town/Village's financial statements are for the year ended December 31, 2022. 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, 2021, 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 No. 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

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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.

*Participants covered by the benefit terms.*

At the December 31, 2021 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	11
Active participants	<u>45</u>
Total	<u><u>74</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, 2021 measurement date was determined using an actuarial valuation as of that date.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 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 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. 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.

**Changes in the Total Pension Liability**

Balance as of 12/31/20 measurement date	\$ 2,904,028
Service cost	116,611
Interest	57,630
Changes in benefit terms	-
Changes in assumptions or other inputs	(152,805)
Differences between expected and actual experience	21,305
Benefit payments	<u>(69,310)</u>
Balance as of 12/31/21 measurement date	<u><u>\$ 2,877,459</u></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, 2021 measurement date, calculated using the discount rate of 2.24 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 (1.24 percent) or 1-percentage point higher (3.24 percent) than the current rate:

	1% Decrease (1.24%)	Current Assumption (2.24%)	1% Increase (3.24%)
Total Pension Liability	<u><u>\$ 3,411,697</u></u>	<u><u>\$ 2,877,459</u></u>	<u><u>\$ 2,450,407</u></u>

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

For the year ended December 31, 2022, the Town/Village recognized pension expense of \$228,655 in the Fire Service Awards Fund. At December 31, 2022, the Town/Village reported

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 92,235	\$ 16,955
Changes of assumptions or other inputs	649,869	305,796
Benefit payments and administrative expenses subsequent to the measurement date	<u>90,553</u>	<u>-</u>
	<u><u>\$ 832,657</u></u>	<u><u>\$ 322,751</u></u>

\$90,553 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 plan year ended December 31, 2021.

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 December 31,</u>	
2023	\$ 41,476
2024	41,476
2025	41,476
2026	41,476
2027	44,910
Thereafter	<u>208,539</u>
	<u><u>\$ 419,353</u></u>

**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

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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 2022 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS-Town	2 75I	22.8%
	3 A14	18.0
	4 A15	18.0
	5 A15	15.0
	6 A15	10.5
ERS-Village	4 A15	18.0%
	6 A15	10.5
PFRS-Police	2 384D	30.4%
	5 384D	25.5
	6 375I	10.6
	6 384D	19.8
PFRS-Fire	2 384	25.2%
	2 384D	30.4
	6 384D	19.8

At December 31, 2022, the Town/Village reported its proportionate share of the net pension liability (asset) for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2022	March 31, 2022
Net pension liability (asset)	\$ (3,928,750)	\$ 1,720,933
Town/Village's proportion of the net pension liability	4.8060600%	0.3029574%
Change in proportion since the prior measurement date	(4.7587384%)	0.0051260%

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

The net pension liability was measured as of March 31, 2022, 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, 2022, the Town/Village recognized its proportionate share of pension expense in the government-wide financial statements of \$439,388 for ERS and \$1,527,434 for PFRS. Pension expenditures of \$1,914,336 for ERS and \$3,203,903 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General - Town	\$ 1,198,541	\$ 2,649,657
General - Village	319,795	-
Special Districts	26,199	554,246
Non-Major Governmental		
Highway	263,569	-
Public Library	106,232	-
	<u>\$ 1,914,336</u>	<u>\$ 3,203,903</u>

At December 31, 2022, the Town/Village reported its proportionate share of 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	\$ 297,530	\$ 385,913	\$ 927,768	\$ -
Changes in assumptions	6,556,644	110,637	10,300,157	-
Net difference between projected and actual earnings on pension plan investments	-	12,865,013	-	14,460,333
Changes in proportion and differences between Town/Village contributions and proportionate share of contributions	764,890	65,050	484,253	637,434
Town/Village contributions subsequent to the measurement date	1,374,982	-	2,347,780	-
	<u>\$ 8,994,046</u>	<u>\$ 13,426,613</u>	<u>\$ 14,059,958</u>	<u>\$ 15,097,767</u>
	<u>Total</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Differences between expected and actual experience	\$ 1,225,298	\$ 385,913		
Changes in assumptions	16,856,801	110,637		
Net difference between projected and actual earnings on pension plan investments	-	27,325,346		
Changes in proportion and differences between Town/Village contributions and proportionate share of contributions	1,249,143	702,484		
Town/Village contributions subsequent to the measurement date	3,722,762	-		
	<u>\$ 23,054,004</u>	<u>\$ 28,524,380</u>		

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

The \$1,374,982 and \$2,347,780 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2023	\$ (756,728)	\$ (762,646)
2024	(1,248,226)	(1,190,100)
2025	(3,181,482)	(3,395,131)
2026	(621,113)	1,937,501
2027	-	24,787
	<u>\$ (5,807,549)</u>	<u>\$ (3,385,589)</u>

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, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments'	1.4%	1.4%

\*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-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	-
Cash	1	(1.00)
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, 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 (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Town/Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 10,112,561</u>	<u>\$ (3,928,750)</u>	<u>\$ (15,673,632)</u>
Town/Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 19,142,724</u>	<u>\$ 1,720,933</u>	<u>\$ (12,699,684)</u>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

The components of the collective net pension liability as of the March 31, 2022 measurement date were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Total pension liability	\$ 223,874,888,000	\$ 42,237,292,000	\$ 266,112,180,000
Fiduciary net position	<u>232,049,473,000</u>	<u>41,669,250,000</u>	<u>273,718,723,000</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>	<u>\$ 568,042,000</u>	<u>\$ (7,606,543,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>98.66%</u>	<u>102.86%</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, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 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, 2022 were \$1,374,982 and \$2,347,780 respectively.

#### *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.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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

	Year Ended December 31,	
	2022	2021
Balance - Beginning of Year	\$ 5,591,642	\$ 5,276,437
Provision for Claims and Claims Adjustment Expenses	-	2,173,918
Claims and Claims Adjustment Expenses Paid	<u>(2,086,687)</u>	<u>(1,858,713)</u>
Balance - End of Year	<u>\$ 3,504,955</u>	<u>\$ 5,591,642</u>
Due Within One Year	<u>\$ 350,000</u>	<u>\$ 559,000</u>

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

**Other Postemployment Benefit Liability ("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 postemployment health care benefits is shared between the Town/Village and the retired employee as noted below. Substantially all of the Town/Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Town/Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	484
Active employees	<u>252</u>
	<u>736</u>

The Town/Villages' total OPEB liability of \$167,333,727 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2020.

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

The total OPEB liability in the January 1, 2021 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	1.84%
Healthcare cost trend rates	4.5% for 2021, decreasing by up to .25% per year 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, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 238,076,539
Service cost	8,231,865
Interest	4,303,018
Changes of benefit terms	255,746
Differences between expected and actual experience	(7,160,916)
Changes in assumptions or other inputs	(69,258,120)
Benefit payments	<u>(7,114,405)</u>
Total OPEB Liability - End of Year	<u>\$ 167,333,727</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%) or 1 percentage point higher (3%) than the current discount rate:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB Liability	<u>\$ 196,002,617</u>	<u>\$ 167,333,727</u>	<u>\$ 144,549,323</u>

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

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 (3.5% decreasing to 2.784%) or 1 percentage point higher (5.5% decreasing to 4.784%) than the current healthcare cost trend rates:

	1% Decrease (3.5% decreasing to 2.784%)	Current Healthcare Cost Trend Rates (4.5% decreasing to 3.784%)	1% Increase (5.5% decreasing to 4.784%)
Total OPEB Liability	<u>\$ 141,409,869</u>	<u>\$ 167,333,727</u>	<u>\$ 200,754,910</u>

For the year ended December 31, 2022, the Town/Village recognized OPEB benefit of (\$2,304,276) in the government-wide financial statements. At December 31, 2022, 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	\$ 24,692,749	\$ 58,154,029
Differences between expected and actual experience	<u>721,363</u>	<u>30,135,604</u>
	<u>\$ 25,414,112</u>	<u>\$ 88,289,633</u>

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

Year Ended December 31,	
2023	\$ (16,927,330)
2024	(12,090,884)
2025	(11,736,512)
2026	(13,200,196)
2027	(5,678,679)
Thereafter	<u>(3,241,920)</u>
	<u>\$ (62,875,521)</u>

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

Notes to Financial Statements (Continued)  
December 31, 2022

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

**H. Joint Venture**

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

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

Balance Sheet Date - December 31, 2022

Total Assets	\$ 11,688,959
Total Liabilities	70,109,674
Net Deficit	(58,420,715)
Total Revenues	26,680,788
Total Expenses	28,149,443
Decrease in Net Position	(1,468,655)

**I. Revenues and Expenditures**

**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	Debt Service Fund	Capital Projects Fund	Enterprise Fund - Harrison Meadows Country Club	
General Fund	\$ 5,805,989	\$ 5,787,500	\$ 972,912	\$ 12,566,401
Special Districts Fund	2,750,166	989,476	-	3,739,642
Non-Major Governmental Funds	-	135,122	-	135,122
	<u>\$ 8,556,155</u>	<u>\$ 6,912,098</u>	<u>\$ 972,912</u>	<u>\$ 16,441,165</u>

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

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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

#### **J. Net Position**

The components of net position are detailed below:

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

*Restricted for 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, 2022

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

**K. Fund Balances**

	2022					2021						
	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total
<b>Nonspendable:</b>												
Prepaid expenditures	\$ 1,899,145	\$ -	\$ -	\$ 378,586	\$ 376,554	\$ 2,654,285	\$ 1,697,972	\$ -	\$ -	\$ 335,959	\$ 402,073	\$ 2,436,004
Long-term receivables	296,838	-	-	-	-	296,838	364,550	-	-	-	-	364,550
<b>Total Nonspendable</b>	<b>2,195,983</b>	<b>-</b>	<b>-</b>	<b>378,586</b>	<b>376,554</b>	<b>2,951,123</b>	<b>2,062,522</b>	<b>-</b>	<b>-</b>	<b>335,959</b>	<b>402,073</b>	<b>2,800,554</b>
<b>Restricted:</b>												
Law enforcement	96,474	-	-	-	-	96,474	75,593	-	-	-	-	75,593
Workers' compensation	331,485	-	-	-	-	331,485	331,485	-	-	-	-	331,485
Debt service	16,364	3,953,216	-	-	-	3,969,580	15,703	3,878,284	-	-	-	3,893,987
Debt service - Subsequent year's expenditures	-	746,972	-	-	-	746,972	-	387,071	-	-	-	387,071
Capital projects	12,797,304	-	23,100,111	-	-	35,897,415	7,098,369	-	15,666,651	-	-	22,765,020
Pension benefits	-	-	-	1,814,289	-	1,814,289	-	-	-	1,916,645	-	1,916,645
Trusts	-	-	-	-	2,586,104	2,586,104	-	-	-	-	2,542,062	2,542,062
Parklands	-	-	-	-	703,099	703,099	-	-	-	-	706,588	706,588
<b>Total Restricted</b>	<b>13,241,627</b>	<b>4,700,188</b>	<b>23,100,111</b>	<b>1,814,289</b>	<b>3,289,203</b>	<b>46,145,418</b>	<b>7,521,150</b>	<b>4,265,355</b>	<b>15,666,651</b>	<b>1,916,645</b>	<b>3,248,650</b>	<b>32,618,451</b>
<b>Assigned:</b>												
<b>Purchases on order:</b>												
General government support	179,421	-	-	-	-	179,421	163,730	-	-	-	-	163,730
Public safety	116,722	-	-	106,489	-	223,211	61,503	-	-	80,416	-	141,919
Transportation	5,685	-	-	-	3,104	8,789	3,000	-	-	-	225,773	228,773
Culture and recreation	19,210	-	-	-	-	19,210	4,850	-	-	-	-	4,850
Home and community services	-	-	-	40,000	-	40,000	-	-	-	40,000	-	40,000
<b>Total Assigned</b>	<b>321,038</b>	<b>-</b>	<b>-</b>	<b>146,489</b>	<b>3,104</b>	<b>470,631</b>	<b>233,083</b>	<b>-</b>	<b>-</b>	<b>120,416</b>	<b>225,773</b>	<b>579,272</b>
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Major funds	-	-	-	9,390,041	-	9,390,041	-	-	-	9,624,422	-	9,624,422
Highway purposes	-	-	-	-	3,675,911	3,675,911	-	-	-	-	2,145,162	2,145,162
Library purposes	-	-	-	-	623,900	623,900	-	-	-	-	444,205	444,205
<b>Total Assigned</b>	<b>321,038</b>	<b>-</b>	<b>-</b>	<b>9,536,530</b>	<b>4,302,915</b>	<b>14,160,483</b>	<b>233,083</b>	<b>-</b>	<b>-</b>	<b>9,744,838</b>	<b>2,815,140</b>	<b>12,793,061</b>
<b>Unassigned</b>	<b>18,756,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,756,977</b>	<b>21,081,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,081,333</b>
<b>Total Fund Balances</b>	<b>\$ 34,515,625</b>	<b>\$ 4,700,188</b>	<b>\$ 23,100,111</b>	<b>\$ 11,729,405</b>	<b>\$ 7,968,672</b>	<b>\$ 82,014,001</b>	<b>\$ 30,898,088</b>	<b>\$ 4,265,355</b>	<b>\$ 15,666,651</b>	<b>\$ 11,997,442</b>	<b>\$ 6,465,863</b>	<b>\$ 69,293,399</b>

## Town/Village of Harrison, New York

Notes to Financial Statements (Continued)  
December 31, 2022

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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, 2022, 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, personal injury and civil rights violations. 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 commenced a proceeding in April 2021 to acquire title to certain real property by eminent domain. The Town/Village purchased the property in May 2021. The plaintiff has asserted a claim for an additional award pursuant to Article 5 of the Eminent Domain Procedure Law, disputing an appraisal report obtained by the Town/Village. No provision has been included in the financial statements.

**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 2022. 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, 2022, the Town/Village has recorded a liability of \$1,161,000 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 \$69,686,250 as of December 31, 2022 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, 2022

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### **Note 5 - Recently Issued GASB Pronouncements**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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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)

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 8,231,865	\$ 7,352,335	\$ 5,657,369	\$ 5,554,058	\$ 6,514,679
Interest	4,303,018	4,512,424	5,253,215	9,499,558	9,260,731
Changes of benefit terms	255,746	-	-	-	-
Differences between expected and actual experience	(7,160,916)	1,118,584	(26,507,748) (6)	(96,534,310) (5)	1,306,864
Changes of assumptions or other inputs	(69,258,120) (8)	10,149,267 (7)	24,338,495 (6)	55,116,799 (4)	(33,117,268)
Benefit payments	(7,114,405)	(6,649,886)	(7,537,704)	(7,489,272)	(5,974,734)
Net Change in Total OPEB Liability	(70,742,812)	16,482,724	1,203,627	(33,853,167)	(22,009,728)
Total OPEB Liability – Beginning of Year	238,076,539	221,593,815	220,390,188	254,243,355	276,253,083 (3)
Total OPEB Liability – End of Year	<u>\$ 167,333,727</u>	<u>\$ 238,076,539</u>	<u>\$ 221,593,815</u>	<u>\$ 220,390,188</u>	<u>\$ 254,243,355</u>
Town/Village's covered-employee payroll	<u>\$ 30,057,787</u>	<u>\$ 28,210,090</u>	<u>\$ 26,141,855</u>	<u>\$ 26,184,965</u>	<u>\$ 24,523,951</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>556.71%</u>	<u>843.94%</u>	<u>847.66%</u>	<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.

(6) The difference between expected and actual experience and changes of assumptions or other inputs can be attributable to the discount rate decreasing to 2.00% vs. 2.75%.

(7) The discount rate decreased from 2.00% to 1.84% which increased the liability.

(8) The annual rate of increase in healthcare costs was revised based on the SOA Long-Term Healthcare Cost Trends Model 2023 (Getzen model) The revised assumption resulted in an increase in the liability, offset by the increase in the discount rate which reduced the liability.

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

Required Supplementary Information  
 New York State and Local Employees' Retirement System  
 Last Ten Fiscal Years (1)(2)

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

	2022	2021 (6)	2020 (4) (5)	2019	2018	2017	2016 (3)	2015
Town/Village's proportion of the net pension liability	0.0480606%	0.0473216%	0.0457261%	0.0470803%	0.0491528%	0.0506478%	0.0516169%	0.0552982%
Town/Village's proportionate share of the net pension liability (asset)	\$ (3,928,750)	\$ 47,120	\$ 12,108,536	\$ 3,335,786	\$ 1,586,380	\$ 4,758,972	\$ 8,284,651	\$ 1,868,110
Town/Village's covered payroll	\$ 16,008,166	\$ 15,588,510	\$ 15,140,383	\$ 14,161,804	\$ 14,353,517	\$ 14,059,991	\$ 13,880,279	\$ 13,450,800
Town/Village's proportionate share of the net pension liability as a percentage of its covered payroll	-24.54%	0.30%	79.98%	23.55%	11.05%	33.85%	59.69%	13.89%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.70%	97.90%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,833,309	\$ 2,499,431	\$ 2,205,937	\$ 2,055,489	\$ 2,120,094	\$ 2,118,957	\$ 2,131,643	\$ 2,447,573
Contributions in relation to the contractually required contribution	(1,833,309)	(2,499,431)	(2,205,937)	(2,055,489)	(2,120,094)	(2,118,957)	(2,131,643)	(2,447,573)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town/Village's covered payroll	\$ 15,916,435	\$ 15,995,579	\$ 15,306,798	\$ 15,011,623	\$ 14,248,238	\$ 14,171,397	\$ 14,193,012	\$ 13,963,555
Contributions as a percentage of covered payroll	11.52%	15.63%	14.41%	13.69%	14.88%	14.95%	15.02%	17.53%

(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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) Decrease in the Town/Village's proportionate share of the net pension liability mainly attribute to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

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

Required Supplementary Information  
 New York State and Local Police and Fire Retirement System  
 Last Ten Fiscal Years (1)(2)

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

	2022 (6)	2021 (6)	2020 (4) (5)	2019	2018	2017	2016 (3)	2015
Town/Village's proportion of the net pension liability	0.3029574%	0.2978314%	0.2768883%	0.2630255%	0.2654318%	0.2790529%	0.3083435%	0.2923915%
Town/Village's proportionate share of the net pension liability	\$ 1,720,933	\$ 5,171,176	\$ 14,799,506	\$ 4,411,104	\$ 2,682,870	\$ 5,783,795	\$ 9,129,396	\$ 804,835
Town/Village's covered payroll	\$ 12,411,136	\$ 11,751,503	\$ 11,087,855	\$ 9,983,408	\$ 9,939,063	\$ 9,858,257	\$ 10,050,196	\$ 9,815,085
Town/Village's proportionate share of the net pension liability as a percentage of its covered payroll	13.87%	44.00%	133.47%	44.18%	26.99%	58.67%	90.84%	8.20%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.90%	93.50%	90.20%	99.00%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,130,373	\$ 3,082,481	\$ 2,468,207	\$ 2,167,010	\$ 2,177,672	\$ 2,245,761	\$ 2,305,912	\$ 2,471,756
Contributions in relation to the contractually required contribution	(3,130,373)	(3,082,481)	(2,468,207)	(2,167,010)	(2,177,672)	(2,245,761)	(2,305,912)	(2,471,756)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town/Village's covered payroll	\$ 13,817,097	\$ 13,112,199	\$ 12,299,619	\$ 11,704,181	\$ 10,786,463	\$ 10,642,343	\$ 9,898,572	\$ 9,908,337
Contributions as a percentage of covered payroll	22.66%	23.51%	20.07%	18.51%	20.19%	21.10%	23.30%	24.95%

(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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) Decrease in the Town/Village's proportionate share of the net pension liability mainly attribute to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

**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						
	2022	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>						
Service cost	\$ 116,611	\$ 80,274	\$ 83,189	\$ 92,222	\$ 63,665	\$ 66,456
Interest	57,630	74,052	74,273	65,533	62,626	56,832
Changes in benefit terms	-	-	-	-	191,805	-
Changes in assumptions or other inputs	(152,805)	563,878	129,083	(158,057)	149,114	(137,637)
Differences between expected and actual experience	21,305	30,553	16,313	42,723	(29,244)	15,166
Benefit payments	(69,310)	(71,950)	(65,840)	(67,654)	(93,816)	(78,132)
Net Change in total pension liability	(26,569)	676,807	237,018	(25,233)	344,150	(77,315)
<b>Total pension liability – beginning</b>	<u>2,904,028</u>	<u>2,227,221</u>	<u>1,990,203</u>	<u>2,015,436</u>	<u>1,671,286</u>	<u>1,748,601</u>
<b>Total pension liability – ending</b>	<u>\$ 2,877,459</u>	<u>\$ 2,904,028</u>	<u>\$ 2,227,221</u>	<u>\$ 1,990,203</u>	<u>\$ 2,015,436</u>	<u>\$ 1,671,286</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	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%  
December 31, 2020: 3.26%  
December 31, 2021: 1.93%  
December 31, 2022: 2.24%

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.

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

General Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2022  
 (With Comparative Totals for 2021)

	Town	Village	Totals	
			2022	2021
<b>ASSETS</b>				
Cash and equivalents	\$ 32,153,890	\$ 7,278,731	\$ 39,432,621	\$ 29,983,580
Taxes receivable	-	2,753,537	2,753,537	2,496,015
Other receivables				
Accounts	713,492	158,577	872,069	798,543
State and Federal aid	2,156,074	-	2,156,074	1,774,375
Due from component unit	-	296,838	296,838	364,550
Due from other funds	1,025,884	170,944	1,196,828	539,142
	<u>3,895,450</u>	<u>626,359</u>	<u>4,521,809</u>	<u>3,476,610</u>
Deposits	-	-	-	72,500
Prepaid expenditures	1,407,950	491,195	1,899,145	1,697,972
Total Assets	<u>\$ 37,457,290</u>	<u>\$ 11,149,822</u>	<u>\$ 48,607,112</u>	<u>\$ 37,726,677</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 765,319	\$ 217,400	\$ 982,719	\$ 858,331
Due to other governments	-	11,291	11,291	87,418
Deposits payable	8,411,069	-	8,411,069	2,135,971
Employee payroll tax deduction	16,624	-	16,624	16,006
Unearned revenues	67,800	1,995,592	2,063,392	1,484,252
Total Liabilities	9,260,812	2,224,283	11,485,095	4,581,978
Deferred inflows of resources				
Deferred tax revenues	-	2,606,392	2,606,392	2,246,611
Total Liabilities and Deferred Inflows of Resources	<u>9,260,812</u>	<u>4,830,675</u>	<u>14,091,487</u>	<u>6,828,589</u>
Fund balances				
Nonspendable	1,407,950	788,033	2,195,983	2,062,522
Restricted	13,225,263	16,364	13,241,627	7,521,150
Assigned	321,038	-	321,038	233,083
Unassigned	13,242,227	5,514,750	18,756,977	21,081,333
Total Fund Balances	<u>28,196,478</u>	<u>6,319,147</u>	<u>34,515,625</u>	<u>30,898,088</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,457,290</u>	<u>\$ 11,149,822</u>	<u>\$ 48,607,112</u>	<u>\$ 37,726,677</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, 2022  
 (With Comparative Totals for 2021)

	Town	Village	Totals	
			2022	2021
<b>REVENUES</b>				
Real property taxes	\$ 30,092,989	\$ 9,207,679	\$ 39,300,668	\$ 38,921,884
Other tax items	-	2,515,809	2,515,809	2,488,429
Non-property taxes	7,923,481	-	7,923,481	7,291,481
Departmental income	3,685,814	-	3,685,814	2,833,002
Use of money and property	546,865	232,276	779,141	262,039
Licenses and permits	9,595,230	-	9,595,230	5,398,951
Fines and forfeitures	1,118,307	-	1,118,307	394,568
Sale of property and compensation for loss	-	13,420	13,420	22,156
State aid	1,649,993	1,546,890	3,196,883	2,544,961
Federal aid	260,766	972,912	1,233,678	13,150
Miscellaneous	752,905	172,515	925,420	1,153,824
<b>Total Revenues</b>	<b>55,626,350</b>	<b>14,661,501</b>	<b>70,287,851</b>	<b>61,324,445</b>
<b>EXPENDITURES</b>				
Current				
General government support	11,164,360	1,111,702	12,276,062	9,943,756
Public safety	25,205,204	-	25,205,204	23,814,581
Health	536,211	-	536,211	516,457
Transportation	403,824	-	403,824	334,453
Economic opportunity and development	159,903	-	159,903	109,603
Culture and recreation	3,554,632	-	3,554,632	3,292,740
Home and community services	239,687	2,899,320	3,139,007	3,108,946
Employee benefits	6,203,935	2,643,188	8,847,123	9,626,094
<b>Total Expenditures</b>	<b>47,467,756</b>	<b>6,654,210</b>	<b>54,121,966</b>	<b>50,746,630</b>
Excess of Revenues Over Expenditures	8,158,594	8,007,291	16,165,885	10,577,815
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	-	338,163
Issuance premium	-	-	-	45,837
Insurance recoveries	4,575	-	4,575	15,613
Sale of equipment	13,478	-	13,478	130,350
Transfers in	-	-	-	30,000
Transfers out	(5,980,129)	(6,586,272)	(12,566,401)	(8,204,642)
<b>Total Other Financing Uses</b>	<b>(5,962,076)</b>	<b>(6,586,272)</b>	<b>(12,548,348)</b>	<b>(7,644,679)</b>
<b>Net Change in Fund Balances</b>	<b>2,196,518</b>	<b>1,421,019</b>	<b>3,617,537</b>	<b>2,933,136</b>
<b>FUND BALANCES</b>				
Beginning of Year	25,999,960	4,898,128	30,898,088	27,964,952
End of Year	<u>\$ 28,196,478</u>	<u>\$ 6,319,147</u>	<u>\$ 34,515,625</u>	<u>\$ 30,898,088</u>

See independent auditors' report.

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

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

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 32,153,890	\$ 24,395,032
Receivables		
Accounts	713,492	732,987
State and Federal aid	2,156,074	1,774,375
Due from other funds	1,025,884	539,142
	<u>3,895,450</u>	<u>3,046,504</u>
Deposits	-	72,500
Prepaid expenditures	1,407,950	1,375,522
Total Assets	<u>\$ 37,457,290</u>	<u>\$ 28,889,558</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 765,319	\$ 737,621
Deposits payable	8,411,069	2,135,971
Employee payroll tax deductions	16,624	16,006
Unearned revenues	67,800	-
Total Liabilities	<u>9,260,812</u>	<u>2,889,598</u>
Fund balance		
Nonspendable	1,407,950	1,375,522
Restricted	13,225,263	7,505,447
Assigned	321,038	233,083
Unassigned	13,242,227	16,885,908
Total Fund Balance	<u>28,196,478</u>	<u>25,999,960</u>
Total Liabilities and Fund Balance	<u>\$ 37,457,290</u>	<u>\$ 28,889,558</u>

See independent auditors' report.

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

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

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 30,092,989	\$ 30,092,989	\$ 30,092,989	\$ -
Non-property taxes	7,170,000	7,170,000	7,923,481	753,481
Departmental income	2,118,100	3,172,162	3,685,814	513,652
Use of money and property	225,000	225,000	546,865	321,865
Licenses and permits	3,218,600	3,218,600	9,595,230	6,376,630
Fines and forfeitures	1,010,000	1,010,000	1,118,307	108,307
State aid	1,142,252	1,142,252	1,649,993	507,741
Federal aid	-	-	260,766	260,766
Miscellaneous	344,300	344,300	752,905	408,605
<b>Total Revenues</b>	<b>45,321,241</b>	<b>46,375,303</b>	<b>55,626,350</b>	<b>9,251,047</b>
<b>EXPENDITURES</b>				
Current				
General government support	9,216,819	11,676,202	11,164,360	511,842
Public safety	24,686,201	25,826,562	25,205,204	621,358
Health	518,400	536,213	536,211	2
Transportation	370,356	411,729	403,824	7,905
Economic opportunity and development	182,991	176,190	159,903	16,287
Culture and recreation	3,977,411	3,879,995	3,554,632	325,363
Home and community services	238,285	239,963	239,687	276
Employee benefits	6,189,861	6,192,510	6,203,935	(11,425)
<b>Total Expenditures</b>	<b>45,380,324</b>	<b>48,939,364</b>	<b>47,467,756</b>	<b>1,471,608</b>
Excess (Deficiency) of Revenues Over Expenditures	(59,083)	(2,564,061)	8,158,594	10,722,655
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	4,575	4,575	-
Sale of equipment	20,000	20,000	13,478	(6,522)
Transfers in	-	-	-	-
Transfers out	(194,000)	(5,981,500)	(5,980,129)	1,371
<b>Total Other Financing Sources (Uses)</b>	<b>(174,000)</b>	<b>(5,956,925)</b>	<b>(5,962,076)</b>	<b>(5,151)</b>
<b>Net Change in Fund Balance</b>	<b>(233,083)</b>	<b>(8,520,986)</b>	<b>2,196,518</b>	<b>10,717,504</b>
<b>FUND BALANCE</b>				
Beginning of Year	233,083	8,520,986	25,999,960	17,478,974
End of Year	\$ -	\$ -	\$ 28,196,478	\$ 28,196,478

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 28,692,538	\$ 28,692,538	\$ 28,692,538	\$ -
6,870,000	6,870,000	7,291,481	421,481
1,957,100	2,787,403	2,833,002	45,599
325,000	325,000	198,890	(126,110)
2,518,600	2,518,600	5,398,951	2,880,351
1,910,000	1,910,000	394,568	(1,515,432)
618,400	618,400	1,280,189	661,789
-	-	13,150	13,150
455,252	475,252	682,893	207,641
<u>43,346,890</u>	<u>44,197,193</u>	<u>46,785,662</u>	<u>2,588,469</u>
8,991,308	9,923,860	8,583,469	1,340,391
23,878,425	24,720,839	23,814,581	906,258
517,200	517,200	516,457	743
330,099	351,197	334,453	16,744
180,384	159,286	109,603	49,683
3,790,648	3,820,648	3,292,740	527,908
232,410	236,450	233,937	2,513
6,693,059	6,693,059	6,759,489	(66,430)
<u>44,613,533</u>	<u>46,422,539</u>	<u>43,644,729</u>	<u>2,777,810</u>
<u>(1,266,643)</u>	<u>(2,225,346)</u>	<u>3,140,933</u>	<u>5,366,279</u>
-	13,414	15,613	2,199
20,000	20,000	130,350	110,350
-	30,000	30,000	-
(193,720)	(1,459,475)	(1,473,391)	(13,916)
<u>(173,720)</u>	<u>(1,396,061)</u>	<u>(1,297,428)</u>	<u>98,633</u>
(1,440,363)	(3,621,407)	1,843,505	5,464,912
<u>1,440,363</u>	<u>3,621,407</u>	<u>24,156,455</u>	<u>20,535,048</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,999,960</u>	<u>\$ 25,999,960</u>

**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, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>REAL PROPERTY TAXES</b>	\$ 30,092,989	\$ 30,092,989	\$ 30,092,989	\$ -	\$ 28,692,538
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	6,500,000	6,500,000	7,316,875	816,875	6,664,437
Franchise fees	670,000	670,000	606,606	(63,394)	627,044
	<u>7,170,000</u>	<u>7,170,000</u>	<u>7,923,481</u>	<u>753,481</u>	<u>7,291,481</u>
<b>DEPARTMENTAL INCOME</b>					
Clerk fees	7,000	7,000	10,258	3,258	13,429
Police fees	575,000	1,629,062	1,953,850	324,788	1,733,201
Fire inspection fees	230,000	230,000	419,445	189,445	271,030
Safety inspection fees	-	-	6,400	6,400	-
Parking meters and permit fees	300,000	300,000	289,275	(10,725)	296,960
Parks and recreation charges	960,000	960,000	800,164	(159,836)	467,703
Recreation commissions	2,500	2,500	2,692	192	3,403
Zoning fees	5,000	5,000	8,400	3,400	8,200
Community services	600	600	-	(600)	-
Planning Board fees	15,000	15,000	18,300	3,300	18,100
Planning Board parking fees	-	-	165,250	165,250	17,400
Senior lunch program fees	23,000	23,000	11,780	(11,220)	3,576
	<u>2,118,100</u>	<u>3,172,162</u>	<u>3,685,814</u>	<u>513,652</u>	<u>2,833,002</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	125,000	125,000	418,294	293,294	104,551
Rentals of real property	100,000	100,000	128,571	28,571	94,339
	<u>225,000</u>	<u>225,000</u>	<u>546,865</u>	<u>321,865</u>	<u>198,890</u>

**LICENSES AND PERMITS**

Street opening permits	80,000	80,000	131,107	51,107	144,018
Building permits	3,100,000	3,100,000	9,298,019	6,198,019	5,205,354
Wetlands permits	-	-	93,715	93,715	-
Bingo licenses	100	100	310	210	-
Dog license fund apportionment	3,500	3,500	4,488	988	4,234
Other licenses and permits	35,000	35,000	67,591	32,591	45,345

	<u>3,218,600</u>	<u>3,218,600</u>	<u>9,595,230</u>	<u>6,376,630</u>	<u>5,398,951</u>
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**FINES AND FORFEITURES**

Fines and forfeited bail	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,118,307</u>	<u>108,307</u>	<u>394,568</u>
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**STATE AID**

Aid and incentives for municipalities	113,852	113,852	113,852	-	-
Mortgage tax	1,000,000	1,000,000	1,480,687	480,687	1,264,772
Youth programs	4,000	4,000	4,649	649	4,649
Bus shelters	24,400	24,400	3,124	(21,276)	460
Police grant	-	-	20,714	20,714	8,116
Justice court	-	-	25,090	25,090	2,192
Other	-	-	1,877	1,877	-

	<u>1,142,252</u>	<u>1,142,252</u>	<u>1,649,993</u>	<u>507,741</u>	<u>1,280,189</u>
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**FEDERAL AID**

Police grant	<u>-</u>	<u>-</u>	<u>260,766</u>	<u>260,766</u>	<u>13,150</u>
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**MISCELLANEOUS**

Refunds of prior year's expenditures	130,000	130,000	466,093	336,093	314,932
Gifts and donations	-	-	-	-	20,000
Medicare Part D reimbursement	185,000	185,000	122,341	(62,659)	155,168
AIM related payment	-	-	-	-	113,852
Unclassified	29,300	29,300	164,471	135,171	78,941

	<u>344,300</u>	<u>344,300</u>	<u>752,905</u>	<u>408,605</u>	<u>682,893</u>
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**TOTAL REVENUES**

	<u>45,321,241</u>	<u>46,375,303</u>	<u>55,626,350</u>	<u>9,251,047</u>	<u>46,785,662</u>
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**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, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	\$ -	\$ 4,575	\$ 4,575	\$ -	\$ 15,613
Sale of equipment	20,000	20,000	13,478	(6,522)	130,350
Transfers in					
Enterprise Fund					
Harrison Meadows Country Club	-	-	-	-	30,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>20,000</u>	<u>24,575</u>	<u>18,053</u>	<u>(6,522)</u>	<u>175,963</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 45,341,241</u>	<u>\$ 46,399,878</u>	<u>\$ 55,644,403</u>	<u>\$ 9,244,525</u>	<u>\$ 46,961,625</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, 2022  
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 81,940	\$ 81,940	\$ 81,940	\$ -	\$ 81,940
Town Justice	1,036,320	869,864	782,274	87,590	791,610
Supervisor	298,600	331,740	315,793	15,947	302,020
Municipal Exec	168,791	168,791	151,168	17,623	168,434
Finance	480,505	480,505	473,665	6,840	461,683
Auditor	48,675	48,675	38,675	10,000	38,675
Receiver of Taxes	172,036	172,037	170,534	1,503	164,908
Purchasing	169,360	190,410	189,790	620	168,827
Assessor	211,770	240,132	237,669	2,463	199,850
Town Clerk	262,235	265,029	262,231	2,798	255,316
Archive Grant	540	540	-	540	-
Town Attorney	1,019,362	1,220,938	1,176,291	44,647	974,135
Engineer	579,138	880,137	644,795	235,342	370,920
Elections	52,100	52,100	49,158	2,942	47,727
Commissioner of Public Works	403,741	423,322	415,293	8,029	397,377
Central services	496,149	528,155	518,332	9,823	443,128
Buildings	1,587,439	1,629,961	1,621,105	8,856	1,756,240
Central garage	984,512	979,506	915,797	63,709	950,818
Central data processing	495,340	496,559	496,243	316	467,773
Special items					
Special services	233,760	307,591	244,837	62,754	159,280
General code	6,000	6,000	4,001	1,999	1,195
Youth Council	351	570	569	1	-
Unallocated insurance	280,000	318,537	318,537	-	203,462
Purchase of property	-	1,832,381	1,904,881	(72,500)	-
Taxes and assessments on property	114,000	119,276	119,276	-	110,547
Metropolitan commuter transportation mobility tax	34,155	31,506	31,506	-	32,504
Contingent account	-	-	-	-	35,100
	<u>9,216,819</u>	<u>11,676,202</u>	<u>11,164,360</u>	<u>511,842</u>	<u>8,583,469</u>

**PUBLIC SAFETY**

Police	12,966,274	14,100,113	14,015,426	84,687	12,873,834
Employee benefits - Police	10,274,632	10,274,216	9,905,443	368,773	9,844,833
Youth forum	68,696	68,696	64,219	4,477	46,879
Traffic control	266,541	271,116	260,479	10,637	178,301
Fire inspection	230,975	220,976	155,299	65,677	132,475
Control of animals	50,453	52,815	52,815	-	49,718
Safety inspection	828,630	838,630	751,523	87,107	688,541

	<u>24,686,201</u>	<u>25,826,562</u>	<u>25,205,204</u>	<u>621,358</u>	<u>23,814,581</u>
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**HEALTH**

Ambulance	<u>518,400</u>	<u>536,213</u>	<u>536,211</u>	<u>2</u>	<u>516,457</u>
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**TRANSPORTATION**

Street lighting	<u>370,356</u>	<u>411,729</u>	<u>403,824</u>	<u>7,905</u>	<u>334,453</u>
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**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Community services	<u>182,991</u>	<u>176,190</u>	<u>159,903</u>	<u>16,287</u>	<u>109,603</u>
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**CULTURE AND RECREATION**

Parks, playgrounds and recreation	3,708,361	3,610,945	3,287,509	323,436	3,035,271
Celebrations	22,000	22,000	20,500	1,500	17,250
Historian	2,250	2,250	1,823	427	219
Public library	244,800	244,800	244,800	-	240,000

	<u>3,977,411</u>	<u>3,879,995</u>	<u>3,554,632</u>	<u>325,363</u>	<u>3,292,740</u>
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**HOME AND COMMUNITY SERVICES**

Zoning	600	1,240	1,164	76	430
Planning	149,585	150,623	150,543	80	145,507
Council for the arts	82,500	82,500	82,500	-	82,500
ETPA administrative charge	5,600	5,600	5,480	120	5,500

	<u>238,285</u>	<u>239,963</u>	<u>239,687</u>	<u>276</u>	<u>233,937</u>
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(Continued)

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

General Fund - Town

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

Year Ended December 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 1,174,234	\$ 1,198,542	\$ 1,198,541	\$ 1	\$ 1,359,388
Social security	748,497	713,564	713,564	-	704,627
Workers' compensation benefits	300,000	229,912	229,911	1	402,600
Disability benefits	10,000	8,219	8,218	1	8,391
Unemployment benefits	2,500	266	265	1	-
Welfare benefits	28,000	25,650	25,650	-	26,838
Health, dental and life insurance	3,926,630	4,016,357	4,027,786	(11,429)	4,257,645
	<u>6,189,861</u>	<u>6,192,510</u>	<u>6,203,935</u>	<u>(11,425)</u>	<u>6,759,489</u>
<b>TOTAL EXPENDITURES</b>	<u>45,380,324</u>	<u>48,939,364</u>	<u>47,467,756</u>	<u>1,471,608</u>	<u>43,644,729</u>
<b>OTHER FINANCING USES</b>					
Transfers out					
Debt Service Fund	194,000	194,000	192,629	1,371	207,636
Capital Projects Fund	-	5,787,500	5,787,500	-	1,163,774
Enterprise Fund					
Harrison Meadows Country Club	-	-	-	-	101,981
	<u>194,000</u>	<u>5,981,500</u>	<u>5,980,129</u>	<u>1,371</u>	<u>1,473,391</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 45,574,324</u>	<u>\$ 54,920,864</u>	<u>\$ 53,447,885</u>	<u>\$ 1,472,979</u>	<u>\$ 45,118,120</u>

See independent auditors' report.

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

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

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 7,278,731	\$ 5,588,548
Taxes receivable	2,753,537	2,496,015
Receivables		
Accounts	158,577	65,556
Due from component unit	296,838	364,550
Due from other funds	170,944	-
	<u>626,359</u>	<u>430,106</u>
Prepaid expenditures	491,195	322,450
Total Assets	<u>\$ 11,149,822</u>	<u>\$ 8,837,119</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 217,400	\$ 120,710
Due to other governments	11,291	87,418
Unearned revenue	1,995,592	1,484,252
Total Liabilities	2,224,283	1,692,380
Deferred inflows of resources		
Deferred tax revenues	2,606,392	2,246,611
Total Liabilities and Deferred Inflows of Resources	<u>4,830,675</u>	<u>3,938,991</u>
Fund balance		
Nonspendable	788,033	687,000
Restricted	16,364	15,703
Unassigned	5,514,750	4,195,425
Total Fund Balance	<u>6,319,147</u>	<u>4,898,128</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,149,822</u>	<u>\$ 8,837,119</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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 9,572,708	\$ 9,572,708	\$ 9,207,679	\$ (365,029)
Other tax items	2,219,167	2,219,167	2,515,809	296,642
Use of money and property	75,000	75,000	232,276	157,276
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	5,000	5,000	13,420	8,420
State aid	1,066,203	1,066,203	1,546,890	480,687
Federal aid	-	2,235,462	972,912	(1,262,550)
Miscellaneous	50,300	50,300	172,515	122,215
<b>Total Revenues</b>	<b>12,988,378</b>	<b>15,223,840</b>	<b>14,661,501</b>	<b>(562,339)</b>
<b>EXPENDITURES</b>				
Current				
General government support	1,468,402	1,468,402	1,111,702	356,700
Home and community services	2,904,644	2,904,644	2,899,320	5,324
Employee benefits	3,000,773	3,000,773	2,643,188	357,585
<b>Total Expenditures</b>	<b>7,373,819</b>	<b>7,373,819</b>	<b>6,654,210</b>	<b>719,609</b>
Excess of Revenues Over Expenditures	5,614,559	7,850,021	8,007,291	157,270
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Transfers out	(5,613,361)	(8,120,949)	(6,586,272)	1,534,677
<b>Total Other Financing Uses</b>	<b>(5,613,361)</b>	<b>(8,120,949)</b>	<b>(6,586,272)</b>	<b>1,534,677</b>
Net Change in Fund Balance	1,198	(270,928)	1,421,019	1,691,947
<b>FUND BALANCE</b>				
Beginning of Year	(1,198)	270,928	4,898,128	4,627,200
End of Year	\$ -	\$ -	\$ 6,319,147	\$ 6,319,147

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 10,089,954	\$ 10,089,954	\$ 10,229,346	\$ 139,392
2,586,582	2,586,582	2,488,429	(98,153)
125,000	125,000	63,149	(61,851)
-	-	-	-
5,000	5,000	22,156	17,156
590,000	590,000	1,264,772	674,772
-	-	-	-
116,503	116,503	470,931	354,428
<u>13,513,039</u>	<u>13,513,039</u>	<u>14,538,783</u>	<u>1,025,744</u>
964,047	1,355,928	1,360,287	(4,359)
2,754,332	2,879,802	2,875,009	4,793
3,059,933	2,926,582	2,866,605	59,977
<u>6,778,312</u>	<u>7,162,312</u>	<u>7,101,901</u>	<u>60,411</u>
<u>6,734,727</u>	<u>6,350,727</u>	<u>7,436,882</u>	<u>1,086,155</u>
-	338,163	338,163	-
-	45,837	45,837	-
<u>(6,737,865)</u>	<u>(6,737,865)</u>	<u>(6,731,251)</u>	<u>6,614</u>
<u>(6,737,865)</u>	<u>(6,353,865)</u>	<u>(6,347,251)</u>	<u>6,614</u>
(3,138)	(3,138)	1,089,631	1,092,769
<u>3,138</u>	<u>3,138</u>	<u>3,808,497</u>	<u>3,805,359</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,898,128</u>	<u>\$ 4,898,128</u>

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

General Fund - Village  
 Schedule of Revenues and Other Financing Sources - Sub Fund  
 Year Ended December 31, 2022  
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>REAL PROPERTY TAXES</b>	\$ 9,572,708	\$ 9,572,708	\$ 9,207,679	\$ (365,029)	\$ 10,229,346
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	649,167	649,167	668,104	18,937	666,582
Interest and penalties on real property taxes	700,000	700,000	660,919	(39,081)	843,395
Hotel tax	175,000	175,000	322,246	147,246	233,673
Services for other governments	40,000	40,000	36,867	(3,133)	38,761
Utilities gross receipts taxes	655,000	655,000	827,673	172,673	706,018
	<u>2,219,167</u>	<u>2,219,167</u>	<u>2,515,809</u>	<u>296,642</u>	<u>2,488,429</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	75,000	75,000	232,276	157,276	63,149
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Sale of recycled materials	5,000	5,000	13,420	8,420	22,156
<b>STATE AID</b>					
Aid and incentives for municipalities	66,203	66,203	66,203	-	-
Mortgage tax	1,000,000	1,000,000	1,480,687	480,687	1,264,772
	<u>1,066,203</u>	<u>1,066,203</u>	<u>1,546,890</u>	<u>480,687</u>	<u>1,264,772</u>
<b>FEDERAL AID</b>					
American Rescue Plan Act	-	2,235,462	972,912	(1,262,550)	-
<b>MISCELLANEOUS</b>					
Refunds of prior year's expenditures	50,000	50,000	140,125	90,125	388,459
AIM related payment	-	-	-	-	66,203
Miscellaneous	300	300	32,390	32,090	16,269
	<u>50,300</u>	<u>50,300</u>	<u>172,515</u>	<u>122,215</u>	<u>470,931</u>
<b>TOTAL REVENUES</b>	<u>12,988,378</u>	<u>15,223,840</u>	<u>14,661,501</u>	<u>(562,339)</u>	<u>14,538,783</u>

**OTHER FINANCING SOURCES**

Bonds issued	-	-	-	-	338,163
Issuance premium	-	-	-	-	45,837
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,000</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 12,988,378</u>	<u>\$ 15,223,840</u>	<u>\$ 14,661,501</u>	<u>\$ (562,339)</u>	<u>\$ 14,922,783</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, 2022  
 (With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Auditor	\$ 18,325	\$ 18,325	\$ 16,825	\$ 1,500	\$ 16,945
Law	145,023	145,023	145,023	-	141,409
Special items					
Special services	1,500	1,500	1,260	240	1,260
Unallocated insurance	280,000	280,000	186,740	93,260	148,029
Taxes and assessments on property	115,000	117,731	117,731	-	109,041
Judgments and claims	900,000	897,269	636,003	261,266	935,415
Metropolitan commuter transportation mobility tax	8,554	8,554	8,120	434	8,188
	<u>1,468,402</u>	<u>1,468,402</u>	<u>1,111,702</u>	<u>356,700</u>	<u>1,360,287</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Refuse and garbage collection	<u>2,904,644</u>	<u>2,904,644</u>	<u>2,899,320</u>	<u>5,324</u>	<u>2,875,009</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	330,031	330,031	319,795	10,236	384,844
Social security	192,470	191,804	183,566	8,238	188,490
Workers' compensation benefits	550,000	550,000	371,787	178,213	425,115
Disability benefits	3,172	3,172	2,416	756	2,459
Unemployment benefits	3,600	4,266	3,170	1,096	2,716
Welfare benefits	26,000	26,000	23,513	2,487	23,750
Health, dental and life insurance	1,895,500	1,895,500	1,738,941	156,559	1,839,231
	<u>3,000,773</u>	<u>3,000,773</u>	<u>2,643,188</u>	<u>357,585</u>	<u>2,866,605</u>
<b>TOTAL EXPENDITURES</b>	7,373,819	7,373,819	6,654,210	719,609	7,101,901

**OTHER FINANCING USES**

Transfers out

Debt Service Fund

<u>5,613,361</u>	<u>8,120,949</u>	<u>6,586,272</u>	<u>1,534,677</u>	<u>6,731,251</u>
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**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

<u><u>\$ 12,987,180</u></u>	<u><u>\$ 15,494,768</u></u>	<u><u>\$ 13,240,482</u></u>	<u><u>\$ 2,254,286</u></u>	<u><u>\$ 13,833,152</u></u>
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See independent auditors' report.

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

Debt Service Fund  
Comparative Balance Sheet  
December 31,

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,700,188	\$ 4,265,355
<b>FUND BALANCE</b>		
Restricted	\$ 4,700,188	\$ 4,265,355

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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 227,953	\$ 227,953
Miscellaneous	-	-	-	-
Total Revenues	-	-	227,953	227,953
<b>EXPENDITURES</b>				
General government				
support - bond issuance costs	-	-	28,431	(28,431)
Debt service				
Principal				
Serial bonds	5,762,200	5,762,200	5,761,935	265
Energy performance contract	163,000	163,000	162,572	428
	5,925,200	5,925,200	5,924,507	693
Interest				
Serial bonds	2,969,582	2,969,582	2,969,581	1
Energy performance contract	31,000	31,000	30,057	943
Bond anticipation notes	-	84,750	84,750	
	3,000,582	3,085,332	3,084,388	944
Total Expenditures	8,925,782	9,010,532	9,037,326	(26,794)
Deficiency of Revenues Over Expenditures	(8,925,782)	(9,010,532)	(8,809,373)	201,159
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance premium	-	-	688,051	688,051
Transfers in	8,538,711	8,557,526	8,556,155	(1,371)
Total Other Financing Sources	8,538,711	8,557,526	9,244,206	686,680
Net Change in Fund Balance	(387,071)	(453,006)	434,833	887,839
<b>FUND BALANCE</b>				
Beginning of Year	387,071	453,006	4,265,355	3,812,349
End of Year	\$ -	\$ -	\$ 4,700,188	\$ 4,700,188

See independent auditors' report.

2021			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 62,903	\$ 62,903
-	-	100	100
-	-	63,003	63,003
-	-	-	-
6,990,000	6,990,000	7,012,200	(22,200)
153,653	159,137	159,137	-
7,143,653	7,149,137	7,171,337	(22,200)
2,677,097	2,677,097	2,681,845	(4,748)
40,067	48,499	48,499	-
-	-	-	-
2,717,164	2,725,596	2,730,344	(4,748)
9,860,817	9,874,733	9,901,681	(26,948)
(9,860,817)	(9,874,733)	(9,838,678)	36,055
-	-	120,589	120,589
9,537,930	9,551,846	9,651,911	100,065
9,537,930	9,551,846	9,772,500	220,654
(322,887)	(322,887)	(66,178)	256,709
322,887	322,887	4,331,533	4,008,646
\$ -	\$ -	\$ 4,265,355	\$ 4,265,355

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

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 25,594,782	\$ 26,584,216
Due from State and Federal aid	<u>755,802</u>	<u>-</u>
Total Assets	<u><u>\$ 26,350,584</u></u>	<u><u>\$ 26,584,216</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 3,250,473	\$ 2,442,565
Bond anticipation note payable	<u>-</u>	<u>8,475,000</u>
Total Liabilities	3,250,473	10,917,565
<b>FUND BALANCE</b>		
Restricted	<u>23,100,111</u>	<u>15,666,651</u>
Total Liabilities and Fund Balance	<u><u>\$ 26,350,584</u></u>	<u><u>\$ 26,584,216</u></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,

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
State aid	\$ 836,068	\$ 196,360
Miscellaneous	<u>-</u>	<u>129,000</u>
Total Revenues	836,068	325,360
<b>EXPENDITURES</b>		
Capital outlay	<u>15,858,106</u>	<u>17,037,554</u>
Deficiency of Revenues Over Expenditures	<u>(15,022,038)</u>	<u>(16,712,194)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued	15,315,000	12,346,837
Issuance premium	228,400	1,673,597
Transfers in	6,912,098	1,503,874
Transfers out	<u>-</u>	<u>(79,731)</u>
Total Other Financing Sources	<u>22,455,498</u>	<u>15,444,577</u>
Net Change in Fund Balance	7,433,460	(1,267,617)
<b>FUND BALANCE</b>		
Beginning of Year	<u>15,666,651</u>	<u>16,934,268</u>
End of Year	<u><u>\$ 23,100,111</u></u>	<u><u>\$ 15,666,651</u></u>

See independent auditors' report.

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

Special Districts Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2022  
 (With Comparative Totals for 2021)

	Water District No. 2	Sewer Rent
<b>ASSETS</b>		
Cash and equivalents	\$ 4,587,479	\$ 289,535
Investments	-	-
Accounts receivable	2,412,861	376,491
Prepaid expenditures	-	70,005
	<u>7,000,340</u>	<u>736,031</u>
Total Assets	<u>\$ 7,000,340</u>	<u>\$ 736,031</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES FUND BALANCES (DEFICITS)</b>		
Liabilities		
Accounts payable	\$ 2,024	\$ 4,013
Due to other funds	-	-
	<u>2,024</u>	<u>4,013</u>
Total Liabilities	2,024	4,013
Deferred inflows of resources		
Deferred tax revenue	<u>1,809,646</u>	<u>-</u>
	<u>1,811,670</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,811,670</u>	<u>-</u>
Fund balances (deficits)		
Nonspendable	-	70,005
Restricted	-	-
Assigned	<u>5,188,670</u>	<u>662,013</u>
	<u>5,188,670</u>	<u>732,018</u>
Total Fund Balances (Deficits)	<u>5,188,670</u>	<u>732,018</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 7,000,340</u>	<u>\$ 736,031</u>

See independent auditors' report.

Fire Protection Districts				Fire Service Awards Programs	Totals	
No. 1	No. 2	No. 3	No. 5		2022	2021
\$ 1,148,625	\$ 2,870,352	\$ 3,255	\$ -	\$ 65,950	\$ 8,965,196	\$ 9,457,658
-	-	-	-	1,534,550	1,534,550	1,660,475
-	-	-	-	216,626	3,005,978	1,553,011
102,414	206,167	-	-	-	378,586	335,959
<u>\$ 1,251,039</u>	<u>\$ 3,076,519</u>	<u>\$ 3,255</u>	<u>\$ -</u>	<u>\$ 1,817,126</u>	<u>\$ 13,884,310</u>	<u>\$ 13,007,103</u>
\$ 254,791	\$ 79,310	\$ 540	\$ -	\$ 2,837	\$ 343,515	\$ 333,003
-	-	-	1,744	-	1,744	1,644
254,791	79,310	540	1,744	2,837	345,259	334,647
-	-	-	-	-	1,809,646	675,014
-	-	-	-	-	2,154,905	1,009,661
102,414	206,167	-	-	-	378,586	335,959
-	-	-	-	1,814,289	1,814,289	1,916,645
893,834	2,791,042	2,715	(1,744)	-	9,536,530	9,744,838
996,248	2,997,209	2,715	(1,744)	1,814,289	11,729,405	11,997,442
<u>\$ 1,251,039</u>	<u>\$ 3,076,519</u>	<u>\$ 3,255</u>	<u>\$ -</u>	<u>\$ 1,817,126</u>	<u>\$ 13,884,310</u>	<u>\$ 13,007,103</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, 2022  
 (With Comparative Totals for 2021)

	Water District No. 2	Sewer Rent	Fire Protection Districts			
			No. 1	No. 2	No. 3	No. 5
<b>REVENUES</b>						
Real property taxes	\$ 294,413	\$ -	\$ 973,458	\$ 5,236,793	\$ 32,273	\$ 40,200
Departmental income	1,278,229	1,461,825	40,200	1,936	-	-
Use of money and property	57,187	5,605	14,767	49,965	184	5
Sale of property and compensation for loss	-	-	8,000	-	-	-
State aid	-	-	-	-	-	-
Miscellaneous	-	-	-	342,570	-	-
<b>Total Revenues</b>	<b>1,629,829</b>	<b>1,467,430</b>	<b>1,036,425</b>	<b>5,631,264</b>	<b>32,457</b>	<b>40,205</b>
<b>EXPENDITURES</b>						
Current						
General government support	-	-	17,413	64,578	345	105
Public safety	-	-	695,458	2,627,819	32,170	40,200
Home and community services	21,635	601,569	-	-	-	-
Employee benefits	-	138,965	113,467	1,909,925	-	-
<b>Total Expenditures</b>	<b>21,635</b>	<b>740,534</b>	<b>826,338</b>	<b>4,602,322</b>	<b>32,515</b>	<b>40,305</b>
Excess (Deficiency) of Revenues Over Expenditures	1,608,194	726,896	210,087	1,028,942	(58)	(100)
<b>OTHER FINANCING USES</b>						
Transfers out	(2,029,021)	(578,478)	(244,770)	(887,373)	-	-
<b>Net Change in Fund Balances</b>	<b>(420,827)</b>	<b>148,418</b>	<b>(34,683)</b>	<b>141,569</b>	<b>(58)</b>	<b>(100)</b>
<b>FUND BALANCES (DEFICITS)</b>						
Beginning of Year	5,609,497	583,600	1,030,931	2,855,640	2,773	(1,644)
End of Year	<u>\$ 5,188,670</u>	<u>\$ 732,018</u>	<u>\$ 996,248</u>	<u>\$ 2,997,209</u>	<u>\$ 2,715</u>	<u>\$ (1,744)</u>

See independent auditors' report.

Fire Service Awards Programs		Totals	
	Eliminations	2022	2021
\$ -	\$ -	\$ 6,577,137	\$ 6,325,635
263,716	(263,716)	2,782,190	3,247,049
(221,379)	-	(93,666)	141,667
-	-	8,000	-
-	-	-	125,000
-	-	342,570	20,964
42,337	(263,716)	9,616,231	9,860,315
-	-	82,441	64,341
144,693	(263,716)	3,276,624	3,395,743
-	-	623,204	559,818
-	-	2,162,357	1,910,068
144,693	(263,716)	6,144,626	5,929,970
(102,356)	-	3,471,605	3,930,345
-	-	(3,739,642)	(2,863,911)
(102,356)	-	(268,037)	1,066,434
1,916,645	-	11,997,442	10,931,008
\$ 1,814,289	\$ -	\$ 11,729,405	\$ 11,997,442

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

Combining Balance Sheet  
 Non-Major Governmental Funds  
 December 31, 2022  
 (With Comparative Totals for 2021)

	<u>Highway</u>	<u>Public Library</u>	<u>Special Purpose</u>
<b>ASSETS</b>			
Cash and equivalents	\$ 4,079,681	\$ 556,888	\$ 3,333,457
Receivables			
Accounts	44,494	-	1,525
Due from State and Federal aid	<u>80,744</u>	<u>150,122</u>	<u>-</u>
	<u>125,238</u>	<u>150,122</u>	<u>1,525</u>
Prepaid expenditures	<u>320,785</u>	<u>55,769</u>	<u>-</u>
Total Assets	<u>\$ 4,525,704</u>	<u>\$ 762,779</u>	<u>\$ 3,334,982</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 206,104	\$ 13,482	\$ 45,779
Unearned revenue	300	-	-
Deposits payable	<u>319,500</u>	<u>69,628</u>	<u>-</u>
Total Liabilities	<u>525,904</u>	<u>83,110</u>	<u>45,779</u>
Fund balances			
Nonspendable	320,785	55,769	-
Restricted	-	-	3,289,203
Assigned	<u>3,679,015</u>	<u>623,900</u>	<u>-</u>
Total Fund Balances	<u>3,999,800</u>	<u>679,669</u>	<u>3,289,203</u>
Total Liabilities and Fund Balances	<u>\$ 4,525,704</u>	<u>\$ 762,779</u>	<u>\$ 3,334,982</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2022	2021
\$ 7,970,026	\$ 6,359,257
46,019	62,294
230,866	260
276,885	62,554
376,554	402,073
<u>\$ 8,623,465</u>	<u>\$ 6,823,884</u>
\$ 265,365	\$ 180,955
300	-
389,128	177,066
654,793	358,021
376,554	402,073
3,289,203	3,248,650
4,302,915	2,815,140
7,968,672	6,465,863
<u>\$ 8,623,465</u>	<u>\$ 6,823,884</u>

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

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	Highway	Public Library	Special Purpose
<b>REVENUES</b>			
Real property taxes	\$ 6,035,553	\$ 2,722,090	\$ -
Departmental income	125,506	7,947	-
Use of money and property	49,701	14,538	10,813
State aid	310,305	158,432	-
Federal aid	1,244,606	-	-
Miscellaneous	58,233	1,448	427,307
	<u>7,823,904</u>	<u>2,904,455</u>	<u>438,120</u>
<b>EXPENDITURES</b>			
Current			
Transportation	4,549,103	-	-
Culture and recreation	-	1,592,751	308,185
Home and community services	-	-	89,382
Employee benefits	1,981,803	1,007,324	-
	<u>6,530,906</u>	<u>2,600,075</u>	<u>397,567</u>
Total Expenditures			
Excess of Revenues Over Expenditures	1,292,998	304,380	40,553
<b>OTHER FINANCING USES</b>			
Transfers out	-	(135,122)	-
	<u>-</u>	<u>(135,122)</u>	<u>-</u>
Net Change in Fund Balances	1,292,998	169,258	40,553
<b>FUND BALANCES</b>			
Beginning of Year	<u>2,706,802</u>	<u>510,411</u>	<u>3,248,650</u>
End of Year	<u>\$ 3,999,800</u>	<u>\$ 679,669</u>	<u>\$ 3,289,203</u>

See independent auditors' report.

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Total Non-Major  
Governmental Funds

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2022	2021
\$ 8,757,643	\$ 8,591,316
133,453	78,075
75,052	25,627
468,737	140,539
1,244,606	3,913
486,988	1,491,472
11,166,479	10,330,942
4,549,103	4,954,347
1,900,936	1,797,054
89,382	79,310
2,989,127	2,765,309
9,528,548	9,596,020
1,637,931	734,922
(135,122)	(109,482)
1,502,809	625,440
6,465,863	5,840,423
\$ 7,968,672	\$ 6,465,863

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

Highway Fund  
Comparative Balance Sheet  
December 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,079,681	\$ 2,582,458
Receivables		
Accounts	44,494	54,776
Due from State and Federal aid	80,744	-
	<u>125,238</u>	<u>54,776</u>
Prepaid expenditures	<u>320,785</u>	<u>335,867</u>
Total Assets	<u>\$ 4,525,704</u>	<u>\$ 2,973,101</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 206,104	\$ 135,249
Unearned revenue	300	-
Deposits payable	319,500	131,050
Total Liabilities	<u>525,904</u>	<u>266,299</u>
Fund balance		
Nonspendable	320,785	335,867
Assigned	3,679,015	2,370,935
Total Fund Balance	<u>3,999,800</u>	<u>2,706,802</u>
Total Liabilities and Fund Balance	<u>\$ 4,525,704</u>	<u>\$ 2,973,101</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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 6,035,553	\$ 6,035,553	\$ 6,035,553	\$ -
Departmental income	83,000	83,000	125,506	42,506
Use of money and property	10,000	10,000	49,701	39,701
State aid	125,000	125,000	310,305	185,305
Federal aid	-	-	1,244,606	1,244,606
Miscellaneous	11,000	11,892	58,233	46,341
<b>Total Revenues</b>	<u>6,264,553</u>	<u>6,265,445</u>	<u>7,823,904</u>	<u>1,558,459</u>
<b>EXPENDITURES</b>				
Current				
Transportation	4,629,547	4,709,959	4,549,103	160,856
Employee benefits	1,860,779	1,860,779	1,981,803	(121,024)
<b>Total Expenditures</b>	<u>6,490,326</u>	<u>6,570,738</u>	<u>6,530,906</u>	<u>39,832</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(225,773)</u>	<u>(305,293)</u>	<u>1,292,998</u>	<u>1,598,291</u>
<b>FUND BALANCE</b>				
Beginning of Year	<u>225,773</u>	<u>305,293</u>	<u>2,706,802</u>	<u>2,401,509</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999,800</u>	<u>\$ 3,999,800</u>

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 5,978,193	\$ 5,978,193	\$ 5,978,193	\$ -
83,000	83,000	76,665	(6,335)
10,000	10,000	17,730	7,730
125,000	125,000	103,210	(21,790)
-	-	-	-
11,000	11,000	52,236	41,236
<u>6,207,193</u>	<u>6,207,193</u>	<u>6,228,034</u>	<u>20,841</u>
4,319,988	4,954,207	4,954,347	(140)
1,897,456	1,752,702	1,746,989	5,713
<u>6,217,444</u>	<u>6,706,909</u>	<u>6,701,336</u>	<u>5,573</u>
(10,251)	(499,716)	(473,302)	26,414
<u>10,251</u>	<u>499,716</u>	<u>3,180,104</u>	<u>2,680,388</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,706,802</u>	<u>\$ 2,706,802</u>

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

Public Library Fund  
Comparative Balance Sheet  
December 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 556,888	\$ 511,103
Due from State and Federal aid	150,122	260
Prepaid expenditures	<u>55,769</u>	<u>66,206</u>
Total Assets	<u>\$ 762,779</u>	<u>\$ 577,569</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 13,482	\$ 21,142
Deposits payable	<u>69,628</u>	<u>46,016</u>
Total Liabilities	<u>83,110</u>	<u>67,158</u>
Fund balance		
Nonspendable	55,769	66,206
Assigned	<u>623,900</u>	<u>444,205</u>
Total Fund Balance	<u>679,669</u>	<u>510,411</u>
Total Liabilities and Fund Balance	<u>\$ 762,779</u>	<u>\$ 577,569</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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 2,722,090	\$ 2,722,090	\$ 2,722,090	\$ -
Departmental income	6,000	6,000	7,947	1,947
Use of money and property	3,200	3,200	14,538	11,338
State aid	8,000	143,122	158,432	15,310
Federal aid	-	-	-	-
Miscellaneous	-	-	1,448	1,448
<b>Total Revenues</b>	<u>2,739,290</u>	<u>2,874,412</u>	<u>2,904,455</u>	<u>30,043</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	1,652,782	1,652,782	1,592,751	60,031
Employee benefits	1,086,508	1,086,508	1,007,324	79,184
<b>Total Expenditures</b>	<u>2,739,290</u>	<u>2,739,290</u>	<u>2,600,075</u>	<u>139,215</u>
Excess (Deficiency) of Revenues Over Expenditures	-	135,122	304,380	169,258
<b>OTHER FINANCING USES</b>				
Transfers out	-	(135,122)	(135,122)	-
<b>Net Change in Fund Balance</b>	-	-	169,258	169,258
<b>FUND BALANCE</b>				
Beginning of Year	-	-	510,411	510,411
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 679,669</u>	<u>\$ 679,669</u>

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,613,123	\$ 2,613,123	\$ 2,613,123	\$ -
12,000	12,000	1,410	(10,590)
3,200	3,200	4,808	1,608
8,000	8,000	37,329	29,329
-	-	3,913	3,913
-	-	1,220	1,220
<u>2,636,323</u>	<u>2,636,323</u>	<u>2,661,803</u>	<u>25,480</u>
1,566,730	1,605,730	1,504,446	101,284
<u>1,073,967</u>	<u>1,073,967</u>	<u>1,018,320</u>	<u>55,647</u>
<u>2,640,697</u>	<u>2,679,697</u>	<u>2,522,766</u>	<u>156,931</u>
(4,374)	(43,374)	139,037	182,411
-	-	(29,482)	29,482
(4,374)	(43,374)	109,555	211,893
<u>4,374</u>	<u>43,374</u>	<u>400,856</u>	<u>357,482</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,411</u>	<u>\$ 569,375</u>

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

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,333,457	\$ 3,265,696
Accounts receivable	<u>1,525</u>	<u>7,518</u>
 Total Assets	 <u><u>\$ 3,334,982</u></u>	 <u><u>\$ 3,273,214</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 45,779	\$ 24,564
 Fund balance		
Restricted	 <u>3,289,203</u>	 <u>3,248,650</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 3,334,982</u></u>	 <u><u>\$ 3,273,214</u></u>

See independent auditors' report.

**Town/Village of Harrison, New York**Special Purpose Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Use of money and property	\$ 10,813	\$ 3,089
Miscellaneous	<u>427,307</u>	<u>1,438,016</u>
Total Revenues	<u>438,120</u>	<u>1,441,105</u>
<b>EXPENDITURES</b>		
Current		
Culture and recreation	308,185	292,608
Home and community services	<u>89,382</u>	<u>79,310</u>
Total Expenditures	<u>397,567</u>	<u>371,918</u>
Excess of Revenues Over Expenditures	40,553	1,069,187
<b>OTHER FINANCING USES</b>		
Transfers out	<u>-</u>	<u>(80,000)</u>
Net Change in Fund Balance	40,553	989,187
<b>FUND BALANCE</b>		
Beginning of Year	<u>3,248,650</u>	<u>2,259,463</u>
End of Year	<u><u>\$ 3,289,203</u></u>	<u><u>\$ 3,248,650</u></u>

See independent auditors' report.

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

Enterprise Fund - Harrison Meadows Country Club  
Statement of Net Position  
December 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 2,291,498	\$ 2,078,412
Inventory	143,108	-
Prepaid expenses	31,118	-
	<u>2,465,724</u>	<u>2,078,412</u>
Total Current Assets		
Noncurrent assets		
Capital Assets		
Not being depreciated	8,606,297	13,650,000
Being depreciated/amortized, net	7,576,089	-
	<u>16,182,386</u>	<u>13,650,000</u>
Total Noncurrent Assets		
Total Assets	<u>18,648,110</u>	<u>15,728,412</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	281,825	25,946
Accrued liabilities	142,944	-
Bond anticipation notes payable	-	15,650,000
Due to other funds	1,195,084	537,498
Unearned revenue	1,516,139	-
Current maturities of lease payable	232,409	-
Current maturities of bonds payable	540,000	-
	<u>3,908,401</u>	<u>16,213,444</u>
Total Current Liabilities		
Noncurrent liabilities		
Lease payable, less current maturities	439,068	-
Bonds payable, less current maturities	15,507,582	-
	<u>15,946,650</u>	<u>-</u>
Total Noncurrent Liabilities		
Total Liabilities	<u>19,855,051</u>	<u>16,213,444</u>
<b>NET POSITION</b>		
Net investment in capital assets	223,667	-
Unrestricted	<u>(1,430,608)</u>	<u>(485,032)</u>
Total Net Position	<u>\$ (1,206,941)</u>	<u>\$ (485,032)</u>

See independent auditors' report.

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

Enterprise Fund - Harrison Meadows Country Club  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,928,279	\$ 14,165
Miscellaneous	127,914	-
Total Operating Revenues	<u>4,056,193</u>	<u>14,165</u>
<b>OPERATING EXPENSES</b>		
Personal services	319,555	548,178
Utilities	127,904	129,117
Insurance	86,225	2,295
Depreciation/amortization	289,893	-
Contractual	4,955,347	-
Miscellaneous	95,294	24,770
Total Operating Expenses	<u>5,874,218</u>	<u>704,360</u>
Loss from Operations	<u>(1,818,025)</u>	<u>(690,195)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest expense	(185,042)	-
Premium on securities	308,246	133,182
Total Non-Operating Revenues	<u>123,204</u>	<u>133,182</u>
Change in Net Position Before Transfers	<u>(1,694,821)</u>	<u>(557,013)</u>
<b>TRANSFERS</b>		
Transfers in	972,912	101,981
Transfers out	-	(30,000)
Total Transfers	<u>972,912</u>	<u>71,981</u>
Net Change in Net Position	(721,909)	(485,032)
<b>NET POSITION</b>		
Beginning of Year	<u>(485,032)</u>	<u>-</u>
End of Year	<u>\$ (1,206,941)</u>	<u>\$ (485,032)</u>

See independent auditors' report.

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

Enterprise Fund - Harrison Meadows Country Club  
 Statement of Cash Flows  
 Year Ended December 31,

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 6,229,918	\$ 551,663
Cash payments to employees	(319,555)	(548,178)
Cash payments to vendors	<u>(5,040,173)</u>	<u>(130,236)</u>
Net Cash from Operating Activities	<u>870,190</u>	<u>(126,751)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer out	-	(30,000)
Transfers in	<u>972,912</u>	<u>101,981</u>
Net Cash from Non-Capital Financing Activities	<u>972,912</u>	<u>71,981</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond anticipation notes issued	-	15,650,000
General obligation bonds issued	15,395,000	-
Issuance premium	960,828	133,182
Leases issued	312,611	-
Principal paid on bond anticipation notes	(15,650,000)	-
Principal paid on leases	(196,524)	-
Interest paid on bond anticipation notes	(156,500)	-
Interest paid on leases	(28,542)	-
Acquisition and construction of capital assets	<u>(2,266,889)</u>	<u>(13,650,000)</u>
Net Cash From Capital and Related Financing Activities	<u>(1,630,016)</u>	<u>2,133,182</u>
Net Change in Cash and Equivalents	213,086	2,078,412
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>2,078,412</u>	<u>-</u>
End of Year	<u>\$ 2,291,498</u>	<u>\$ 2,078,412</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (1,818,025)	\$ (690,195)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation/amortization	289,893	-
Changes in assets and liabilities		
Inventory	(143,108)	-
Prepaid expenses	(31,118)	-
Accrued payable	255,879	25,946
Due to other funds	657,586	537,498
Accrued liabilities	142,944	-
Unearned revenue	<u>1,516,139</u>	<u>-</u>
Net Cash from Operating Activities	<u>\$ 870,190</u>	<u>\$ (126,751)</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Right-to-use leased equipment	\$ 312,611	\$ -
Leases issued	(312,611)	-

See independent auditors' report.

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

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

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,431,527	\$ 4,499,868
Accounts receivable	1,009,421	135,070
Prepaid expenses	105,549	-
	<u>5,546,497</u>	<u>4,634,938</u>
Total Assets		
<b>LIABILITIES</b>		
Accounts payable	76,527	39,624
Accrued liabilities	1,161,000	700,000
	<u>1,237,527</u>	<u>739,624</u>
Total Liabilities		
<b>NET POSITION</b>		
Unrestricted	<u>\$ 4,308,970</u>	<u>\$ 3,895,314</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,

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 13,855,658	\$ 14,280,753
Insurance recoveries	<u>1,980,465</u>	<u>1,266,185</u>
Total Operating Revenues	<u>15,836,123</u>	<u>15,546,938</u>
<b>OPERATING EXPENSES</b>		
Insurance	1,307,434	1,117,944
Employee benefits	13,848,682	13,080,410
Contractual	<u>266,351</u>	<u>254,980</u>
Total Operating Expenses	<u>15,422,467</u>	<u>14,453,334</u>
Income from Operations	413,656	1,093,604
<b>NET POSITION</b>		
Beginning of Year	<u>3,895,314</u>	<u>2,801,710</u>
End of Year	<u>\$ 4,308,970</u>	<u>\$ 3,895,314</u>

See independent auditors' report.

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

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

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges for services	\$ 13,855,658	\$ 14,280,753
Cash received from insurance recoveries	1,106,114	2,030,294
Cash payments to vendors	(266,351)	(254,980)
Cash payments to insurance carriers and claimants	<u>(14,763,762)</u>	<u>(15,043,384)</u>
Net Cash from Operating Activities	(68,341)	1,012,683
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>4,499,868</u>	<u>3,487,185</u>
End of Year	<u>\$ 4,431,527</u>	<u>\$ 4,499,868</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 413,656	\$ 1,093,604
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(874,351)	764,109
Prepaid expenses	(105,549)	-
Accounts payable	36,903	(320,030)
Accrued liabilities	<u>461,000</u>	<u>(525,000)</u>
Net Cash from Operating Activities	<u>\$ (68,341)</u>	<u>\$ 1,012,683</u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town/Village of Harrison, New York ("Town/Village") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town/Village's basic financial statements, and have issued our report thereon dated September 11, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town/Village's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town/Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town/Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town/Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town/Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town/Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 11, 2023



## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

### **Independent Auditors' Report**

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

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited the Town/Village of Harrison, New York's ("Town/Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town/Village's major federal programs for the year ended December 31, 2022. The Town/Village's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town/Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town/Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town/Village's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town/Village's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town/Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town/Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town/Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town/Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town/Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 11, 2023

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

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Federal Program Expenditures
<u>U.S. Department of the Treasury</u>				
Indirect Program - Passed through New York State Office of the Comptroller				
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	\$ -	\$ 972,912
<u>U.S. Department of Homeland Security</u>				
Indirect Program - Passed through New York State Office of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4567 NY	-	875,823
	97.036	DR 4615 NY	-	451,951
	97.036	DR 4480 NY	-	208,430
			-	1,536,204
Total Expenditures of Federal Awards			\$ -	\$ 2,509,116

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards.

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

Notes to Schedule of Expenditures of Federal Awards  
December 31, 2022

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### **Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Town/Village of Harrison, New York ("Town/Village") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Town/Village, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town/Village.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3 - Indirect Cost Rate**

The Town/Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

\_\_\_ Yes    X No  
\_\_\_ Yes    X None reported

Noncompliance material to financial statements noted?

\_\_\_ Yes    X No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

\_\_\_ Yes    X No  
\_\_\_ Yes    X None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ Yes    X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

21.027  
97.036

Coronavirus State and Local Fiscal Recovery Funds  
Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes    X No

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

Schedule of Findings and Questioned Costs (Concluded)  
Year Ended December 31, 2022

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

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

Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2022

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NONE