Town/Village of Harrison, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2012

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

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, 2012, and the related notes to the financial statements, which collectively comprise the Town/Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town/Village, as of December 31, 2012, 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
April 25, 2013

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, 2012. It should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements, which immediately follow this section, to enhance understanding of the Town/Village's financial performance.

Financial Highlights

- On the government-wide financial statements, the liabilities of the Town/Village exceeded its assets at the close of the most recent fiscal year by $15,142,891. Of this amount, a deficit of $49,062,658 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 cost in accordance with the provisions of GASB Statement No. 45.

- ❖ As of the close of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of $19,812,857, an increase of $15,514,356 from a fund balance of $4,298,501 at the close of the previous fiscal year. This was primarily due to current year financing exceeding capital outlay. However, exclusive of the Capital Projects Fund, the combined ending fund balances were $11,512,304.

- ❖ At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,613,016 or 8.91% of total General Fund expenditures and other financing uses for 2012. This is an increase of $4,403,561 from the previous year and was primarily caused by higher than anticipated building permit revenue and tax penalties and interest collections.

- ❖ During the current fiscal year, the Town/Village issued $13,774,835 of public improvement bonds, a majority of which was used to redeem bond anticipation notes - short term capital borrowings. The Town/Village retired $3,996,912 of general obligation bonded debt.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town/Village's finances, in a manner similar to a private-sector business. The Harrison Parking Authority ("Authority") is a discretely presented component unit of the primary government. Presently, the Town/Village is not liable for Authority debt. All operating revenues in excess of the Authority's cost of operations are retained by the Authority. Since the Town/Village does not guarantee the Authorities debt and the Authority does not provide services entirely or almost entirely to the Town/Village, the financial statements of the Authority have been reflected as a discretely presented component unit. Separate financial statements have not been issued for the Authority.

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town/Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town/Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

Proprietary Fund

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town/Village programs. The Town/Village maintains an Agency Fund. The Town/Village holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government. The Town/Village also maintains a Pension Trust Fund to account for its Fire Service Awards Program.

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town/Village, liabilities exceeded assets by $15,142,891 at the close of the most recent fiscal year. By far, the largest portion of the Town/Village's net position ($31,568,603) are its net investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction- in-progress), less any related debt outstanding that was used to acquire those assets. The Town/Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town/Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets

	December 31, 2012	December 31, 2011
	Governmental Activities	Governmental Activities
Current Assets	$ 70,350,866	$ 62,771,338
Capital Assets, Net	84,550,320	85,707,324
Total Assets	154,901,186	148,478,662
Current Liabilities	54,937,653	62,937,263
Long-term Liabilities	115,106,424	96,618,775
Total Liabilities	170,044,077	159,556,038
Net Assets		
Net Investment in Capital Assets	31,568,603	24,034,551
Restricted	2,351,164	10,708,203
Unrestricted	(49,062,658)	(45,820,130)
Total Net Assets	$ (15,142,891)	$ (11,077,376)

An additional portion of the Town/Village's net position, $2,351,164, represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

	December 31, 2012	December 31, 2011
Law enforcement	400,000	400,000
Debt service	876,446	964,669
Trusts	629,216	559,115
Parklands	445,502	460,350
Total Net Assets	$ 2,351,164	$ 2,384,134

The remaining balance of unrestricted net position, which is a deficit of $49,062,658, must be financed from future operations. This deficit does not mean that the Town/Village does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives and other pension obligations, compensated absences and other post employment benefit obligations that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payments are made.

Change in Net Assets

	December 31, 2012	December 31, 2011
Revenues		
Program Revenues		
Charges for Services	$ 10,883,247	$ 7,582,288
Operating Grants and Contributions	1,173,031	809,783
Capital Grants and Contributions	557,756	1,147,812
General Revenues:		
Real Property Taxes	47,235,082	46,067,664
Other Tax Items	2,025,813	1,977,425
Non-Property Taxes	4,158,171	4,120,609
Unrestricted Use of Money and Property	31,275	43,813
Sale of Property and Compensation for Loss	7,886	18,366
Unrestricted State Aid	1,276,647	1,289,737
Miscellaneous	631,272	528,131
Gain on sale of equipment	189,046	-
Insurance recoveries	626,418	160,673
Total Revenues	68,795,644	63,746,301
Program Expenses		
General Government Support	14,239,819	12,811,537
Public Safety	28,638,442	29,752,531
Health	537,276	526,761
Transportation	9,240,183	8,989,389
Economic Assistance and Opportunity	204,233	165,627
Culture and Recreation	9,400,279	8,424,589
Home and Community Services	8,530,400	8,196,489
Interest	2,070,427	2,175,637
Total Expenses	72,861,059	71,042,560
Change in Net Position	(4,065,415)	(7,296,259)
Net Position - Beginning	(11,077,376)	(3,781,117)
Net Position - Ending	$ (15,142,791)	$ (11,077,376)

Governmental Activities

Governmental activities decreased the Town/Village's net assets by $4,065,515.

For the fiscal year ended December 31, 2012, revenues from governmental activities totaled $68,795,544. Tax revenues ($53,419,066), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (78%). Last year tax revenues represented 82%, ($52,165,698) and total revenue was $63,746,301.

The largest components of governmental activities' expenses are public safety (39%), general government support (20%) and transportation (13%). This is comparative to last year when the largest components of governmental activities' expenses were public safety (42%), general government support (18%) and transportation (13%).

Financial Analysis of the Town/Village's Funds

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

Fund Balance Reporting

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

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

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

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental Funds

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

As of the end of the current fiscal year, the Town/Village's governmental funds reported combined ending fund balances of $19,812,857, an increase of $15,514,356 from the prior year fund balance amount of $4,298,501. The nonspendable fund balance component is $2,024,436 and consists of amounts representing prepaid expenditures and long-term receivables. Prepaid expenditures have been established to account for a portion of the New York state retirement and health insurance payments made in advance. Long-term receivables, representing amounts due from the Authority, have been classified as nonspendable to indicate that the amounts will not be collected in sufficient time to use the funds to satisfy liabilities of the current period. Fund balance of $10,288,566 is restricted for law enforcement, debt service, capital projects, trusts and parklands. The assigned fund balance classification aggregates $2,886,566, consisting of purchases on order in the amount of $91,688 in the General Fund, $7,087 in the Special Districts Fund and $1,200 in the Non-Major governmental funds, amounts utilized to balance the fiscal 2013 budget ($352,003 in the Debt Service Fund, $38,559 in the Special District's Funds and $40,000 in the Public Library Fund) and amounts available to be used at the Town/Village's discretion in funds other than the General Fund ($1,585,838 in the Special Districts Fund, $660,234 for transportation purposes and $109,957 for library purposes in the non-major funds). The remaining fund balance of $4,613,016 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 $4,613,016. This is an increase from last year where the unassigned fund balance was $209,455. The property tax collection rate increased 2012, positively impacting the overall fund balance. Building permit revenues also exceeded expectations by $2.7 million. Actual expenditures and other financing uses were $902,580 less than the amount contained in the final budget, representing a savings of 1.7% of the total budget. Savings were achieved in general government support and debt service due to tight control on expenditures, workforce reductions as well as converting short-term capital financing into bonded indebtedness with extremely low interest rates. Revenues and other financing sources were $52,983,003, which was $4,480,243 more than the final budget, primarily from building permit revenue which exceeded the final budget by approximately $2.7 million.

General Fund Budgetary Highlights

There was a difference between the original and final estimated revenue budget for the General Fund of $1,275,356. This difference is attributable to an increase in bonds issued of $460,000, insurance recoveries of $556,418, sale of equipment of $138,770 and State and Federal aid of $103,119.

The difference between the appropriations originally budgeted and the final appropriation budget for the General Fund was $1,819,863 ($47,291,422 vs. $49,111,285).

Capital Assets and Debt Administration

Capital Assets

The Town/Village's net investment in capital assets for governmental activities at December 31, 2012, net of $77,702,946 of accumulated depreciation, was $85,550,320. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress.

Capital Assets
December 31,

Asset	2012	2011
Land	$ 2,331,480	$ 2,331,480
Buildings and improvements	37,782,814	37,676,930
Infrastructure	96,443,717	95,466,708
Vehicles	13,825,322	12,602,820
Machinery and equipment	4,384,986	4,308,403
Construction-in-progress	7,484,947	6,992,500
Less - accumulated depreciation	(77,702,946)	(73,671,517)
Total (net of depreciation)	$ 84,550,320	$ 85,707,324

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

Long-term Debt

During the current fiscal year, the Town/Village retired $3,996,912 of principal on general obligation bonds through budgetary appropriations. The Town/Village also issued $13,774,835 of general obligation serial bonds.

At the end of the current fiscal year, the Town/Village had total bonded debt outstanding of $64,112,335 ($61,246,164 for capital construction and $2,866,171 for judgments and claims). As required by New York State Law, all bonds issued by the Town/Village are general obligation bonds, backed by the full faith and credit of the Town/Village.

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

Requests for Information

This financial report is designed to provide a general overview of the Town/Village of Harrison, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Maureen McKenzie, Comptroller, Town/Village of Harrison, 1 Heineman Place, Harrison, New York 10528.

Town/Village of Harrison, New York

Statement of Net Position
December 31, 2012

	Primary Government	Component Unit
	Governmental Activities	Harrison Parking Authority
ASSETS		
Cash and equivalents	$ 27,731,851	$ -
Receivables		
Taxes receivable	35,673,939	-
Accounts	3,033,412	-
State and Federal aid	1,750,854	-
Due from component unit	475,000	-
Prepaid expenses	1,594,849	-
Deferred charges	90,961	-
Capital assets		
Not being depreciated	9,816,427	532,953
Being depreciated, net	74,733,893	-
Total Assets	154,901,186	532,953
LIABILITIES		
Accounts payable	2,374,905	-
Accrued liabilities	1,307,000	-
Due to other governments	11,001	-
Retainages payable	45,539	-
Due to school district	43,539,097	-
Unearned revenues	1,331,652	-
Due to primary government	-	475,000
Accrued interest payable	187,241	57,953
Non-current liabilities		
Due within one year	6,141,218	-
Due in more than one year	115,106,424	-
Total Liabilities	170,044,077	532,953
NET POSITION		
Net investment in capital assets	31,568,603	-
Restricted for		
Law enforcement	400,000	-
Debt service	876,446	-
Trusts	629,216	-
Parklands	445,502	-
Unrestricted	(49,062,658)	-
Total Net Position	$ (15,142,891)	$ -

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

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Town/Village of Harrison, New York

Statement of Activities
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities					
General government support	$ 14,239,819	$ 5,013,622	$ 33,269	$ -	$ (9,192,928)
Public safety	28,638,442	2,581,836	92,667	79,814	(25,884,125)
Health	537,276	-	-	-	(537,276)
Transportation	9,240,183	-	478,257	134,380	(8,627,546)
Economic assistance and opportunity	204,233	21,771	-	-	(182,462)
Culture and recreation	9,400,279	823,108	455,684	-	(8,121,487)
Home and community services	8,530,400	2,442,910	113,154	150,495	(5,823,841)
Interest	2,070,427	-	-	193,067	(1,877,360)
Total Governmental Activities	$ 72,861,059	$ 10,883,247	$ 1,173,031	$ 557,756	(60,247,025)
General revenues					
Real property taxes					47,235,082
Other tax items					
Payments in lieu of taxes					748,765
Interest and penalties on real property taxes					584,448
Utilities gross receipts taxes					692,600
Non-property taxes					
Non-property tax distribution from County					3,624,398
Franchise fees					533,773
Unrestricted use of money and property					31,275
Sale of property and compensation for loss					7,786
Unrestricted State aid					1,276,647
Miscellaneous					631,272
Gain on sale of equipment					189,046
Insurance recoveries					626,418
Total General Revenues					56,181,510
Change in Net Position					(4,065,515)
Net Position - Beginning					(11,077,376)
Net Position - Ending					$ (15,142,891)

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

Town/Village of Harrison, New York

Balance Sheet
Governmental Funds
December 31, 2012

	General	Debt Service	Capital Projects
ASSETS			
Cash and equivalents	$ 12,135,062	$ 790,460	$ 8,514,456
Taxes receivable	35,673,939	-	-
Other receivables			
Accounts	955,710	76,574	-
State and Federal aid	1,347,551	-	403,071
Due from component unit	475,000	-	-
Due from other funds	719,624	-	-
	3,497,885	76,574	403,071
Prepaid expenditures	1,028,831	-	9,875
Total Assets	$ 52,335,717	$ 867,034	$ 8,927,402
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,033,202	$ 2,955	$ 479,556
Due to other governments	11,001	-	-
Retainages payable	-	-	45,539
Due to school district	43,539,097	-	-
Unearned tax revenues	879,002	-	-
Unearned revenues	252,513	-	102,754
Due to other funds	-	-	-
Total Liabilities	45,714,815	2,955	627,849
Fund balances			
Nonspendable	1,503,831	-	9,875
Restricted	412,367	512,076	8,289,678
Assigned	91,688	352,003	-
Unassigned	4,613,016	-	-
Total Fund Balances	6,620,902	864,079	8,299,553
Total Liabilities and Fund Balances	$ 52,335,717	$ 867,034	$ 8,927,402

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

Special Districts	Other Governmental Funds	Total
$ 1,819,831	$ 2,181,614	$ 25,441,423
-	-	35,673,939
1,958,531	2,468	2,993,283
-	232	1,750,854
-	-	475,000
-	-	719,624
1,958,531	2,700	5,938,761
249,399	261,331	1,549,436
$ 4,027,761	$ 2,445,645	$ 68,603,559
$ 450,869	$ 298,205	$ 2,264,787
-	-	11,001
-	-	45,539
-	-	43,539,097
-	-	879,002
976,385	-	1,331,652
719,624	-	719,624
2,146,878	298,205	48,790,702
249,399	261,331	2,024,436
-	1,074,718	10,288,839
1,631,484	811,391	2,886,566
-	-	4,613,016
1,880,883	2,147,440	19,812,857
$ 4,027,761	$ 2,445,645	$ 68,603,559

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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, 2012

Fund Balances - Total Governmental Funds	$	19,812,857
Amounts Reported for Governmental Activities in the Statement of Net Position are Difference Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		84,550,320
Net position of the internal service fund is included with government activities.		958,852
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Real property taxes		879,002
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred charges		90,961
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		(187,241)
Bonds payable		(64,238,402)
Compensated absences		(1,207,155)
Retirement incentives and other pension obligations		(477,591)
Claims payable		(1,673,199)
Other post employment benefit obligations payable		(53,651,295)
Net Position of Governmental Activities	$	(15,142,891)

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, 2012

	General	Debt Service	Capital Projects
REVENUES			
Real property taxes	$ 34,616,354	$ -	$ -
Other tax items	2,025,813	-	-
Non-property taxes	4,158,171	-	-
Departmental income	2,395,776	-	-
Use of money and property	132,622	8,479	-
Licenses and permits	4,561,767	-	-
Fines and forfeitures	1,781,690	-	-
Sale of property and compensation for loss	7,786	-	-
State aid	1,348,210	-	160,754
Federal aid	81,029	-	79,121
Miscellaneous	638,647	184,529	45,000
Total Revenues	51,747,865	193,008	284,875
EXPENDITURES			
Current			
General government support	7,911,130	-	-
Public safety	18,253,406	-	-
Health	537,276	-	-
Transportation	431,791	-	-
Economic assistance and opportunity	98,871	-	-
Culture and recreation	3,347,655	-	-
Home and community services	3,159,147	-	-
Employee benefits	8,622,089	-	-
Debt service			
Principal	-	4,958,570	-
Interest	50,137	2,213,495	-
Capital outlay	-	-	4,511,619
Total Expenditures	42,411,502	7,172,065	4,511,619
Excess (Deficiency) of Revenues Over Expenditures	9,336,363	(6,979,057)	(4,226,744)
OTHER FINANCING SOURCES (USES)			
Bonds issued	460,000	-	13,314,835
Insurance recoveries	576,418	-	-
Sale of equipment	189,046	-	-
Transfers in	9,674	6,885,076	604,587
Transfers out	(5,797,203)	-	(9,674)
Total Other Financing Sources (Uses)	(4,562,065)	6,885,076	13,909,748
Net Change in Fund Balances	4,774,298	(93,981)	9,683,004
Fund Balances (Deficits) - Beginning of Year	1,846,604	958,060	(1,383,451)
Fund Balances - End of Year	$ 6,620,902	$ 864,079	$ 8,299,553

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

Special Districts	Other Governmental Funds	Total
$ 5,455,283	$ 7,441,763	$ 47,513,400
-	-	2,025,813
-	-	4,158,171
2,013,919	28,807	4,438,502
5,116	6,225	152,442
-	-	4,561,767
-	-	1,781,690
-	-	7,786
26,605	147,567	1,683,136
79,814	187,010	426,974
66,062	574,479	1,508,717
7,646,799	8,385,851	68,258,398
30,060	-	7,941,190
3,120,169	-	21,373,575
-	-	537,276
-	3,489,886	3,921,677
-	-	98,871
-	1,412,012	4,759,667
508,502	323,781	3,991,430
1,639,072	2,659,684	12,920,845
-	-	4,958,570
55,989	-	2,319,621
-	-	4,511,619
5,353,792	7,885,363	67,334,341
2,293,007	500,488	924,057
-	-	13,774,835
50,000	-	626,418
-	-	189,046
-	-	7,499,337
(1,692,460)	-	(7,499,337)
(1,642,460)	-	14,590,299
650,547	500,488	15,514,356
1,230,336	1,646,952	4,298,501
$ 1,880,883	$ 2,147,440	$ 19,812,857

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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, 2012

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

Net Change in Fund Balances - Total Governmental Funds	$ 15,514,356
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold.	
Capital outlay expenditures	3,742,292
Depreciation expense	(4,899,296)
	(1,157,004)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	(278,318)
Bond proceeds and other long-tem 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 issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized on the statement of activities.	
Bonds issued	(13,774,835)
Principal paid on bonds	4,958,570
Principal paid on retirement incentives and other pension obligations	144,653
Amortization of issuance costs, loss on refunding and issuance premium	1,905
	(8,669,707)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	235,924
Compensated absences	144,801
Claims	588,940
Other post employment benefit obligations	(11,240,043)
	(10,270,378)
Internal service funds are used by management to charge the cost of risk activities to individual funds. The net revenue of the internal service funds is reported with governmental activities	795,536
Change in Net Position of Governmental Activities	$ (4,065,515)

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, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 34,213,235	$ 34,213,235	$ 34,616,354	$ 403,119
Other tax items	1,952,665	1,952,665	2,025,813	73,148
Non-property taxes	3,959,500	3,959,500	4,158,171	198,671
Departmental income	2,034,300	2,034,300	2,395,776	361,476
Use of money and property	133,000	133,000	132,622	(378)
Licenses and permits	1,771,800	1,771,800	4,561,767	2,789,967
Fines and forfeitures	1,395,000	1,395,000	1,781,690	386,690
Sale of property and compensation for loss	4,000	4,000	7,786	3,786
State aid	1,237,454	1,263,187	1,348,210	85,023
Federal aid	-	77,386	81,029	3,643
Miscellaneous	506,450	513,825	638,647	124,822
Total Revenues	47,207,404	47,317,898	51,747,865	4,429,967
EXPENDITURES				
Current				
General government support	8,107,338	8,250,666	7,911,130	339,536
Public safety	17,896,248	18,288,216	18,253,406	34,810
Health	539,600	560,900	537,276	23,624
Transportation	415,050	431,817	431,791	26
Economic assistance and opportunity	108,028	99,123	98,871	252
Culture and recreation	3,310,717	3,357,749	3,347,655	10,094
Home and community services	3,133,509	3,176,353	3,159,147	17,206
Employee benefits	7,816,537	8,622,100	8,622,089	11
Debt service				
Bond anticipation notes				
Principal	-	460,000	-	460,000
Interest	50,138	50,138	50,137	1
Total Expenditures	41,377,165	43,297,062	42,411,502	885,560
Excess of Revenues Over Expenditures	5,830,239	4,020,836	9,336,363	5,315,527
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	460,000	460,000	-
Insurance recoveries	20,000	576,418	576,418	-
Sale of equipment	-	138,770	189,046	50,276
Transfers in	-	9,674	9,674	-
Transfers out	(5,914,257)	(5,814,223)	(5,797,203)	17,020
Total Other Financing Uses	(5,894,257)	(4,629,361)	(4,562,065)	67,296
Net Change in Fund Balances	(64,018)	(608,525)	4,774,298	5,382,823
Fund Balances - Beginning of Year	64,018	608,525	1,846,604	1,238,079
Fund Balances - End of Year	$ -	$ -	$ 6,620,902	$ 6,620,902

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

Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 5,455,283	$ 5,455,283	$ 5,455,283	$ -
1,462,608	-	-	-
12,700	-	-	-
-	1,462,608	2,013,919	551,311
-	12,700	5,116	(7,584)
-	-	-	-
-	-	-	-
-	-	-	-
-	26,605	26,605	-
-	79,814	79,814	-
11,790	11,790	66,062	54,272
6,942,381	7,048,800	7,646,799	597,999
111,044	42,725	30,060	12,665
2,996,275	3,173,211	3,120,169	53,042
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
615,106	613,342	508,502	104,840
1,644,124	1,657,602	1,639,072	18,530
-	-	-	-
55,990	55,990	55,989	1
5,422,539	5,542,870	5,353,792	189,078
1,519,842	1,505,930	2,293,007	787,077
-	-	-	-
-	50,000	50,000	-
-	-	-	-
-	-	-	-
(1,593,873)	(1,692,692)	(1,692,460)	232
(1,593,873)	(1,642,692)	(1,642,460)	232
(74,031)	(136,762)	650,547	787,309
74,031	136,762	1,230,336	1,093,574
$ -	$ -	$ 1,880,883	$ 1,880,883

Town/Village of Harrison, New York

Statement of Net Position
Proprietary Fund
December 31, 2012

	Governmental Activities- Internal Service Fund
ASSETS	
Current assets	
Cash and equivalents	$ 2,290,428
Accounts receivable	40,129
Prepaid expenses	45,413
Total Assets	2,375,970
LIABILITIES	
Current liabilities	
Accounts payable	110,118
Accrued liabilities	1,307,000
Total Current Liabilities	1,417,118
NET POSITION	
Unrestricted	$ 958,852

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

Town/Village of Harrison, New York

Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Fund
Year Ended December 31, 2012

	Governmental Activities- Internal Service Fund
OPERATING REVENUES	
Charges for services	$ 11,459,966
OPERATING EXPENSES	
Insurance	362,396
Employee benefits	9,991,214
Contractual	310,820
Total Operating Expenses	10,664,430
Income from Operations	795,536
Net Position - Beginning of Year	163,316
Net Position - End of Year	$ 958,852

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

Town/Village of Harrison, New York

Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2012

	Governmental Activities-Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	$ 11,621,517
Cash payments to vendors	(356,233)
Cash payments to insurance carriers and claimants	(9,869,887)
Net Cash from Operating Activities	1,395,397
Cash and Equivalents - Beginning of Year	895,031
Cash and Equivalents - End of Year	$ 2,290,428
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	$ 795,536
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in operating assets and liabilities	
Accounts receivable	161,551
Prepaid expenses	(45,413)
Accounts payable	(8,767)
Accrued liabilities	492,490
Net Cash from Operating Activities	$ 1,395,397

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

Town/Village of Harrison, New York

Statement of Net Position
Fiduciary Funds
December 31, 2012

	Pension Trust Fund	Agency Fund
ASSETS		
Cash		
Demand deposits	$ 17,503	$ 937,998
Investments		
Fixed income mutual funds	515,448	-
International equities	39,111	-
Mixed assets	226,834	-
	781,393	-
Accounts receivable	254,589	3,014
Total Assets	1,053,485	941,012
LIABILITIES		
Accounts payable	-	53,543
Employee payroll deductions	-	10,417
Guarantee and bid deposits	-	877,052
Total Liabilities	-	941,012
NET POSITION		
Held in trust for		
Pension benefits (schedule of funding progress for the plan is presented in the required supplementary information)	$ 1,053,485	$ -

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

Town/Village of Harrison, New York

Statement of Changes In Plan Net Position
Pension Trust Fund
Year Ended December 31, 2012

ADDITIONS	
Earnings on investments	$ 44,757
Pension contribution	124,296
Net change in fair value of investments	43,224
Total Additions	212,277
DEDUCTIONS	
Pension benefits	50,703
Change in Plan Net Position	161,574
Net Position - Beginning of Year	891,911
Net Position - End of Year	$ 1,053,485

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

Note 1 - Summary of Significant Accounting Policies

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

The accounting policies of the Town/Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town/Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town/Village, b) organizations for which the Town/Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town/Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town/Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town/Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the Town/Village's reporting entity because of its operational relationship with the Town/Village.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town/Village as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the Internal Service Fund is charges to customers for services. Operating expenses include the cost of administrative expenses and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Town/Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town/Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary and Proprietary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following, which briefly explains the adjustments necessary to transform

Note 1 - Summary of Significant Accounting Policies (Continued)

the fund based financial statements into the governmental activities column of the government-wide presentation. The Town/Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed 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. The major revenues of this fund are real property taxes and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Public Library Fund - The Public Library Fund is used to account for the activities of the Town/Village's Public Library and is primarily funded by the levy of real property taxes.

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

b. Proprietary Fund - Proprietary funds include internal service funds. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Town/Village has established its Health Benefits Fund as an internal service fund.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in

Note 1 - Summary of Significant Accounting Policies (Continued)

cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, retirement incentives and other pension obligations, certain claims and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Unit

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

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

Deposits, Investments and Risk Disclosure

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

The Town/Village's investment policies are governed by State statutes. The Town/Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town/Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

Custodial credit risk is the risk that in the event of a bank failure, the Town/Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2011.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Town/Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2012, 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.

Deferred Charges - Deferred charges in government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town/Village as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has 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 has been met, but for which revenue recognition criteria has not been met. The Town/Village has reported unearned revenues of $879,002 for real property taxes and $252,513 for fees received in advance in the General Fund, $102,754 for State and Federal aid received in advance in the Capital Projects Fund and $976,385 for amounts not available in the current year in the Special District Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

As of December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

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, as well as issuance costs, 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 amortized over the term of the related debt.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town/Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 25, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

a) Prior to October 20th, the head of each administrative unit shall submit to the budget advisory committee an estimate of revenues and expenditures for such administrative unit for the ensuing year.

b) The budget advisory committee, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.

c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town/Village Board.

d) The Town/Village Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town/Village Board shall become the preliminary budget.

e) On or before December 10th, the Town/Village Board shall hold a public hearing on the preliminary budget.

f) After the public hearing, the Town/Village Board may further change, alter and revise the preliminary budget subject to provisions of the law.

g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.

h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts, Public Library and Debt Service funds.

i) Budgets for General, Highway, Special Districts, Public Library and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purpose and Proprietary funds.

j) The Town/Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town/Village Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also requires a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

k) Appropriations in General, Highway, Special Districts, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated 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 Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

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

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town/Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus 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.

The Village component of the Town/Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2012, inclusive of exclusions, was $178,923,404, which exceeded the actual levy by $169,754,309.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Application of Accounting Standards

For the year ended December 31, 2012, the Town/Village implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Fund Deficits

The Special District Fund – Fire Protection District No. 5 reflects a deficit of $417 as of December 31, 2012. The Town/Village will address this deficit in the ensuing year.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2012 consisted of the following:

Town/Village taxes	$ 259,408
County taxes	190,652
School District taxes	34,584,643
Tax liens	639,236
	$ 35,673,939

School district taxes are offset by liabilities to the school district which will be paid no later than April 5, 2013. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of $879,002, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From Component Unit

The due from component unit of $475,000 as of December 31, 2012 represents amounts advanced in 2006, 2007 and 2008 to the Authority. Interest at 4% is payable on the first day of each month. The note is due on demand.

Note 3 - Detailed Notes on All Funds (Continued)

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2012 were as follows:

Fund	Due From	Due To
General	$ 719,624	$ -
Special Districts	-	719,624
	$ 719,624	$ 719,624

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, 2012	Additions	Deletions	Balance December 31, 2012
Capital Assets, not being depreciated				
Land	$ 2,331,480	$ -	$ -	$ 2,331,480
Construction-in-progress	6,992,500	944,042	(451,595)	7,484,947
Total Capital Assets, not being depreciated	$ 9,323,980	$ 944,042	$ (451,595)	$ 9,816,427
Capital Assets, being depreciated				
Buildings and improvements	$ 37,676,930	$ 105,884	$ -	$ 37,782,814
Infrastructure	95,466,708	977,009	-	96,443,717
Machinery and equipment	4,308,403	316,523	(239,940)	4,384,986
Vehicles	12,602,820	1,850,429	(627,927)	13,825,322
Total Capital Assets, being depreciated	150,054,861	3,249,845	(867,867)	152,436,839
Less Accumulated Depreciation for				
Buildings and improvements	7,197,000	866,581	-	8,063,581
Infrastructure	54,445,670	2,801,867	-	57,247,537
Machinery and equipment	2,996,550	410,417	(239,940)	3,167,027
Vehicles	9,032,297	820,431	(627,927)	9,224,801
Total Accumulated Depreciation	73,671,517	4,899,296	(867,867)	77,702,946
Total Capital Assets, being depreciated, net	$ 76,383,344	$ (1,649,451)	$ -	$ 74,733,893
Capital Assets, net	$ 85,707,324	$ (705,409)	$ (451,595)	$ 84,550,320

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	$ 424,615
Public Safety	777,898
Transportation	2,376,411
Culture and Recreation	488,904
Home and Community Services	831,468
Total Depreciation Expense - Governmental Activities	$ 4,899,296

Capital Assets - Component Unit

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

Class	Balance January 1, 2012	Additions	Balance December 31, 2012
Capital Assets, not being depreciated			
Construction-in-progress	$ 513,953	$ 19,000	$ 532,953

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. Claim 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.

Note 3 - Detailed Notes on All Funds (Continued)

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

	2012	2011
Balance - Beginning of Year	$ 814,510	$ 778,684
Provision for Claims and Claims Adjustment Expenses	9,991,214	10,057,856
Claims and Claims Adjustment Expenses Paid	(9,498,724)	(10,022,030)
Balance - End of Year	$ 1,307,000	$ 814,510

F. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Balance January 1, 2012	Redemptions	Balance December 31, 2012
Bond Anticipation Notes Payable				
Capital Projects Fund				
Various General Fund - Village Improvements	2008	$ 1,850,950	$ 1,850,950	$ -
Sewer Maintenance District Improvements	2008	942,000	942,000	-
Water District No.2 - Improvements	2008	206,000	206,000	-
Various General Fund - Village Improvements	2009	850,750	850,750	-
Various General Fund - Village Improvements	2009	3,698,720	3,698,720	-
Water District No.2 - Improvements	2011	778,000	778,000	-
Various General Fund - Village Improvements	2011	381,100	381,100	-
General Fund - Multiple purpose trucks	2011	1,000,000	1,000,000	-
		$ 9,707,520	$ 9,707,520	$ -

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments 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.

Interest expenditures for the bond anticipation notes were recorded in the General Fund – Village in the amount of $44,829 and in the Special Districts Fund in the amount of $55,989. Interest expense of $62,295 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

G. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. These borrowings consisted of bond anticipation notes issued to finance tax certiorari refunds.

Purpose	Original Issue Date	Balance January 1, 2012	Redemptions	Balance December 31, 2012
Bond Anticipation Notes Payable				
General Fund Village				
Tax certiorari refunds	2010	$ 600,000	$ 600,000	$ -

The bond anticipation note of $600,000 was issued on December 22, 2011 and matured on December 21, 2012, with interest at .91%. Interest expenditures/expense of $5,308 were recorded in the fund financial statements in the General Fund – Village and the government-wide financial statements.

H. Pension Plans

The Town/Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). These Systems are cost-sharing, multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. Contribution rates for the plans' year's ended March 31, 2013 are as follows:

	Tier/Plan/Option	Rate
ERS	1 75I	25.2 %
	2 75I	23.0
	3 A14	18.4
	4 A15	18.4
	5 A15	14.9
	6 A15	9.9

Note 3 - Detailed Notes on All Funds (Continued)

	Tier/Plan/Option	Rate
PFRS	2 384D	25.1 %
	5 384D	20.1
	6 384D	14.6

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

	ERS	PFRS
2012	$ 2,407,825	$ 2,402,748
2011	1,960,677	1,770,431
2010	1,459,219	1,273,314

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

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

Fund	ERS	PFRS
General - Town	$ 1,411,766	$ 1,975,334
General - Village	391,711	-
Special Districts	53,855	427,414
Non-Major Governmental:		
Highway	370,273	-
Public Library	180,220	-
	$ 2,407,825	$ 2,402,748

Pension Trust - Service Awards Program

The Town/Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters of the West Harrison Fire Department. This program began in 2005. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18 and completion of one year of service, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or general disablement and after earning five years of service credit. A participant upon attainment of entitlement age and one year of plan participation shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The entitlement age is the later of age 62 or age after first earning a year of service credit under the point system. The monthly benefits are $20 for each year of service credit, up to a maximum of 20 years. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of

Note 3 - Detailed Notes on All Funds (Continued)

certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Town/Village's Board, are authorized to invest the funds in authorized investment vehicles. Separate financial statements are not issued by the program.

Current membership in the Program is comprised of the following:

Group	December 31, 2012
Active - Vested	36
Active - Non-vested	5
Retirees and beneficiaries currently receiving benefits	18
Terminated employees entitled to benefits but not yet receiving them	6

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Actuarial Present Value of Benefits at December 31, 2012			$ 905,907
Less: Assets Available for Benefits			
	% of total		
Cash	2%	$ 17,503	
Fixed income mutual funds	56%	515,448	
International equities	4%	39,111	
Mixed assets	24%	226,834	
Accounts receivable	14%	130,293	
Less: Liabilities		-	
Total Net Assets Available for Benefits			(929,189)
Total Funded Benefits			(23,282)
Less: Unfunded Liability for Prior Service			(108,942)
Unfunded (funded) Normal benefits			$ (132,224)

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

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

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

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

	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed	Net Pension Obligation
2012	$ 124,296	$ 124,296	100.00 %	$ -
2011	130,293	130,293	100.00	-
2010	132,180	132,180	100.00	-

Note 3 - Detailed Notes on All Funds (Continued)

value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

The current contributions were charged to the Special District's Fund-Fire Protection District No.1. Administrative fees of $4,368 were also charged to the fund in connection with administration of the plan.

I. 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, 2012

Total Assets	$ 9,528,757
Total Liabilities	22,180,128
Net Deficit	(12,651,371)
Total Revenues	23,480,691
Total Expenses	23,765,344
Decrease in Net Assets	(284,653)

J. Long-Term Liabilities

The following table summarizes changes in the Town/Village's long-term indebtedness for the year ending December 31, 2012:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Bonds Payable - Capital Construction	$ 51,928,241	$ 13,314,835	$ 3,996,912	$ 61,246,164	$ 5,174,022
Bonds Payable - Judgments and claims	3,367,829	460,000	961,658	2,866,171	528,313
Less - Deferred charges	(276,753)	-	(26,358)	(250,395)	-
Plus - Issuance premium	416,090	-	39,628	376,462	-
	55,435,407	13,774,835	4,971,840	64,238,402	5,702,335
Other Non-Current Liabilities					
Compensated absences	1,351,956	-	144,801	1,207,155	120,000
Retirement incentives and other pension obligations	622,244	-	144,653	477,591	151,883
Claims payable	2,262,139	2,772,450	3,361,390	1,673,199	167,000
Other post employment benefit obligations payable	42,411,252	15,055,758	3,815,715	53,651,295	-
Total Other Non-Current Liabilities	46,647,591	17,828,208	7,466,559	57,009,240	438,883
Total Long-Term Liabilities	$ 102,082,998	$ 31,603,043	$ 12,438,399	$ 121,247,642	$ 6,141,218

Note 3 - Detailed Notes on All Funds (Continued)

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

Bonds Payable

Bonds payable at December 31, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2012
Sewer Improvements	1915	$ 20,000	January, 2013	4.750 %	$ 2,500
Public Improvements	1995	3,042,000	December, 2015	5.100-5.250	270,000
Fire Protection District No. 1	1996	475,000	December, 2016	5.250-5.375	100,000
Fire Protection District No. 2	1998	300,000	September, 2018	4.750-4.800	90,000
Fire Protection District No. 1	2000	650,000	August, 2020	5.200-5.500	280,000
Public Improvements	2003	4,504,500	December, 2014	3.300-3.450	945,000
Public Improvements	2004	5,956,000	December, 2023	3.625-4.000	4,135,000
Pension System Bonds	2004	800,000	December, 2014	5.000	205,000
Public Improvements	2005	6,684,500	December, 2020	3.750-3.875	4,300,000
Public Improvements	2006	8,894,940	December, 2021	3.750-4.000	6,305,000
Public Improvements	2007	6,415,310	December, 2028	4.000-4.375	5,535,000
Public Improvements	2008	6,905,000	June, 2021	3.500-4.000	5,240,000
Public Improvements	2008	5,733,820	June, 2027	4.125-4.400	5,060,000
EFC Refunding Bonds	2010	235,132	October, 2015	1.295-2.325	120,000
Refunding Bonds	2011	10,280,000	May, 2022	3.000-4.000	7,490,000
Public Improvements and Tax Certiorari	2011	10,696,070	March, 2025	2.500-4.000	10,260,000
Public Improvements	2012	3,804,700	March, 2032	2.500-3.000	3,804,700
Public Improvements	2012	9,970,135	December, 2032	2.000-2.500	9,970,135
					$ 64,112,335

Interest expenditures of $2,213,495 were recorded in the fund financial statements in the Debt Service Fund.

Interest expense of $2,002,824 was recorded in the government-wide financial statements for governmental activities.

Retirement Incentives and Other Pension Obligations

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

	Amount Amortized - Village	Amount Amortized - Town		Current Year Principal	Current Year Interest	Balance	Due Within
	ERS	ERS	PFRS	Payments	Payments	Due	One Year
2003	$ -	$ 420,695	$ -	$ 47,064	$ 7,945	$ 101,305	$ 49,417
2004	-	84,075	-	8,958	1,930	29,651	9,405
2004	-	-	406,641	43,325	9,337	143,411	45,491
2004	13,992	-	-	1,491	321	4,935	1,565
2005	-	-	431,799	43,815	12,105	198,289	46,005
	$ 13,992	$ 504,770	$ 838,440	$ 144,653	$ 31,638	$ 477,591	$ 151,883

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

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

Payments to Maturity

The annual requirements to amortize all bonded debt and retirement incentives and other pension obligations outstanding as of December 31, 2012, including interest payments of $15,533,420 are as follows:

Year Ending	Bonds		Retirement Incentives and Other Pension Obligations		Total	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 5,702,335	2,224,573	$ 151,883	$ 24,407	$ 5,854,218	$ 2,248,980
2014	5,555,000	1,983,075	159,480	16,811	5,714,480	1,999,886
2015	5,115,000	1,783,481	166,228	10,974	5,281,228	1,794,455
2016	4,975,000	1,607,687	-	-	4,975,000	1,607,687
2017	5,040,000	1,435,573	-	-	5,040,000	1,435,573
2018-2022	22,070,000	4,545,109	-	-	22,070,000	4,545,109
2023-2027	11,060,000	1,568,780	-	-	11,060,000	1,568,780
2028-2032	4,595,000	332,950	-	-	4,595,000	332,950
	$ 64,112,335	$ 15,481,228	$ 477,591	$ 52,192	$ 64,589,926	$ 15,533,420

Note 3 - Detailed Notes on All Funds (Continued)

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

Compensated Absences

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

Claims Payable

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

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

	Year Ended December 31,	
	2012	2011
Balance - Beginning of Year	$ 2,262,139	$ 2,816,162
Provision for Claims and Claims Adjustment Expenses	2,772,450	1,784,097
Claims and Claims Adjustment Expenses Paid	(3,361,390)	(2,338,120)
Balance - End of Year	$ 1,673,199	$ 2,262,139
Due Within One Year	$ 167,000	$ 226,000

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town/Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining

Note 3 - Detailed Notes on All Funds (Continued)

agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town/Village may vary according to length of service. Substantially all of the Town/Village's employee's may become eligible for those benefits if they reach normal retirement age while working for the Town/Village. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. The Town/Village has recognized revenues and expenditures of $197,524 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

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

The Town/Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Town/Village's general assets. Funding has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

Year Ended December 31,	Pre-65 Medical	Post-65 Medical	Prescription Drug
2012	9.25 %	8.75 %	8.75 %
2013	8.50	8.00	8.00
2014	7.75	7.50	7.50
2015	7.00	7.00	7.00
2016	6.50	6.50	6.50
2017	6.00	6.00	6.00
2018	5.50	5.50	5.50
2019+	5.00	5.00	5.00

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level percentage of projected payroll method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions included a 3.0% investment rate of return, a 3.0% inflation rate and a 3.0 % annual payroll growth rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2012 was as follows:

Active Employees	269
Retired Employees and Dependents	443
	712

Amortization Component:	
Actuarial Accrued Liability as of 1/1/12	$ 186,057,560
Assets at Market Value	-
Unfunded Actuarial Accrued Liability	$ 186,057,560
Covered Payroll (active plan members)	$ 23,666,397
UAAL as a Percentage of Covered Payroll	786.17%
Annual Required Contribution	$ 15,947,210
Interest on Net OPEB Obligation	1,272,337
Adjustment to Annual Required Contribution	(2,163,789)
Annual OPEB Cost	15,055,758
Contributions Made	(3,815,715)
Increase in Net OPEB Obligation	11,240,043
Net OPEB Obligation - Beginning of Year	42,411,252
Net OPEB Obligation - End of Year	$ 53,651,295

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	$ 15,055,758	25.34 %	$ 53,651,295
2011	16,883,387	23.27	42,411,252
2010	14,857,600	23.19	29,456,552

Note 3 - Detailed Notes on All Funds (Continued)

K. Revenues and Expenditures

Interfund Transfers

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

	Transfers In			
Transfers Out	General - Town	Debt Service Fund	Capital Projects Fund	Total
General Fund - Town	$ -	$ 118,769	$ -	$ 118,769
General Fund - Village	-	5,638,434	40,000	5,678,434
Capital Projects Fund	9,674	-	-	9,674
Special Districts Fund	-	1,127,873	564,587	1,692,460
	$ 9,674	$ 6,885,076	$ 604,587	$ 7,499,337

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 and other fund expenditures.

L. Net Position

The components of net position are detailed below:

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

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

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

M. Fund Balances

	2012						2011					
	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Special Districts Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	$ 1,028,831	$ -	$ 9,875	$ 249,399	$ 261,331	$ 1,549,436	$ 679,856	$ -	$ -	$ 235,256	$ 180,458	$ 1,095,570
Long-term receivables	475,000	-	-	-	-	475,000	475,000	-	-	-	-	475,000
Total Nonspendable	1,503,831	-	9,875	249,399	261,331	2,024,436	1,154,856	-	-	235,256	180,458	1,570,570
Restricted												
Law enforcement	400,000	-	-	-	-	400,000	400,000	-	-	-	-	400,000
Debt service	12,367	512,076	-	-	-	524,443	6,609	647,161	-	-	-	653,770
Capital Projects	-	-	8,289,678	-	-	8,289,678	-	-	-	-	-	-
Trusts	-	-	-	-	629,216	629,216	-	-	-	-	559,115	559,115
Parklands	-	-	-	-	445,502	445,502	-	-	-	-	460,350	460,350
Total Restricted	412,367	512,076	8,289,678	-	1,074,718	10,288,839	406,609	647,161	-	-	1,019,465	2,073,235
Assigned												
Purchases on order:												
General government support	46,058	-	-	-	-	46,058	52,269	-	-	-	-	52,269
Public safety	35,434	-	-	7,087	-	42,521	4,653	-	-	44,031	-	48,684
Transportation	1,880	-	-	-	1,200	3,080	-	-	-	-	441	441
Culture and recreation	7,700	-	-	-	-	7,700	-	-	-	-	-	-
Home and community services	616	-	-	-	-	616	18,762	-	-	-	-	18,762
	91,688	-	-	7,087	1,200	99,975	75,684	-	-	44,031	441	120,156
Subsequent year's expenditures	-	352,003	-	38,559	40,000	430,562	-	310,899	-	30,000	86,000	426,899
Major funds	-	-	-	1,585,838	-	1,585,838	-	-	-	921,049	-	921,049
Transportation purposes	-	-	-	-	660,234	660,234	-	-	-	-	272,121	272,121
Library purposes	-	-	-	-	109,957	109,957	-	-	-	-	88,467	88,467
Total Assigned	91,688	352,003	-	1,631,484	811,391	2,886,566	75,684	310,899	-	995,080	447,029	1,828,692
Unassigned	4,613,016	-	-	-	-	4,613,016	209,455	-	(1,383,451)	-	-	(1,173,996)
Total Fund Balances	$ 2,007,886	$ 864,079	$ 8,299,553	$ 1,880,883	$ 2,147,440	$ 15,199,841	$ 1,637,149	$ 958,060	$ -	$ 1,230,336	$ 1,646,952	$ 5,472,497

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of reserved fund balances 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.

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, 2012, the Town/Village Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town/Village is a defendant in an action filed by a resident seeking damages and personal injury claims regarding residential structural damage and other personal property caused by a water/sewer drain rupture located beneath the foundation of his home during the rainstorms occurring in March 2007. Plaintiff asserts that the foundation in the garage and basement living area will require extensive excavation and repair. Pre-trial examinations are in the process of being scheduled. No provision for loss has been reflected in the financial statements.

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

B. Risk Management

The Town/Village purchases various conventional insurance policies to reduce its exposure to loss. The Town/Village is self-insured for workers' compensation and general liability claims to the extent of $350,000 and $150,000, respectively, per occurrence, with a maximum potential annual liability of $2 million for 2012. Claims in excess of this amount are insured to a limit of $775,000 for general liability, $1 million for workers' compensation and $10 million for property damage. There is also an excess liability policy for an additional $5 million. Public officials liability insurance coverage is also maintained with a policy limit of $1 million. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The Town/Village is self-insured for health benefits. A plan administrator has been retained to review and approve all claims. The Town/Village has specific stop-loss insurance, which establishes a maximum exposure limit of $175,000 for each individual covered in the plan up to a maximum of $825,000. At December 31, 2012, the Town/Village has recorded a liability of $1,307,000 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.J., 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 $19,471,250 as of December 31, 2012 and continue to accrue at $13,750 a day. The Town/Village's share of these fines is approximately 55.4 % of the total. Management of the WJWW has indicated that the State is holding in abeyance the imposition of these fines although they continue to be accrued by the WJWW. The Town/Village has not accrued their share in the Special District Fund – Water District as the expectation of management is that the fines will be suspended or replaced with a negotiated settlement as the WJWW signed an intermunicipal agreement with the county for a filtration plant alternative.

Note 5 - Subsequent Event

The Town/Village, in February 2013, issued Public Improvement Refunding Serial bonds in the amount of $15,775,000. The bonds mature serially through December, 2028 with interest at rates ranging from 2.0 to 4.0%, depending on maturity.

* * * * *

Town/Village of Harrison, New York

Schedule of Funding Progress
Service Awards Program
Last Six Fiscal Years

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio
2007	$ 441,004	$ 559,821	$ 118,817	78.78 %
2008	506,786	628,392	121,606	80.65
2009	664,213	703,676	39,463	94.39
2010	810,269	775,758	(34,511)	104.45
2011	765,275	842,405	77,130	90.84
2012	933,006	905,907	(27,099)	102.99

Town/Village of Harrison, New York

Schedule of Contributions
Service Awards Program
Last Six Fiscal Years

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2007	$ 135,204	100.00 %
2008	135,356	100.00
2009	133,635	100.00
2010	132,180	100.00
2011	130,293	100.00
2012	124,296	100.00

Town/Village of Harrison, New York

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

Fiscal Year Ended December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
2010	$ -	$ 188,218,992	$ 188,218,992	- %	$ 23,087,241	815.25 %
2011	-	199,911,056	199,911,056	-	22,675,470	881.62
2012	-	186,057,560	186,057,560	-	23,666,397	786.17

Town/Village of Harrison, New York

General Fund
Combining Balance Sheet - Sub Funds
December 31, 2012
(With Comparative Totals for 2011)

			Totals	
	Town	Village	2012	2011
ASSETS				
Cash				
Demand deposits	$ 3,248,970	$ 8,885,287	$ 12,134,257	$ 7,835,748
Petty cash	805	-	805	805
	3,249,775	8,885,287	12,135,062	7,836,553
Investments	-	-	-	24,939
Taxes receivable	-	35,673,939	35,673,939	34,793,624
Other receivables				
Accounts	803,516	152,194	955,710	980,598
State and Federal aid	1,347,551	-	1,347,551	1,380,386
Due from component unit	-	475,000	475,000	475,000
Due from other funds	-	719,624	719,624	1,369,612
Due from other governments	-	-	-	10,219
	2,151,067	1,346,818	3,497,885	4,215,815
Prepaid expenditures	846,947	181,884	1,028,831	679,856
Total Assets	$ 6,247,789	$ 46,087,928	$ 52,335,717	$ 47,550,787
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 818,037	$ 215,165	$ 1,033,202	$ 943,581
Due to other governments	-	11,001	11,001	10,734
Due to school district	-	43,539,097	43,539,097	42,582,848
Unearned tax revenues	-	879,002	879,002	1,279,060
Bond anticipation notes payable	-	-	-	600,000
Unearned revenues	252,088	425	252,513	287,960
Total Liabilities	1,070,125	44,644,690	45,714,815	45,704,183
Fund balances				
Nonspendable	846,947	656,884	1,503,831	1,154,856
Restricted	400,000	12,367	412,367	406,609
Assigned	81,221	10,467	91,688	75,684
Unassigned	3,849,496	763,520	4,613,016	209,455
Total Fund Balances	5,177,664	1,443,238	6,620,902	1,846,604
Total Liabilities and Fund Balances	$ 6,247,789	$ 46,087,928	$ 52,335,717	$ 47,550,787

Town/Village of Harrison, New York

General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Town	Village	Totals 2012	Totals 2011
REVENUES				
Real property taxes	$ 24,932,297	$ 9,684,057	$ 34,616,354	$ 33,292,354
Other tax items	-	2,025,813	2,025,813	1,977,425
Non-property taxes	4,158,171	-	4,158,171	4,120,609
Departmental income	1,970,781	424,995	2,395,776	2,368,020
Use of money and property	117,260	15,362	132,622	125,903
Licenses and permits	4,561,767	-	4,561,767	1,849,853
Fines and forfeitures	1,730,640	51,050	1,781,690	1,317,111
Sale of property and compensation for loss	-	7,786	7,786	6,324
State aid	724,445	623,765	1,348,210	1,339,462
Federal aid	53,230	27,799	81,029	-
Miscellaneous	486,082	152,565	638,647	541,792
Total Revenues	38,734,673	13,013,192	51,747,865	46,938,853
EXPENDITURES				
Current				
General government support	7,309,514	601,616	7,911,130	7,898,084
Public safety	18,253,406	-	18,253,406	16,718,014
Health	537,276	-	537,276	526,761
Transportation	431,791	-	431,791	393,637
Economic assistance and opportunity	98,871	-	98,871	95,393
Culture and recreation	3,347,655	-	3,347,655	3,185,893
Home and community services	252,009	2,907,138	3,159,147	3,010,329
Employee benefits	5,912,351	2,709,738	8,622,089	7,163,069
Debt service				
Bond anticipation notes				
Principal	-	-	-	1,681,000
Interest	-	50,137	50,137	126,408
Total Expenditures	36,142,873	6,268,629	42,411,502	40,798,588
Excess of Revenues Over Expenditures	2,591,800	6,744,563	9,336,363	6,140,265
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	460,000	460,000	1,521,000
Insurance recoveries	576,418	-	576,418	12,042
Sale of equipment	189,046	-	189,046	78,738
Transfers in	9,674	-	9,674	670,611
Transfers out	(118,769)	(5,678,434)	(5,797,203)	(5,942,973)
Total Other Financing Sources (Uses)	656,369	(5,218,434)	(4,562,065)	(3,660,582)
Net Change in Fund Balances	3,248,169	1,526,129	4,774,298	2,479,683
Fund Balances (Deficits) - Beginning of Year	1,929,495	(82,891)	1,846,604	(633,079)
Fund Balances - End of Year	$ 5,177,664	$ 1,443,238	$ 6,620,902	$ 1,846,604

Town/Village of Harrison, New York

General Fund - Town
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 3,248,970	$ 76,211
Petty cash	805	805
	3,249,775	77,016
Receivables		
Accounts	803,516	830,659
State and Federal aid	1,347,551	1,380,386
	2,151,067	2,211,045
Prepaid expenditures	846,947	620,870
Total Assets	$ 6,247,789	$ 2,908,931
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 818,037	$ 692,621
Unearned revenues	252,088	286,815
Total Liabilities	1,070,125	979,436
Fund balance		
Nonspendable	846,947	620,870
Restricted	400,000	400,000
Assigned	81,221	75,684
Unassigned	3,849,496	832,941
Total Fund Balance	5,177,664	1,929,495
Total Liabilities and Fund Balance	$ 6,247,789	$ 2,908,931

Town/Village of Harrison, New York

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

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 24,932,297	$ 24,932,297	$ 24,932,297	$ -
Non-property taxes	3,959,500	3,959,500	4,158,171	198,671
Departmental income	1,749,300	1,749,300	1,970,781	221,481
Use of money and property	113,000	113,000	117,260	4,260
Licenses and permits	1,771,800	1,771,800	4,561,767	2,789,967
Fines and forfeitures	1,365,000	1,365,000	1,730,640	365,640
State aid	657,575	674,042	724,445	50,403
Federal aid	-	49,587	53,230	3,643
Miscellaneous	381,150	388,525	486,082	97,557
Total Revenues	34,929,622	35,003,051	38,734,673	3,731,622
EXPENDITURES				
Current				
General government support	7,182,282	7,325,501	7,309,514	15,987
Public safety	17,896,248	18,288,216	18,253,406	34,810
Health	539,600	560,900	537,276	23,624
Transportation	415,050	431,817	431,791	26
Economic assistance and opportunity	108,028	99,123	98,871	252
Culture and recreation	3,310,717	3,357,749	3,347,655	10,094
Home and community services	247,895	253,674	252,009	1,665
Employee benefits	5,325,486	5,912,355	5,912,351	4
Total Expenditures	35,025,306	36,229,335	36,142,873	86,462
Excess (Deficiency) of Revenues Over Expenditures	(95,684)	(1,226,284)	2,591,800	3,818,084
OTHER FINANCING SOURCES (USES)				
New York State loans issued	-	-	-	-
Insurance recoveries	20,000	576,418	576,418	-
Sale of equipment	-	138,770	189,046	50,276
Transfers in	-	9,674	9,674	-
Transfers out	-	(118,769)	(118,769)	-
Total Other Financing Sources (Uses)	20,000	606,093	656,369	50,276
Net Change in Fund Balance	(75,684)	(620,191)	3,248,169	3,868,360
Fund Balance (Deficit) - Beginning of Year	75,684	620,191	1,929,495	1,309,304
Fund Balance - End of Year	$ -	$ -	$ 5,177,664	$ 5,177,664

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 24,464,538	$ 24,464,538	$ 24,464,538	$ -
3,581,500	3,581,500	4,120,609	539,109
1,715,050	1,721,050	1,980,998	259,948
116,000	116,000	114,468	(1,532)
1,671,800	1,671,800	1,849,853	178,053
1,050,000	1,050,000	1,275,311	225,311
633,000	633,000	718,418	85,418
-	-	-	-
392,708	406,369	443,260	36,891
33,624,596	33,644,257	34,967,455	1,323,198
7,894,776	7,233,254	6,509,141	(724,113)
16,409,930	16,813,212	16,718,014	(95,198)
532,800	532,800	526,761	(6,039)
431,950	439,814	393,637	(46,177)
100,331	100,331	95,393	(4,938)
3,271,969	3,319,850	3,185,893	(133,957)
126,659	227,701	201,186	(26,515)
5,610,313	5,072,861	4,784,194	(288,667)
34,378,728	33,739,823	32,414,219	(1,325,604)
(754,132)	(95,566)	2,553,236	2,648,802
700,000	700,000	-	(700,000)
-	12,045	12,042	(3)
-	-	78,738	78,738
-	-	-	-
-	(670,611)	(670,611)	-
700,000	41,434	(579,831)	(621,265)
(54,132)	(54,132)	1,973,405	2,027,537
54,132	54,132	(43,910)	(98,042)
$ -	$ -	$ 1,929,495	$ 1,929,495

Town/Village of Harrison, New York

General Fund - Town
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	$ 24,932,297	$ 24,932,297	$ 24,932,297	$ -	$ 24,464,538
NON-PROPERTY TAXES					
Non-property tax distribution from County	3,430,000	3,430,000	3,624,398	194,398	3,573,764
Franchise fees	529,500	529,500	533,773	4,273	546,845
	3,959,500	3,959,500	4,158,171	198,671	4,120,609
DEPARTMENTAL INCOME					
Clerk fees	2,500	2,500	7,983	5,483	2,378
Police fees	446,000	446,000	549,813	103,813	635,579
Fire inspection fees	150,000	150,000	216,185	66,185	160,730
Safety inspection fees	11,000	11,000	11,617	617	-
Parking meters and permit fees	340,000	340,000	342,584	2,584	343,536
Parks and recreation charges	748,000	748,000	791,443	43,443	750,820
Recreation commissions	1,900	1,900	2,858	958	1,684
Zoning fees	7,000	7,000	6,836	(164)	7,175
Community services	900	900	1,386	486	1,293
Planning Board fees	25,000	25,000	18,305	(6,695)	19,390
Planning Board parking fees	-	-	-	-	42,300
Senior lunch program fees	17,000	17,000	21,771	4,771	16,113
	1,749,300	1,749,300	1,970,781	221,481	1,980,998
USE OF MONEY AND PROPERTY					
Earnings on investments	35,000	35,000	15,972	(19,028)	32,482
Rentals of real property	78,000	78,000	101,288	23,288	81,986
	113,000	113,000	117,260	4,260	114,468

LICENSES AND PERMITS					
Street opening permits	55,000	55,000	62,523	7,523	59,170
Building permits	1,700,000	1,700,000	4,429,377	2,729,377	1,716,444
Wetlands permits	-	-	4,767	4,767	25,007
Bingo licenses	300	300	200	(100)	80
Dog license fund apportionment	3,500	3,500	5,289	1,789	5,050
Other licenses and permits	13,000	13,000	59,611	46,611	44,102
	1,771,800	1,771,800	4,561,767	2,789,967	1,849,853
FINES AND FORFEITURES					
Fines and forfeited bail	1,365,000	1,365,000	1,730,640	365,640	1,275,311
STATE AID					
Per capita	111,575	111,575	113,852	2,277	113,852
Mortgage tax	515,000	515,000	548,296	33,296	554,841
Youth programs	10,000	10,000	11,285	1,285	14,136
Bus shelters	21,000	21,000	33,269	12,269	35,589
Emergency management agency	-	16,467	17,743	1,276	-
	657,575	674,042	724,445	50,403	718,418
FEDERAL AID					
Emergency management agency	-	49,587	53,230	3,643	-
MISCELLANEOUS					
Refunds of prior year's expenditures	130,000	130,000	210,928	80,928	203,134
Gifts and donations	-	7,375	7,375	-	13,661
Medicare Part D reimbursement	230,000	230,000	197,524	(32,476)	177,140
Unclassified	21,150	21,150	70,255	49,105	49,325
	381,150	388,525	486,082	97,557	443,260
TOTAL REVENUES	34,929,622	35,003,051	38,734,673	3,731,622	34,967,455

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Town/Village of Harrison, New York
General Fund - Town
Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
OTHER FINANCING SOURCES					
Transfers in					
Capital projects fund	$ -	$ 9,674	$ 9,674	$ -	$ -
Insurance recoveries	20,000	576,418	576,418	-	12,042
Sale of equipment	-	138,770	189,046	50,276	78,738
TOTAL OTHER FINANCING SOURCES	20,000	724,862	775,138	50,276	90,780
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 34,949,622	$ 35,727,913	$ 39,509,811	$ 3,781,898	$ 35,058,235

Town/Village of Harrison, New York

General Fund - Town
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	$ 72,336	$ 72,336	$ 72,336	$ -	$ 72,323
Town Justice	592,301	641,344	640,159	1,185	604,896
Supervisor	295,131	296,280	296,279	1	289,379
Finance	379,800	377,342	376,825	517	366,127
Auditor	36,725	36,725	36,725	-	34,725
Receiver of Taxes	218,547	218,547	217,613	934	210,854
Purchasing	141,359	160,559	159,859	700	137,345
Assessor	202,142	191,780	189,416	2,364	187,431
Town Clerk	231,043	227,759	226,630	1,129	189,580
Archive Grant	5,400	5,400	4,651	749	6,017
Town Attorney	972,749	1,474,845	1,474,288	557	734,367
Engineer	397,980	338,417	335,393	3,024	355,441
Elections	43,000	36,579	36,579	-	36,512
Commissioner of Public Works	283,714	282,621	281,166	1,455	279,013
Central services	250,075	239,318	238,616	702	234,199
Buildings	1,399,277	1,365,788	1,365,133	655	1,438,429
Central garage	675,135	707,643	707,020	623	673,600
Central data processing	294,793	291,774	291,723	51	289,333
Special items					
Special services	120,217	114,840	114,840	-	142,627
General code	6,000	6,000	5,895	105	5,593
Youth Council	950	700	-	700	-
Unallocated insurance	120,000	109,472	109,472	-	94,697
Taxes and assessments on property	105,750	101,058	100,522	536	100,096
Metropolitan commuter transportation mobility tax	27,258	27,374	27,374	-	26,557
Membership dues	-	1,000	1,000	-	-
Contingent account	310,600	-	-	-	-
	7,182,282	7,325,501	7,309,514	15,987	6,509,141

PUBLIC SAFETY					
Police	9,080,612	9,367,013	9,357,717	9,296	8,516,700
Employee benefits - Police	7,688,866	7,802,116	7,797,285	4,831	7,163,262
Youth forum	95,701	97,394	97,272	122	83,257
Traffic control	169,370	162,510	155,969	6,541	161,365
Fire inspection	121,851	120,852	115,794	5,058	94,555
Control of animals	45,000	43,483	42,080	1,403	41,403
Safety inspection	694,848	694,848	687,289	7,559	657,472
	17,896,248	18,288,216	18,253,406	34,810	16,718,014
HEALTH					
Ambulance	539,600	560,900	537,276	23,624	526,761
TRANSPORTATION					
Street lighting	415,050	431,817	431,791	26	393,637
ECONOMIC ASSISTANCE AND OPPORTUNITY					
Community services	108,028	99,123	98,871	252	95,393
CULTURE AND RECREATION					
Parks, playgrounds and recreation	3,093,740	3,133,397	3,125,243	8,154	2,962,454
Celebrations	2,000	9,500	9,500	-	15,661
Historian	3,700	3,575	1,635	1,940	219
Public library	211,277	211,277	211,277	-	208,000
	3,310,717	3,357,749	3,347,655	10,094	3,186,334
HOME AND COMMUNITY SERVICES					
Zoning	2,860	863	153	710	109
Planning	159,435	167,211	166,426	785	115,186
Council for the arts	82,500	82,500	82,500	-	82,500
ETPA administrative charge	3,100	3,100	2,930	170	2,950
	247,895	253,674	252,009	1,665	200,745

(Continued)

Town/Village of Harrison, New York

General Fund - Town
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
EMPLOYEE BENEFITS					
State retirement	$ 1,299,283	$ 1,411,766	$ 1,411,766	$ -	$ 1,131,573
Social security	613,307	632,064	632,064	-	612,806
Workers' compensation benefits	225,000	518,244	518,244	-	312,961
Disability benefits	9,500	8,636	8,635	1	8,599
Unemployment benefits	25,000	18,584	18,584	-	15,326
Welfare benefits	29,000	27,313	27,313	-	28,263
Health, dental and life insurance	3,124,396	3,295,748	3,295,745	3	2,674,666
	5,325,486	5,912,355	5,912,351	4	4,784,194
TOTAL EXPENDITURES	35,025,306	36,229,335	36,142,873	86,462	32,414,219
OTHER FINANCING USES					
Transfers out					
General fund					
Village	-	-	-	-	670,611
Debt service fund	-	118,769	118,769	-	-
TOTAL OTHER FINANCING USES	-	118,769	118,769	-	670,611
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 35,025,306	$ 36,348,104	$ 36,261,642	$ 86,462	$ 33,084,830

Town/Village of Harrison, New York

General Fund - Village
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 8,885,287	$ 7,759,537
Investments	-	24,939
Taxes receivable	35,673,939	34,793,624
Receivables		
Accounts	152,194	149,939
Due from component unit	475,000	475,000
Due from other funds	719,624	1,369,612
Due from other governments	-	10,219
	1,346,818	2,004,770
Prepaid expenditures	181,884	58,986
Total Assets	$ 46,087,928	$ 44,641,856
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	$ 215,165	$ 250,960
Due to other governments	11,001	10,734
Due to school district	43,539,097	42,582,848
Unearned tax revenues	879,002	1,279,060
Bond anticipation notes payable	-	600,000
Unearned revenues	425	1,145
Total Liabilities	44,644,690	44,724,747
Fund balance (deficit)		
Nonspendable	656,884	533,986
Restricted	12,367	6,609
Assigned	10,467	-
Unassigned	763,520	(623,486)
Total Fund Balance (Deficit)	1,443,238	(82,891)
Total Liabilities and Fund Balance (Deficit)	$ 46,087,928	$ 44,641,856

Town/Village of Harrison, New York

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

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 9,280,938	$ 9,280,938	$ 9,684,057	$ 403,119
Other tax items	1,952,665	1,952,665	2,025,813	73,148
Departmental income	285,000	285,000	424,995	139,995
Use of money and property	20,000	20,000	15,362	(4,638)
Fines and forfeitures	30,000	30,000	51,050	21,050
Sale of property and compensation for loss	4,000	4,000	7,786	3,786
State aid	579,879	589,145	623,765	34,620
Federal aid	-	27,799	27,799	-
Miscellaneous	125,300	125,300	152,565	27,265
Total Revenues	12,277,782	12,314,847	13,013,192	698,345
EXPENDITURES				
Current				
General government support	925,056	925,165	601,616	323,549
Home and community services	2,885,614	2,922,679	2,907,138	15,541
Employee benefits	2,491,051	2,709,745	2,709,738	7
Debt service				
Bond anticipation notes				
Principal	-	460,000	-	460,000
Interest	50,138	50,138	50,137	1
Total Expenditures	6,351,859	7,067,727	6,268,629	799,098
Excess of Revenues Over Expenditures	5,925,923	5,247,120	6,744,563	1,497,443
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	460,000	460,000	-
Transfers in	-	-	-	-
Transfers out	(5,914,257)	(5,695,454)	(5,678,434)	17,020
Total Other Financing Uses	(5,914,257)	(5,235,454)	(5,218,434)	17,020
Net Change in Fund Balance	11,666	11,666	1,526,129	1,514,463
Fund Balance (Deficit) - Beginning of Year	(11,666)	(11,666)	(82,891)	(71,225)
Fund Balance (Deficit) - End of Year	$ -	$ -	$ 1,443,238	$ 1,443,238

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 9,180,326	$ 9,180,326	$ 8,827,816	$ (352,510)
1,839,473	1,839,473	1,977,425	137,952
320,000	320,000	387,022	67,022
40,000	40,000	11,435	(28,565)
25,000	25,000	41,800	16,800
3,500	3,500	6,324	2,824
566,900	566,900	621,044	54,144
-	-	-	-
130,065	130,065	98,532	(31,533)
12,105,264	12,105,264	11,971,398	(133,866)
753,788	1,469,788	1,388,943	80,845
2,862,507	2,862,507	2,809,143	53,364
2,588,156	2,606,767	2,378,875	227,892
586,550	1,681,000	1,681,000	-
120,885	126,408	126,408	-
6,911,886	8,746,470	8,384,369	362,101
5,193,378	3,358,794	3,587,029	228,235
-	1,521,000	1,521,000	-
-	670,611	670,611	-
(5,203,372)	(5,560,399)	(5,272,362)	288,037
(5,203,372)	(3,368,788)	(3,080,751)	288,037
(9,994)	(9,994)	506,278	516,272
9,994	9,994	(589,169)	(599,163)
$ -	$ -	$ (82,891)	$ (82,891)

Town/Village of Harrison, New York

General Fund - Village
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	$ 9,280,938	$ 9,280,938	$ 9,684,057	$ 403,119	$ 8,827,816
OTHER TAX ITEMS					
Payments in lieu of taxes	742,665	742,665	748,765	6,100	658,036
Interest and penalties on real property taxes	475,000	475,000	584,448	109,448	579,480
Utilities gross receipts taxes	735,000	735,000	692,600	(42,400)	739,909
	1,952,665	1,952,665	2,025,813	73,148	1,977,425
DEPARTMENTAL INCOME					
Public works fees	70,000	70,000	159,170	89,170	115,976
Commercial garbage fees	205,000	205,000	254,500	49,500	259,750
Composting fees	10,000	10,000	11,325	1,325	11,296
	285,000	285,000	424,995	139,995	387,022
USE OF MONEY AND PROPERTY					
Earnings on investments	20,000	20,000	15,362	(4,638)	11,435
FINES AND FORFEITURES					
Fines and forfeited bail	30,000	30,000	51,050	21,050	41,800
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of recycled materials	4,000	4,000	7,786	3,786	6,324

STATE AID					
Per capita	64,879	64,879	66,203	1,324	66,203
Mortgage tax	515,000	515,000	548,296	33,296	554,841
Disaster assistance	-	9,266	9,266	-	-
	579,879	589,145	623,765	34,620	621,044
FEDERAL AID					
Emergency management agency	-	27,799	27,799	-	-
MISCELLANEOUS					
Refunds of prior year's expenditures	125,000	125,000	151,136	26,136	87,856
Miscellaneous	300	300	1,429	1,129	10,676
	125,300	125,300	152,565	27,265	98,532
TOTAL REVENUES	12,277,782	12,314,847	13,013,192	698,345	11,971,398
OTHER FINANCING SOURCES					
Bonds issued	-	460,000	460,000	-	1,521,000
Transfers in					
Town General Fund	-	-	-	-	670,611
TOTAL OTHER FINANCING SOURCES	-	460,000	460,000	-	2,191,611
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 12,277,782	$ 12,774,847	$ 13,473,192	$ 698,345	$ 14,163,009

Town/Village of Harrison, New York

General Fund - Village
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	$ 20,525	$ 20,525	$ 18,775	$ 1,750	$ 19,775
Law	126,002	126,002	118,544	7,458	125,305
Special items					
Special services	1,500	1,500	1,400	100	2,310
Stormwater management plan	12,492	11,012	690	10,322	1,950
Bond and note issuance costs	6,000	8,265	8,264	1	6,493
Unallocated insurance	56,337	56,357	56,356	1	46,947
Taxes and assessments on property	102,000	101,195	99,330	1,865	98,925
Judgments and claims	450,000	450,000	289,948	160,052	1,079,281
Metropolitan commuter transportation mobility tax	8,200	8,309	8,309	-	7,957
Contingency	142,000	142,000	-	142,000	-
	925,056	925,165	601,616	323,549	1,388,943
HOME AND COMMUNITY SERVICES					
Refuse and garbage collection	2,885,614	2,922,679	2,907,138	15,541	2,809,143
EMPLOYEE BENEFITS					
State retirement	402,528	391,711	391,711	-	354,543
Social security	184,493	189,929	189,928	1	179,517
Workers' compensation benefits	365,000	597,299	597,299	-	383,718
Disability benefits	3,171	2,984	2,984	-	3,020
Unemployment benefits	27,600	2,630	2,628	2	15,833
Welfare benefits	32,000	27,432	27,431	1	29,450
Health, dental and life insurance	1,476,259	1,497,760	1,497,757	3	1,412,794
	2,491,051	2,709,745	2,709,738	7	2,378,875

DEBT SERVICE					
Bond anticipation notes					
Principal	-	460,000	-	460,000	1,681,000
Interest	50,138	50,138	50,137	1	126,408
	50,138	510,138	50,137	460,001	1,807,408
TOTAL EXPENDITURES	6,351,859	7,067,727	6,268,629	799,098	8,384,369
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	5,734,257	5,638,963	5,638,434	529	4,838,812
Capital Projects Fund	180,000	56,491	40,000	16,491	433,550
TOTAL OTHER FINANCING USES	5,914,257	5,695,454	5,678,434	17,020	5,272,362
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 12,266,116	$ 12,763,181	$ 11,947,063	$ 816,118	$ 13,656,731

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Town/Village of Harrison, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 790,460	$ 881,380
Accounts receivable	76,574	76,680
Total Assets	$ 867,034	$ 958,060
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 2,955	$ -
Fund balance		
Restricted	512,076	647,161
Assigned	352,003	310,899
Total Fund Balance	864,079	958,060
Total Liabilities and Fund Balance	$ 867,034	$ 958,060

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,

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 8,479	$ 8,479
Miscellaneous	-	-	184,529	184,529
Total Revenues	-	-	193,008	193,008
EXPENDITURES				
Debt service				
Refunding bond issuance costs	-	-	-	-
Bonds				
Principal	4,958,570	4,958,570	4,958,570	-
Interest	2,214,459	2,214,459	2,213,495	964
Total Expenditures	7,173,029	7,173,029	7,172,065	964
Deficiency of Revenues Over Expenditures	(7,173,029)	(7,173,029)	(6,979,057)	193,972
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	6,862,130	6,862,130	6,885,076	22,946
Total Other Financing Sources	6,862,130	6,862,130	6,885,076	22,946
Net Change in Fund Balance	(310,899)	(310,899)	(93,981)	216,918
Fund Balance - Beginning of Year	310,899	310,899	958,060	647,161
Fund Balance - End of Year	$ -	$ -	$ 864,079	$ 864,079

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ 18,504	$ 18,504
-	-	166,323	166,323
-	-	184,827	184,827
-	97,607	97,607	-
4,617,632	4,632,632	4,632,632	-
1,987,461	1,952,343	1,781,618	170,725
6,605,093	6,682,582	6,511,857	170,725
(6,605,093)	(6,682,582)	(6,327,030)	355,552
-	10,280,000	10,280,000	-
-	455,718	455,718	-
-	(10,638,111)	(10,638,111)	-
6,290,698	6,270,580	5,993,332	(277,248)
6,290,698	6,368,187	6,090,939	(277,248)
(314,395)	(314,395)	(236,091)	78,304
314,395	314,395	1,194,151	879,756
$ -	$ -	$ 958,060	$ 958,060

Town/Village of Harrison, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 8,514,456	$ 8,192,596
State and Federal aid receivable	403,071	524,904
Prepaid expenditures	9,875	-
Total Assets	$ 8,927,402	$ 8,717,500
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	$ 479,556	$ 192,916
Retainages payable	45,539	97,761
Unearned revenues	102,754	102,754
Bond anticipation notes payable	-	9,707,520
Total Liabilities	627,849	10,100,951
FUND BALANCE (DEFICIT)		
Nonspendable	9,875	-
Restricted	8,289,678	-
Unassigned	-	(1,383,451)
Total Fund Balance (Deficit)	8,299,553	(1,383,451)
Total Liabilities and Fund Balance (Deficit)	$ 8,927,402	$ 8,717,500

Town/Village of Harrison, New York

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

	2012	2011
REVENUES		
State aid	$ 160,754	$ 284,768
Federal aid	79,121	553,063
Miscellaneous	45,000	125,050
Total Revenues	284,875	962,881
EXPENDITURES		
Capital outlay	4,511,619	3,115,635
Deficiency of Revenues Over Expenditures	(4,226,744)	(2,152,754)
OTHER FINANCING SOURCES (USES)		
Bonds issued	13,314,835	9,175,070
Transfers in	604,587	1,111,741
Transfers out	(9,674)	(21,964)
Total Other Financing Sources	13,909,748	10,264,847
Net Change in Fund Balance	9,683,004	8,112,093
Fund Deficit - Beginning of Year	(1,383,451)	(9,495,544)
Fund Balance (Deficit) - End of Year	$ 8,299,553	$ (1,383,451)

Town/Village of Harrison, New York

Special Districts Fund
Combining Balance Sheet - Sub Funds
December 31, 2012
(With Comparative Totals for 2011)

	Water District No. 2	Sewer Districts	
		No. 1	Maintenance
ASSETS			
Cash			
Demand deposits	$ -	$ 9,001	$ 186,536
Accounts receivable	1,952,478	-	1,855
Prepaid expenditures	-	-	45,011
Total Assets	$ 1,952,478	$ 9,001	$ 233,402
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 222	$ -	$ 11,747
Unearned revenues	976,239	-	-
Due to other funds	719,207	-	-
Total Liabilities	1,695,668	-	11,747
Fund balances (deficits)			
Nonspendable	-	-	45,011
Assigned	256,810	9,001	176,644
Total Fund Balances (Deficits)	256,810	9,001	221,655
Total Liabilities and Fund Balances (Deficits)	$ 1,952,478	$ 9,001	$ 233,402

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2012	2011
$ 601,926	$ 1,021,584	$ 784	$ -	$ 1,819,831	$ 1,740,445
-	4,198	-	-	1,958,531	2,006,492
90,249	114,139	-	-	249,399	235,256
$ 692,175	$ 1,139,921	$ 784	$ -	$ 4,027,761	$ 3,982,193
$ 273,843	$ 165,057	$ -	$ -	$ 450,869	$ 379,601
-	146	-	-	976,385	1,002,644
-	-	-	417	719,624	1,369,612
273,843	165,203	-	417	2,146,878	2,751,857
90,249	114,139	-	-	249,399	235,256
328,083	860,579	784	(417)	1,631,484	995,080
418,332	974,718	784	(417)	1,880,883	1,230,336
$ 692,175	$ 1,139,921	$ 784	$ -	$ 4,027,761	$ 3,982,193

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, 2012
(With Comparative Totals for 2011)

	Water District No. 2	Sewer Districts No. 1	Sewer Districts Maintenance
REVENUES			
Real property taxes	$ 70,388	$ 2,678	$ 630,025
Departmental income	1,978,883	-	-
Use of money and property	-	-	611
State aid	-	-	-
Federal aid	-	-	-
Miscellaneous	-	-	1,855
Total Revenues	2,049,271	2,678	632,491
EXPENDITURES			
Current			
General government support	-	-	-
Public safety	-	-	-
Home and community services	102,856	-	405,646
Employee benefits	2,264	-	181,321
Debt service			
Interest			
Bond anticipation notes	43,078	-	12,911
Total Expenditures	148,198	-	599,878
Excess of Revenues Over Expenditures	1,901,073	2,678	32,613
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	-	-
Transfers out	(1,277,513)	(2,678)	(10,000)
Total Other Financing Uses	(1,277,513)	(2,678)	(10,000)
Net Change in Fund Balances	623,560	-	22,613
Fund Balances (Deficits) - Beginning of Year	(366,750)	9,001	199,042
Fund Balances (Deficits) - End of Year	$ 256,810	$ 9,001	$ 221,655

Fire Protection Districts				Totals	
No. 1	No. 2	No. 3	No. 5	2012	2011
$ 837,297	$ 3,849,522	$ 32,273	$ 33,100	$ 5,455,283	$ 5,305,349
33,100	1,936	-	-	2,013,919	1,932,844
1,043	3,453	9	-	5,116	11,164
14,661	11,944	-	-	26,605	-
43,982	35,832	-	-	79,814	-
-	64,207	-	-	66,062	99,490
930,083	3,966,894	32,282	33,100	7,646,799	7,348,847
7,384	22,475	201	-	30,060	123,157
624,311	2,431,133	31,625	33,100	3,120,169	2,874,554
-	-	-	-	508,502	625,685
24,374	1,431,113	-	-	1,639,072	1,455,647
-	-	-	-	55,989	39,163
656,069	3,884,721	31,826	33,100	5,353,792	5,118,206
274,014	82,173	456	-	2,293,007	2,230,641
50,000	-	-	-	50,000	389,191
(282,259)	(120,010)	-	-	(1,692,460)	(1,816,397)
(232,259)	(120,010)	-	-	(1,642,460)	(1,427,206)
41,755	(37,837)	456	-	650,547	803,435
376,577	1,012,555	328	(417)	1,230,336	426,901
$ 418,332	$ 974,718	$ 784	$ (417)	$ 1,880,883	$ 1,230,336

Town/Village of Harrison, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2012
(With Comparative Totals for 2011)

	Highway	Public Library	Special Purpose
ASSETS			
Cash			
Demand deposits	$ 922,653	$ 185,375	$ 1,073,461
Petty cash	-	125	-
	922,653	185,500	1,073,461
Receivables			
Accounts	-	-	2,468
State and Federal aid	232	-	-
	232	-	2,468
Prepaid expenditures	184,238	77,093	-
Total Assets	$ 1,107,123	$ 262,593	$ 1,075,929
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 261,451	$ 35,543	$ 1,211
Fund balances			
Nonspendable	184,238	77,093	-
Restricted	-	-	1,074,718
Assigned	661,434	149,957	-
Total Fund Balances	845,672	227,050	1,074,718
Total Liabilities and Fund Balances	$ 1,107,123	$ 262,593	$ 1,075,929

Total Non-Major Governmental Funds	
2012	2011
$ 2,181,489	$ 1,644,848
125	125
2,181,614	1,644,973
2,468	5,374
232	24,308
2,700	29,682
261,331	180,458
$ 2,445,645	$ 1,855,113
$ 298,205	$ 208,161
261,331	180,458
1,074,718	1,019,465
811,391	447,029
2,147,440	1,646,952
$ 2,445,645	$ 1,855,113

Town/Village of Harrison, New York

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Highway	Public Library	Special Purpose
REVENUES			
Real property taxes	$ 5,194,227	$ 2,247,536	$ -
Departmental income	-	28,807	-
Use of money and property	3,878	1,531	816
State aid	139,576	7,991	-
Federal aid	187,010	-	-
Miscellaneous	147,793	13,131	413,555
Total Revenues	5,672,484	2,298,996	414,371
EXPENDITURES			
Current			
Transportation	3,489,886	-	-
Culture and recreation	-	1,376,675	35,337
Home and community services	-	-	323,781
Employee benefits	1,751,324	908,360	-
Total Expenditures	5,241,210	2,285,035	359,118
Excess (Deficiency) of Revenues Over Expenditures	431,274	13,961	55,253
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Net Change in Fund Balances	431,274	13,961	55,253
Fund Balances - Beginning of Year	414,398	213,089	1,019,465
Fund Balances - End of Year	$ 845,672	$ 227,050	$ 1,074,718

Total Non-Major Governmental Funds	
2012	2011
$ 7,441,763	$ 7,119,990
28,807	32,474
6,225	16,371
147,567	127,736
187,010	-
574,479	491,636
8,385,851	7,788,207
3,489,886	3,694,688
1,412,012	1,349,705
323,781	374,595
2,659,684	2,415,414
7,885,363	7,834,402
500,488	(46,195)
-	5,650
500,488	(40,545)
1,646,952	1,687,497
$ 2,147,440	$ 1,646,952

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Town/Village of Harrison, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 922,653	$ 402,022
State and Federal aid receivable	232	24,308
Prepaid expenditures	184,238	141,836
Total Assets	$ 1,107,123	$ 568,166
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 261,451	$ 153,768
Fund balance		
Nonspendable	184,238	141,836
Assigned	661,434	272,562
Total Fund Balance	845,672	414,398
Total Liabilities and Fund Balance	$ 1,107,123	$ 568,166

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,

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 5,194,227	$ 5,194,227	$ 5,194,227	$ -
Use of money and property	7,500	7,500	3,878	(3,622)
State aid	114,000	176,337	139,576	(36,761)
Federal aid	-	187,010	187,010	-
Miscellaneous	15,000	25,338	147,793	122,455
Total Revenues	5,330,727	5,590,412	5,672,484	82,072
EXPENDITURES				
Current				
Transportation	3,664,823	3,839,524	3,489,886	349,638
Employee benefits	1,666,345	1,751,329	1,751,324	5
Total Expenditures	5,331,168	5,590,853	5,241,210	349,643
Excess (Deficiency) of Revenues Over Expenditures	(441)	(441)	431,274	431,715
Fund Balance - Beginning of Year	441	441	414,398	413,957
Fund Balance - End of Year	$ -	$ -	$ 845,672	$ 845,672

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 4,916,283	$ 4,916,283	$ 4,916,283	$ -
12,000	12,000	7,522	(4,478)
106,916	106,916	114,223	7,307
-	-	-	-
14,530	14,530	33,277	18,747
5,049,729	5,049,729	5,071,305	21,576
3,507,203	3,681,855	3,694,688	(12,833)
1,543,426	1,559,967	1,557,859	2,108
5,050,629	5,241,822	5,252,547	(10,725)
(900)	(192,093)	(181,242)	10,851
900	192,093	595,640	403,547
$ -	$ -	$ 414,398	$ 414,398

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Town/Village of Harrison, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 185,375	$ 226,266
Petty cash	125	125
	185,500	226,391
Accounts receivable	-	619
Prepaid expenditures	77,093	38,622
Total Assets	$ 262,593	$ 265,632
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 35,543	$ 52,543
Fund balance		
Nonspendable	77,093	38,622
Assigned	149,957	174,467
Total Fund Balance	227,050	213,089
Total Liabilities and Fund Balance	$ 262,593	$ 265,632

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,

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 2,247,536	$ 2,247,536	$ 2,247,536	$ -
Departmental income	29,600	29,600	28,807	(793)
Use of money and property	3,000	3,000	1,531	(1,469)
State aid	8,000	8,000	7,991	(9)
Miscellaneous	-	-	13,131	13,131
Total Revenues	2,288,136	2,288,136	2,298,996	10,860
EXPENDITURES				
Current				
Culture and recreation	1,389,549	1,389,549	1,376,675	12,874
Employee benefits	984,587	984,587	908,360	76,227
Total Expenditures	2,374,136	2,374,136	2,285,035	89,101
Excess (Deficiency) of Revenues Over Expenditures	(86,000)	(86,000)	13,961	99,961
Fund Balance - Beginning of Year	86,000	86,000	213,089	127,089
Fund Balance - End of Year	$ -	$ -	$ 227,050	$ 227,050

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 2,203,707	$ 2,203,707	$ 2,203,707	$ -
45,000	45,000	32,474	(12,526)
5,000	5,000	3,371	(1,629)
8,000	8,000	13,513	5,513
-	-	1,115	1,115
2,261,707	2,261,707	2,254,180	(7,527)
1,408,733	1,388,446	1,344,845	43,601
852,974	873,261	857,555	15,706
2,261,707	2,261,707	2,202,400	59,307
-	-	51,780	51,780
-	-	161,309	161,309
$ -	$ -	$ 213,089	$ 213,089

Town/Village of Harrison, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 1,073,461	$ 1,016,560
Accounts receivable	2,468	4,755
Total Assets	$ 1,075,929	$ 1,021,315
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 1,211	$ 1,850
Fund balance		
Restricted	1,074,718	1,019,465
Total Liabilities and Fund Balance	$ 1,075,929	$ 1,021,315

Town/Village of Harrison, New York

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

	2012	2011
REVENUES		
Use of money and property	$ 816	$ 5,478
Miscellaneous	413,555	457,244
Total Revenues	414,371	462,722
EXPENDITURES		
Current		
Culture and recreation	35,337	4,860
Home and community services	323,781	374,595
Total Expenditures	359,118	379,455
Excess of Revenues Over Expenditures	55,253	83,267
OTHER FINANCING SOURCES		
Transfers in	-	5,650
Net Change in Fund Balance	55,253	88,917
Fund Balance - Beginning of Year	1,019,465	930,548
Fund Balance - End of Year	$ 1,074,718	$ 1,019,465

Town/Village of Harrison, New York

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

	2012	2011
ASSETS		
Cash		
Demand deposits	$ 2,290,428	$ 895,031
Accounts receivable	40,129	201,680
Prepaid expenses	45,413	-
Total Assets	$ 2,375,970	$ 1,096,711
LIABILITIES		
Current liabilities		
Accounts payable	110,118	118,885
Accrued liabilities	1,307,000	814,510
Total Liabilities	1,417,118	933,395
NET POSITION		
Unrestricted	$ 958,852	$ 163,316

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,

	2012	2011
OPERATING REVENUES		
Charges for services	$ 11,459,966	$ 10,811,857
OPERATING EXPENSES		
Insurance	362,396	292,503
Employee benefits	9,991,214	10,057,856
Contractual	310,820	298,182
Total Operating Expenses	10,664,430	10,648,541
Income from Operations	795,536	163,316
Net Position - Beginning of Year	163,316	-
Net Position - End of Year	$ 958,852	$ 163,316

Town/Village of Harrison, New York

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

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	$ 11,621,517	$ 10,645,200
Cash payments to vendors	(356,233)	(298,182)
Cash payments to insurance carriers and claimants	(9,869,887)	(10,304,584)
Net Cash from Operating Activities	1,395,397	42,434
Cash - Beginning of Year	895,031	852,597
Cash - End of Year	$ 2,290,428	$ 895,031
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	$ 795,536	$ 163,316
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	161,551	(166,657)
Prepaid expenses	(45,413)	-
Accounts payable	(8,767)	9,949
Accrued liabilities	492,490	35,826
Net Cash from Operating Activities	$ 1,395,397	$ 42,434