



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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CITY OF HARRISON
HAMILTON COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2015
Fiscal Year Audited Under GAGAS: 2015



Dave Yost • Auditor of State

City Council
City of Harrison
300 George Street
Harrison, Ohio 45030

We have reviewed the *Independent Auditor's Report* of the City of Harrison, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Harrison is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 17, 2016

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City of Harrison
Hamilton County, Ohio

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Harrison
Hamilton County
300 George Street
Harrison, Ohio 45030

To the Members of City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2016, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
June 30, 2016

City of Harrison, Ohio

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Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2015

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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

Issued by:
Finance Department

Angelina Burton
Finance Director

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CITY OF HARRISON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2015

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**INTRODUCTORY
SECTION**

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Finance Department
300 George Street
Harrison, Ohio 45030
513-367-3732
513-202-8459 FAX

www.harrisonohio.gov

June 30, 2016

The Honorable Mayor, Members of City Council
and Citizens of the City of Harrison, Ohio

Ladies and Gentlemen:

Presented is the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City). This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2015, developed to detail the status of the City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects, and is presented in a manner designed to set forth fairly the financial position and results of the operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

The City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely derived and that the valuation of costs and benefits requires estimates and judgments by management.

Ohio law requires independent audits to be performed on all financial operations of the City, either by the Auditor of State or, if permitted by the Auditor of State, an independent public accounting firm. Balestra, Harr & Scherer, CPAs Inc. performed the audit for the year ended December 31, 2015. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This transmittal letter complements the MD&A, and should be read in conjunction with it. The City's MD&A immediately follows the Independent Auditors' Report.

THE REPORTING ENTITY

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of GASB Statement No. 14, "The Financial Reporting Entity." For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City of Harrison, the primary government.

THE CITY OF HARRISON

The City of Harrison, named after President William Henry Harrison, is located in Hamilton County in southwestern Ohio, on the I-74 corridor, approximately 20 miles northwest of the City of Cincinnati. Incorporated as a village in 1850, Harrison became a city in 1981. The City covers approximately 5 square miles along the border of Ohio and Indiana, with just over 10,000 residents.

The City operates under its charter adopted in 2000, with a Mayor-Council form of government. The Mayor and seven Council members serve four year, staggered terms. The charter defines 14 departments, boards and/or commissions, though additional divisions and departments may be established by ordinance. The Mayor, with the consent of Council, appoints department directors, and may appoint one director to oversee multiple departments.

The City provides a full range of municipal services including: 24 hour police and fire protection, parks and recreation, senior services, water and wastewater utilities, utility billing, refuse collection, road maintenance, municipal court, economic development, planning, zoning, and general administrative offices. The City collects a 1% municipal income tax with a 1% credit offered to residents for taxes paid to other municipalities.

The City employs 75 full-time employees and 34 part-time employees. The United Steelworkers (USW), the Fraternal Order of Police (FOP) and the Harrison Professional Firefighters IAFF represent non-exempt employees, depending on department. Each contract is for a period of 3 years, and in 2015, the City renewed all three contracts through mid-2018.

ECONOMIC CONDITION AND OUTLOOK

The City's commercial and residential development continued to be strong in 2015. Companies choosing to relocate to Harrison included Precision Fabricators' relocation to Enterprise Drive and Duke Energy's purchase of 25 acres in the Harrison Commerce Center for an operations center. Toebben Properties, owner of the Rempke building, completed the addition of a 15,000 s.f. multi-tenant retail space, and Goodwill built a new, bigger store on their Harrison Avenue property. Harrison also welcomed many new businesses, including MainSource Bank, AccuDoc Urgent Care, Velvet Smoke and Firehouse Subs.

With regard to residential development, single-family residential growth continued at Parks of Whitewater with the opening of a new phase. Multi-family housing also grew with the addition of Liberty Square Townhomes on West Road. Harrison also welcomed Villages of Whitewater, an upscale, ranch-style community.

MAJOR INITIATIVES

The City is committed to providing its residents and businesses with reliable infrastructure and dependable utility services.

The resurfacing of Miller, Sunset and South Elm Streets was begun in 2015, with completion scheduled for 2016. This project is being financed through an OPWC loan/grant combination.

The final phase of the cooperative project between the Ohio Department of Transportation and the City of Harrison for the reconstruction of State Street was budgeted for 2015, but delayed by the State of Ohio until 2016. The project is funded with a combination of federal, state and local funds.

LONG-TERM FINANCIAL PLANNING

The City of Harrison has a responsibility to its citizens to properly account for public funds and to wisely manage finances, in order to ensure the continued delivery of City services.

The City's local economy is improving, reflected through the gradual increase of property tax settlements and income tax collections. The increase in these revenues, and the growth of the City's tax base, should translate into an improved fiscal footing for the City.

In 2012, City Council approved a 5% annual water rate increase for years 2013 through 2018, and in 2013, a 3% annual wastewater rate increase was approved for years 2014 through 2017. The increases are based on rate studies that considered operating expenses, capital improvement needs and debt covenants.

The City agreed to pursue a Safety Services Levy as a part of the three union contract extensions. A 2.4 Mil Fire and EMS Levy was approved by voters on May 5, 2015.

The City actively seeks grant funds for infrastructure and road improvements, with additional funding typically financed with low interest State loans, through the OPWC and the OWDA.

Equipment and vehicle replacements are financed through local institutions, for a maximum of 5 years depending on rotation schedule, and are included in a department's annual budget submission. The City leased nine vehicles in 2015.

USE OF THE REPORT

The report is published to provide City Council, as well as our citizens and other interested persons, detailed information concerning the financial condition of the City, with particular emphasis placed on the utilization of resources during the past fiscal year. This report should serve as a guide in formulating policies and in conducting the City's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Use of this report by the various departments of the City is encouraged when furnishing information. This report is available for public inspection at the City of Harrison's Finance Office, located at 300 George Street, Harrison, Ohio.

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harrison for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the 16th consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I would like to thank the knowledgeable staff in the Finance Department and the gracious staff in other City departments for helping me prepare this report. A special thanks to the Hamilton County Auditor's Office for quickly responding to my information requests.

I extend my sincere appreciation to Clark Schaefer Hackett CPAs & Business Consultants for their assistance with the preparation of this CAFR.

In closing, I would like to thank the Mayor and Members of Council for their continued commitment to this City's success.

Respectfully submitted,



Angelina Burton
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Harrison
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

- Mayor WILLIAM NEYER

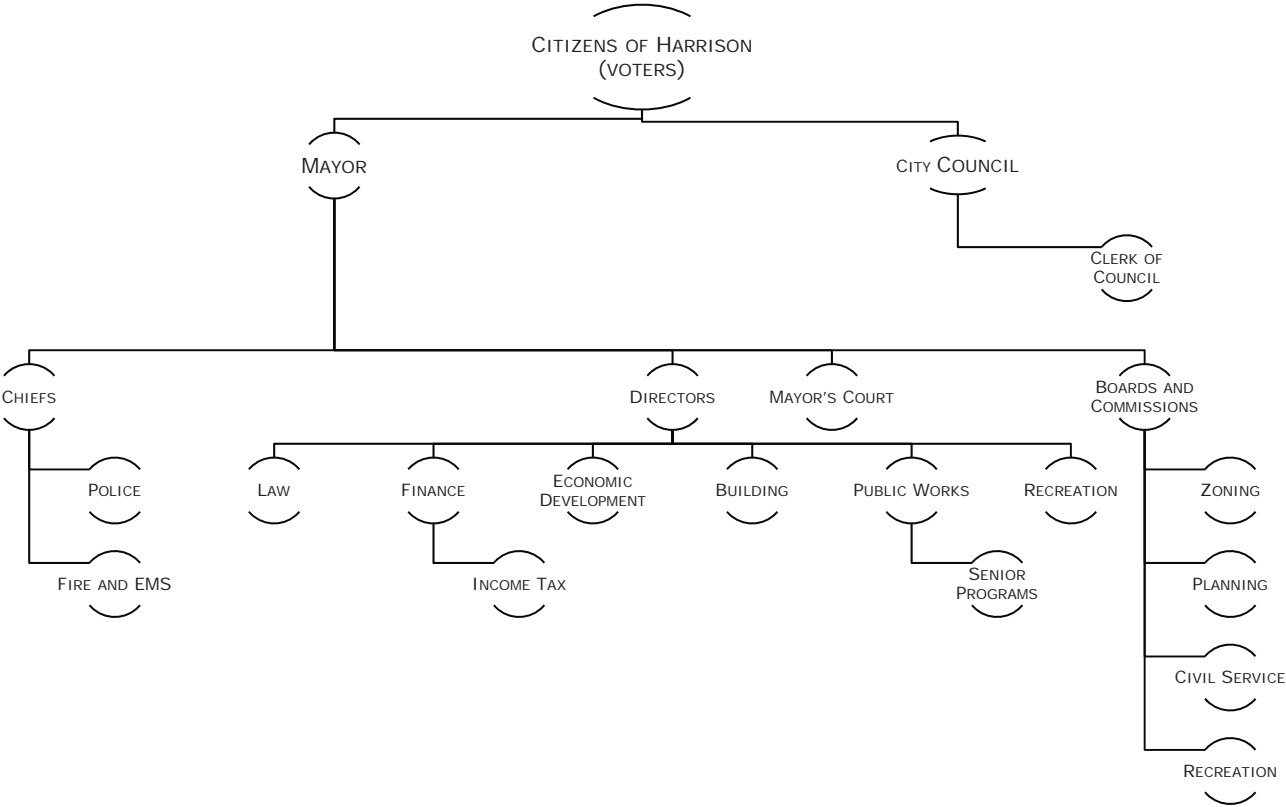
- Council Member.....CINDY ABRAMS
- Council Member.....RAY ACRA
- Council Member.....ETHAN DOLE
- Council Member..... RYAN GRUBBS
- Council Member..... MARK LOUIS
- Council Member..... HANK MENNINGER
- Council Member.....RANDY SHANK

APPOINTED OFFICIALS

- Clerk of Council CAROL WIWI
- Chief of Police CHARLES LINDSEY
- Chief of Fire WILLIAM R. HURSONG
- Director of Finance..... ANGELINA BURTON
- Director of Law..... WILLIAM DETERS
- Director of Public Works.....JAMES LESLIE
- Director of Economic Development..... JENNIFER EKEY
- Director of Building DANIEL BROOKS
- Income Tax Commissioner ANGELINA BURTON
- Senior Program Coordinator JILL FRENCH
- Recreation Director JEAN WILSON
- Magistrate ALEX TRIANTAFILOU
- Mayor’s Court Clerk..... LISA PFAFFL

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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**FINANCIAL
SECTION**

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Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report

City of Harrison
Hamilton County
300 George Street
Harrison, Ohio 45030

To the Members of City Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, each major fund, and the aggregate remaining fund information of City of Harrison, Hamilton County, Ohio, as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Improvement Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended December 31, 2015, the City of Harrison adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB statement No 68*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contribution listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
June 30, 2016

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CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2015
Unaudited

The discussion and analysis of the City of Harrison, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2015 include:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$18,342,337.
- The City's total net position increased during the year by \$688,063, or 4%.
- Unrestricted net position was in a deficit of \$5,217,356, primarily attributable to the implementation of new pension accounting standards.
- The City's total expenses were \$14,319,731, an increase of \$438,277.
- Program revenues of \$7,999,445 reduced the net cost of the City's functions to be financed from the City's general revenues to \$6,320,286.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregated view of the City's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of its capital assets. In the Statement of Net Position and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2015
Unaudited

- Governmental Activities – Most of the City's services are reported here including police and fire protection, parks and recreation, street repair and maintenance, and general government.
- Business-Type Activities – These activities include the water, sewer, storm water, sanitation and water/wastewater deposits operations where the fees charged for these services are based upon the amount of usage and the intent is to recoup operational costs through the user fees.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Fire Improvement, Water and Sewer funds. The City uses many funds to account for a multitude of financial transactions. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. All other funds are combined into one column for reporting purposes.

Governmental Funds

Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

The City maintains one type of proprietary funds; enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, sanitation and water/wastewater deposit management functions. The City charges citizens for the services it provides, with the intent of recouping operating costs.

Fiduciary Funds

The financial activity of custodial funds, for which the City acts as the fiscal agent, is reported separately in the Statement of Assets and Liabilities. This financial activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes. Agency funds are the only fiduciary fund type used by the City.

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2015
Unaudited

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$18.3 million at December 31, 2015.

Table 1 provides a summary of the City's net position for 2015 compared to 2014:

	Governmental Activities		Business-Type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 7,703,885	\$ 6,556,240	\$ 3,481,417	\$ 3,349,334	\$ 11,185,302	\$ 9,905,574
Capital assets	<u>19,245,563</u>	<u>19,278,993</u>	<u>33,017,866</u>	<u>33,871,626</u>	<u>52,263,429</u>	<u>53,150,619</u>
Total assets	<u>26,949,448</u>	<u>25,835,233</u>	<u>36,499,283</u>	<u>37,220,960</u>	<u>63,448,731</u>	<u>63,056,193</u>
Deferred outflows of resources	<u>1,158,908</u>	<u>762,860</u>	<u>814,559</u>	<u>840,183</u>	<u>1,973,467</u>	<u>1,603,043</u>
Long-term liabilities:						
Net pension liability	8,976,392	8,473,179	470,544	459,916	9,446,936	8,933,095
Other long-term liabilities	8,663,934	6,529,372	24,638,810	26,180,693	33,302,744	32,710,065
Other liabilities	<u>612,234</u>	<u>2,244,916</u>	<u>310,187</u>	<u>373,395</u>	<u>922,421</u>	<u>2,618,311</u>
Total liabilities	<u>18,252,560</u>	<u>17,247,467</u>	<u>25,419,541</u>	<u>27,014,004</u>	<u>43,672,101</u>	<u>44,261,471</u>
Deferred inflows of resources	<u>3,399,494</u>	<u>2,743,491</u>	<u>8,266</u>	<u>-</u>	<u>3,407,760</u>	<u>2,743,491</u>
Net position:						
Net investment in capital assets	11,689,801	12,002,240	9,358,590	8,685,415	21,048,391	20,687,655
Restricted	974,219	2,130,408	1,537,083	1,525,963	2,511,302	3,656,371
Unrestricted (deficit)	<u>(6,207,718)</u>	<u>(7,525,513)</u>	<u>990,362</u>	<u>835,761</u>	<u>(5,217,356)</u>	<u>(6,689,752)</u>
Total net position	<u>\$ 6,456,302</u>	<u>\$ 6,607,135</u>	<u>\$ 11,886,035</u>	<u>\$ 11,047,139</u>	<u>\$ 18,342,337</u>	<u>\$ 17,654,274</u>

During 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment GASB Statement No. 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and net pension liability to the reported net position and subtracting deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both the employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract, but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB Statement No. 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$14,317,454 to 6,607,135 for governmental activities and \$11,449,656 to \$11,047,139 for business-type activities.

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As displayed in Table 1, total net position of the City increased by \$688,063 from 2014 to 2015. Total assets only increased by less than 1%, while total liabilities only decreased 1%.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 82% of total assets. Capital assets include land, construction in progress, land improvements, building and improvements, equipment, vehicles and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2015 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 1,366,318	\$ 1,273,995	\$ 5,957,253	\$ 5,435,410	\$ 7,323,571	\$ 6,709,405
Operating grants and contributions	675,874	677,047	-	-	675,874	677,047
Capital grants and contributions	-	439,529	-	-	-	439,529
Total program revenues	2,042,192	2,390,571	5,957,253	5,435,410	7,999,445	7,825,981
General revenues:						
Income taxes	3,361,317	3,967,772	-	-	3,361,317	3,967,772
Property and other taxes	3,035,387	2,906,693	-	-	3,035,387	2,906,693
Grants and contributions not restricted to specific programs	486,881	483,551	-	-	486,881	483,551
Investment earnings	16,145	16,071	545	611	16,690	16,682
Miscellaneous	93,647	92,860	14,427	1,812	108,074	94,672
Total general revenues	6,993,377	7,466,947	14,972	2,423	7,008,349	7,469,370
Total revenues	9,035,569	9,857,518	5,972,225	5,437,833	15,007,794	15,295,351
Expenses:						
Security of persons and property	6,040,121	5,890,076	-	-	6,040,121	5,890,076
Public health services	255,739	234,620	-	-	255,739	234,620
Leisure time activities	201,812	205,074	-	-	201,812	205,074
Community and economic development	49,317	43,944	-	-	49,317	43,944
Transportation	962,654	834,448	-	-	962,654	834,448
General government	1,123,721	827,579	-	-	1,123,721	827,579
Interest on long-term debt	310,976	221,787	-	-	310,976	221,787
Water	-	-	1,708,274	1,737,239	1,708,274	1,737,239
Sewer	-	-	3,127,036	3,371,585	3,127,036	3,371,585
Storm water	-	-	46,513	46,914	46,513	46,914
Water/wastewater deposit	-	-	4,106	3,667	4,106	3,667
Sanitation	-	-	489,462	464,521	489,462	464,521
Total expenses	8,944,340	8,257,528	5,375,391	5,623,926	14,319,731	13,881,454
Transfers	(242,062)	28,468	242,062	(28,468)	-	-
Change in net position	(150,833)	1,628,458	838,896	(214,561)	688,063	1,413,897
Beginning net position	6,607,135	12,688,996	11,047,139	11,664,217	17,654,274	24,353,213
<i>Cumulative effect of the implementation of GASB 68</i>	-	(7,710,319)	-	(402,517)	-	(8,112,836)
Ending net position	\$ 6,456,302	\$ 6,607,135	\$ 11,886,035	\$ 11,047,139	\$ 18,342,337	\$ 17,654,274

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension of \$820,259 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the 2015 statements report pension expense of \$937,077. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Total 2015 program expenses under GASB 68	\$ 8,944,340	\$ 5,375,391
Pension expense under GASB 68	(885,891)	(51,186)
2015 contractually required contributions	<u>762,644</u>	<u>63,248</u>
Adjusted 2015 program expenses	8,821,093	5,387,453
Total 2014 program expenses under GASB 27	<u>8,257,528</u>	<u>5,623,926</u>
Change in program expenses not related to pension	<u>\$ 563,565</u>	<u>\$ (236,473)</u>

Governmental Activities

Total governmental activities revenue decreased by \$821,949, or 8%. The majority of this decrease was experienced in capital grants, where the City received an Ohio Public Works grant in 2014 for Featherwood Drive road improvements, and in income taxes, due to lower delinquencies with increased collection efforts in the 4th quarter of last year. Total governmental activities expenses increased (excluding the effects of GASB 68) by \$563,565, or 7%. The increase was attributable to increases in security of persons and property, transportation and general government due to building repairs and parking lot repaving, salary increases (all 3 unions received a 5% increase in June 2015), and website development expenses.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services and operating and capital grants offsetting those services. The net cost of services identifies the cost of those services supported by income and property taxes revenues and unrestricted intergovernmental revenue.

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Table 3
Governmental Activities

	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	<i>Restated</i> Net Cost of Services <u>2014</u>
Security of persons and property	\$ 6,040,121	\$ 5,198,742	\$ 5,890,076	\$ 5,107,079
Public health services	255,739	60,036	234,620	75,002
Leisure time activities	201,812	146,781	205,074	165,820
Community and economic development	49,317	(103,986)	43,944	(108,220)
Transportation	962,654	500,587	834,448	(115,622)
General government	1,123,721	789,012	827,579	521,111
Interest on long-term debt	<u>310,976</u>	<u>310,976</u>	<u>221,787</u>	<u>221,787</u>
Total cost of services	<u>\$ 8,944,340</u>	<u>\$ 6,902,148</u>	<u>\$ 8,257,528</u>	<u>\$ 5,866,957</u>

It should be noted that 23% of the cost of services for governmental activities are derived from program revenues, including charges for services and operating and capital grants. As shown by the total net costs of \$6,902,148, the majority of the City's programs are funded by general revenues. A significant portion of the total general revenues consists of income and property taxes.

Business-Type Activities

The City's major business-type activities include water and sewer operations. The Water Fund had operating income of \$193,420, an improvement over the prior year by \$194,158. The Sewer Fund had operating income of \$1,222,149, an increase of \$429,556. The increases were attributable to increases in rates.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$9.4 million, expenditures of \$10.6 million, and net other financing sources of approximately \$3.7 million. During 2015, total fund balance of the governmental funds increased by \$2.5 million to a total fund balance at year-end of \$2.8 million. While capital assets are included in the statement of net position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund experienced an increase in fund balance during 2015 of \$185,171. The General Fund is the primary fund that finances government services to citizens. Total revenue increased slightly by approximately 2.6%, while total expenditures increased by 60%. This increase was due to increases in police expenditures, for building repairs and parking lot repaving, and refunding the Series 2005 general obligation bonds with proceeds from the issuance of Series 2015 various purpose and refunding bonds. In 2015, the City made the change to streamline debt service payments by paying them directly from the funds, rather than transferring the monies to the Debt Service Fund to be paid, as had been done in the past.

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The Fire Improvement Fund experienced an increase in fund balance of \$179,117, or 48%, which decreased the fund balance deficit to \$193,241. The increase over the prior year was attributable to an increase in EMS collections, due to increased ambulance runs and aggressive collection efforts.

Explanation of the changes in the major enterprise funds of the City follow the same explanations as those provided in the assessment of the business-type activities noted above since enterprise funds are accounted for using full accrual accounting, the same accounting basis used in the City-wide statements.

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the budgets of each department within the General Fund and other funds, and then adopts the budget. The legal level of budgetary control is at the object level. During 2015, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, the Finance Director may make small line item adjustments within the budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

The final budget for estimated revenues was increased by \$416,526, or 7%, due to expected increase in income tax collections. However, actual revenues came in approximately \$229,000 lower than budgeted, as the anticipated income tax collections were not realized.

The City original expenditure budget of \$4,515,333 was amended several times during 2015 to increase the final budget to \$5,705,993, or 26%, to account for bond refunding that took place in October 2015.

Due to the City's continuing efforts to monitor and control expenditures, actual budgetary expenditures came in approximately \$249,000, or 4%, less than the \$5.7 million included in the final budget for 2015.

Capital Assets

At the end of fiscal year 2015, the City had a total of \$77.5 million invested in capital assets, less accumulated depreciation of \$25.2 million, resulting in total capital assets, net of accumulated depreciation, of \$52.3 million.

The City continued its efforts to upgrade its capital assets during 2015. The City acquired several vehicles, as well as began engineering work on road projects.

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Table 4 shows 2015 balances compared to those of 2014:

Table 4
Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,015,891	\$ 3,015,891	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,501,311
Construction in progress	261,982	141,982	-	-	261,982	141,982
Land improvements	14,643	19,276	-	-	14,643	19,276
Buildings and improvements	1,931,376	2,008,311	6,428,847	6,635,010	8,360,223	8,643,321
Equipment	205,966	219,861	1,556,883	1,975,144	1,762,849	2,195,005
Vehicles	1,257,309	1,033,382	168,331	119,854	1,425,640	1,153,236
Infrastructure	<u>12,558,396</u>	<u>12,840,290</u>	<u>24,378,385</u>	<u>24,656,198</u>	<u>36,936,781</u>	<u>37,496,488</u>
Totals	<u>\$ 19,245,563</u>	<u>\$ 19,278,993</u>	<u>\$ 33,017,866</u>	<u>\$ 33,871,626</u>	<u>\$ 52,263,429</u>	<u>\$ 53,150,619</u>

Additional information on the City's capital assets can be found in Note 7 to the basic financial statements.

Debt Administration

At December 31, 2015, the City had a total of \$31.8 million of long-term debt obligations compared with \$31.4 million reported at December 31, 2014. Table 5 shows outstanding debt obligations of the City at December 31, 2015 compared with 2014:

Table 5
Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 4,770,000	\$ 2,925,000	\$ 4,740,000	\$ 5,185,000	\$ 9,510,000	\$ 8,110,000
Capital Leases	1,179,926	916,600	34,523	16,385	1,214,449	932,985
OPWC Loans	1,731,683	1,795,691	1,391,604	1,504,945	3,123,287	3,300,636
ODOT Loans	39,298	116,161	-	-	39,298	116,161
OWDA Loans	-	-	4,167,628	4,354,369	4,167,628	4,354,369
Revenue Bonds	<u>-</u>	<u>-</u>	<u>13,730,000</u>	<u>14,565,000</u>	<u>13,730,000</u>	<u>14,565,000</u>
Total	<u>\$ 7,720,907</u>	<u>\$ 5,753,452</u>	<u>\$ 24,063,755</u>	<u>\$ 25,625,699</u>	<u>\$ 31,784,662</u>	<u>\$ 31,379,151</u>

Of the City's general obligation bonds outstanding at December 31, 2015, \$4.8 million are accounted for within the governmental activities and the remaining \$4.7 million are reported in the Sewer Fund. Revenue bonds are recorded in the Sewer Fund and are paid with charges for services of that fund.

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During 2015, the City issued \$3,185,000 in Various Purpose and Refunding Bonds to refund \$1,305,000 in Series 2005 Improvement, convert \$1,525,000 in Series 2014 Bond Anticipation Notes into bonds, and provide \$305,000 in new funding for State Street improvements.

OPWC loans represent interest-free loans from the State of Ohio and are paid from general revenues of the General Fund and from charges for services in the Sewer and Storm Water Funds. The OWDA loans outstanding at year-end are associated with the City's Water enterprise fund and are paid with the revenue sources of that fund.

See Note 12 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department at City of Harrison, Ohio, 300 George Street, Harrison, Ohio 45030.

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Basic Financial Statements

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CITY OF HARRISON, OHIO

Statement of Net Position

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 2,517,002	\$ 1,429,587	\$ 3,946,589
Cash in segregated accounts	13,502	-	13,502
Receivables:			
Property and other taxes	2,924,996	-	2,924,996
Payment in lieu of taxes	560,000	-	560,000
Income taxes	1,078,212		1,078,212
Accounts	90,428	411,905	502,333
Intergovernmental	430,424	-	430,424
Prepaid items	79,194	33,361	112,555
Materials and supplies inventory	10,127	69,481	79,608
Restricted cash and investments with fiscal agent	-	1,537,083	1,537,083
Non-depreciable capital assets	3,277,873	485,420	3,763,293
Depreciable capital assets, net	<u>15,967,690</u>	<u>32,532,446</u>	<u>48,500,136</u>
Total assets	<u>26,949,448</u>	<u>36,499,283</u>	<u>63,448,731</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	726,204	726,204
Pensions	<u>1,158,908</u>	<u>88,355</u>	<u>1,247,263</u>
Total deferred outflows of resources	<u>1,158,908</u>	<u>814,559</u>	<u>1,973,467</u>
Liabilities			
Accounts payable	95,214	105,179	200,393
Accrued salaries	173,019	24,222	197,241
Intergovernmental payable	147,748	19,332	167,080
Accrued interest payable	13,460	161,454	174,914
Notes payable	180,000	-	180,000
Matured compensated absences	2,793	-	2,793
Long-term liabilities:			
Due within one year	919,406	1,460,355	2,379,761
Due more than one year:			
Net pension liabilities	8,976,392	470,544	9,446,936
Other long-term amounts due more than one year	<u>7,744,528</u>	<u>23,178,455</u>	<u>30,922,983</u>
Total liabilities	<u>18,252,560</u>	<u>25,419,541</u>	<u>43,672,101</u>
Deferred Inflows of Resources			
Property taxes and payment in lieu of taxes levied for next year	3,383,412	-	3,383,412
Pensions	<u>16,082</u>	<u>8,266</u>	<u>24,348</u>
Total deferred inflows of resources	<u>3,399,494</u>	<u>8,266</u>	<u>3,407,760</u>
Net Position			
Net investment in capital assets	11,689,801	9,358,590	21,048,391
Restricted for:			
Capital projects	200,229	-	200,229
Debt service	-	1,537,083	1,537,083
Streets and highways	166,982	-	166,982
Recreation	597,201	-	597,201
Other purposes	9,807	-	9,807
Unrestricted (deficit)	<u>(6,207,718)</u>	<u>990,362</u>	<u>(5,217,356)</u>
Total net position	<u>\$ 6,456,302</u>	<u>\$ 11,886,035</u>	<u>\$ 18,342,337</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Activities

Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Security of persons and property	\$ 6,040,121	\$ 819,207	\$ 22,172	\$ (5,198,742)	\$ -	\$ (5,198,742)
Public health services	255,739	30,438	165,265	(60,036)	-	(60,036)
Leisure time activities	201,812	47,531	7,500	(146,781)	-	(146,781)
Community and economic development	49,317	153,303	-	103,986	-	103,986
Transportation	962,654	-	462,067	(500,587)	-	(500,587)
General government	1,123,721	315,839	18,870	(789,012)	-	(789,012)
Interest on long-term debt	310,976	-	-	(310,976)	-	(310,976)
Total governmental activities	<u>8,944,340</u>	<u>1,366,318</u>	<u>675,874</u>	<u>(6,902,148)</u>	<u>-</u>	<u>(6,902,148)</u>
Business-type activities:						
Water	1,708,274	1,742,204	-	-	33,930	33,930
Sewer	3,127,036	3,600,031	-	-	472,995	472,995
Other business-type activities:						
Storm Water	46,513	114,769	-	-	68,256	68,256
Water/Wastewater deposit	4,106	8,960	-	-	4,854	4,854
Sanitation	489,462	491,289	-	-	1,827	1,827
Total business-type activities	<u>5,375,391</u>	<u>5,957,253</u>	<u>-</u>	<u>-</u>	<u>581,862</u>	<u>581,862</u>
Total	<u>\$ 14,319,731</u>	<u>\$ 7,323,571</u>	<u>\$ 675,874</u>	<u>(6,902,148)</u>	<u>581,862</u>	<u>(6,320,286)</u>
General revenues and transfers:						
Income taxes levied for general purposes				3,361,317	-	3,361,317
Property taxes levied for:						
General purposes				1,115,096	-	1,115,096
Fire improvements				1,199,571	-	1,199,571
Police pension				60,017	-	60,017
Recreation				40,683	-	40,683
Capital projects				95,691	-	95,691
Payments in lieu of taxes				524,329	-	524,329
Grants and contributions not restricted to specific programs				486,881	-	486,881
Investment earnings				16,145	545	16,690
Miscellaneous				93,647	14,427	108,074
Transfers				(242,062)	242,062	-
Total general revenues and transfers				<u>6,751,315</u>	<u>257,034</u>	<u>7,008,349</u>
Change in net position				(150,833)	838,896	688,063
Net position beginning of year, <i>restated</i>				<u>6,607,135</u>	<u>11,047,139</u>	<u>17,654,274</u>
Net position end of year				<u>\$ 6,456,302</u>	<u>\$ 11,886,035</u>	<u>\$ 18,342,337</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Balance Sheet

Governmental Funds

December 31, 2015

	<u>General</u>	<u>Fire Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and investments	\$ 585,557	\$ 57,422	\$ 1,874,023	\$ 2,517,002
Cash in segregated accounts	-	-	13,502	13,502
Receivables:				
Property and other taxes	1,160,484	1,691,834	72,678	2,924,996
Payment in lieu of taxes	-	-	560,000	560,000
Income taxes	1,078,212	-	-	1,078,212
Accounts	45,950	33,079	11,399	90,428
Intergovernmental	119,901	64,204	246,319	430,424
Prepaid items	28,535	36,353	14,306	79,194
Materials and supplies inventory	-	-	10,127	10,127
Advances to other funds	35,411	-	-	35,411
Total assets	<u>\$ 3,054,050</u>	<u>\$ 1,882,892</u>	<u>\$ 2,802,354</u>	<u>\$ 7,739,296</u>
Liabilities:				
Accounts payable	\$ 49,776	\$ 8,825	\$ 36,613	\$ 95,214
Accrued salaries	92,746	62,985	17,288	173,019
Intergovernmental payable	46,171	65,492	36,085	147,748
Advances from other funds	-	-	35,411	35,411
Notes payable	-	180,000	-	180,000
Matured compensated absences	-	2,793	-	2,793
Total liabilities	<u>188,693</u>	<u>320,095</u>	<u>125,397</u>	<u>634,185</u>
Deferred Inflows of Resources:				
Property taxes and payment in lieu of taxes levied for next year	1,118,412	1,646,136	618,864	3,383,412
Unavailable revenue	<u>674,626</u>	<u>109,902</u>	<u>135,628</u>	<u>920,156</u>
Total deferred inflows of resources	<u>1,793,038</u>	<u>1,756,038</u>	<u>754,492</u>	<u>4,303,568</u>
Fund balances:				
Nonspendable	63,946	36,353	24,433	124,732
Restricted	-	-	970,914	970,914
Committed	-	-	571,918	571,918
Assigned	46,812	-	386,352	433,164
Unassigned	<u>961,561</u>	<u>(229,594)</u>	<u>(31,152)</u>	<u>700,815</u>
Total fund balances	<u>1,072,319</u>	<u>(193,241)</u>	<u>1,922,465</u>	<u>2,801,543</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,054,050</u>	<u>\$ 1,882,892</u>	<u>\$ 2,802,354</u>	<u>\$ 7,739,296</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2015

Total governmental fund balances \$ 2,801,543

*Amounts reported for governmental activities in the statement of net position are
are different because:*

Capital assets used in governmental activities are not financial resources, therefore, are
not reported in the funds. 19,245,563

Other long-term assets are not available to pay for current-period expenditures and
therefore are unavailable in the funds. 920,156

In the statement of net position, interest is accrued on outstanding bonds and loans,
whereas in governmental funds, interest is accrued when due. (13,460)

Long-term liabilities, including bonds payable, are not due and payable in the current
period and therefore are not reported in the funds:

Bonds payable	(4,909,855)	
ODOT loan payable	(39,298)	
OPWC loan payable	(1,731,683)	
Capital lease payable	(1,179,926)	
Compensated absences payable	<u>(803,172)</u>	(8,663,934)

The net pension liability is not due and payable in the current period; therefore, the liability
and related deferred inflows/outflows are not reported in governmental funds:

Deferred outflows - pensions	1,158,908	
Deferred inflows - pensions	(16,082)	
Net pension liability	<u>(8,976,392)</u>	<u>(7,833,566)</u>

Net position of governmental activities \$ 6,456,302

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	<u>General</u>	<u>Fire Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other taxes	\$ 1,118,193	\$ 1,202,967	\$ 196,544	\$ 2,517,704
Income taxes	3,701,852	-	-	3,701,852
Payment in lieu of taxes	-	-	524,329	524,329
Intergovernmental	401,385	128,407	685,279	1,215,071
Charges for services	201	816,832	9,181	826,214
Fines, costs and forfeitures	119,259	-	4,784	124,043
Licenses, permits and inspections	347,373	-	-	347,373
Interest	16,145	-	-	16,145
Contributions	7,800	-	25,549	33,349
Other	48,123	35,132	17,715	100,970
Total revenues	<u>5,760,331</u>	<u>2,183,338</u>	<u>1,463,381</u>	<u>9,407,050</u>
Expenditures:				
Current:				
Security of persons and property	2,413,362	3,051,937	79,550	5,544,849
Public health services	13,816	-	234,523	248,339
Leisure time activities	59,587	-	114,869	174,456
Community and economic development	47,212	-	-	47,212
Transportation	-	-	609,815	609,815
General government	638,820	-	243,083	881,903
Capital outlay	163,924	360,000	347,621	871,545
Debt Service:				
Principal retirement	1,398,743	283,478	190,070	1,872,291
Interest and fiscal charges	79,491	49,719	120,463	249,673
Issuance costs	38,100	-	49,704	87,804
Total expenditures	<u>4,853,055</u>	<u>3,745,134</u>	<u>1,989,698</u>	<u>10,587,887</u>
Excess of revenues over (under) expenditures	<u>907,276</u>	<u>(1,561,796)</u>	<u>(526,317)</u>	<u>(1,180,837)</u>
Other financing sources (uses):				
Transfers in	-	1,380,913	603,666	1,984,579
Transfers out	(1,956,110)	-	(270,531)	(2,226,641)
OPWC loans issued	-	-	47,529	47,529
Issuance of bonds	1,090,000	-	2,095,000	3,185,000
Premiums on issuance of bonds	15,170	-	56,111	71,281
Inception of capital lease	128,835	360,000	118,082	606,917
Total other financing sources (uses)	<u>(722,105)</u>	<u>1,740,913</u>	<u>2,649,857</u>	<u>3,668,665</u>
Net change in fund balances	185,171	179,117	2,123,540	2,487,828
Fund balance, beginning of year	<u>887,148</u>	<u>(372,358)</u>	<u>(201,075)</u>	<u>313,715</u>
Fund balance, end of year	<u>\$ 1,072,319</u>	<u>\$ (193,241)</u>	<u>\$ 1,922,465</u>	<u>\$ 2,801,543</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 2,487,828

*Amounts reported for governmental activities in the
 statement of activities are different because:*

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 as depreciation expense:

Capital asset additions	749,361
Depreciation expense	(609,074)

In the statement of activities, gain or loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds. (173,717)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are unavailable. (370,281)

Some expenses reported in the statement of activities do not require the use current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences	(99,768)
Interest on long-term debt	22,859
Amortization of bond premiums	3,642

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.

In the current year, these amounts consisted of general obligation bonds, ODOT, OPWC loans and capital leases. 1,872,291

The proceeds of bonds, loans, and related premiums are recorded as an other financing source in the governmental funds, but is an increase of the liability on the statement of net position. (3,303,810)

Contractually required contributions are reported as expenditures in governmental funds; however the statement of net position reports these amounts as deferred outflows. 762,644

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (885,891)

The inception of a capital lease is recorded as an other financing source in the governmental funds, but is an increase of the liability on the statement of net position. (606,917)

Change in net position of governmental activities \$ (150,833)

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Property and other taxes	\$ 1,086,402	\$ 1,150,402	\$ 1,118,193	\$ (32,209)
Income taxes	3,548,000	3,815,000	3,640,349	(174,651)
Intergovernmental	342,752	376,412	396,039	19,627
Charges for services	200	200	201	1
Fines, costs and forfeitures	116,000	125,000	124,211	(789)
Licenses, permits and inspections	300,000	323,525	321,799	(1,726)
Interest	18,000	18,000	16,291	(1,709)
Contributions	300	300	300	-
Other	690,360	709,701	671,707	(37,994)
Total revenues	<u>6,102,014</u>	<u>6,518,540</u>	<u>6,289,090</u>	<u>(229,450)</u>
Expenditures:				
Current:				
General government	1,222,360	1,324,621	1,220,500	104,121
Security of persons and property	2,718,183	2,728,183	2,614,139	114,044
Public health services	13,816	13,816	13,816	-
Community and economic development	144,288	174,288	158,721	15,567
Leisure time activity	59,897	67,397	53,546	13,851
Debt service	356,789	1,397,688	1,396,251	1,437
Total expenditures	<u>4,515,333</u>	<u>5,705,993</u>	<u>5,456,973</u>	<u>249,020</u>
Excess of revenues over expenditures	<u>1,586,681</u>	<u>812,547</u>	<u>832,117</u>	<u>19,570</u>
Other financing sources (uses):				
Proceeds from sale of debt	-	1,090,000	1,090,000	-
Premiums from sale of debt	-	20,701	15,170	(5,531)
Advances in	40,000	40,000	40,000	-
Transfers out	(1,722,256)	(1,986,585)	(1,956,110)	30,475
Total other financing sources (uses)	<u>(1,682,256)</u>	<u>(835,884)</u>	<u>(810,940)</u>	<u>24,944</u>
Net change in fund balance	(95,575)	(23,337)	21,177	\$ 44,514
Fund balance, beginning of year	412,568	412,568	412,568	
Prior year encumbrances appropriated	27,690	27,690	27,690	
Fund balance, end of year	<u>\$ 344,683</u>	<u>\$ 416,921</u>	<u>\$ 461,435</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual - Budget (Non-GAAP) Basis

Fire Improvement Fund

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	\$ 1,141,910	\$ 1,226,910	\$ 1,202,967	\$ (23,943)
Intergovernmental	116,644	116,664	128,407	11,743
Charges for services	782,004	782,004	813,022	31,018
Other	164,950	38,000	35,092	(2,908)
Total revenues	<u>2,205,508</u>	<u>2,163,578</u>	<u>2,179,488</u>	<u>15,910</u>
Expenditures:				
Current:				
Security of persons and property				
Fire Department				
Personal services	2,849,800	2,849,800	2,824,960	24,840
Contractual services	404,521	425,021	425,021	-
Operations/maintenance	161,876	188,876	186,145	2,731
Capital outlay	5,000	5,000	4,925	75
Debt service	69,615	69,615	69,614	1
Total expenditures	<u>3,490,812</u>	<u>3,538,312</u>	<u>3,510,665</u>	<u>27,647</u>
Excess of revenues over (under) expenditures	<u>(1,285,304)</u>	<u>(1,374,734)</u>	<u>(1,331,177)</u>	<u>43,557</u>
Other financing source (uses):				
Transfers in	1,380,913	1,380,913	1,380,913	-
Total other financing sources (uses)	<u>1,380,913</u>	<u>1,380,913</u>	<u>1,380,913</u>	<u>-</u>
Net change in fund balance	95,609	6,179	49,736	\$ 43,557
Fund balance, beginning of year	1,170	1,170	1,170	
Prior year encumbrances appropriated	6,321	6,321	6,321	
Fund balance, end of year	<u>\$ 103,100</u>	<u>\$ 13,670</u>	<u>\$ 57,227</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Net Position
 Proprietary Funds
 December 31, 2015

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 936,310	\$ 160,094	\$ 333,183	\$ 1,429,587
Receivables:				
Accounts	111,572	255,144	45,189	411,905
Prepaid items	14,263	19,098	-	33,361
Materials and supplies inventory	68,798	683	-	69,481
Total current assets	<u>1,130,943</u>	<u>435,019</u>	<u>378,372</u>	<u>1,944,334</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agent	-	1,537,083	-	1,537,083
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	4,560	-	485,420
Depreciable capital assets, net	12,726,045	17,931,602	1,874,799	32,532,446
Total non-current assets	<u>13,206,905</u>	<u>19,490,423</u>	<u>1,874,799</u>	<u>34,572,127</u>
Total assets	<u>14,337,848</u>	<u>19,925,442</u>	<u>2,253,171</u>	<u>36,516,461</u>
Deferred outflows of resources				
Deferred charge on refunding	-	726,204	-	726,204
Pensions	39,943	48,412	-	88,355
Total deferred outflows of resources	<u>39,943</u>	<u>774,616</u>	<u>-</u>	<u>814,559</u>
Liabilities				
Current liabilities:				
Accounts payable	16,748	45,621	42,810	105,179
Accrued salaries	6,189	18,033	-	24,222
Intergovernmental payable	6,627	12,705	-	19,332
Accrued interest payable	70,420	91,034	-	161,454
Compensated absences payable, current portion of	3,420	11,601	-	15,021
Advances from other funds	-	-	17,178	17,178
Capital lease payable, current portion of	11,172	-	-	11,172
Revenue bonds payable, current portion of	-	870,000	-	870,000
General obligation bonds payable, current portion of	-	160,000	-	160,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	290,824	-	-	290,824
Total current liabilities	<u>405,400</u>	<u>1,301,302</u>	<u>81,018</u>	<u>1,787,720</u>
Long-term liabilities:				
Capital lease payable, net of current portion	23,351	-	-	23,351
Revenue bonds payable, net of current portion	-	13,056,291	-	13,056,291
General obligation bonds payable, net of current portion	-	4,705,434	-	4,705,434
OPWC loans payable, net of current portion	-	1,015,391	262,875	1,278,266
OWDA loans payable, net of current portion	3,876,804	-	-	3,876,804
Compensated absences payable, net of current portion	53,467	184,842	-	238,309
Net pension liability	212,723	257,821	-	470,544
Total long-term liabilities	<u>4,166,345</u>	<u>19,219,779</u>	<u>262,875</u>	<u>23,648,999</u>
Total liabilities	<u>4,571,745</u>	<u>20,521,081</u>	<u>343,893</u>	<u>25,436,719</u>
Deferred inflows of resources				
Pensions	3,737	4,529	-	8,266
Net Position				
Net investment in capital assets	9,004,754	(1,237,058)	1,590,894	9,358,590
Restricted for debt service	-	1,537,083	-	1,537,083
Unrestricted (deficit)	797,555	(125,577)	318,384	990,362
Total net position	<u>\$ 9,802,309</u>	<u>\$ 174,448</u>	<u>\$ 1,909,278</u>	<u>\$ 11,886,035</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Operating revenues:				
Charges for services	\$ 1,742,204	\$ 3,600,031	\$ 615,018	\$ 5,957,253
Other	<u>2,399</u>	<u>12,028</u>	<u>-</u>	<u>14,427</u>
Total operating revenues	<u>1,744,603</u>	<u>3,612,059</u>	<u>615,018</u>	<u>5,971,680</u>
Operating expenses:				
Personnel services	437,453	628,234	-	1,065,687
Contractual services	265,036	393,098	489,362	1,147,496
Supplies and materials	119,337	253,473	-	372,810
Other	303,916	284,744	4,106	592,766
Depreciation	<u>425,441</u>	<u>830,361</u>	<u>46,613</u>	<u>1,302,415</u>
Total operating expenses	<u>1,551,183</u>	<u>2,389,910</u>	<u>540,081</u>	<u>4,481,174</u>
Operating income	193,420	1,222,149	74,937	1,490,506
Non-operating revenues (expenses):				
Interest revenue	-	545	-	545
Interest expense and fiscal charges	<u>(157,091)</u>	<u>(737,126)</u>	<u>-</u>	<u>(894,217)</u>
Total non-operating revenues (expenses)	<u>(157,091)</u>	<u>(736,581)</u>	<u>-</u>	<u>(893,672)</u>
Income before transfers	36,329	485,568	74,937	596,834
Transfers in	-	270,531	-	270,531
Transfers out	<u>-</u>	<u>-</u>	<u>(28,469)</u>	<u>(28,469)</u>
Change in net position	36,329	756,099	46,468	838,896
Net position, beginning of year, <i>restated</i>	<u>9,765,980</u>	<u>(581,651)</u>	<u>1,862,810</u>	<u>11,047,139</u>
Net position, end of year	<u>\$ 9,802,309</u>	<u>\$ 174,448</u>	<u>\$ 1,909,278</u>	<u>\$ 11,886,035</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,727,868	\$ 3,570,354	\$ 610,094	\$ 5,908,316
Cash payments for employee services and benefits	(451,313)	(583,296)	-	(1,034,609)
Cash payments to suppliers for goods and services	(406,795)	(704,315)	(486,003)	(1,597,113)
Cash payments for other operating expenses	(303,916)	(284,744)	(4,106)	(592,766)
Cash received from other operating revenue	2,399	12,028	-	14,427
Net cash from operating activities	<u>568,243</u>	<u>2,010,027</u>	<u>119,985</u>	<u>2,698,255</u>
Cash flows from noncapital financing activities:				
Transfers	-	270,531	(28,469)	242,062
Return advances to other funds	-	-	(40,000)	(40,000)
Net cash from noncapital financing activities	<u>-</u>	<u>270,531</u>	<u>(68,469)</u>	<u>202,062</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(414,132)	-	(414,132)
Principal retirement	(216,846)	(1,372,311)	(21,030)	(1,610,187)
Interest paid	(161,823)	(708,695)	-	(870,518)
OWDA loan proceeds	13,720	-	-	13,720
Net cash from capital and related financing activities	<u>(364,949)</u>	<u>(2,495,138)</u>	<u>(21,030)</u>	<u>(2,881,117)</u>
Cash flows from investing activities:				
Interest	-	545	-	545
Net change	203,294	(214,035)	30,486	19,745
Cash and pooled investments beginning of year	<u>733,016</u>	<u>1,911,212</u>	<u>302,697</u>	<u>2,946,925</u>
Cash and pooled investments end of year	<u>\$ 936,310</u>	<u>\$ 1,697,177</u>	<u>\$ 333,183</u>	<u>\$ 2,966,670</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 193,420	\$ 1,222,149	\$ 74,937	\$ 1,490,506
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	425,441	830,361	46,613	1,302,415
Changes in deferred outflows - pensions	(13,994)	(16,962)	-	(30,956)
Changes in deferred inflows - pensions	3,737	4,529	-	8,266
Changes in assets and liabilities:				
Receivables	(14,336)	(29,677)	(4,924)	(48,937)
Prepaid items	(3,846)	(4,515)	-	(8,361)
Materials and supplies inventory	(15,630)	590	-	(15,040)
Accounts payable	(2,946)	(53,819)	3,359	(53,406)
Accrued salaries	925	1,889	-	2,814
Intergovernmental payable	197	(1,503)	-	(1,306)
Compensated absences payable	(9,530)	51,162	-	41,632
Net pension liability	4,805	5,823	-	10,628
Net cash from operating activities	<u>\$ 568,243</u>	<u>\$ 2,010,027</u>	<u>\$ 119,985</u>	<u>\$ 2,698,255</u>
Schedule of non-cash capital and related financing activities:				
Capital assets acquired through capital leases	\$ <u>34,523</u>	<u>-</u>	<u>-</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2015

Assets

Cash in segregated accounts	\$ 10,256
Equity in pooled cash and investments	41,708
Receivables:	
Income taxes	<u>49,686</u>
Total assets	<u>\$ 101,650</u>

Liabilities

Intergovernmental payable	<u>\$ 101,650</u>
Total liabilities	<u>\$ 101,650</u>

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Harrison are prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies used in the preparation of these financial statements are summarized below.

A. Reporting Entity

The City of Harrison, Ohio (the "City") is a charter city and operates under the Mayor-Council form of government. A seven-member council is elected and the council selects one of its members to serve as mayor.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are fairly presented. The primary government of the City consists of all funds and departments that comprise the legal entity of the City. They provide various services including police, fire, court, park and recreation, water sewage and sanitary services, street and sewer maintenance

Included as part of the City's primary government in the determination of the City's reporting entity is the Harrison Mayor's Court (the "Court"). Although the Court's territorial jurisdiction extends beyond the boundaries of the City, the Court's operations are not legally separate from the City. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying basic financial statements.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District

In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received \$125,471 in revenues through the JEDD in 2015.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. The statements distinguish between those activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund activities are generally eliminated to avoid the "doubling-up" effect on revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of expenses with program revenues identifies the extent to which each governmental function or business-type segment is self-financing or relies upon general revenues of the City.

Fund Financial Statements

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. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, deferred inflows of resources and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental funds are those through which most governmental functions typically are financed. The following are the City's major governmental funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire Improvement Fund – This fund accounts for voted property taxes and contracts that relate to the operation of the fire department.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

B. Basis of Presentation - *continued*

Proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. Proprietary funds are either classified as enterprise or internal service. The City does not have any internal service funds.

Water Fund - Accounts for the provision of water service to the City and surrounding areas.

Sewer Fund - Accounts for the provision of sanitary sewer service to the City and surrounding areas.

The other enterprise funds of the City are used to account for storm water, water/wastewater deposits and sanitation.

Fiduciary Funds. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for monies held by the Mayor's Court in a fiduciary capacity and to account for the administering and collection of income taxes related to the Joint Economic Development District.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred outflows and inflows of resources are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources. Since governmental funds financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds financial statements include reconciliations to the government-wide statements.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Measurement Focus - continued

All governmental fund types are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is sixty days after year-end. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Revenues – Exchange and Non-Exchange Transactions

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned. Revenue from property taxes and payments in lieu of taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, grants, and municipal income tax.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

C. Measurement Focus - *continued*

Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflow of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For the City, deferred outflows of resources are reported on the government-wide and proprietary statements of financial position for deferred charge on refunding and for pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are explained in Note 8.

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and pensions. Receivables for property taxes and payments in lieu of taxes represent amounts that are measurable as of December 31, 2015, but are intended to finance 2016 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after year-end). Deferred inflows of resources related to pensions are explained in Note 8.

Since governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide financial statements, governmental funds' financial statements include reconciliations to the government-wide financial statements.

D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During 2015, investments were limited to STAR Ohio and U.S. Government money market mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

D. Cash and Investments - *continued*

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2015.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2015, interest revenue credited to the general fund amounted to \$16,145, which includes \$14,417 assigned from other funds.

The City has segregated bank accounts for the Mayor's court and senior center deposits which are held separate from the City's central bank account. The depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited in the City treasury.

At year end, the City had \$1,537,083 held by a trustee as designated by bond indenture. This amount is reported as "restricted cash and investments with fiscal agent" in the financial statements. An analysis of the City's deposits and investments at year end is provided in Note 3.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

Inventories are presented at cost on first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

G. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, infrastructure, furniture and equipment, vehicles and construction in progress, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets utilized by governmental activities are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

G. Capital Assets - *continued*

The City defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Infrastructure includes streets, storm sewers, water lines and sewer lines. Interest on constructed capital assets is capitalized for business-type activities. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

All capital assets except for land and construction in progress are depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Infrastructure	50 years
Buildings	50 years
Furniture and equipment	5-20 years
Vehicles	8 years
Land improvements	20 years

H. Restricted Assets

Certain cash and investments are classified as restricted cash on the financial statements because these funds are being held by a trustee as designated by the bond indenture.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

J. Interfund Balances

During the course of operations, transactions occur between individual funds for goods provided or services rendered. On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans (advances) are classified as "advances to other funds" and "advances from other funds". These amounts are eliminated in the governmental columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

L. Compensated Absences

The City follows the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”. Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave termination benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable that they will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end.

Vested vacation and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and retirements.

Payment of vacation and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore timing of future payments is not readily determinable. Management believes that sufficient resources will be available when payment is due.

M. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

N. Grants and Other Intergovernmental Revenues

Grants made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred.

O. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted into cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council. The City Council has authorized the Finance Director to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

O. Fund Balances - *continued*

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

P. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when the limitations imposed on its use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2015, none of the City's net position was restricted by enabling legislation.

The net position restricted for other purposes result from special revenue funds and the restriction on their net position use. When both restricted and non-restricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Q. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than fiduciary funds, are legally required to be budgeted and appropriated.

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted supplemental appropriations during 2015.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Q. Budgetary Process - *continued*

Tax Budget

By July 15, the Mayor submits an annual tax budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all of the previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or before January 31, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates.

Appropriations

The annual appropriation ordinance must be passed no later than April 1 of each year for the period January 1 to December 31. A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The appropriation ordinance fixes spending authority at the object level. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. Administrative control is maintained through the establishment of more detailed line-item budgets. The amounts on the budgetary schedules reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance for governmental funds since they do not constitute expenditures or liabilities.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Q. Budgetary Process - *continued*

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation lapses and is restored to the respective fund from which it was appropriated and becomes subject to future appropriation. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

While the City reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions according to cash receipts, disbursements, appropriations, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) rather than as an interfund receivables/payables (GAAP basis).

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING –*continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2015, on the GAAP basis to the budget basis are as follows:

	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Improvement</u>	
Net change in fund balance - GAAP Basis	\$ 185,171	\$ 179,117	
Net adjustment for revenue accruals	528,759	(3,850)	
Net adjustment for expenditure accruals	(526,671)	234,664	
Encumbrances	(77,247)	(195)	
Other sources (uses)	<u>(88,835)</u>	<u>(360,000)</u>	
Net change in fund balance - Budget Basis	<u>\$ 21,177</u>	<u>\$ 49,736</u>	

NOTE 3 - DEPOSITS AND INVESTMENTS

The City maintains a cash deposit and investment pool for all funds. Each fund's share of cash deposits and investments is shown separately on the statement of net position and balance sheets as "Equity in Pooled Cash and Investments".

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasury Assets Reserve of Ohio (STAR Ohio);
- (7) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
- (8) Under limited circumstance, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At December 31, 2015, the carrying amount of all City deposits was \$3,859,698. \$2,941,402 of the City’s bank balance of \$3,971,252 was exposed to custodial risk as discussed above, while \$1,029,850 was covered by FDIC.

Investments: The City’s investments at December 31, 2015 are summarized as follows:

Investment Type	Fair Value	Maturity 6 months or less
STAR Ohio	\$ 9,845	9,845
Money Market	<u>1,679,595</u>	<u>1,679,595</u>
	<u>\$ 1,689,440</u>	<u>1,689,440</u>

Credit Risk: The City’s investment in STAR Ohio and the money markets have an AAAM credit rating. The City’s investment policy limits its investments to those authorized by State statute.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in the State statute that prohibits payments for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City’s investments were not subject to custodial credit risk.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2015:

Investment Type	Fair Value	Percent of Total
STAR Ohio	\$ 9,845	0.6%
Money Market	1,679,595	99.4%
	\$ 1,689,440	100.0%

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the City manages its exposure to declines in fair value by limiting the maximum maturity of investments in its portfolio to five years.

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property current is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes, which became a lien December 31, 2014 are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2015 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2015 operations and the collection of the delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as deferred inflows of resources.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 5 - INCOME TAX

The City levies a municipal income tax of one percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 6 - INTERFUND ACTIVITY

Interfund activity as reported in the fund financial statements includes transfers, advances to/from funds and interfund receivable/payable. The following represent the transfers during 2015:

	Transfers In	Transfers Out	
General Fund	\$ -	\$ 1,956,110	
Fire Improvement	1,380,913	-	
Nonmajor governmental funds	603,666	270,531	
Sewer Fund	270,531	-	
Nonmajor enterprise fund	-	28,469	
	\$ 2,255,110	\$ 2,255,110	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations, debt service or capital improvements; and to return money to the fund from which it was originally provided once a project is completed and to segregate money for anticipated capital projects. Transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were done in accordance with Ohio Revised Code.

The following represent the outstanding advances to/from other funds as of December 31, 2015:

	Advances to Other Funds	Advances from Other Funds	
General Fund	\$ 35,411	\$ -	
Nonmajor governmental funds	-	35,411	
Sewer	17,178	-	
Nonmajor enterprise funds	-	17,178	
	\$ 52,589	\$ 52,589	

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 6 - INTERFUND ACTIVITY – *continued*

Advances to/from other funds are long-term interfund loans that are not expected to be repaid in the subsequent year. Advances to/from other funds between governmental funds are eliminated for reporting on the statement of net position. Advances to/from other funds between governmental activities and business-type activities are reported as a component of the “internal balance” reported on the statement of net position.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,015,891	\$ -	\$ -	\$ 3,015,891
Construction in progress	141,982	120,000	-	261,982
Total capital assets not being depreciated	<u>3,157,873</u>	<u>120,000</u>	<u>-</u>	<u>3,277,873</u>
<i>Capital assets being depreciated:</i>				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,954,990	-	-	3,954,990
Furniture and equipment	729,569	-	(22,995)	706,574
Vehicles	2,598,574	629,361	(443,339)	2,784,596
Infrastructure	14,130,295	-	-	14,130,295
Total capital assets being depreciated	<u>22,218,245</u>	<u>629,361</u>	<u>(466,334)</u>	<u>22,381,272</u>
Less accumulated depreciation:				
Land improvements	(785,541)	(4,633)	-	(790,174)
Buildings and improvements	(1,946,679)	(76,935)	-	(2,023,614)
Furniture and equipment	(509,708)	(13,895)	22,995	(500,608)
Vehicles	(1,565,192)	(231,717)	269,622	(1,527,287)
Infrastructure	(1,290,005)	(281,894)	-	(1,571,899)
Total accumulated depreciation	<u>(6,097,125)</u>	<u>(609,074)</u>	<u>292,617</u>	<u>(6,413,582)</u>
Total capital assets being depreciated, net	<u>16,121,120</u>	<u>20,287</u>	<u>(173,717)</u>	<u>15,967,690</u>
 Capital assets, net	 <u>\$ 19,278,993</u>	 <u>\$ 140,287</u>	 <u>\$ (173,717)</u>	 <u>\$ 19,245,563</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 7 - CAPITAL ASSETS – continued

Depreciation expense was charged to governmental functions as follows:

General government	\$ 90,457
Security of persons and property	265,286
Public health services	3,975
Transportation	225,923
Leisure time activities	<u>23,433</u>
Total depreciation expense	<u>\$ 609,074</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Total capital assets not being depreciated	<u>485,420</u>	<u>-</u>	<u>-</u>	<u>485,420</u>
<i>Capital assets being depreciated:</i>				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,180,102	-	-	10,180,102
Furniture and equipment	7,517,309	13,506	-	7,530,815
Vehicles	456,407	69,001	(16,186)	509,222
Infrastructure	<u>32,742,439</u>	<u>366,148</u>	<u>-</u>	<u>33,108,587</u>
Total capital assets being depreciated	<u>50,920,731</u>	<u>448,655</u>	<u>(16,186)</u>	<u>51,353,200</u>
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(3,545,092)	(206,163)	-	(3,751,255)
Furniture and equipment	(5,542,165)	(431,767)	-	(5,973,932)
Vehicles	(336,553)	(20,524)	16,186	(340,891)
Infrastructure	<u>(8,086,241)</u>	<u>(643,961)</u>	<u>-</u>	<u>(8,730,202)</u>
Total accumulated depreciation	<u>(17,534,525)</u>	<u>(1,302,415)</u>	<u>16,186</u>	<u>(18,820,754)</u>
Total capital assets being depreciated, net	<u>33,386,206</u>	<u>(853,760)</u>	<u>-</u>	<u>32,532,446</u>
Capital assets, net	<u>\$ 33,871,626</u>	<u>\$ (853,760)</u>	<u>\$ -</u>	<u>\$ 33,017,866</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 7 - CAPITAL ASSETS – *continued*

Depreciation expense was charged to segments as follows:

<u>Major enterprise funds</u>	
Water	\$ 425,441
Sewer	830,361
<u>Nonmajor enterprise fund</u>	
Storm water	<u>46,613</u>
Total depreciation expense	<u>\$ 1,302,415</u>

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS' Traditional Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of Service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by year of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2015, member contribution rates were 10% of salary and employer contribution rates were 14%. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 2.0% during calendar year 2015 (see Note 9). Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$186,291 for 2015. Of this amount, \$29,792 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

City full-time police and firefighters participate in the Ohio Police & Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, OH 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living adjustment (COLA). The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

	Police		Firefighters	
2015 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%
 2015 Actual Contribution Rates				
Employer::				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
 Total Employer	19.50	%	24.00	%
 Employee:				
January 1, 2015 through July 1, 2015	11.50	%	11.50	%
July 2, 2015 through December 31, 2015	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$639,601 for 2015. Of this amount, \$80,177 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 1,385,943	\$ 8,060,993	\$ 9,446,936
Proportion of Net Pension Liability	0.011491%	0.1556051%	
Pension Expense	\$ 150,764	\$ 786,313	\$ 937,077

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Net differences between projected and actual investment earnings	\$ 73,950	\$ 347,421	\$ 421,371
City contributions subsequent to the measurement date	<u>186,291</u>	<u>639,601</u>	<u>825,892</u>
	<u>\$ 260,241</u>	<u>\$ 987,022</u>	<u>\$ 1,247,263</u>
 <u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	<u>\$ 24,348</u>	<u>\$ -</u>	<u>\$ 24,348</u>

\$825,892 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$ 7,253	\$ 86,855	\$ 94,108
2017	7,253	86,855	94,108
2018	16,608	86,855	103,463
2019	<u>18,488</u>	<u>86,856</u>	<u>105,344</u>
	<u>\$ 49,602</u>	<u>\$ 347,421</u>	<u>\$ 397,023</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75%
Future salary increases, including inflation	4.25% to 10.05%, including wage inflation
COLA or Ad Hoc COLA	3%, simple
Investment rate of return	8%
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined health female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95% for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.28%

Discount Rate. The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7%) and one-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 2,558,398	\$ 1,385,943	\$ 406,192

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% to 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00%

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	-%	(0.25)%
Domestic equity	16.00%	4.47%
Non-US equity	16.00%	4.47%
Core fixed income*	20.00%	1.62%
Global inflation protected*	20.00%	1.33%
High yield	15.00%	3.39%
Real estate	12.00%	3.93%
Private markets	8.00%	6.98%
Timber	5.00%	4.92%
Master limited partnerships	<u>8.00%</u>	7.03%
Total	<u>120.00%</u>	

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Discount Rate. The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.25%) or one-percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate of 8.25%	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 11,149,573	\$ 8,060,993	\$ 5,445,905

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members' contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

Actual employer contributions for 2015, 2014 and 2013 which were used to fund post-employment benefits were approximately \$39,000, \$35,000 and \$21,000, respectively.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or on OP&F's website at www.op-f.org.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll throughout 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual contributions for 2015, 2014 and 2013 that were used to fund post-employment benefits were approximately \$15,000, \$15,000 and \$146,000, respectively.

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$75,592 at December 31, 2015.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the varying rates. Sick leave is cumulative without limit. In the event of death or separation, an employee is paid for a percentage of their accumulated sick leave up to a maximum. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$980,910 at December 31, 2015.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 11 - RISK MANAGEMENT

Risk Pool Membership

The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as the Ohio Risk Management Plan, (the “Plan”), a non-assessable, unincorporated nonprofit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan provides property, liability, errors and omissions, law enforcement, automobile, excessive liability, crime, surety and bond, inland marine and other coverage to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 783 and 774 members as of December 31, 2014 and 2013, respectively. Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform to accounting principles generally accepted in the United States of America and reported the following assets, liabilities and members’ equity at December 31, 2014 and 2013 (latest available):

	<u>2014</u>	<u>2013</u>
Assets	\$ 14,830,185	\$ 13,774,304
Liabilities	<u>(8,942,504)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$ 5,887,681</u>	<u>\$ 5,805,909</u>

You can read the complete audited financial statements for the OPRM at the Plan’s website, www.ohioplan.org.

Health Insurance

During 2015, the City provided employees insurance for medical, dental, and life through Humana Insurance. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to \$797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

Workers’ Compensation

Workers’ compensation claims are covered through the State of Ohio Workers Compensation Retrospective Plan. The City’s MCO is Sheakley Unicorp.

There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 12 - LONG-TERM LIABILITIES

The following is a summary of changes during 2015 and balances for governmental activities' long-term liabilities of the City as of December 31, 2015:

	<i>Restated</i> Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
<i>General Obligation Bonds</i>					
2005 Road and safety refunding bonds	\$ 1,270,000	\$ -	\$ (1,270,000)	\$ -	\$ -
2009 Various purpose bonds	1,655,000	-	(50,000)	1,605,000	50,000
2015 Various purpose and refunding bonds	-	3,185,000	(20,000)	3,165,000	360,000
Add unamortized premiums	72,216	71,281	(3,642)	139,855	-
<i>OPWC loans</i>					
2006 Jefferson Avenue project	271,647	-	(23,622)	248,025	23,622
2009 Kater Street improvements	441,266	-	(28,469)	412,797	28,469
2011 Carolina Trace improvements	600,172	-	(34,295)	565,877	34,296
2012 Harrison Avenue improvements	166,269	-	(9,238)	157,031	9,237
2014 Whipporwill Drive improvements	53,642	-	(2,751)	50,891	2,751
2014 Lyness Avenue improvements	108,115	-	(8,109)	100,006	5,406
2014 Featherwood Drive improvements	154,580	47,529	(5,053)	197,056	10,105
<i>ODOT loan</i>					
2006 New Haven bridge	116,161	-	(76,863)	39,298	39,298
<i>Other long-term obligations</i>					
Capital leases	916,900	606,917	(343,891)	1,179,926	295,651
Compensated absences	703,404	152,192	(52,424)	803,172	60,571
Net pension liability:					
OPERS	894,723	20,676	-	915,399	-
OP&F	7,578,456	482,537	-	8,060,993	-
Total governmental activities long-term obligations	<u>\$ 15,002,551</u>	<u>\$ 4,566,132</u>	<u>\$ (1,928,357)</u>	<u>\$ 17,640,326</u>	<u>\$ 919,406</u>

Series 2005 General Obligation Refunding Bonds

On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds to finance road and safety improvements. The bonds bear interest rates ranging from 4.25% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the Series 2000 various purpose general obligation bonds that were called in December 2010. During 2015, the City current refunded the remaining amounts that were scheduled to mature between December 2016 through December 2019 with the issuance of the Series 2015 general obligation various purpose improvement and refunding bonds.

Series 2009 General Obligation Various Purpose Improvement Bonds

On December 10, 2009, the City issued \$1,810,000 in Series 2009 various purpose general obligation bonds. The issue was split to provide financing for the construction of the Harrison Avenue bike trail and the construction of sidewalks. The bonds bear interest rates ranging from 2.0% to 5.25% and are scheduled to mature December 1, 2038.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Series 2015 General Obligation Various Purpose Improvement and Refunding Bonds

On October 15, 2015, the City issued \$3,185,000 in Series 2015 general obligation limited tax various purpose improvement and refunding bonds to refinance \$1,525,000 in public infrastructure bond anticipation notes, current refund \$1,305,000 in Series 2005 general obligation refunding bonds, and finance State Street improvements. The bonds bear interest rates ranging from 1.0% to 4.0% and are scheduled to mature December 1, 2034. The current refunding reduced the City’s total debt service payments by \$60,728 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$57,455.

OPWC Loans

Improvements to the City’s street infrastructure were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2015, the City has seven interest-free loans outstanding through the OPWC payable from governmental activities. The loans are payable in semi-annual installments of principal.

ODOT Loan

The City borrowed \$564,170 from the Ohio Department of Transportation (ODOT) to finance the City’s portion of the ODOT project to widen New Haven Road over Interstate 74. The loan bears interest rates ranging from 0% to 5%. Payments are payable in semi-annual installments with a maturity in 2016.

Compensated Absences

Compensated absences for governmental activities will be liquidated by the fund which pays the employee’s salary, with the General Fund and Fire Improvement Fund being the most significant fund.

The following is a summary of the City’s future annual debt service principal and interest requirements for government-type activities long term-obligations:

Year Ending December 31,	Governmental Activities						
	Various Purpose Series - 2009		Various Purpose and Refunding Series - 2015		ODOT Loan		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2016	\$ 50,000	\$ 77,863	\$ 360,000	\$ 83,663	\$ 39,298	\$ 598	\$ 113,886
2017	55,000	76,362	370,000	76,463	-	-	113,886
2018	55,000	74,575	375,000	69,063	-	-	113,886
2019	60,000	72,650	385,000	61,563	-	-	113,886
2020	60,000	70,400	115,000	53,863	-	-	113,886
2021-2025	335,000	312,101	570,000	229,601	-	-	569,424
2026-2030	435,000	216,037	510,000	147,900	-	-	448,888
2031-2035	340,000	106,576	480,000	48,025	-	-	143,941
2036-2038	215,000	22,838	-	-	-	-	-
Total	<u>\$ 1,605,000</u>	<u>\$ 1,029,402</u>	<u>\$ 3,165,000</u>	<u>\$ 770,141</u>	<u>\$ 39,298</u>	<u>\$ 598</u>	<u>\$ 1,731,683</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 12 - LONG-TERM LIABILITIES – *continued*

The following is a summary of changes during 2015 and balances for business-type activities' long-term liabilities of the City as of December 31, 2015:

	<i>Restated</i> Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
<i>General Obligation Bonds</i>					
2005 Sanitary Sewer Improvements	\$ 290,000	\$ -	\$ (290,000)	\$ -	\$ -
2010 Sanitary Sewer Improvements	4,895,000	-	(155,000)	4,740,000	160,000
Add unamortized premiums	131,705	-	(6,271)	125,434	-
<i>Revenue Bonds</i>					
2012 Revenue Refunding	14,565,000	-	(835,000)	13,730,000	870,000
Add unamortized premiums	211,591	-	(15,300)	196,291	-
<i>OPWC loans</i>					
State Street/Campbell Road sewer	1,200,010	-	(92,311)	1,107,699	92,308
Etta, Lellan and Joyce Avenue improvement	304,935	-	(21,030)	283,905	21,030
<i>OWDA loans</i>					
Water treatment plant	471,313	-	(31,022)	440,291	61,462
New Biddinger Rd./Caroline Trace Rd. water mains	1,237,401	-	(56,947)	1,180,454	88,139
Wellfield/transmission water mains	7,095	13,720	-	20,815	-
Marvin Rd./Carolina Trace water mains	1,325,499	-	(53,483)	1,272,016	71,113
Elevated water storage tank	1,313,061	-	(59,009)	1,254,052	70,110
<i>Other long-term obligations</i>					
Capital leases	16,385	34,523	(16,385)	34,523	11,172
Compensated absences	211,698	57,610	(15,978)	253,330	15,021
Net pension liability:					
OPERS	459,916	10,628	-	470,544	-
Total business-type activities long-term obligations	<u>\$ 26,640,609</u>	<u>\$ 116,481</u>	<u>\$ (1,647,736)</u>	<u>\$ 25,109,354</u>	<u>\$ 1,460,355</u>

General Obligation Bonds

On August 11, 2005, the City issued \$510,000 in general obligation bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 4.125% to 4.75% per annum and mature in various installments through December 1, 2024. During 2015, the City current refunded the remaining amounts that were scheduled to mature between December 2016 through December 2024 with the issuance of the Series 2015 general obligation various purpose improvement and refunding bonds.

On December 9, 2010, the City issued \$5,490,000 in general obligation sewer system improvement bonds for the purpose of retiring outstanding notes that were used to finance various improvements to the wastewater system. Serial bonds of \$1,600,000 range in interest rates of 2.0% to 3.4% and mature in 2020. Term bonds of \$3,890,000 range in interest rates of 3.75% to 5.25% and mature at varying times from 2022 to 2035.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Revenue bonds

On September 15, 2003, the City issued \$18,750,000 in wastewater system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes and \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds.

On May 4, 2012, the City issued \$16,550,000 in wastewater system revenue refunding bonds. The proceeds of the issuance were used to advance refund the outstanding balance of the 2003 wastewater system revenue improvements and refunding bonds. The interest rates on the Series 2012 bonds range from 2% and 4% and will fully mature in 2028.

The general obligation bonds and mortgage revenue bonds are expected to be retired with revenues of the sewer fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within the limitations of Ohio law. The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$16,550,000 in Series 2012 wastewater system revenue refunding bonds. Principal and interest paid for the current year and net revenue available for debt service were \$1,303,181 and \$2,053,055, respectively.

OPWC Loans

Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvements were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2015, the City has two interest-free loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal. The amounts due to the OPWC are payable solely from sewer and storm water revenues.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2015, the City has outstanding borrowings of \$4,167,628. The loans are payable in semi-annual payments with interest rates ranging from 2.84% to 3.64%. The future annual debt service principal and interest requirements disclosed were based on the balances outstanding as of December 31, 2015.

Compensated Absences

Compensated absences for business-type activities will be paid from the sewer and water enterprise funds.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2015 were:

Year Ending December 31,	Business-Type Activities						
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	OWDA	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2016	\$ 160,000	\$ 219,245	\$ 870,000	\$ 436,581	\$ 113,338	\$ 290,824	\$ 138,413
2017	165,000	215,245	905,000	401,781	113,338	300,696	128,542
2018	170,000	210,295	940,000	365,581	113,338	310,907	118,331
2019	175,000	205,195	980,000	327,981	113,338	321,469	107,769
2020	180,000	199,595	995,000	308,381	113,338	332,392	96,845
2021-2025	1,000,000	893,850	5,385,000	1,142,725	566,693	1,578,804	344,620
2026-2030	1,260,000	633,412	3,655,000	258,825	258,221	1,032,536	76,619
2031-2035	1,630,000	265,125	-	-	-	-	-
Total	<u>\$ 4,740,000</u>	<u>\$ 2,841,962</u>	<u>\$ 13,730,000</u>	<u>\$ 3,241,855</u>	<u>\$1,391,604</u>	<u>\$ 4,167,628</u>	<u>\$ 1,011,139</u>

NOTE 13 – SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Interest Rate	Balance 12/31/14	Increase	Decrease	Balance 12/31/15
Governmental Activities:							
Bond anticipation note	10/22/14	10/21/15	1.75%	1,525,000	-	(1,525,000)	-
Tax anticipation note	10/22/14	10/01/18	2.00%	245,000	-	(65,000)	180,000
Total				<u>\$ 1,770,000</u>	<u>\$ -</u>	<u>\$ (1,590,000)</u>	<u>\$ 180,000</u>

On October 24, 2013, the City retired \$310,000 in tax anticipation notes and reissued \$305,000 notes in anticipation of taxes from the fire improvement levy that initially provided funding for ambulance, paramedic and emergency medical services. The notes had an interest rate of 2.625%. On October 22, 2014, the City issued \$245,000 in tax anticipation notes that provided funding to rollover the October 2013 tax anticipation notes. These notes bear an interest rate of 2.00% and mature on October 1, 2018.

On October 24, 2014, the City issued \$1,525,000 in bond anticipation notes, \$1,250,000 in the Home Depot TIF Fund and \$275,000 in the Capital Improvements Fund, that provided funding to rollover previously issued bond anticipation notes that were initially used to finance the construction of new roads and infrastructure. The notes bear had an interest rate of 1.75%. On October 15, 2015, the City refinanced the bond anticipation notes with a portion of the proceeds from the Series 2015 general obligation various purpose improvement and refunding bonds.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 14 – CAPITAL LEASES

In prior years, the City entered into several capitalized leases for assets including police vehicles, street sweeper, paramedic vehicles, fire trucks, staff vehicles and various equipment. The leases met the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. For enterprise funds, fund capital assets acquired by capital lease and the related liability and interest expense have been reported in the water fund.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$1,957,616, with a net book value of \$1,136,536, for the governmental activities and \$34,523, with a net book value of \$32,797, in the business-type activities.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2015.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2016	\$ 335,566	\$ 12,195
2017	268,989	12,195
2018	216,668	12,196
2019	193,265	-
2020	126,944	-
2021-2022	<u>176,655</u>	<u>-</u>
Total	\$ 1,318,087	\$ 36,586
Less: amount representing interest	<u>(138,161)</u>	<u>(2,063)</u>
Present value of net minimum lease payments	<u>\$ 1,179,926</u>	<u>\$ 34,523</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 15 - FUND BALANCES

Fund balance is classified as nonspendable, restricted, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and nonmajor governmental funds are presented below:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Prepays	\$ 28,535	\$ 36,353	\$ 14,306	\$ 79,194
Inventory	-	-	10,127	10,127
Advances	<u>35,411</u>	-	-	<u>35,411</u>
<i>Total Nonspendable</i>	63,946	36,353	24,433	124,732
<i>Restricted for:</i>				
Police operations	-	-	2,541	2,541
Fire operations	-	-	4,202	4,202
Senior Center operations	-	-	61,928	61,928
Recreational activities	-	-	579,664	579,664
Street and highway projects	-	-	88,634	88,634
Law enforcement and education	-	-	6,722	6,722
Infrastructure projects	-	-	223,457	223,457
Other purposes	-	-	<u>3,766</u>	<u>3,766</u>
<i>Total Restricted</i>	-	-	970,914	970,914
<i>Committed to</i>				
Capital projects	-	-	<u>571,918</u>	<u>571,918</u>
<i>Assigned to:</i>				
Police operations	-	-	1,113	1,113
Debt service	-	-	385,239	385,239
Recreational activities	<u>46,812</u>	-	-	<u>46,812</u>
<i>Total Assigned</i>	46,812	-	386,352	433,164
<i>Unassigned (Deficit)</i>	<u>961,561</u>	<u>(229,594)</u>	<u>(31,152)</u>	<u>700,815</u>
<i>Total Fund Balance</i>	<u>\$ 1,072,319</u>	<u>\$ (193,241)</u>	<u>\$ 1,922,465</u>	<u>\$ 2,801,543</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 15 - FUND BALANCES – *continued*

At December 31, 2015, the following deficit fund balances were reported:

<u>Fund</u>	<u>Deficit</u>
Fire Improvement	\$ 193,241
Nonmajor Governmental Funds:	
Fire Memorial	8,308
Police Pension	22,844

These deficits resulted from the accrued but unpaid liabilities that are not payable from current period revenue and do not exist on a budget basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed. The City also had budgetary basis deficit fund balances due to grants and loans that were in the process of collection.

NOTE 16 - COMMITMENTS

The City utilizes encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances outstanding was as follows:

General Fund	\$ 77,247
Fire Improvement Fund	195
Nomajor Governmental Funds	<u>1,202,265</u>
	<u>\$ 1,279,707</u>

NOTE 17 - CONTINGENT LIABILITIES

Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect on the financial condition of the City.

Federal and State Grants

The City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The City believes all expenditures meet grant qualifications.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2015

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENTS

In 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These statements established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses. The implementation of these pronouncements had the following effect on net pension as reported December 31, 2014:

	Water	Sewer
Net Position at December 31, 2014	\$ 9,947,949	\$ (361,103)
Adjustments:		
Net pension liability	(207,918)	(251,998)
Deferred outflow - payment subsequent to measurement date	25,949	31,450
Restated Net Position at December 31, 2014	\$ 9,765,980	\$ (581,651)
	Governmental	Business-Type
	Activities	Activities
Net Position at December 31, 2014	\$ 14,317,454	\$ 11,449,656
Adjustments:		
Net pension liability	(8,473,179)	(459,916)
Deferred outflow - payment subsequent to measurement date	762,860	57,399
Restated Net Position at December 31, 2014	\$ 6,607,135	\$ 11,047,139

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred outflows/inflows of resources as the information needed to generate these restatements was not available.

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**Required Supplementary
Information**

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CITY OF HARRISON, OHIO

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System - Traditional Pension Plan

Last Two Measurement Periods (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.011491%	0.011491%
City's Proportionate Share of the Net Pension Liability	\$ 1,385,943	\$ 1,354,639
City's Covered-Employee Payroll	\$ 1,408,850	\$ 1,502,199
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.37%	90.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

CITY OF HARRISON, OHIO

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability

Ohio Police and Fire Pension Fund

Last Two Measurement Periods (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1556051%	0.1556051%
City's Proportionate Share of the Net Pension Liability	\$ 8,060,993	\$ 7,578,456
City's Covered-Employee Payroll	\$ 3,198,414	\$ 4,078,361
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.03%	185.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City Contributions
 Ohio Public Employees Retirement System - Traditional Pension Plan
 Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contributions	\$ 186,291	\$ 169,062	\$ 195,286	\$ 178,537	\$ 182,879
Contributions in Relation to the Contractually Required Contributions	<u>\$ (186,291)</u>	<u>\$ (169,062)</u>	<u>\$ (195,286)</u>	<u>\$ (178,537)</u>	<u>\$ (182,879)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 1,552,425	\$ 1,408,850	\$ 1,502,199	\$ 1,785,372	\$ 1,828,786
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%	10.00%	10.00%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contributions	\$ 175,512	\$ 172,345	\$ 168,526	\$ 163,946	\$ 155,023
Contributions in Relation to the Contractually Required Contributions	<u>\$ (175,512)</u>	<u>\$ (172,345)</u>	<u>\$ (168,526)</u>	<u>\$ (163,946)</u>	<u>\$ (155,023)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 1,967,620	\$ 2,089,027	\$ 2,407,513	\$ 1,963,425	\$ 1,685,036
Contributions as a Percentage of Covered-Employee Payroll	8.92%	8.25%	7.00%	8.35%	9.20%

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contributions	\$ 639,601	\$ 651,197	\$ 696,584	\$ 492,870	\$ 474,381
Contributions in Relation to the Contractually Required Contributions	<u>(639,601)</u>	<u>(651,197)</u>	<u>(696,584)</u>	<u>(492,870)</u>	<u>(474,381)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 3,183,678	\$ 3,198,414	\$ 4,078,361	\$ 3,382,773	\$ 3,352,516
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.36%	17.08%	14.57%	14.15%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contributions	\$ 469,877	\$ 442,825	\$ 359,715	\$ 316,719	\$ 309,989
Contributions in Relation to the Contractually Required Contributions	<u>(469,877)</u>	<u>(442,825)</u>	<u>(359,715)</u>	<u>(316,719)</u>	<u>(309,989)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 3,370,710	\$ 3,169,828	\$ 2,522,546	\$ 2,160,430	\$ 2,373,576
Contributions as a Percentage of Covered-Employee Payroll	13.94%	13.97%	14.26%	14.66%	13.06%

Combining Financial Statements And Individual Fund Schedules

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CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 General Fund
 Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Property and other taxes	\$ 1,086,402	\$ 1,150,402	1,118,193	\$ (32,209)
Income taxes	3,548,000	3,815,000	3,640,349	(174,651)
Intergovernmental	342,752	376,412	396,039	19,627
Charges for services	200	200	201	1
Fines, costs and forfeitures	116,000	125,000	124,211	(789)
Licenses, permits and inspections	300,000	323,525	321,799	(1,726)
Interest	18,000	18,000	16,291	(1,709)
Contributions	300	300	300	-
Other	690,360	709,701	671,707	(37,994)
Total revenues	<u>6,102,014</u>	<u>6,518,540</u>	<u>6,289,090</u>	<u>(229,450)</u>
Expenditures:				
Current:				
General government				
Planning commission:				
Operations/maintenance	<u>536</u>	<u>536</u>	<u>311</u>	<u>225</u>
Total planning commission	<u>536</u>	<u>536</u>	<u>311</u>	<u>225</u>
Information technology:				
Operations/maintenance	<u>33,700</u>	<u>98,700</u>	<u>98,385</u>	<u>315</u>
Income tax:				
Personal services	71,504	41,504	23,935	17,569
Contractual services	106,050	123,050	110,216	12,834
Operations/maintenance	4,500	4,500	4,033	467
Refunds/reimbursements	<u>2,500</u>	<u>2,500</u>	<u>2,260</u>	<u>240</u>
Total income tax	<u>184,554</u>	<u>171,554</u>	<u>140,444</u>	<u>31,110</u>
Jobs creation:				
Operations/maintenance	<u>90,000</u>	<u>80,000</u>	<u>76,682</u>	<u>3,318</u>
Mayor:				
Personal services	35,135	35,135	34,212	923
Contractual services	1,860	1,860	562	1,298
Operations/maintenance	<u>250</u>	<u>250</u>	<u>120</u>	<u>130</u>
Total mayor	<u>37,245</u>	<u>37,245</u>	<u>34,894</u>	<u>2,351</u>
Council:				
Personal services	67,500	67,500	67,209	291
Contractual services	60,200	100,181	91,690	8,491
Operations/maintenance	<u>1,850</u>	<u>1,850</u>	<u>1,744</u>	<u>106</u>
Total council	<u>\$ 129,550</u>	<u>\$ 169,531</u>	<u>\$ 160,643</u>	<u>\$ 8,888</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Economic development:				
Personal services	\$ 130,458	\$ 130,458	\$ 128,844	\$ 1,614
Contractual services	68,293	58,293	52,991	5,302
Operations/maintenance	21,645	21,645	21,616	29
Capital improvements	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total economic development	<u>221,396</u>	<u>211,396</u>	<u>203,451</u>	<u>7,945</u>
Finance:				
Personal services	228,304	233,304	226,859	6,445
Contractual services	57,988	57,988	55,115	2,873
Operations/maintenance	9,837	14,837	7,463	7,374
Capital improvements	<u>3,500</u>	<u>3,500</u>	<u>3,414</u>	<u>86</u>
Total finance	<u>299,629</u>	<u>309,629</u>	<u>292,851</u>	<u>16,778</u>
Custodian:				
Operations/maintenance	<u>5,000</u>	<u>5,000</u>	<u>1,426</u>	<u>3,574</u>
Total custodian	<u>5,000</u>	<u>5,000</u>	<u>1,426</u>	<u>3,574</u>
Civil service:				
Contractual services	3,500	3,500	2,432	1,068
Operations/maintenance	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total civil service	<u>3,600</u>	<u>3,600</u>	<u>2,432</u>	<u>1,168</u>
Real estate:				
Operations/maintenance	<u>20,000</u>	<u>20,000</u>	<u>16,325</u>	<u>3,675</u>
Total real estate	<u>20,000</u>	<u>20,000</u>	<u>16,325</u>	<u>3,675</u>
Law director:				
Personal services	54,961	89,061	87,427	1,634
Contractual services	<u>35,500</u>	<u>20,600</u>	<u>20,402</u>	<u>198</u>
Total law director	<u>90,461</u>	<u>109,661</u>	<u>107,829</u>	<u>1,832</u>
Magistrate:				
Personal services	64,449	64,449	63,304	1,145
Contractual services	7,570	8,650	7,219	1,431
Operations/maintenance	<u>570</u>	<u>570</u>	<u>430</u>	<u>140</u>
Total magistrate	<u>72,589</u>	<u>73,669</u>	<u>70,953</u>	<u>2,716</u>
General government:				
Operations/maintenance	<u>19,100</u>	<u>19,100</u>	<u>13,023</u>	<u>6,077</u>
Elections:				
Operations/maintenance	<u>15,000</u>	<u>15,000</u>	<u>851</u>	<u>14,149</u>
Total general government	<u>\$ 1,222,360</u>	<u>\$ 1,324,621</u>	<u>\$ 1,220,500</u>	<u>\$ 104,121</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Security of persons and property				
Law enforcement:				
Personal services	\$ 2,272,338	\$ 2,272,338	\$ 2,196,295	\$ 76,043
Contractual services	250,970	246,570	231,537	15,033
Operations/maintenance	81,800	81,800	59,065	22,735
Capital improvements	32,575	36,975	36,975	-
Total law enforcement	<u>2,637,683</u>	<u>2,637,683</u>	<u>2,523,872</u>	<u>113,811</u>
Street lighting:				
Operations/maintenance	80,500	90,500	90,267	233
Total security of persons and property	<u>2,718,183</u>	<u>2,728,183</u>	<u>2,614,139</u>	<u>114,044</u>
Public health and welfare				
Board of health:				
Operations/maintenance	13,816	13,816	13,816	-
Total public health services	<u>13,816</u>	<u>13,816</u>	<u>13,816</u>	<u>-</u>
Community and economic development				
Building department:				
Personal services	-	29,400	29,348	52
Contractual services	139,038	139,638	125,099	14,539
Operations/maintenance	2,250	2,250	1,626	624
Capital improvements	1,000	1,000	689	311
Total building department	<u>142,288</u>	<u>172,288</u>	<u>156,762</u>	<u>15,526</u>
Zoning department:				
Contractual services	500	500	472	28
Operations/maintenance	1,500	1,500	1,487	13
Total zoning department	<u>2,000</u>	<u>2,000</u>	<u>1,959</u>	<u>41</u>
Total community and economic development	<u>144,288</u>	<u>174,288</u>	<u>158,721</u>	<u>15,567</u>
Leisure time activity				
Parks and recreation:				
Personal services	19,697	24,697	21,621	3,076
Contractual services	30,200	30,200	28,958	1,242
Operations/maintenance	10,000	12,500	2,967	9,533
Total parks and recreation	<u>59,897</u>	<u>67,397</u>	<u>53,546</u>	<u>13,851</u>
Total leisure time activity	<u>59,897</u>	<u>67,397</u>	<u>53,546</u>	<u>13,851</u>
Debt service	<u>356,789</u>	<u>1,397,688</u>	<u>1,396,251</u>	<u>1,437</u>
Total expenditures	<u>\$ 4,515,333</u>	<u>\$ 5,705,993</u>	<u>\$ 5,456,973</u>	<u>\$ 249,020</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 General Fund
 Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Excess of revenues over expenditures	\$ 1,586,681	\$ 812,547	\$ 832,117	\$ 19,570
Other financing sources (uses):				
Proceeds from sale of debt	-	1,090,000	1,090,000	-
Premiums from sale of debt	-	20,701	15,170	(5,531)
Advances in	40,000	40,000	40,000	-
Transfers out	(1,722,256)	(1,986,585)	(1,956,110)	30,475
Total other financing sources (uses)	(1,682,256)	(835,884)	(810,940)	24,944
Net change in fund balance	(95,575)	(23,337)	21,177	\$ 44,514
Fund balance, beginning of year	412,568	412,568	412,568	
Prior year encumbrances appropriated	27,690	27,690	27,690	
Fund balance, end of year	\$ 344,683	\$ 416,921	\$ 461,435	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted or committed to expenditure for specific purposes.

Street Maintenance and Repair

This fund accounts for the portion of state gasoline tax and motor vehicle registration fees restricted for the maintenance of the streets within the City.

State Highway Improvements

This fund accounts for the portion of state gasoline tax and motor vehicle registration fees restricted for the maintenance of the state highways within the City.

Fire Memorial

This fund accounts for donations received by the local fire department.

Community Center

This fund accounts for transfers in from the general fund and funds received from Harrison Township to finance the maintenance and operation of the community center.

Fire Capital Reserve

This fund accounts for transfers from the fire department to be used for capital improvement purchases.

Senior Center

This fund accounts for receipts from the Council on Aging of Southwestern Ohio. This fund also accounts for transfers in from the general fund, which finances meals and recreational programs to senior citizens of the Harrison community.

Passport Account

This fund accounts for the funds received from the Council on Aging of Southwestern Ohio.

Court Computer

This fund accounts for the collection of fees to pay the cost of computerized legal research.

Project Lifesaver

This fund accounts for program donations and expenditures for the Project Lifesaver program, utilizing state of the art technology to locate victims who become lost due to wandering.

Police Pension

This fund accounts for property taxes levied for the payment of the current liability for police disability and pension benefits.

Drug Law Enforcement

To fund accounts for a percentage of receipts from court cases to be used for purchase of equipment, training, and travel in the fight against drugs.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

This fund accounts for monies received from the Federal Law Enforcement agencies designated for law enforcement purposes under Ohio Revised Code.

Enforcement and Education

This fund accounts for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

FEMA

This fund accounts for the federal portion of grant monies received from the Federal Emergency Management Agency through the Ohio Emergency Management Agency.

Police Memorial

This fund accounts for donations received by the police department. These monies may be used at the discretion of the Police Chief.

Recreation Tax Receipts

This fund accounts for tax revenues received from developers to be used for parks and recreation.

Indigent Interlock

This fund accounts for interlock court fine settlements from the State of Ohio and Hamilton County.

Recreation Activity Receipts

This fund accounts for the charges for services for recreational activities in the City. With the implementation of GASB Statement No. 54, this fund no longer met the definition to be reported as a Special Revenue Fund and has been included with the General Fund in the governmental fund financial statements. Therefore, the City has only presented the budgetary schedule for this fund based upon its legally-adopted budget.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service

This fund accounts for transfers in from the general fund for the retirement of principal and interest on general obligation debt.

Special Assessment

This fund accounts for various special assessments received by the City.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Capital Improvements

To account for resources used to purchase equipment and construct capital assets.

Home Depot TIF

To account for payments in lieu of taxes received from this TIF District for public improvements.

Harrison Avenue TIF

To account for infrastructure improvements and development of the Harrison Avenue street complex.

CTS TIF

To account for infrastructure improvements and development in and around Cincinnati Test Systems' headquarters.

Street and Safety Construction

This fund accounts for the construction of various street improvements.

CITY OF HARRISON, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash and investments	\$ 690,937	\$ 408,467	\$ 774,619	\$ 1,874,023
Cash in segregated accounts	13,502	-	-	13,502
Receivables:				
Property and other taxes	61,091	-	11,587	72,678
Payment in lieu of taxes	-	-	560,000	560,000
Accounts	11,399	-	-	11,399
Intergovernmental	246,319	-	-	246,319
Prepaid items	14,306	-	-	14,306
Materials and supplies inventory	10,127	-	-	10,127
Total assets	<u>\$ 1,047,681</u>	<u>\$ 408,467</u>	<u>\$ 1,346,206</u>	<u>\$ 2,802,354</u>
 Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 22,554	\$ -	\$ 14,059	\$ 36,613
Accrued salaries	17,288	-	-	17,288
Intergovernmental payable	36,085	-	-	36,085
Advances from other funds	35,411	-	-	35,411
Total liabilities	<u>111,338</u>	<u>-</u>	<u>14,059</u>	<u>125,397</u>
 Deferred Inflows of Resources:				
Property taxes and payment in lieu of taxes	58,864	-	560,000	618,864
Unavailable revenue	135,628	-	-	135,628
Total deferred inflows of resources	<u>194,492</u>	<u>-</u>	<u>560,000</u>	<u>754,492</u>
 Fund balances:				
Nonspendable	24,433	-	-	24,433
Restricted	747,457	23,228	200,229	970,914
Committed	-	-	571,918	571,918
Assigned	1,113	385,239	-	386,352
Unassigned	(31,152)	-	-	(31,152)
Total fund balances	<u>741,851</u>	<u>408,467</u>	<u>772,147</u>	<u>1,922,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,047,681</u>	<u>\$ 408,467</u>	<u>\$ 1,346,206</u>	<u>\$ 2,802,354</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 100,853	\$ -	\$ 95,691	\$ 196,544
Payments in lieu of taxes	-	-	524,329	524,329
Intergovernmental	685,279	-	-	685,279
Charges for services	9,181	-	-	9,181
Fines, costs and forfeitures	4,784	-	-	4,784
Contributions	25,549	-	-	25,549
Other	17,715	-	-	17,715
Total revenues	<u>843,361</u>	<u>-</u>	<u>620,020</u>	<u>1,463,381</u>
Expenditures:				
Current:				
Security of persons and property	79,550	-	-	79,550
Public health services	234,523	-	-	234,523
Leisure time activity	114,869	-	-	114,869
Transportation	609,815	-	-	609,815
General government	-	-	243,083	243,083
Capital outlay	127,563	-	220,058	347,621
Debt service:				
Principal retirement	5,500	-	184,570	190,070
Interest and fiscal charges	861	-	119,602	120,463
Issuance costs	-	-	49,704	49,704
Total expenditures	<u>1,172,681</u>	<u>-</u>	<u>817,017</u>	<u>1,989,698</u>
Excess of revenues over (under) expenditures	<u>(329,320)</u>	<u>-</u>	<u>(196,997)</u>	<u>(526,317)</u>
Other financing sources (uses):				
Transfers in	335,197	-	268,469	603,666
Transfers out	-	-	(270,531)	(270,531)
OPWC loans issued	-	-	47,529	47,529
Issuance of bonds	-	-	2,095,000	2,095,000
Premiums on issuance of bonds	-	-	56,111	56,111
Inception of capital leases	118,082	-	-	118,082
Total other financing sources (uses)	<u>453,279</u>	<u>-</u>	<u>2,196,578</u>	<u>2,649,857</u>
Net change in fund balance	123,959	-	1,999,581	2,123,540
Fund balance at beginning of year	<u>617,892</u>	<u>408,467</u>	<u>(1,227,434)</u>	<u>(201,075)</u>
Fund balance at end of year	<u>\$ 741,851</u>	<u>\$ 408,467</u>	<u>\$ 772,147</u>	<u>\$ 1,922,465</u>

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2015

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Assets:							
Equity in pooled cash and investments	\$ 29,657	\$ 21,395	\$ 6,692	\$ 24,839	\$ 4,202	\$ 34,157	\$ 3,198
Cash in segregated accounts	-	-	-	-	-	13,502	-
Receivables:							
Property and other taxes	-	-	-	-	-	-	-
Accounts	9,590	-	-	-	-	1,177	391
Intergovernmental	186,193	14,610	-	8,972	-	32,999	-
Prepaid items	10,320	-	-	1,250	-	2,736	-
Materials and supplies inventory	10,127	-	-	-	-	-	-
Total assets	<u>\$ 245,887</u>	<u>\$ 36,005</u>	<u>\$ 6,692</u>	<u>\$ 35,061</u>	<u>\$ 4,202</u>	<u>\$ 84,571</u>	<u>\$ 3,589</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:							
Liabilities:							
Accounts payable	\$ 2,484	\$ -	\$ -	\$ 3,953	\$ -	\$ 14,239	\$ 1,878
Accrued salaries	11,137	-	-	1,785	-	4,366	-
Intergovernmental payable	8,923	-	-	1,305	-	3,013	-
Advances from other funds	-	20,411	15,000	-	-	-	-
Total liabilities	<u>22,544</u>	<u>20,411</u>	<u>15,000</u>	<u>7,043</u>	<u>-</u>	<u>21,618</u>	<u>1,878</u>
Deferred Inflows of Resources:							
Property taxes and payment in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenue	120,116	9,740	-	-	-	-	-
Total deferred inflows of resources	<u>120,116</u>	<u>9,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	20,447	-	-	1,250	-	2,736	-
Restricted	82,780	5,854	-	26,768	4,202	60,217	1,711
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(8,308)	-	-	-	-
Total fund balances	<u>103,227</u>	<u>5,854</u>	<u>(8,308)</u>	<u>28,018</u>	<u>4,202</u>	<u>62,953</u>	<u>1,711</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 245,887</u>	<u>\$ 36,005</u>	<u>\$ 6,692</u>	<u>\$ 35,061</u>	<u>\$ 4,202</u>	<u>\$ 84,571</u>	<u>\$ 3,589</u>

				Law							
Court	Project	Police	Drug Law	Enforcement	Enforcement	FEMA	Police	Recreation	Indigent		TOTAL
Computer	Lifesaver	Pension	Enforcement	Trust	and Education		Memorial	Tax Receipts	Interlock		
\$ 1,154	\$ 2,541	\$ -	\$ 1,273	\$ 137	\$ 2,517	\$ 3,766	\$ 1,113	\$ 552,896	\$ 1,400	\$ 690,937	
-	-	-	-	-	-	-	-	-	-	13,502	
-	-	61,091	-	-	-	-	-	-	-	61,091	
116	-	-	125	-	-	-	-	-	-	11,399	
-	-	3,545	-	-	-	-	-	-	-	246,319	
-	-	-	-	-	-	-	-	-	-	14,306	
-	-	-	-	-	-	-	-	-	-	10,127	
<u>\$ 1,270</u>	<u>\$ 2,541</u>	<u>\$ 64,636</u>	<u>\$ 1,398</u>	<u>\$ 137</u>	<u>\$ 2,517</u>	<u>\$ 3,766</u>	<u>\$ 1,113</u>	<u>\$ 552,896</u>	<u>\$ 1,400</u>	<u>\$ 1,047,681</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,554	
-	-	-	-	-	-	-	-	-	-	17,288	
-	-	22,844	-	-	-	-	-	-	-	36,085	
-	-	-	-	-	-	-	-	-	-	35,411	
-	-	22,844	-	-	-	-	-	-	-	111,338	
-	-	58,864	-	-	-	-	-	-	-	58,864	
-	-	5,772	-	-	-	-	-	-	-	135,628	
-	-	64,636	-	-	-	-	-	-	-	194,492	
-	-	-	-	-	-	-	-	-	-	24,433	
1,270	2,541	-	1,398	137	2,517	3,766	-	552,896	1,400	747,457	
-	-	-	-	-	-	-	1,113	-	-	1,113	
-	-	(22,844)	-	-	-	-	-	-	-	(31,152)	
<u>1,270</u>	<u>2,541</u>	<u>(22,844)</u>	<u>1,398</u>	<u>137</u>	<u>2,517</u>	<u>3,766</u>	<u>1,113</u>	<u>552,896</u>	<u>1,400</u>	<u>741,851</u>	
<u>\$ 1,270</u>	<u>\$ 2,541</u>	<u>\$ 64,636</u>	<u>\$ 1,398</u>	<u>\$ 137</u>	<u>\$ 2,517</u>	<u>\$ 3,766</u>	<u>\$ 1,113</u>	<u>\$ 552,896</u>	<u>\$ 1,400</u>	<u>\$ 1,047,681</u>	

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2015

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
<i>Assets:</i>			
Equity in pooled cash and investments	\$ 385,239	\$ 23,228	\$ 408,467
Total assets	<u>\$ 385,239</u>	<u>\$ 23,228</u>	<u>\$ 408,467</u>
<i>Fund Balances:</i>			
Restricted	\$ -	\$ 23,228	\$ 23,228
Assigned	<u>385,239</u>	<u>-</u>	<u>385,239</u>
Total fund balances	<u>385,239</u>	<u>23,228</u>	<u>408,467</u>
Total liabilities and fund balances	<u>\$ 385,239</u>	<u>\$ 23,228</u>	<u>\$ 408,467</u>

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Capital Improvements	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
Assets:						
Equity in pooled cash and investments	\$ 560,331	\$ 145,915	\$ 33,621	\$ 31,865	\$ 2,887	\$ 774,619
Receivables:						
Property and other taxes	11,587	-	-	-	-	11,587
Payment in lieu of taxes	-	215,000	280,000	65,000	-	560,000
Total assets	<u>\$ 571,918</u>	<u>\$ 360,915</u>	<u>\$ 313,621</u>	<u>\$ 96,865</u>	<u>\$ 2,887</u>	<u>\$ 1,346,206</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 14,059	\$ -	\$ 14,059
Total liabilities	-	-	-	14,059	-	14,059
Deferred Inflows of Resources:						
Property taxes and payment in lieu of taxes	-	215,000	280,000	65,000	-	560,000
Total deferred inflows of resources	-	215,000	280,000	65,000	-	560,000
Fund Balances:						
Restricted	-	145,915	33,621	17,806	2,887	200,229
Committed	571,918	-	-	-	-	571,918
Total fund balances	<u>571,918</u>	<u>145,915</u>	<u>33,621</u>	<u>17,806</u>	<u>2,887</u>	<u>772,147</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 571,918</u>	<u>\$ 360,915</u>	<u>\$ 313,621</u>	<u>\$ 96,865</u>	<u>\$ 2,887</u>	<u>\$ 1,346,206</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2015

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Revenues:							
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	442,481	29,850	-	40,594	-	164,905	360
Charges for services	2,614	-	-	100	-	-	6,467
Fines, costs and forfeitures	-	-	-	-	-	-	-
Contributions	-	-	1,030	-	-	23,971	-
Other	17,311	-	-	-	-	-	-
Total revenues	<u>462,406</u>	<u>29,850</u>	<u>1,030</u>	<u>40,694</u>	<u>-</u>	<u>188,876</u>	<u>6,827</u>
Expenditures:							
Current:							
Security of persons and property	-	-	2,427	-	-	-	-
Public health services	-	-	-	-	-	228,252	6,271
Leisure time activity	-	-	-	114,869	-	-	-
Transportation	588,015	21,800	-	-	-	-	-
Capital outlay	127,563	-	-	-	-	-	-
Debt service							
Principal retirement	5,500	-	-	-	-	-	-
Interest and fiscal charges	861	-	-	-	-	-	-
Total expenditures	<u>721,939</u>	<u>21,800</u>	<u>2,427</u>	<u>114,869</u>	<u>-</u>	<u>228,252</u>	<u>6,271</u>
Excess of revenues over (under) expenditures	<u>(259,533)</u>	<u>8,050</u>	<u>(1,397)</u>	<u>(74,175)</u>	<u>-</u>	<u>(39,376)</u>	<u>556</u>
Other financing sources							
Transfers in	151,889	-	-	107,812	-	75,496	-
Inception of capital leases	118,082	-	-	-	-	-	-
Total other financing sources	<u>269,971</u>	<u>-</u>	<u>-</u>	<u>107,812</u>	<u>-</u>	<u>75,496</u>	<u>-</u>
Net change in fund balance	10,438	8,050	(1,397)	33,637	-	36,120	556
Fund balance at beginning of year	<u>92,789</u>	<u>(2,196)</u>	<u>(6,911)</u>	<u>(5,619)</u>	<u>4,202</u>	<u>26,833</u>	<u>1,155</u>
Fund balance at end of year	<u>\$ 103,227</u>	<u>\$ 5,854</u>	<u>\$ (8,308)</u>	<u>\$ 28,018</u>	<u>\$ 4,202</u>	<u>\$ 62,953</u>	<u>\$ 1,711</u>

continued

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts	Indigent Interlock	TOTAL
\$ -	\$ -	\$ 60,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,683	\$ -	\$ 100,853
-	-	7,089	-	-	-	-	-	-	-	685,279
-	-	-	-	-	-	-	-	-	-	9,181
1,156	-	-	2,475	-	1,153	-	-	-	-	4,784
-	348	-	-	-	-	-	200	-	-	25,549
-	-	-	404	-	-	-	-	-	-	17,715
<u>1,156</u>	<u>348</u>	<u>67,259</u>	<u>2,879</u>	<u>-</u>	<u>1,153</u>	<u>-</u>	<u>200</u>	<u>40,683</u>	<u>-</u>	<u>843,361</u>
-	339	66,201	10,000	583	-	-	-	-	-	79,550
-	-	-	-	-	-	-	-	-	-	234,523
-	-	-	-	-	-	-	-	-	-	114,869
-	-	-	-	-	-	-	-	-	-	609,815
-	-	-	-	-	-	-	-	-	-	127,563
-	-	-	-	-	-	-	-	-	-	5,500
-	-	-	-	-	-	-	-	-	-	861
-	<u>339</u>	<u>66,201</u>	<u>10,000</u>	<u>583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,172,681</u>
<u>1,156</u>	<u>9</u>	<u>1,058</u>	<u>(7,121)</u>	<u>(583)</u>	<u>1,153</u>	<u>-</u>	<u>200</u>	<u>40,683</u>	<u>-</u>	<u>(329,320)</u>
-	-	-	-	-	-	-	-	-	-	335,197
-	-	-	-	-	-	-	-	-	-	118,082
-	-	-	-	-	-	-	-	-	-	453,279
1,156	9	1,058	(7,121)	(583)	1,153	-	200	40,683	-	123,959
<u>114</u>	<u>2,532</u>	<u>(23,902)</u>	<u>8,519</u>	<u>720</u>	<u>1,364</u>	<u>3,766</u>	<u>913</u>	<u>512,213</u>	<u>1,400</u>	<u>617,892</u>
<u>\$ 1,270</u>	<u>\$ 2,541</u>	<u>\$ (22,844)</u>	<u>\$ 1,398</u>	<u>\$ 137</u>	<u>\$ 2,517</u>	<u>\$ 3,766</u>	<u>\$ 1,113</u>	<u>\$ 552,896</u>	<u>\$ 1,400</u>	<u>\$ 741,851</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Debt Service Funds

Year Ended December 31, 2015

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
Fund balance at beginning of year	\$ 385,239	\$ 23,228	\$ 408,467
Fund balance at end of year	<u>\$ 385,239</u>	<u>\$ 23,228</u>	<u>\$ 408,467</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2015

	Capital Improvements	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
Revenues:						
Property and other taxes	\$ 95,691	\$ -	\$ -	\$ -	\$ -	\$ 95,691
Payments in lieu of taxes	-	212,975	279,168	32,186	-	524,329
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>95,691</u>	<u>212,975</u>	<u>279,168</u>	<u>32,186</u>	<u>-</u>	<u>620,020</u>
Expenditures:						
Current:						
General government	-	99,267	129,436	14,380	-	243,083
Capital outlay	220,058	-	-	-	-	220,058
Debt service						
Principal retirement	57,707	76,863	50,000	-	-	184,570
Interest and fiscal charges	15,527	24,713	79,362	-	-	119,602
Issuance costs	8,281	41,423	-	-	-	49,704
Total expenditures	<u>301,573</u>	<u>242,266</u>	<u>258,798</u>	<u>14,380</u>	<u>-</u>	<u>817,017</u>
Excess of revenues over (under) expenditures	<u>(205,882)</u>	<u>(29,291)</u>	<u>20,370</u>	<u>17,806</u>	<u>-</u>	<u>(196,997)</u>
Other financing source (uses):						
Transfers in	268,469	-	-	-	-	268,469
Transfers out	(270,531)	-	-	-	-	(270,531)
OPWC loans issued	47,529	-	-	-	-	47,529
Issuance of bonds	845,000	1,250,000	-	-	-	2,095,000
Premiums on issuance of bonds	13,790	42,321	-	-	-	56,111
Total other financing sources (uses)	<u>904,257</u>	<u>1,292,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,196,578</u>
Net change in fund balance	698,375	1,263,030	20,370	17,806	-	1,999,581
Fund balance at beginning of year	<u>(126,457)</u>	<u>(1,117,115)</u>	<u>13,251</u>	<u>-</u>	<u>2,887</u>	<u>(1,227,434)</u>
Fund balance at end of year	<u>\$ 571,918</u>	<u>\$ 145,915</u>	<u>\$ 33,621</u>	<u>\$ 17,806</u>	<u>\$ 2,887</u>	<u>\$ 772,147</u>

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Street Maintenance and Repair

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 450,000	\$ 446,993	\$ (3,007)
Charges for services	2,700	2,614	(86)
Other	<u>13,800</u>	<u>16,518</u>	<u>2,718</u>
Total revenues	<u>466,500</u>	<u>466,125</u>	<u>(375)</u>
Expenditures:			
Current:			
Transportation			
Personal services	509,548	509,544	4
Contractual services	49,316	46,870	2,446
Operations/maintenance	51,913	45,036	6,877
Capital improvements	<u>26,000</u>	<u>9,481</u>	<u>16,519</u>
Total expenditures	<u>636,777</u>	<u>610,931</u>	<u>25,846</u>
Excess of revenues over (under) expenditures	<u>(170,277)</u>	<u>(144,806)</u>	<u>25,471</u>
Other financing sources:			
Transfers in	<u>165,698</u>	<u>151,889</u>	<u>(13,809)</u>
Net change in fund balance	(4,579)	7,083	\$ 11,662
Fund balance, beginning of year	20,420	20,420	
Prior year encumbrances appropriated	<u>2,079</u>	<u>2,079</u>	
Fund balance, end of year	<u>\$ 17,920</u>	<u>\$ 29,582</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

State Highway Improvements

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 31,500	\$ 30,333	\$ (1,167)
Total revenues	<u>31,500</u>	<u>30,333</u>	<u>(1,167)</u>
Expenditures:			
Current:			
Transportation			
Operations/maintenance	<u>45,500</u>	<u>43,586</u>	<u>1,914</u>
Total expenditures	<u>45,500</u>	<u>43,586</u>	<u>1,914</u>
Net change in fund balance	(14,000)	(13,253)	\$ 747
Fund balance, beginning of year	11,032	11,032	
Prior year encumbrances appropriated	<u>3,000</u>	<u>3,000</u>	
Fund balance, end of year	<u>\$ 32</u>	<u>\$ 779</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Fire Memorial

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 1,000	\$ 1,030	\$ 30
Total revenues	<u>1,000</u>	<u>1,030</u>	<u>30</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>2,500</u>	<u>2,427</u>	<u>73</u>
Total expenditures	<u>2,500</u>	<u>2,427</u>	<u>73</u>
Net change in fund balance	(1,500)	(1,397)	\$ 103
Fund balance, beginning of year	<u>8,089</u>	<u>8,089</u>	
Fund balance, end of year	<u><u>\$ 6,589</u></u>	<u><u>\$ 6,692</u></u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Community Center

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 31,793	\$ 31,722	\$ (71)
Total revenues	<u>31,793</u>	<u>31,722</u>	<u>(71)</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	67,508	55,016	12,492
Contractual services	76,000	56,040	19,960
Operations/maintenance	4,900	4,354	546
Capital outlay	<u>1,000</u>	<u>404</u>	<u>596</u>
Total expenditures	<u>149,408</u>	<u>115,814</u>	<u>33,594</u>
Excess of revenues over (under) expenditures	<u>(117,615)</u>	<u>(84,092)</u>	<u>33,523</u>
Other financing sources:			
Transfers in	<u>117,615</u>	<u>107,812</u>	<u>(9,803)</u>
Net change in fund balance	-	23,720	\$ 23,720
Fund balance, beginning of year	<u>1,119</u>	<u>1,119</u>	
Fund balance, end of year	<u>\$ 1,119</u>	<u>\$ 24,839</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Fire Capital Reserve

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 4,202	\$ 4,202	
Fund balance, end of year	<u>\$ 4,202</u>	<u>\$ 4,202</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Senior Center

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 145,710	\$ 134,095	\$ (11,615)
Contributions	26,000	23,448	(2,552)
Total revenues	<u>171,710</u>	<u>157,543</u>	<u>(14,167)</u>
Expenditures:			
Current:			
Public health services			
Personal services	186,110	158,420	27,690
Contractual services	37,922	33,366	4,556
Operations/maintenance	9,566	6,776	2,790
Capital improvements	29,000	26,446	2,554
Total expenditures	<u>262,598</u>	<u>225,008</u>	<u>37,590</u>
Excess of revenues over (under) expenditures	<u>(90,888)</u>	<u>(67,465)</u>	<u>23,423</u>
Other financing sources:			
Transfers in	<u>82,359</u>	<u>75,496</u>	<u>(6,863)</u>
Net change in fund balance	(8,529)	8,031	\$ 16,560
Fund balance, beginning of year	14,032	14,032	
Prior year encumbrances appropriated	5,438	5,438	
Fund balance, end of year	<u>\$ 10,941</u>	<u>\$ 27,501</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Passport Account

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ -	\$ 359	\$ 359
Charges for services	<u>6,000</u>	<u>6,076</u>	<u>76</u>
Total revenues	<u>6,000</u>	<u>6,435</u>	<u>435</u>
Expenditures:			
Current:			
Public health services			
Operations/maintenance	<u>6,100</u>	<u>5,204</u>	<u>896</u>
Total expenditures	<u>6,100</u>	<u>5,204</u>	<u>896</u>
Net change in fund balance	(100)	1,231	\$ 1,331
Fund balance, beginning of year	<u>1,155</u>	<u>1,155</u>	
Fund balance, end of year	<u><u>\$ 1,055</u></u>	<u><u>\$ 2,386</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Court Computer

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 1,200	\$ 1,145	\$ (55)
Total revenues	<u>1,200</u>	<u>1,145</u>	<u>(55)</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total expenditures	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net change in fund balance	-	1,145	\$ 1,145
Fund balance, beginning of year	<u>9</u>	<u>9</u>	
Fund balance, end of year	<u>\$ 9</u>	<u>\$ 1,154</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Project Lifesaver

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 500	\$ 348	\$ (152)
Total revenues	<u>500</u>	<u>348</u>	<u>(152)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>500</u>	<u>339</u>	<u>161</u>
Total expenditures	<u>500</u>	<u>339</u>	<u>161</u>
Net change in fund balance	-	9	\$ 9
Fund balance, beginning of year	<u>2,532</u>	<u>2,532</u>	
Fund balance, end of year	<u><u>\$ 2,532</u></u>	<u><u>\$ 2,541</u></u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Police Pension

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 60,779	\$ 60,170	\$ (609)
Intergovernmental	6,599	7,089	490
Total revenues	<u>67,378</u>	<u>67,259</u>	<u>(119)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	66,422	66,422	-
Operations/maintenance	954	875	79
Total expenditures	<u>67,376</u>	<u>67,297</u>	<u>79</u>
Net change in fund balance	2	(38)	\$ (40)
Fund balance, beginning of year	<u>38</u>	<u>38</u>	
Fund balance, end of year	<u>\$ 40</u>	<u>\$ -</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Drug Law Enforcement

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 3,500	\$ 3,129	\$ (371)
Total revenues	<u>3,500</u>	<u>3,129</u>	<u>(371)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(6,500)	(6,871)	\$ (371)
Fund balance, beginning of year	<u>8,144</u>	<u>8,144</u>	
Fund balance, end of year	<u>\$ 1,644</u>	<u>\$ 1,273</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Law Enforcement Trust

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 500	\$ 100	\$ (400)
Total revenues	<u>500</u>	<u>100</u>	<u>(400)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>1,000</u>	<u>583</u>	<u>417</u>
Total expenditures	<u>1,000</u>	<u>583</u>	<u>417</u>
Net change in fund balance	(500)	(483)	\$ 17
Fund balance, beginning of year	<u>620</u>	<u>620</u>	
Fund balance, end of year	<u>\$ 120</u>	<u>\$ 137</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Enforcement and Education

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 1,000	\$ 1,188	\$ 188
Total revenues	<u>1,000</u>	<u>1,188</u>	<u>188</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>-</u>	<u>100</u>
Net change in fund balance	900	1,188	\$ 288
Fund balance, beginning of year	<u>1,329</u>	<u>1,329</u>	
Fund balance, end of year	<u><u>\$ 2,229</u></u>	<u><u>\$ 2,517</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

FEMA

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 3,766	\$ 3,766	
Fund balance, end of year	<u>\$ 3,766</u>	<u>\$ 3,766</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Police Memorial

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Donations	\$ 200	\$ 200	\$ -
Total revenues	<u>200</u>	<u>200</u>	<u>-</u>
Net change in fund balance	200	200	\$ -
Fund balance, beginning of year	<u>913</u>	<u>913</u>	
Fund balance, end of year	<u>\$ 1,113</u>	<u>\$ 1,113</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Recreation Tax Receipts

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 35,000	\$ 40,683	\$ 5,683
Total revenues	<u>35,000</u>	<u>40,683</u>	<u>5,683</u>
Net change in fund balance	35,000	40,683	\$ 5,683
Fund balance, beginning of year	<u>512,213</u>	<u>512,213</u>	
Fund balance, end of year	<u>\$ 547,213</u>	<u>\$ 552,896</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Indigent Interlock Fund

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 1,400	\$ 1,400	
Fund balance, end of year	<u>\$ 1,400</u>	<u>\$ 1,400</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Recreation Activity Receipts (1)

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 7,500	\$ 7,500	\$ -
Other	<u>8,500</u>	<u>6,837</u>	<u>(1,663)</u>
Total revenues	<u>16,000</u>	<u>14,337</u>	<u>(1,663)</u>
Expenditures:			
Current:			
Leisure time activities			
Operations/maintenance	8,000	5,899	2,101
Capital improvements	<u>2,000</u>	<u>830</u>	<u>1,170</u>
Total expenditures	<u>10,000</u>	<u>6,729</u>	<u>3,271</u>
Net change in fund balance	6,000	7,608	\$ 1,608
Fund balance, beginning of year	<u>39,204</u>	<u>39,204</u>	
Fund balance, end of year	<u>\$ 45,204</u>	<u>\$ 46,812</u>	

(1) For GAAP reporting, this fund is combined with the General Fund.

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Debt Service Fund

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 385,239	\$ 385,239	
Fund balance, end of year	<u>\$ 385,239</u>	<u>\$ 385,239</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Special Assessment

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 23,228	\$ 23,228	
Fund balance, end of year	<u>\$ 23,228</u>	<u>\$ 23,228</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Capital Improvement Fund

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 80,000	\$ 102,344	\$ 22,344
Intergovernmental	703,975	-	(703,975)
Total revenues	<u>783,975</u>	<u>102,344</u>	<u>(681,631)</u>
Expenditures:			
Current:			
General government:			
Operations/maintenance	122,000	122,000	-
Capital improvements	1,486,084	1,210,245	275,839
Debt service	328,200	328,046	154
Total expenditures	<u>1,936,284</u>	<u>1,660,291</u>	<u>275,993</u>
Excess of revenues over (under) expenditures	(1,152,309)	(1,557,947)	(405,638)
Other financing sources (uses):			
Proceeds from sale of debt	580,000	580,000	-
Premiums from sale of debt	8,259	8,258	(1)
OPWC loans issued	773,004	47,529	(725,475)
Transfers in	240,000	240,000	-
Total other financing sources (uses)	<u>1,601,263</u>	<u>875,787</u>	<u>(725,476)</u>
Net change in fund balance	448,954	(682,160)	\$ (1,131,114)
Fund balance, beginning of year	7,640	7,640	
Prior year encumbrances appropriated	75,134	75,134	
Fund balance, end of year	<u>\$ 531,728</u>	<u>\$ (599,386)</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Home Depot TIF

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	\$ 213,000	\$ 212,975	\$ (25)
Total revenues	<u>213,000</u>	<u>212,975</u>	<u>(25)</u>
Expenditures:			
Current:			
General government:			
Capital improvements	101,127	99,267	1,860
Debt Service	<u>1,393,765</u>	<u>1,392,999</u>	<u>766</u>
Total expenditures	<u>1,494,892</u>	<u>1,492,266</u>	<u>2,626</u>
Excess of revenues over (under) expenditures	<u>(1,281,892)</u>	<u>(1,279,291)</u>	<u>2,601</u>
Other financing sources (uses):			
Proceeds from sale of debt	1,250,000	1,250,000	-
Premiums from sale of debt	<u>42,321</u>	<u>42,321</u>	<u>-</u>
Total other financing sources (uses)	<u>1,292,321</u>	<u>1,292,321</u>	<u>-</u>
Net change in fund balance	10,429	13,030	\$ 2,601
Fund balance, beginning of year	<u>132,885</u>	<u>132,885</u>	
Fund balance, end of year	<u>\$ 143,314</u>	<u>\$ 145,915</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Harrison Avenue TIF

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	\$ 280,000	\$ 279,168	\$ (832)
Total revenues	<u>280,000</u>	<u>279,168</u>	<u>(832)</u>
Expenditures:			
Current:			
General government:			
Contractual services	129,437	129,436	1
Debt Service	<u>129,362</u>	<u>129,362</u>	<u>-</u>
Total expenditures	<u>258,799</u>	<u>258,798</u>	<u>1</u>
Net change in fund balance	21,201	20,370	\$ (831)
Fund balance, beginning of year	<u>13,251</u>	<u>13,251</u>	
Fund balance, end of year	<u>\$ 34,452</u>	<u>\$ 33,621</u>	

CITY OF HARRISON, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

CTS TIF Fund

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	\$ 32,200	\$ 32,186	\$ (14)
Total revenues	<u>32,200</u>	<u>32,186</u>	<u>(14)</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	<u>14,711</u>	<u>14,711</u>	<u>-</u>
Total expenditures	<u>14,711</u>	<u>14,711</u>	<u>-</u>
Net change in fund balance	17,489	17,475	\$ (14)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ 17,489</u>	<u>\$ 17,475</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis

Street and Safety Construction

Year Ended December 31, 2015

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 2,887	\$ 2,887	
Fund balance, end of year	<u>\$ 2,887</u>	<u>\$ 2,887</u>	

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

To account for goods and services financed or recovered primarily through external user charges and fees.

Storm Water

This fund accounts for the storm water services provided to the residential and commercial user of the City.

Water/Wastewater Deposits

This fund accounts for deposits from utility services which the City applies and/or refunds upon termination of service.

Sanitation

This fund accounts for the sanitation services provided to the residential and commercial users of the City.

CITY OF HARRISON, OHIO

Combining Statement of Fund Net Position

Nonmajor Enterprise Funds

December 31, 2015

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 27,039	\$ 97,285	\$ 208,859	\$ 333,183
Receivables:				
Accounts	8,507	-	36,682	45,189
Total current assets	<u>35,546</u>	<u>97,285</u>	<u>245,541</u>	<u>378,372</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	1,874,799	-	-	1,874,799
Total assets	<u>1,910,345</u>	<u>97,285</u>	<u>245,541</u>	<u>2,253,171</u>
Liabilities and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable	-	-	42,810	42,810
Advances from other funds	17,178	-	-	17,178
OPWC loan payable, current portion of	21,030	-	-	21,030
Total current liabilities	<u>38,208</u>	<u>-</u>	<u>42,810</u>	<u>81,018</u>
Long-term liabilities:				
OPWC loan payable, net of current portion	262,875	-	-	262,875
Total long-term liabilities	<u>262,875</u>	<u>-</u>	<u>-</u>	<u>262,875</u>
Total liabilities	<u>301,083</u>	<u>-</u>	<u>42,810</u>	<u>343,893</u>
Net position:				
Net investment in capital assets	1,590,894	-	-	1,590,894
Unrestricted	18,368	97,285	202,731	318,384
Total net position	<u>\$ 1,609,262</u>	<u>\$ 97,285</u>	<u>\$ 202,731</u>	<u>\$ 1,909,278</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2015

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 114,769	\$ 8,960	\$ 491,289	\$ 615,018
Total operating revenues	<u>114,769</u>	<u>8,960</u>	<u>491,289</u>	<u>615,018</u>
Operating expenses:				
Contractual services	(100)	-	489,462	489,362
Other	-	4,106	-	4,106
Depreciation	<u>46,613</u>	<u>-</u>	<u>-</u>	<u>46,613</u>
Total operating expenses	<u>46,513</u>	<u>4,106</u>	<u>489,462</u>	<u>540,081</u>
Operating income (loss)	68,256	4,854	1,827	74,937
Transfers out	<u>(28,469)</u>	<u>-</u>	<u>-</u>	<u>(28,469)</u>
Change in net position	39,787	4,854	1,827	46,468
Net position, beginning of year	<u>1,569,475</u>	<u>92,431</u>	<u>200,904</u>	<u>1,862,810</u>
Net position, end of year	<u>\$ 1,609,262</u>	<u>\$ 97,285</u>	<u>\$ 202,731</u>	<u>\$ 1,909,278</u>

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2015

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
Cash flows from operating activities:				
Cash received from customers	\$ 114,206	\$ 8,960	\$ 486,928	\$ 610,094
Cash payments to suppliers for goods and services	-	-	(486,003)	(486,003)
Cash payments for other operating expenses	-	(4,106)	-	(4,106)
Net cash from operating activities	<u>114,206</u>	<u>4,854</u>	<u>925</u>	<u>119,985</u>
Cash flows from noncapital financing activities:				
Transfers	(28,469)	-	-	(28,469)
Return advances to other funds	(40,000)	-	-	(40,000)
Net cash from noncapital financing activities	<u>(68,469)</u>	<u>-</u>	<u>-</u>	<u>(68,469)</u>
Cash flows from capital and related financing activities:				
Principal retirement	(21,030)	-	-	(21,030)
Net cash from capital and related financing activities	<u>(21,030)</u>	<u>-</u>	<u>-</u>	<u>(21,030)</u>
Net change	24,707	4,854	925	30,486
Cash and pooled investments beginning of year	<u>2,332</u>	<u>92,431</u>	<u>207,934</u>	<u>302,697</u>
Cash and pooled investments end of year	<u>\$ 27,039</u>	<u>\$ 97,285</u>	<u>\$ 208,859</u>	<u>\$ 333,183</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 68,256	\$ 4,854	\$ 1,827	\$ 74,937
Adjustments to reconcile operating income to net cash from by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	(563)	-	(4,361)	(4,924)
Accounts payable	(100)	-	3,459	3,359
Net cash from operating activities	<u>\$ 114,206</u>	<u>\$ 4,854</u>	<u>\$ 925</u>	<u>\$ 119,985</u>

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Mayor's Court

This fund accounts for assets received and disbursed by the Mayor's Court as agent or custodian related to various court matters.

Joint Economic Development District

To account for all tax monies and disbursements of funds held by the City on behalf of the City of Harrison-Harrison Township Joint Economic Development District.

Benefit Clearing

This fund accounts for employee pension and flexible spending account contributions.

CITY OF HARRISON, OHIO

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Mayor's Court				
Assets:				
Cash in segregated accounts	\$ 13,243	\$ 175,152	\$ 178,139	\$ 10,256
Liabilities:				
Intergovernmental payable	<u>13,243</u>	<u>175,152</u>	<u>178,139</u>	<u>10,256</u>
<hr/>				
Joint Economic Development District				
Assets:				
Equity in pooled cash and investments	26,442	229,931	229,910	26,463
Income taxes receivable	<u>43,063</u>	<u>49,686</u>	<u>43,063</u>	<u>49,686</u>
Total assets	<u>69,505</u>	<u>279,617</u>	<u>272,973</u>	<u>76,149</u>
Liabilities:				
Intergovernmental payable	<u>69,505</u>	<u>279,617</u>	<u>272,973</u>	<u>76,149</u>
<hr/>				
Benefit Clearing				
Assets:				
Equity in pooled cash and investments	<u>11,861</u>	<u>169,427</u>	<u>166,043</u>	<u>15,245</u>
Total assets	<u>11,861</u>	<u>169,427</u>	<u>166,043</u>	<u>15,245</u>
Liabilities:				
Intergovernmental payable	<u>11,861</u>	<u>169,427</u>	<u>166,043</u>	<u>15,245</u>
<hr/>				
TOTAL				
Assets:				
Cash in segregated accounts	13,243	175,152	178,139	10,256
Equity in pooled cash and investments	38,303	399,358	395,953	41,708
Income taxes receivable	<u>43,063</u>	<u>49,686</u>	<u>43,063</u>	<u>49,686</u>
Total assets	<u>94,609</u>	<u>624,196</u>	<u>617,155</u>	<u>101,650</u>
Liabilities:				
Intergovernmental payable	<u>94,609</u>	<u>624,196</u>	<u>617,155</u>	<u>101,650</u>
Total liabilities	<u>\$ 94,609</u>	<u>\$ 624,196</u>	<u>\$ 617,155</u>	<u>\$ 101,650</u>

**STATISTICAL
SECTION**

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, income and property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services provided and activities performed.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual financial reports for the relevant year.

CITY OF HARRISON, OHIO

*NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	2015	2014 ⁽²⁾	2013 ⁽¹⁾	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net investment in capital assets	\$ 11,689,801	\$ 12,002,240	\$ 11,201,136	\$ 10,827,649	\$ 9,273,676	\$ 8,613,002	\$ 8,700,582	\$ 8,188,666	\$ 7,218,367	\$ 6,208,120
Restricted:										
Capital Projects	200,229	1,472,849	1,243,568	70,399	320,110	463,089	246,153	802,220	833,089	1,147,150
Debt Service	-	-	-	-	-	349,409	381,877	607,608	879,953	1,097,636
Streets and Highways	166,982	163,568	193,356	302,855	434,498	618,134	807,072	779,370	547,732	438,369
Recreation	597,201	493,991	496,461	490,505	529,826	441,070	293,901	194,023	104,032	89,697
Other Purposes	9,807	-	288,152	172,248	172,805	253,799	579,115	769,187	973,782	837,138
Unrestricted (deficit)	(6,207,718)	(7,525,513)	(646,855)	434,520	528,906	898,341	899,413	2,243,692	2,131,089	1,398,851
Total Governmental Activities Net Position	6,456,302	6,607,135	12,775,818	12,298,176	11,259,821	11,636,844	11,908,113	13,584,766	12,688,044	11,216,961
Business Type - Activities										
Net investment in capital assets	9,358,590	8,685,415	8,321,936	8,636,600	8,547,117	6,955,754	8,017,742	8,208,988	8,203,170	8,244,568
Restricted	1,537,083	1,525,963	1,885,810	2,131,205	2,183,434	2,183,465	2,148,863	2,112,293	2,103,523	1,997,344
Unrestricted	990,362	835,761	1,276,607	1,637,109	2,028,991	3,748,975	2,638,922	3,358,016	3,844,896	3,676,592
Total Business-Type Activities Net Position	11,886,035	11,047,139	11,484,353	12,404,914	12,759,542	12,888,194	12,805,527	13,679,297	14,151,589	13,918,504
Primary Government										
Net investment in capital assets	21,048,391	20,687,655	19,523,072	19,464,249	17,820,793	15,568,756	16,718,324	16,397,654	15,421,537	14,452,688
Restricted	2,511,302	3,656,371	4,107,347	3,167,212	3,640,673	4,308,966	4,456,981	5,264,701	5,442,111	5,607,334
Unrestricted	(5,217,356)	(6,689,752)	629,752	2,071,629	2,557,897	4,647,316	3,538,335	5,601,708	5,975,985	5,075,443
Total Primary Government Net Position	\$ 18,342,337	\$ 17,654,274	\$ 24,260,171	\$ 24,703,090	\$ 24,019,363	\$ 24,525,038	\$ 24,713,640	\$ 27,264,063	\$ 26,839,633	\$ 25,135,465

(1) 2013 was the first year the City implemented GASB 65; the City elected to apply the standard prospectively.

(2) The City implemented GASB Statement No. 68 in 2015, restating 2014. Information to restate years prior was not available.

Source: City financial records

CITY OF HARRISON, OHIO

*CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	\$ 819,207	\$ 759,496	\$ 868,095	\$ 870,269	\$ 745,046	\$ 893,571	\$ 698,301	\$ 595,500	\$ 594,535	\$ 554,805
Public Health Services	30,438	27,548	36,320	46,240	49,732	25,858	35,097	157,651	161,182	99,866
Leisure Time Activities	47,531	37,754	53,471	58,076	73,529	71,358	72,138	68,899	112,069	-
Community and Economic Development	153,303	152,164	133,226	104,960	117,564	47,195	152,332	86,114	161,103	178,519
Transportation	-	-	-	-	-	-	375	120	480	-
General Government	315,839	297,033	290,841	369,377	369,018	369,018	97,079	91,539	88,502	83,194
Operating Grants and Contributions	675,874	677,047	692,625	706,475	680,347	877,907	896,275	756,604	462,771	483,100
Capital Grants and Contributions	-	439,529	339,905	1,313,600	489,106	-	265,063	528,547	436,179	243,409
Total Governmental Activities Program Revenues	2,042,192	2,390,571	2,414,483	3,468,997	2,524,342	2,284,907	2,216,660	2,284,974	2,016,821	1,642,893
Business-Type Activities:										
Charges for Services:										
Water	1,742,204	1,568,955	1,509,511	1,415,656	1,350,769	1,288,614	1,224,384	1,317,775	1,431,917	1,406,498
Sewer	3,600,031	3,284,457	3,165,519	3,207,159	3,045,977	2,833,348	2,433,320	2,251,507	2,179,071	2,146,156
Storm Water	114,769	110,857	112,006	111,424	118,253	105,247	179,977	94,862	27,146	-
Water/Wastewater Deposits	8,960	11,855	9,745	7,126	5,622	5,578	8,916	4,660	8,055	10,221
Sanitation	491,289	459,286	462,736	453,360	444,775	424,907	377,239	365,055	375,069	387,944
Operating Grants and Contributions	-	-	-	-	-	-	8,047	58,837	8,377	3,566
Capital Grants and Contributions	-	-	-	-	-	-	-	185,022	-	-
Total Business-Type Activities Program Revenues	5,957,253	5,435,410	5,259,517	5,194,725	4,965,396	4,657,694	4,231,883	4,277,718	4,029,635	3,954,385
Total Primary Government	\$ 7,999,445	\$ 7,825,981	\$ 7,674,000	\$ 8,663,722	\$ 7,489,738	\$ 6,942,601	\$ 6,448,543	\$ 6,562,692	\$ 6,046,456	\$ 5,597,278
Expenses:										
Governmental Activities:										
Security of Persons and Property	\$ 6,040,121	\$ 5,890,076	\$ 6,085,651	\$ 6,261,278	\$ 6,436,476	\$ 5,841,459	\$ 6,743,223	\$ 4,965,899	\$ 4,683,372	\$ 4,536,986
Public Health Services	255,739	234,620	250,573	316,702	314,128	339,855	400,154	313,537	281,603	264,800
Leisure Time Activities	201,812	205,074	216,324	266,164	303,402	315,334	369,208	332,381	308,959	304,242
Community and Economic Development	49,317	43,944	33,721	104,288	127,997	138,115	150,035	110,453	125,886	108,382
Transportation	962,654	834,448	807,923	919,283	914,534	971,886	889,189	738,160	685,405	629,650
General Government	1,123,721	827,579	793,184	1,138,495	1,291,876	1,299,480	1,526,678	1,011,755	839,493	1,138,392
Interest and Fiscal Charges	310,976	221,787	248,331	242,803	244,701	295,479	230,125	214,254	108,342	195,440
Total Governmental Activities Expenses	8,944,340	8,257,528	8,435,707	9,249,013	9,633,114	9,201,608	10,308,612	7,686,439	7,033,060	7,177,892
Business-Type Activities:										
Water	1,708,274	1,737,239	1,951,365	1,601,191	1,564,893	1,387,114	1,826,364	1,117,172	941,915	1,069,343
Sewer	3,127,036	3,371,585	3,193,149	3,462,848	3,076,759	2,653,586	2,931,737	2,776,374	2,551,359	2,511,568
Storm Water	46,513	46,914	46,813	46,613	114,987	129,183	50,123	617,408	38,301	39,663
Water/Wastewater Deposits	4,106	3,667	1,166	2,500	3,098	1,824	848	959	774	-
Sanitation	489,462	464,521	499,475	414,627	446,402	423,451	434,487	355,800	384,917	376,338
Total Business-Type Activities Expenses	5,375,391	5,623,926	5,691,968	5,527,779	5,205,281	4,596,432	5,244,535	4,867,602	3,917,451	3,997,686
Total Primary Government	\$ 14,319,731	\$ 13,881,454	\$ 14,127,675	\$ 14,776,792	\$ 14,838,395	\$ 13,798,040	\$ 15,553,147	\$ 12,554,041	\$ 10,950,511	\$ 11,175,578
Net (Expense) Revenue:										
Governmental Activities	\$ (6,902,148)	\$ (5,866,957)	\$ (6,021,224)	\$ (5,780,016)	\$ (7,108,772)	\$ (6,916,701)	\$ (8,091,952)	\$ (5,401,465)	\$ (5,016,239)	\$ (5,534,999)
Business-Type Activities	581,862	(188,516)	(432,451)	(333,054)	(239,885)	61,262	(1,012,652)	(589,884)	112,184	(43,301)
Total Primary Government Net Expense	\$ (6,320,286)	\$ (6,055,473)	\$ (6,453,675)	\$ (6,113,070)	\$ (7,348,657)	\$ (6,855,439)	\$ (9,104,604)	\$ (5,991,349)	\$ (4,904,055)	\$ (5,578,300)

continued

CITY OF HARRISON, OHIO

*CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	\$ 1,115,096	\$ 1,102,619	\$ 1,074,061	\$ 1,133,971	\$ 1,177,650	\$ 1,114,994	\$ 1,257,994	\$ 1,175,925	\$ 1,182,350	\$ 1,154,940
Fire Improvements	1,199,571	1,165,037	1,130,567	1,141,133	1,174,922	1,151,918	739,772	857,520	915,426	902,383
Police Pension	60,017	58,693	57,150	57,978	62,067	58,466	54,489	60,085	58,283	65,937
Recreation	40,683	28,100	19,600	19,600	6,541	18,318	14,800	8,500	32,400	34,300
Capital Projects	95,691	97,283	70,016	92,683	60,951	62,672	255,008	244,635	233,431	210,660
Municipal Income Taxes levied for:										
General Purposes	3,361,317	3,967,772	3,138,686	3,212,378	2,956,342	2,927,295	2,860,771	3,034,376	2,951,057	2,794,284
Payment in Lieu of Taxes	524,329	454,961	462,470	453,214	436,412	259,559	-	-	-	-
Grants and Entitlements not Restricted to										
Specific Programs	486,881	483,551	498,626	479,451	719,408	903,534	1,013,554	575,158	655,461	478,657
Investment Earnings	16,145	16,071	21,841	28,313	34,474	56,698	67,215	201,017	321,019	217,467
Miscellaneous	93,647	92,860	76,036	171,181	74,513	99,419	151,696	60,817	107,742	100,066
Transfers	(242,062)	28,468	28,469	28,469	28,469	-	-	80,154	30,153	9,589
Total Governmental Activities	<u>6,751,315</u>	<u>7,495,415</u>	<u>6,577,122</u>	<u>6,818,371</u>	<u>6,731,749</u>	<u>6,652,873</u>	<u>6,415,299</u>	<u>6,298,187</u>	<u>6,487,322</u>	<u>5,968,283</u>
Business-Type Activities:										
Investment Earnings	545	611	820	948	1,882	2,233	13,472	187,861	140,535	136,586
Miscellaneous	14,427	1,812	2,209	5,947	137,820	19,172	125,410	9,885	10,519	246,368
Transfers	242,062	(28,468)	(28,469)	(28,469)	(28,469)	-	-	(80,154)	(30,153)	(9,589)
Total Business-Type Activities	<u>257,034</u>	<u>(26,045)</u>	<u>(25,440)</u>	<u>(21,574)</u>	<u>111,233</u>	<u>21,405</u>	<u>138,882</u>	<u>117,592</u>	<u>120,901</u>	<u>373,365</u>
Total Primary Government	<u>\$ 7,008,349</u>	<u>\$ 7,469,370</u>	<u>\$ 6,551,682</u>	<u>\$ 6,796,797</u>	<u>\$ 6,842,982</u>	<u>\$ 6,674,278</u>	<u>\$ 6,554,181</u>	<u>\$ 6,415,779</u>	<u>\$ 6,608,223</u>	<u>\$ 6,341,648</u>
Changes in Net Position:										
Governmental Activities	\$ (150,833)	\$ 1,628,458	\$ 555,898	\$ 1,038,355	\$ (377,023)	\$ (263,828)	\$ (1,676,653)	\$ 896,722	\$ 1,471,083	\$ 433,284
Business-Type Activities	838,896	(214,561)	(457,891)	(354,628)	(128,652)	82,667	(873,770)	(472,292)	233,085	330,064
Total Primary Government	<u>\$ 688,063</u>	<u>\$ 1,413,897</u>	<u>\$ 98,007</u>	<u>\$ 683,727</u>	<u>\$ (505,675)</u>	<u>\$ (181,161)</u>	<u>\$ (2,550,423)</u>	<u>\$ 424,430</u>	<u>\$ 1,704,168</u>	<u>\$ 763,348</u>

Source: City financial records

CITY OF HARRISON, OHIO

*FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,219	\$ 138,909	\$ 94,110	\$ 89,890	\$ 74,089
Unreserved	-	-	-	-	-	973,409	1,372,342	1,937,901	1,787,588	1,171,804
Nonspendable	63,946	81,661	159,782	44,307	61,155	-	-	-	-	-
Assigned	46,812	64,667	393,296	562,112	256,401	-	-	-	-	-
Unassigned	961,561	740,820	-	73,663	560,025	-	-	-	-	-
Total General Fund	<u>\$ 1,072,319</u>	<u>\$ 887,148</u>	<u>\$ 553,078</u>	<u>\$ 680,082</u>	<u>\$ 877,581</u>	<u>\$ 1,080,628</u>	<u>\$ 1,511,251</u>	<u>\$ 2,032,011</u>	<u>\$ 1,877,478</u>	<u>\$ 1,245,893</u>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,219	\$ 350,647	\$ 77,949	\$ 66,766	\$ 23,728
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	-	-	787,787	1,047,477	1,458,594	1,402,143	1,280,852
Debt Service Funds	-	-	-	-	-	410,733	394,074	620,316	923,848	1,108,321
Capital Projects Funds	-	-	-	-	-	723,045	666,249	787,220	818,482	1,147,150
Nonspendable	60,786	26,291	25,621	27,702	38,999	-	-	-	-	-
Restricted	970,914	680,849	608,767	675,513	1,039,070	-	-	-	-	-
Committed	571,918	-	-	70,850	-	-	-	-	-	-
Assigned	386,352	386,152	386,152	386,152	386,152	-	-	-	-	-
Unassigned	(260,746)	(1,666,725)	(1,325,608)	(1,558,573)	(544,843)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,729,224</u>	<u>\$ (573,433)</u>	<u>\$ (305,068)</u>	<u>\$ (398,356)</u>	<u>\$ 919,378</u>	<u>\$ 2,197,784</u>	<u>\$ 2,458,447</u>	<u>\$ 2,944,079</u>	<u>\$ 3,211,239</u>	<u>\$ 3,560,051</u>

Source: City financial records

Note: 2011 was the first year the City implemented GASB 54; the City elected to apply the standard prospectively.

CITY OF HARRISON, OHIO

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	\$ 6,219,556	\$ 6,042,919	\$ 5,516,444	\$ 5,566,501	\$ 5,349,136	\$ 5,310,372	\$ 5,183,896	\$ 5,375,433	\$ 5,299,259	\$ 5,194,401
Payment in Lieu of Taxes	524,329	476,964	454,547	452,863	441,506	240,736	-	-	-	-
Intergovernmental	1,215,071	1,679,228	2,658,581	1,589,536	1,891,845	1,736,023	2,192,876	1,766,443	1,431,545	1,201,142
Charges for Services	826,214	769,224	864,869	881,137	747,078	968,302	692,342	697,907	750,671	499,626
Fines, Costs and Forfeitures	124,043	152,163	131,101	197,051	196,021	229,666	117,904	126,519	108,891	162,032
Licenses, Permits and Inspections	347,373	298,993	308,476	213,233	223,341	177,223	245,031	172,878	245,275	254,726
Interest	16,145	16,071	21,841	28,313	34,474	58,205	66,941	217,625	321,019	217,467
Contributions	33,349	26,105	33,608	47,270	50,749	6,783	17,680	40	-	-
Other	100,970	46,681	32,820	337,962	152,887	127,934	211,186	89,008	151,685	77,014
Total Revenues	9,407,050	9,508,348	10,022,287	9,313,866	9,087,037	8,855,244	8,727,856	8,445,853	8,308,345	7,606,408
Expenditures										
Current:										
Security of persons and property	5,544,849	5,665,366	5,872,990	6,024,562	5,917,133	5,652,619	5,601,881	4,725,957	4,507,623	4,271,258
Public health services	248,339	237,289	238,774	306,401	292,932	338,848	371,429	307,502	279,541	258,999
Leisure time activities	174,456	177,236	189,075	200,297	220,659	251,512	294,920	275,595	251,698	238,886
Community and economic development	47,212	43,646	33,680	100,612	124,383	134,578	143,679	109,590	124,646	104,374
Transportation	609,815	613,396	608,994	632,330	677,233	780,692	667,450	579,366	555,511	506,502
General government	881,903	779,533	717,760	1,125,019	1,311,725	1,209,228	1,435,916	1,002,167	836,722	1,011,017
Capital outlay	871,545	1,234,142	1,434,327	2,448,443	1,971,979	785,017	3,143,530	1,105,557	2,379,123	623,455
Debt Service:										
Principal Retirement	1,872,291	743,128	733,287	627,520	573,628	518,871	431,811	395,220	327,701	324,850
Interest and Fiscal Charges	249,673	232,916	255,585	247,899	252,270	265,646	195,695	185,481	37,416	160,022
Issuance Costs	87,804	-	-	-	-	-	87,316	2,493	-	-
Total Expenditures	10,587,887	9,726,652	10,084,472	11,713,083	11,341,942	9,937,011	12,373,627	8,688,928	9,299,981	7,499,363
Excess of Revenues Over (Under) Expenditures	(1,180,837)	(218,304)	(62,185)	(2,399,217)	(2,254,905)	(1,081,767)	(3,645,771)	(243,075)	(991,636)	107,045
Other Financing Sources (Uses)										
Bond Issuance	3,185,000	-	-	-	-	-	1,810,000	-	-	-
Premium on Bond Issue	71,281	-	-	-	-	-	87,316	-	-	-
Premium on Note Issue	-	-	-	-	-	-	-	3,281	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Accrued Interest on Bond Issue	-	-	-	-	-	-	-	-	-	-
Inception of Capital Lease	606,917	24,651	-	503,048	226,798	325,430	237,739	47,013	1,244,256	68,856
Loan Issuance	47,529	317,712	-	352,467	518,185	65,051	504,324	-	-	564,170
Transfers In	1,984,579	2,504,385	2,476,008	2,334,505	1,719,732	2,115,734	2,007,615	1,754,524	1,615,721	1,654,093
Transfers Out	(2,226,641)	(2,475,917)	(2,447,539)	(2,306,036)	(1,691,263)	(2,115,734)	(2,007,615)	(1,674,370)	(1,585,568)	(1,614,504)
Total Other Financing Sources (Uses)	3,668,665	370,831	28,469	883,984	773,452	390,481	2,639,379	130,448	1,274,409	672,615
Net Change in Fund Balances	\$ 2,487,828	\$ 152,527	\$ (33,716)	\$ (1,515,233)	\$ (1,481,453)	\$ (691,286)	\$ (1,006,392)	\$ (112,627)	\$ 282,773	\$ 779,660
Debt Service as a Percentage of Noncapital Expenditures	21.57%	11.46%	11.45%	9.39%	8.57%	8.47%	7.51%	8.01%	5.38%	7.05%

Source: City financial records

CITY OF HARRISON, OHIO

*ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS*

Tax Year	Real Property		Public Utility Property		Tangible Personal Property (a)		Total		Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2015	\$ 224,377,940	\$ 641,079,829	\$ 6,585,670	\$ 6,585,670	\$ -	\$ -	\$ 230,963,610	\$ 647,665,499	\$ 14.50
2014	216,762,780	619,322,229	6,397,520	6,397,520	-	-	223,160,300	625,719,749	14.50
2013	214,369,500	612,484,286	5,952,950	5,952,950	-	-	220,322,450	618,437,236	14.50
2012	211,208,850	603,453,857	5,433,520	5,433,520	-	-	216,642,370	608,887,377	14.50
2011	212,591,880	607,405,371	5,275,410	5,275,410	-	-	217,867,290	612,680,781	14.50
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	14.50
2009	223,533,270	638,666,486	4,314,400	4,314,400	250,870	1,337,973	228,098,540	644,318,859	14.50
2008	220,529,210	630,083,457	3,986,460	3,986,460	5,421,080	28,912,427	229,936,750	662,982,344	13.00
2007	211,870,220	605,343,486	3,858,280	3,858,280	11,914,930	63,546,293	227,643,430	672,748,059	13.00
2006	202,509,130	578,597,514	4,117,220	4,117,220	16,313,010	46,608,600	222,939,360	629,323,334	13.00

Source: Hamilton County Auditor's Office

Note: Tax collections are one year in arrears (i.e. Tax Year 2014, Collection Year 2015)

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at one hundred percent of actual value.

Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.

(a) House Bill 66 eliminated all current Tangible Personal Property in 2009, except for telecommunication companies, whose last required filing was in 2010.

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS*

Collection Year	City Levy			Township Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Police Pension	Fire								
2015	\$ 5.70	\$ 0.30	\$ 8.50	\$ 0.06	\$ 44.18	\$ 18.85	\$ -	\$ 2.70	\$ 1.03	\$ 1.00	\$ 82.32
2014	5.70	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	1.00	82.50
2013	5.70	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	1.00	82.50
2012	5.70	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	1.00	82.50
2011	5.70	0.30	8.50	0.06	44.68	19.45	-	2.70	1.03	1.00	83.42
2010	5.70	0.30	8.50	0.06	44.98	20.48	-	2.70	1.03	1.00	84.75
2009	5.70	0.30	7.00	0.06	45.14	20.63	1.25	2.70	1.03	1.00	84.81
2008	5.70	0.30	7.00	0.06	45.30	20.56	1.25	2.70	1.03	1.00	84.90
2007	5.70	0.30	7.00	0.06	45.30	20.18	1.25	2.70	1.03	1.00	84.52
2006	5.70	0.30	7.00	0.06	46.68	19.78	1.25	2.70	1.03	1.03	85.53

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2015 AND DECEMBER 31, 2006*

December 31, 2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Duke Energy Ohio Inc	\$ 6,516,050	1	2.82%
Hurbert North American	3,066,690	2	1.33%
Indian Footprint	2,790,110	3	1.21%
Broad Properties LLC	2,707,080	4	1.17%
10700 New Haven LLC	2,188,980	5	0.95%
Harrison Center LLC	2,157,140	6	0.93%
Maas Enterprises Ltd	2,070,740	7	0.90%
Icon US Industrial Owner	1,610,000	8	0.70%
Mercy Health Plaza	1,559,890	9	0.68%
Toebben LTD	1,555,040	10	0.67%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 26,221,720</u>		<u>11.36%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 230,963,610</u>		

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
F & M MAFCO Inc.	\$ 2,054,970	1	0.92%
Wayne Scott Fetzer Co.	1,431,040	2	0.64%
JTM Provisions Co. Inc.	1,187,850	3	0.53%
Campbell Hausfeld Scott	1,041,480	4	0.47%
Home Depot USA Inc.	969,970	5	0.44%
Supervalu Holdings Inc.	891,170	6	0.40%
Harrison Division of MII	817,910	7	0.37%
Hubert Company LLC	817,640	8	0.37%
Cronin Ford Inc.	815,080	9	0.37%
IlSCO Corporation	447,830	10	0.20%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 10,474,940</u>		<u>4.71%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 222,939,360</u>		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

<u>Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2015	\$ 3,265,253	\$ 3,108,261	95.19%	\$ 67,408	\$ 3,175,669	97.26%
2014	3,185,852	3,083,571	96.79%	102,281	3,185,852	100.00%
2013	3,165,713	2,981,765	94.19%	71,749	3,053,514	96.46%
2012	2,874,394	2,621,375	91.20%	91,399	2,712,774	94.38%
2011	2,826,368	2,614,364	92.50%	75,266	2,689,630	95.16%
2010	2,782,684	2,565,609	92.20%	92,270	2,657,879	95.51%
2009	2,390,528	2,283,163	95.51%	104,583	2,387,746	99.88%
2008	2,289,118	2,183,719	95.40%	95,053	2,278,772	99.55%
2007	2,158,045	1,689,521	78.29%	44,064	1,733,585	80.33%
2006	1,977,533	1,904,381	96.30%	54,448	1,958,829	99.05%

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2015	1.00%	\$ 3,897,699	\$ 2,593,996	66.55%	\$ 633,810	16.26%	\$ 669,893	17.19%
2014	1.00%	3,822,703	2,473,014	64.69%	756,821	19.80%	592,868	15.51%
2013	1.00%	3,292,815	2,321,760	70.51%	417,624	12.68%	553,431	16.81%
2012	1.00%	3,182,141	2,224,239	69.90%	428,202	13.46%	529,700	16.65%
2011	1.00%	3,074,018	2,187,382	71.16%	424,190	13.80%	462,446	15.04%
2010	1.00%	2,948,728	2,096,429	71.10%	391,585	13.28%	460,714	15.62%
2009	1.00%	2,918,823	2,065,074	70.75%	333,367	11.42%	520,382	17.83%
2008	1.00%	3,057,959	2,121,702	69.38%	444,277	14.53%	491,980	16.09%
2007	1.00%	2,899,733	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,563	1,903,448	69.23%	330,223	12.01%	515,892	18.76%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	OPWC Loans	ODOT Loan	Capital Leases	General Obligation Bonds	Revenue Bonds
2015	\$ 4,909,855	\$ 1,731,683	\$ 39,298	\$ 1,179,926	\$ 4,865,434	\$ 13,926,291
2014	2,997,216	1,795,691	116,161	916,900	5,316,705	14,776,591
2013	3,270,236	1,574,976	190,770	1,193,771	5,497,976	15,596,891
2012	3,533,256	1,670,599	263,188	1,499,017	5,674,248	16,392,191
2011	3,781,276	1,387,370	333,481	1,238,958	5,845,520	16,051,562
2010	3,989,296	921,275	401,713	1,260,466	6,016,792	16,627,691
2009	4,157,497	894,080	467,943	1,169,821	390,000	17,183,820
2008	2,414,015	413,378	532,230	1,105,984	410,000	17,674,948
2007	2,557,848	436,999	564,170	1,238,630	435,000	18,106,077
2006	2,681,682	448,810	564,170	170,264	460,000	18,332,205

continued

CITY OF HARRISON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN YEARS*

Business-Type Activities				(a)	(c)		(b)	
Year	Capital Leases	OPWC Loans	OWDA Loans	Total Primary Government	Per Capita Personal Income	Percentage of Personal Income	Population	Per Capita
2015	\$ 34,523	\$ 1,391,604	\$ 4,167,628	\$ 32,246,242	N/A	N/A	10,666	\$ 3,023
2014	16,385	1,504,945	4,354,369	31,794,963	45,878	7%	10,479	3,034
2013	43,891	1,618,283	4,917,615	33,904,409	43,923	8%	10,292	3,294
2012	70,676	1,731,621	5,288,295	36,123,091	43,454	8%	10,103	3,575
2011	-	1,844,959	5,631,096	36,114,222	41,738	9%	9,979	3,619
2010	15,183	1,958,297	5,956,905	37,147,618	39,306	10%	9,897	3,753
2009	29,509	2,071,635	5,996,693	32,360,998	38,771	8%	9,980	3,243
2008	43,027	2,199,085	3,078,609	27,871,276	40,152	7%	9,980	2,793
2007	55,782	1,937,994	3,181,172	28,513,672	39,356	7%	9,980	3,400
2006	-	1,764,056	1,919,103	26,340,290	38,458	7%	9,950	2,647

"N/A" indicates that the information was not available

Sources:

(a) See notes to the financial statements regarding the City's outstanding debt information

(b) United States Bureau of Census

(c) See Schedule "Demographic and Economic Statistics - Last Ten Years" for personal income.

CITY OF HARRISON, OHIO

*RATIO OF GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Bonded Debt (3)</u>	<u>Ratio of General Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Bonded Debt Per Capital</u>
2015	10,666	\$ 647,665,499	\$ 9,775,289	1.51%	\$ 916
2014	10,479	625,719,749	8,313,921	1.33%	793
2013	10,292	618,437,236	8,768,212	1.42%	852
2012	10,103	608,887,377	9,207,504	1.51%	911
2011	9,979	612,680,781	9,626,796	1.57%	965
2010	9,987	659,672,512	10,006,088	1.52%	1,002
2009	9,980	657,262,059	4,547,497	0.69%	456
2008	9,980	674,941,724	2,824,015	0.42%	283
2007	9,980	684,322,899	2,992,848	0.44%	300
2006	9,950	682,285,114	3,141,682	0.46%	316

Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Hamilton County Auditor
- (3) These amounts only include tax supported general obligation bonds.

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2015*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
Direct - City of Harrison			
General Obligation Bonds	\$ 4,909,855	100.00%	\$ 4,909,855
OPWC Loans	1,731,683	100.00%	1,731,683
ODOT Loan	39,298	100.00%	39,298
Capital Leases	<u>1,179,926</u>	100.00%	<u>1,179,926</u>
Total Direct Debt	<u>7,860,762</u>		<u>7,860,762</u>
Overlapping			
Hamilton County	80,665,000	1.22%	984,113
Southwest Local School District	13,395,000	42.21%	5,654,030
Great Oaks Institute of Technology	<u>10,905,000</u>	1.22%	<u>133,041</u>
Total Overlapping Debt	<u>104,965,000</u>		<u>6,771,184</u>
Total Direct and Overlapping Debt	<u>\$ 112,825,762</u>		<u>\$ 14,631,946</u>

Source: Ohio Municipal Advisory Council

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed Value	\$ 230,963,610	\$ 223,160,300	\$ 220,322,450	\$ 216,642,370	\$ 217,867,290	\$ 233,926,090	\$ 228,098,540	\$ 229,936,750	\$ 227,643,430	\$ 222,939,360
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	24,251,179	23,431,832	23,133,857	22,747,449	22,876,065	24,562,239	23,950,347	24,143,359	23,902,560	23,408,633
Total Indebtedness	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>	<u>4,475,000</u>	<u>2,855,000</u>	<u>3,040,000</u>	<u>3,205,000</u>
Debt Within 10.5% Limitation	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>	<u>4,475,000</u>	<u>2,855,000</u>	<u>3,040,000</u>	<u>3,205,000</u>
Overall Legal Debt Margin Within 10.5% Limitation	<u>\$ 14,741,179</u>	<u>\$ 15,321,832</u>	<u>\$ 14,578,857</u>	<u>\$ 13,762,449</u>	<u>\$ 13,481,065</u>	<u>\$ 14,797,239</u>	<u>\$ 19,475,347</u>	<u>\$ 21,288,359</u>	<u>\$ 20,862,560</u>	<u>\$ 20,203,633</u>
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 12,702,999	\$ 12,273,817	\$ 12,117,735	\$ 11,915,330	\$ 11,982,701	\$ 12,865,935	\$ 12,545,420	\$ 12,646,521	\$ 12,520,389	\$ 12,261,665
Indebtedness Authorized by Council	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>	<u>4,475,000</u>	<u>2,855,000</u>	<u>3,040,000</u>	<u>3,205,000</u>
Debt Within 5.5% Limitation	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>	<u>4,475,000</u>	<u>2,855,000</u>	<u>3,040,000</u>	<u>3,205,000</u>
Unvoted Legal Debt Margin Within 5.5% Limitation	<u>\$ 3,192,999</u>	<u>\$ 4,163,817</u>	<u>\$ 3,562,735</u>	<u>\$ 2,930,330</u>	<u>\$ 2,587,701</u>	<u>\$ 3,100,935</u>	<u>\$ 8,070,420</u>	<u>\$ 9,791,521</u>	<u>\$ 9,480,389</u>	<u>\$ 9,056,665</u>

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*PLEDGED REVENUE BOND COVERAGE - SEWER FUND
LAST TEN YEARS*

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage (3)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 3,612,604	\$ 1,559,549	\$ 2,053,055	\$ 835,000	\$ 468,181	\$ 1,303,181	1.58
2014	3,285,941	1,682,416	1,603,525	805,000	502,181	1,307,181	1.23
2013	3,166,710	1,585,764	1,580,946	780,000	525,581	1,305,581	1.21
2012	3,208,589	1,332,757	1,875,832	400,000	243,076	643,076	2.92
2011	3,182,876	1,203,679	1,979,197	570,000	774,500	1,344,500	1.47
2010	2,835,441	1,096,588	1,738,853	550,000	792,925	1,342,925	1.29
2009	2,565,446	1,138,387	1,427,059	485,000	807,475	1,292,475	1.10
2008	2,466,866	981,777	1,485,089	425,000	818,738	1,243,738	1.19
2007	2,273,290	889,830	1,383,460	220,000	823,798	1,043,798	1.33
2006	2,436,476	842,703	1,593,773	220,000	828,197	1,048,197	1.52
2005	2,168,819	1,008,062	1,160,757	170,000	831,598	1,001,598	1.16

Source: City of Harrison, Finance Director's Office

(1) Includes both operating and certain nonoperating revenues (i.e. investment earnings and intergovernmental grants) of the sewer fund.

(2) Total operating expenses exclusive of depreciation.

(3) The required coverage ratio is 1.10.

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (1)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rates (2)		
				Hamilton County	Ohio	United States
2015	10,666	N/A	3,724	4.1%	4.7%	5.0%
2014	10,479	45,878	3,724	4.0%	4.8%	5.6%
2013	10,292	43,923	3,589	6.2%	7.1%	6.7%
2012	10,103	43,454	3,589	7.0%	7.2%	8.1%
2011	9,979	41,738	3,306	8.6%	8.6%	8.9%
2010	9,897	39,306	3,521	9.4%	10.1%	9.6%
2009	9,980	38,771	3,726	8.8%	10.1%	9.3%
2008	9,980	40,152	3,800	5.6%	6.6%	5.8%
2007	9,980	39,356	3,742	5.0%	5.6%	4.6%
2006	9,950	38,458	3,705	5.2%	5.5%	4.6%

"N/A" indicates that the information was not available.

Sources:

- (1) U.S. Census Bureau
- (2) U.S Bureau of Economic Analysis, Cincinnati MSA
- (3) Southwest Local School District
- (4) Ohio Labor Market Information

CITY OF HARRISON, OHIO
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kroger Limited Partnership	500-550	1	5.13%	350-400	5	2.30%
J.T.M. Provisions Company Inc.	400-450	2	4.36%	400-450	3	3.39%
Hubert North America	350-400	3	3.85%	350-400	4	2.77%
Southwest Local School District	300-350	4	3.33%	450-500	2	3.61%
Wayne Scott Fetzer Company	200-250	5	2.31%	0	n/a	0.00%
F&M Mafoo Inc.	200-250	6	2.31%	200-250	8	1.62%
Cincinnati Test Systems	150-200	7	1.79%	0	n/a	0.00%
City of Harrison, Ohio	100-150	8	1.28%	100-150	10	1.08%
Campbell Hausfeld/Scott Fetzer	50-100	9	0.77%	550-600	1	4.41%
Stetler & Brinck, Inc.	1-50	10	0.26%	0	n/a	0.00%
Total	2,251-2,750		25.39%	2,400-2,750		19.18%
Total City Employment	9,500-10,000			12,500-13,000		

Source: Regional Income Tax Agency, City of Harrison, Ohio Income Tax Bureau
 Note: Percentages are calculated using the midpoints of the ranges

CITY OF HARRISON, OHIO

*FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS*

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Municipal Court Magistrate	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1
Finance	1	2	1	1	1	1	2	2	2	2
Law	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	-
Other	9	11	9	9	9	9	8	6	6	6
Public Safety										
Police	27	28	28	25	25	20	25	22	21	22
Fire	36	36	42	46	51	46	36	36	39	42
Health and Welfare										
Senior Center	4	4	4	4	4	4	4	3	3	3
Transportation										
Streets	6	6	6	8	8	8	8	7	6	7
Community Environment										
Planning	1	1	1	3	3	3	-	-	-	-
Building/Zoning	6	6	6	5	5	5	1	1	2	2
Leisure Time Activity										
Parks Administration	1	1	1	1	1	1	2	1	1	1
Community Center	1	3	-	2	2	2	2	2	2	2
Utility Services										
Water	6	6	6	6	6	6	5	5	4	5
Sewer	8	7	8	6	6	6	7	7	9	7
Total	114	119	120	124	129	119	108	100	103	106

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Positions Filled	-	7	10	4	3	10	0	2	-	5
Building Permits Issued	115	187	186	244	178	220	177	215	210	219
Building Inspections Performed	849	654	436	648	486	588	620	938	-	779
Ordinances & Resolutions	68	64	85	122	76	77	76	44	33	28
Public Safety										
Police:										
Physical Arrests	930	1,400	1,308	1,293	1,241	1,219	1,050	853	911	960
Offense Reports	1,381	1,420	1,267	1,196	1,255	1,242	1,072	1,001	1,018	1,063
Traffic Citations	410	1,732	1,762	1,711	3,544	2,792	2,745	1,858	1,987	1,551
Fire:										
Emergency Responses	1,522	1,628	1,641	1,663	1,755	1,846	1,636	1,647	1,799	1,784
Fire Responses	619	401	437	407	408	427	425	557	484	613
Inspections conducted	823	931	843	765	479	647	612	419	594	680
Leisure Time Activities										
Senior Center Attendance	8,950	8,200	7,997	8,873	7,659	7,172	6,969	7,686	7,400	6,768
Senior Center Membership	201	223	233	223	201	186	185	208	241	185
Transportation										
Street Resurfacing (miles)	1.0	2.6	1.1	1.1	1.1	4.0	0.2	1.1	0.5	-
Tons of salt used	386	990	936	690	813	362	511	313	389	276
Water										
New Connections	87	94	29	20	17	51	52	62	61	100
Water Main Breaks	10	12	15	8	15	9	8	9	3	14

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	4	4	4	5	5	5	5	5	5	5
Park Acreage	63.5	63.5	63.5	69.5	69.5	69.5	69.5	69.5	69.5	69.5
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball /Softball fields	3	3	3	3	3	3	3	3	3	3
Transportation										
Streets (Paved Miles)	40	40	40	40	40	42	42	44	44	44
Water										
Water Mains (miles)	33.1	35	35	37	37	40	40	40	40	40
Sewer										
Sanitary Sewers (miles)	25	25	25	27	27	34	34	34	34	34

Source: City of Harrison Finance Director Office



Dave Yost • Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 30, 2016**