



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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CITY OF HARRISON  
HAMILTON COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 31, 2016  
Fiscal Year Audited Under GAGAS: 2016

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# 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 BHM CPA Group, Inc., for the audit period January 1, 2016 through December 31, 2016. 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

October 12, 2017

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**CITY OF HARRISON  
HAMILTON COUNTY, OHIO**

**Table of Contents  
For the Year Ended December 31, 2016**

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Independent Auditor’s Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards* ..... 1

Schedule of Findings..... 3

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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 21, 2017.

***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 City'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.

Members of the City Council  
City of Harrison  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards*  
Page 2

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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.  
Columbus, Ohio  
July 21, 2017



# *City of Harrison, Ohio*

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## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended December 31, 2016

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**CITY OF HARRISON, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Issued by:**  
**Finance Department**

**Catherine Stockhoff**  
**Finance Director**

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CITY OF HARRISON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal .....	3
GFOA Certificate of Achievement .....	7
List of City Officials .....	8
Organizational Chart .....	9

FINANCIAL SECTION

Independent Auditors' Report .....	13
Management's Discussion and Analysis .....	17

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	29
Statement of Activities .....	30

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	31
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	33
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	34
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budget (Non-GAAP) Basis – General Fund .....	35
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budget (Non-GAAP) Basis – Fire Improvement Fund .....	36
Statement of Net Position – Proprietary Funds .....	37
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	38
Statement of Cash Flows – Proprietary Funds .....	39

Table of Contents (con't.)

Statement of Fiduciary Assets and Liabilities – Agency Funds .....	40
Notes to the Basic Financial Statements .....	42
Required Supplementary Information	
Schedules of City’s Proportionate Share of the Net Pension Liabilities.....	83
Schedules of City Contributions .....	85
Combining Financial Statements and Individual Fund Schedules	
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Budget (Non-GAAP) Basis	
General Fund .....	89
Nonmajor Governmental Funds:	
Fund Descriptions.....	93
Combining Balance Sheet – Nonmajor Governmental Funds.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	97
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	98
Combining Balance Sheet – Nonmajor Debt Service Funds.....	100
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	105
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Budget (Non-GAAP) Basis:	
Street Maintenance and Repair Fund.....	106
State Highway Improvements Fund.....	107
Fire Memorial Fund .....	108
Community Center Fund .....	109
Fire Capital Reserve Fund .....	110
Senior Center Fund .....	111
Passport Account Fund .....	112
Court Computer Fund .....	113
Project Lifesaver Fund.....	114
Police Pension Fund.....	115
Drug Law Enforcement Fund .....	116
Law Enforcement Trust Fund .....	117
Enforcement and Education Fund.....	118
FEMA Fund.....	119
Recreation Tax Receipts Fund.....	120

Table of Contents (con't.)

Indigent Interlock Fund .....	121
Police Memorial Fund .....	122
Recreation Activity Receipts Fund .....	123
Debt Service Fund .....	124
Special Assessment Fund.....	125
Capital Improvement Fund .....	126
Home Depot TIF Fund.....	127
Harrison Avenue TIF Fund.....	128
CTS TIF Fund.....	129
Street and Safety Construction Fund .....	130
Nonmajor Enterprise Funds:	
Fund Descriptions.....	131
Combining Statement of Fund Net Position – Nonmajor Enterprise Funds .....	132
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds .....	133
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	134
Agency Funds	
Fund Descriptions.....	135
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	136
<u>STATISTICAL SECTION</u>	
Statistical Section Description .....	139
Net Position by Component.....	140
Changes in Net Position .....	141
Fund Balances, Governmental Funds.....	143
Changes in Fund Balances, Governmental Funds.....	144
Assessed Valuation and Estimated Actual Value of Taxable Property .....	145
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Valuation).....	146
Principal Taxpayers – Real Estate and Tangible Personal Property Tax .....	147
Real and Public Utility Property Tax Levies and Collections.....	148
Income Tax Revenue Base and Collections .....	149
Ratios of Outstanding Debt by Type .....	150
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita.....	152
Direct and Overlapping Governmental Activities Debt .....	153
Computation of Legal Debt Margin .....	154
Pledged Revenue Bond Coverage – Sewer Fund .....	155
Demographic and Economic Statistics .....	156
Principal Employers .....	157
Full-Time Equivalent City Employees by Function/Program .....	158
Operating Indicators by Function.....	159
Capital Assets Statistics by Function .....	160

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**INTRODUCTORY  
SECTION**

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Finance Department  
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July 31, 2017

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. BHM CPA Group, Inc. performed the audit for the year ended December 31, 2016. 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 86 full-time employees and 22 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 2016. Freddy's Restaurant began reconstruction of a vacant building to move into the city. It will open in 2017. Chandler's Restaurant began remodeling a vacated space in 2016. They plan to be open for business in March of 2017.

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, and completed in 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 completed in 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.

## **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, 2015. This was the 17<sup>th</sup> 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 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,



Catherine Stockhoff  
Finance Director  
Tax Commissioner



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, 2015**

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

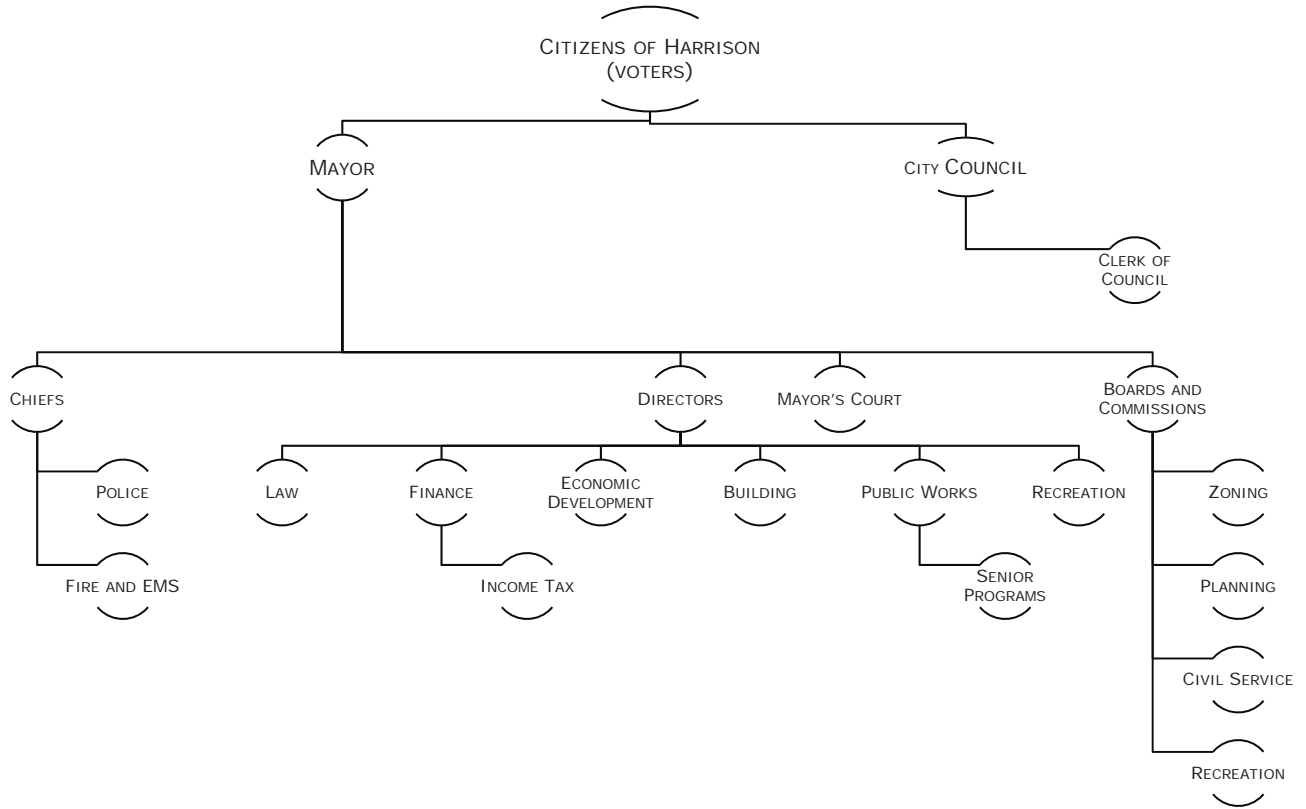
**APPOINTED OFFICIALS .....**

- Clerk of Council ..... CAROL WIWI
- Chief of Police ..... CHARLES LINDSEY
- Chief of Fire ..... WILLIAM R. HURSONG
- Director of Finance ..... CATHERINE STOCKHOFF
- Director of Law ..... WILLIAM DETERS
- Director of Public Works ..... JAMES LESLIE
- Director of Economic Development ..... JENNIFER EKEY
- Director of Building ..... SHANNON HAMONS
- Income Tax Commissioner ..... CATHERINE STOCKHOFF
- 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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## **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, 2016, 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, 2016, 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.

***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.

Members of City Council  
City of Harrison  
Independent Auditor's Report  
Page 3

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 July 21, 2017 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.  
Columbus, Ohio  
July 21, 2017

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**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

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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, 2016. 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, 2016 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 \$21,134,557.
- The City's total net position increased during the year by \$2,792,220, or 15%.
- Unrestricted net position was in a deficit of \$4,451,233, primarily attributable to the City's recognition of its proportionate share of net pension liabilities.
- The City's total expenses were \$15,078,291, an increase of \$758,560.
- Program revenues of \$9,557,708 reduced the net cost of the City's functions to be financed from the City's general revenues to \$5,520,583.

### **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 2016?" 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, 2016**  
*Unaudited*

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- 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, Capital 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, 2016**  
*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 \$21.1 million at December 31, 2016.

Table 1 provides a summary of the City's net position for 2016 compared to 2015:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 8,275,199	\$ 7,703,885	\$ 4,393,611	\$ 3,481,417	\$ 12,668,810	\$ 11,185,302
Capital assets	20,087,558	19,245,563	32,544,525	33,017,866	52,632,083	52,263,429
Total assets	<u>28,362,757</u>	<u>26,949,448</u>	<u>36,938,136</u>	<u>36,499,283</u>	<u>65,300,893</u>	<u>63,448,731</u>
Deferred outflows of resources	<u>2,766,626</u>	<u>1,158,908</u>	<u>986,144</u>	<u>814,559</u>	<u>3,752,770</u>	<u>1,973,467</u>
Long-term liabilities:						
Net pension liability	10,726,690	8,976,392	797,868	470,544	11,524,558	9,446,936
Other long-term liabilities	8,522,346	8,663,934	23,233,850	24,638,810	31,756,196	33,302,744
Other liabilities	567,991	612,234	212,684	310,187	780,675	922,421
Total liabilities	<u>19,817,027</u>	<u>18,252,560</u>	<u>24,244,402</u>	<u>25,419,541</u>	<u>44,061,429</u>	<u>43,672,101</u>
Deferred inflows of resources	<u>3,842,272</u>	<u>3,399,494</u>	<u>15,405</u>	<u>8,266</u>	<u>3,857,677</u>	<u>3,407,760</u>
Net position:						
Net investment in						
capital assets	12,723,298	11,689,801	10,295,577	9,358,590	23,018,875	21,048,391
Restricted	917,258	974,219	1,649,657	1,537,083	2,566,915	2,511,302
Unrestricted (deficit)	<u>(6,170,472)</u>	<u>(6,207,718)</u>	<u>1,719,239</u>	<u>990,362</u>	<u>(4,451,233)</u>	<u>(5,217,356)</u>
Total net position	<u>\$ 7,470,084</u>	<u>\$ 6,456,302</u>	<u>\$ 13,664,473</u>	<u>\$ 11,886,035</u>	<u>\$ 21,134,557</u>	<u>\$ 18,342,337</u>

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

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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. Under 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.

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

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As displayed in Table 1, total net position of the City increased by \$2,792,220 from 2015 to 2016. Total assets increased by less than 3%, while total liabilities increased only by less than 1%.

The increase in assets was due to higher cash and investment balances, due to positive operating results, higher property and income tax receivables, due to better local economic conditions and increased property valuations, and more capital assets, as capital additions exceeded depreciation expense during the year.

The increase in liabilities was attributable to higher net pension liabilities, as the state-wide pension systems experienced lower than expected investment returns, partially offset by decreases in debt balances, as the City continued to make its scheduled debt service payments with no new debt issuances during the year.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 81% 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.

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2016 compared with the prior year.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Program revenues:</b>						
Charges for services	\$ 1,312,652	\$ 1,366,318	\$ 6,094,101	\$ 5,957,253	\$ 7,406,753	\$ 7,323,571
Operating grants and contributions	612,461	675,874	18,026	-	630,487	675,874
Capital grants and contributions	873,225	-	647,243	-	1,520,468	-
Total program revenues	<u>2,798,338</u>	<u>2,042,192</u>	<u>6,759,370</u>	<u>5,957,253</u>	<u>9,557,708</u>	<u>7,999,445</u>
<b>General revenues:</b>						
Income taxes	3,911,371	3,361,317	-	-	3,911,371	3,361,317
Property and other taxes	3,781,297	3,035,387	-	-	3,781,297	3,035,387
Grants and contributions not restricted to specific programs	552,432	486,881	-	-	552,432	486,881
Investment earnings	13,572	16,145	1,680	545	15,252	16,690
Miscellaneous	46,742	93,647	5,709	14,427	52,451	108,074
Total general revenues	<u>8,305,414</u>	<u>6,993,377</u>	<u>7,389</u>	<u>14,972</u>	<u>8,312,803</u>	<u>7,008,349</u>
Total revenues	<u>11,103,752</u>	<u>9,035,569</u>	<u>6,766,759</u>	<u>5,972,225</u>	<u>17,870,511</u>	<u>15,007,794</u>
<b>Expenses:</b>						
Security of persons and property	7,289,673	6,040,121	-	-	7,289,673	6,040,121
Public health services	246,232	255,739	-	-	246,232	255,739
Leisure time activities	247,303	201,812	-	-	247,303	201,812
Community and economic development	277,245	49,317	-	-	277,245	49,317
Transportation	974,689	962,654	-	-	974,689	962,654
General government	915,237	1,123,721	-	-	915,237	1,123,721
Interest on long-term debt	199,135	310,976	-	-	199,135	310,976
Water	-	-	1,748,889	1,708,274	1,748,889	1,708,274
Sewer	-	-	2,642,534	3,127,036	2,642,534	3,127,036
Storm water	-	-	49,412	46,513	49,412	46,513
Water/wastewater deposit	-	-	4,807	4,106	4,807	4,106
Sanitation	-	-	483,135	489,462	483,135	489,462
Total expenses	<u>10,149,514</u>	<u>8,944,340</u>	<u>4,928,777</u>	<u>5,375,391</u>	<u>15,078,291</u>	<u>14,319,731</u>
Transfers	59,544	(242,062)	(59,544)	242,062	-	-
Change in net position	1,013,782	(150,833)	1,778,438	838,896	2,792,220	688,063
Beginning net position	6,456,302	6,607,135	11,886,035	11,047,139	18,342,337	17,654,274
Ending net position	<u>\$ 7,470,084</u>	<u>\$ 6,456,302</u>	<u>\$ 13,664,473</u>	<u>\$ 11,886,035</u>	<u>\$ 21,134,557</u>	<u>\$ 18,342,337</u>

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

*Governmental Activities*

Total governmental activities revenue increased by \$2,068,183, or 23%. The significant increase in capital grants and contributions was due to Ohio Public Works Commission grant funding received for road improvements. The increases in income and property taxes were due to, as mentioned previously, better local economic conditions, as evidenced by a slightly lower unemployment rate, and increased property valuations, with several new housing projects within the City. Total governmental activities expenses increased by \$1,205,174, or 13%. The majority of the increase occurred in security of persons and property, which was higher during 2016 due to increased staffing in both police and fire and increased net pension expense associated with the City recognition of its proportionate share of the Ohio Police and Fire Pension System's net pension liability.

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.

**Table 3**  
**Governmental Activities**

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Security of persons and property	\$ 7,289,673	\$ 6,415,514	\$ 6,040,121	\$ 5,198,742
Public health services	246,232	134,185	255,739	60,036
Leisure time activities	247,303	207,029	201,812	146,781
Community and economic development	277,245	49,278	49,317	(103,986)
Transportation	974,689	(372,243)	962,654	500,587
General government	915,237	718,278	1,123,721	789,012
Interest on long-term debt	199,135	199,135	310,976	310,976
Total cost of services	<u>\$ 10,149,514</u>	<u>\$ 7,351,176</u>	<u>\$ 8,944,340</u>	<u>\$ 6,902,148</u>

It should be noted that 28% 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 \$7,351,176, 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 \$139,498, a decrease from the prior year by \$53,922. The Sewer Fund had operating income of \$1,653,203, an increase of \$431,054. The increase in personnel services expenses in both funds was attributable to higher net pension expenses associated with the increase in Ohio Public Employees Retirement System net pension liability. The Sewer Fund experienced lower expenses in other categories due to lower repair expenses and lower depreciation expense, as several assets have been fully depreciated.



**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

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### **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 \$10.9 million, expenditures of \$11 million, and net other financing sources of approximately \$428,000. During 2016, total fund balance of the governmental funds increased by \$357,208 to a total fund balance at year-end of \$3.1 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 2016 of \$399,923. The General Fund is the primary fund that finances government services to citizens. Total revenue increased by approximately 4%, benefiting from increases in property and income taxes, while total expenditures decreased by 14%. The decrease in expenditures is primarily attributable to the current refunding of the Series 2005 bonds during 2015, with no such activity in 2016.

The Fire Improvement Fund remained fairly flat, with a net change in fund balance of \$557, decreasing the fund balance deficit to \$192,684. The Fire Improvement Fund also benefited from increases in property tax revenue, but was mostly offset by increases in expenditures due to personnel additions.

The Capital Improvement Fund is used acquire or construct capital assets for the City. The Fund is primarily funded with hotel taxes and State grants and loans. Fund balance decreased during the year by \$39,700, or 7%, due to work done on road improvement projects during the year.

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 2016, 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 fairly consistent with the original budget, increasing by less than 1%. However, actual revenues came in approximately \$367,000 lower than budgeted, as the anticipated income tax collections were not realized and the utility funds utilized lower than budgeted reimbursable overhead expenditures.

Similarly, the final budget for expenditures was fairly consistent with the original budget, also increasing less than 1%. Due to the City's continuing efforts to monitor and control expenditures, actual budgetary expenditures came in approximately \$408,000, or 8%, less than the \$5.1 million included in the final budget for 2016.



**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

**Capital Assets**

At the end of fiscal year 2016, the City had a total of \$79.5 million invested in capital assets, less accumulated depreciation of \$26.9 million, resulting in total capital assets, net of accumulated depreciation, of \$52.6 million.

The City continued its efforts to upgrade its capital assets during 2016. The City acquired several vehicles, as well as completing several road projects and beginning engineering on others.

Table 4 shows 2016 balances compared to those of 2015:

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,015,891	\$ 3,015,891	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,501,311
Construction in progress	79,250	261,982	-	-	79,250	261,982
Land improvements	10,010	14,643	-	-	10,010	14,643
Buildings and improvements	1,854,441	1,931,376	6,230,323	6,428,847	8,084,764	8,360,223
Equipment	252,464	205,966	1,317,428	1,556,883	1,569,892	1,762,849
Vehicles	1,093,910	1,257,309	142,632	168,331	1,236,542	1,425,640
Infrastructure	<u>13,781,592</u>	<u>12,558,396</u>	<u>24,368,722</u>	<u>24,378,385</u>	<u>38,150,314</u>	<u>36,936,781</u>
Totals	<u>\$ 20,087,558</u>	<u>\$ 19,245,563</u>	<u>\$ 32,544,525</u>	<u>\$ 33,017,866</u>	<u>\$ 52,632,083</u>	<u>\$ 52,263,429</u>

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

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2016**  
*Unaudited*

**Debt Administration**

At December 31, 2016, the City had a total of \$29.8 million of long-term debt obligations compared with \$31.8 million reported at December 31, 2015. Table 5 shows outstanding debt obligations of the City at December 31, 2016 compared with 2015:

**Table 5**  
**Outstanding Long-term Debt Obligations at Year end**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 4,360,000	\$ 4,770,000	\$ 4,580,000	\$ 4,740,000	\$ 8,940,000	\$ 9,510,000
Capital Leases	885,275	1,179,926	23,351	34,523	908,626	1,214,449
OPWC Loans	1,985,902	1,731,683	1,278,266	1,391,604	3,264,168	3,123,287
ODOT Loans	-	39,298	-	-	-	39,298
OWDA Loans	-	-	3,876,802	4,167,628	3,876,802	4,167,628
Revenue Bonds	-	-	12,860,000	13,730,000	12,860,000	13,730,000
Total	<u>\$ 7,231,177</u>	<u>\$ 7,720,907</u>	<u>\$ 22,618,419</u>	<u>\$ 24,063,755</u>	<u>\$ 29,849,596</u>	<u>\$ 31,784,662</u>

Of the City's general obligation bonds outstanding at December 31, 2016, \$4.4 million are accounted for within the governmental activities and the remaining \$4.6 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.

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.

# **Basic Financial Statements**

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**CITY OF HARRISON, OHIO**

Statement of Net Position

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in pooled cash and investments	\$ 2,622,579	\$ 2,304,057	\$ 4,926,636
Cash in segregated accounts	16,317	-	16,317
Receivables:			
Property and other taxes	3,111,204	-	3,111,204
Payment in lieu of taxes	583,360	-	583,360
Income taxes	1,413,229		1,413,229
Accounts	74,205	385,254	459,459
Intergovernmental	380,802	-	380,802
Prepaid items	64,066	10,443	74,509
Materials and supplies inventory	9,437	44,200	53,637
Restricted cash and investments with fiscal agent	-	1,649,657	1,649,657
Non-depreciable capital assets	3,095,141	485,420	3,580,561
Depreciable capital assets, net	16,992,417	32,059,105	49,051,522
Total assets	<u>28,362,757</u>	<u>36,938,136</u>	<u>65,300,893</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	669,624	669,624
Pensions	2,766,626	316,520	3,083,146
Total deferred outflows of resources	<u>2,766,626</u>	<u>986,144</u>	<u>3,752,770</u>
<b>Liabilities</b>			
Accounts payable	68,962	23,658	92,620
Accrued salaries	200,698	29,106	229,804
Intergovernmental payable	152,914	18,053	170,967
Accrued interest payable	12,736	141,867	154,603
Notes payable	120,000	-	120,000
Matured compensated absences	12,681	-	12,681
Long-term liabilities:			
Due within one year	1,188,038	1,561,505	2,749,543
Due more than one year:			
Net pension liabilities	10,726,690	797,868	11,524,558
Other long-term amounts due more than one year	7,334,308	21,672,345	29,006,653
Total liabilities	<u>19,817,027</u>	<u>24,244,402</u>	<u>44,061,429</u>
<b>Deferred Inflows of Resources</b>			
Property taxes and payment in lieu of taxes levied for next year	3,468,114	-	3,468,114
Pensions	374,158	15,405	389,563
Total deferred inflows of resources	<u>3,842,272</u>	<u>15,405</u>	<u>3,857,677</u>
<b>Net Position</b>			
Net investment in capital assets	12,723,298	10,295,577	23,018,875
Restricted for:			
Capital projects	357,449	-	357,449
Debt service	-	1,649,657	1,649,657
Streets and highways	97,137	-	97,137
Recreation	462,672	-	462,672
Unrestricted (deficit)	<u>(6,170,472)</u>	<u>1,719,239</u>	<u>(4,451,233)</u>
Total net position	<u>\$ 7,470,084</u>	<u>\$ 13,664,473</u>	<u>\$ 21,134,557</u>

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Statement of Activities

Year Ended December 31, 2016

	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>								
<b>Governmental activities:</b>								
Security of persons and property	\$ 7,289,673	\$ 831,548	\$ 42,611	\$ -	\$ (6,415,514)	\$ -	\$ (6,415,514)	
Public health services	246,232	26,504	85,543	-	(134,185)	-	(134,185)	
Leisure time activities	247,303	29,674	10,600	-	(207,029)	-	(207,029)	
Community and economic development	277,245	227,967	-	-	(49,278)	-	(49,278)	
Transportation	974,689	-	473,707	873,225	372,243	-	372,243	
General government	915,237	196,959	-	-	(718,278)	-	(718,278)	
Interest on long-term debt	199,135	-	-	-	(199,135)	-	(199,135)	
Total governmental activities	10,149,514	1,312,652	612,461	873,225	(7,351,176)	-	(7,351,176)	
<b>Business-type activities:</b>								
Water	1,748,889	1,759,563	18,026	125,170	-	153,870	153,870	
Sewer	2,642,534	3,689,508	-	522,073	-	1,569,047	1,569,047	
Other business-type activities:								
Storm Water	49,412	116,566	-	-	-	67,154	67,154	
Water/Wastewater deposit	4,807	10,611	-	-	-	5,804	5,804	
Sanitation	483,135	517,853	-	-	-	34,718	34,718	
Total business-type activities	4,928,777	6,094,101	18,026	647,243	-	1,830,593	1,830,593	
<b>Total</b>	<b>\$ 15,078,291</b>	<b>\$ 7,406,753</b>	<b>\$ 630,487</b>	<b>\$ 1,520,468</b>	<b>(7,351,176)</b>	<b>1,830,593</b>	<b>(5,520,583)</b>	
General revenues and transfers:								
Income taxes levied for general purposes					3,911,371	-	3,911,371	
Property taxes levied for:								
General purposes					1,167,283	-	1,167,283	
Fire improvements					1,860,716	-	1,860,716	
Police pension					63,551	-	63,551	
Recreation					30,763	-	30,763	
Capital projects					106,419	-	106,419	
Payments in lieu of taxes					552,565	-	552,565	
Grants and contributions not restricted to specific programs					552,432	-	552,432	
Investment earnings					13,572	1,680	15,252	
Miscellaneous					46,742	5,709	52,451	
Transfers					59,544	(59,544)	-	
Total general revenues and transfers					8,364,958	(52,155)	8,312,803	
Change in net position					1,013,782	1,778,438	2,792,220	
Net position beginning of year					6,456,302	11,886,035	18,342,337	
Net position end of year					\$ 7,470,084	\$ 13,664,473	\$ 21,134,557	

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Balance Sheet  
 Governmental Funds  
 December 31, 2016

	General	Fire Improvement	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in pooled cash and investments	\$ 754,616	\$ -	\$ 517,448	\$ 1,350,515	\$ 2,622,579
Cash in segregated accounts	-	-	-	16,317	16,317
Receivables:					
Property and other taxes	1,222,072	1,805,260	19,570	64,302	3,111,204
Payment in lieu of taxes	-	-	-	583,360	583,360
Income taxes	1,413,229	-	-	-	1,413,229
Accounts	12,917	56,974	-	4,314	74,205
Intergovernmental	130,002	57,759	-	193,041	380,802
Prepaid items	25,349	28,974	-	9,743	64,066
Materials and supplies inventory	-	-	-	9,437	9,437
Advances to other funds	35,411	-	-	-	35,411
Total assets	<u>\$ 3,593,596</u>	<u>\$ 1,948,967</u>	<u>\$ 537,018</u>	<u>\$ 2,231,029</u>	<u>\$ 8,310,610</u>
<b>Liabilities:</b>					
Accounts payable	\$ 51,675	\$ 6,250	\$ 4,800	\$ 6,237	\$ 68,962
Accrued salaries	100,615	79,528	-	20,555	200,698
Intergovernmental payable	30,497	71,790	-	50,627	152,914
Advances from other funds	-	-	-	35,411	35,411
Notes payable	-	120,000	-	-	120,000
Matured compensated absences	11,617	1,064	-	-	12,681
Total liabilities	<u>194,404</u>	<u>278,632</u>	<u>4,800</u>	<u>112,830</u>	<u>590,666</u>
<b>Deferred Inflows of Resources:</b>					
Property taxes and payment in lieu of taxes levied for next year	1,151,964	1,695,520	-	620,630	3,468,114
Unavailable revenue	773,873	167,499	-	151,707	1,093,079
Total deferred inflows of resources	<u>1,925,837</u>	<u>1,863,019</u>	<u>-</u>	<u>772,337</u>	<u>4,561,193</u>
<b>Fund balances:</b>					
Nonspendable	60,760	28,974	-	19,180	108,914
Restricted	-	-	-	991,843	991,843
Committed	-	-	532,218	-	532,218
Assigned	419,894	-	-	385,239	805,133
Unassigned	992,701	(221,658)	-	(50,400)	720,643
Total fund balances	<u>1,473,355</u>	<u>(192,684)</u>	<u>532,218</u>	<u>1,345,862</u>	<u>3,158,751</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,593,596</u>	<u>\$ 1,948,967</u>	<u>\$ 537,018</u>	<u>\$ 2,231,029</u>	<u>\$ 8,310,610</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, 2016

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**Total governmental fund balances** \$ 3,158,751

*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. 20,087,558

Other long-term assets are not available to pay for current-period expenditures and  
 therefore are unavailable in the funds. 1,093,079

In the statement of net position, interest is accrued on outstanding bonds and loans,  
 whereas in governmental funds, interest is accrued when due. (12,736)

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	(4,493,083)	
OPWC loan payable	(1,985,902)	
Capital lease payable	(885,275)	
Compensated absences payable	<u>(1,158,086)</u>	(8,522,346)

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	2,766,626	
Deferred inflows - pensions	(374,158)	
Net pension liability	<u>(10,726,690)</u>	<u>(8,334,222)</u>

**Net position of governmental activities** \$ 7,470,084

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, 2016

	General	Fire Improvement	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and other taxes	\$ 1,139,247	\$ 1,796,674	\$ 106,419	\$ 92,869	\$ 3,135,209
Income taxes	3,859,789	-	-	-	3,859,789
Payment in lieu of taxes	-	-	-	529,205	529,205
Intergovernmental	501,122	71,985	873,225	589,928	2,036,260
Charges for services	581	825,273	-	4,282	830,136
Fines, costs and forfeitures	122,471	-	-	11,762	134,233
Licenses, permits and inspections	300,487	-	-	-	300,487
Interest	13,572	-	-	-	13,572
Contributions	11,700	-	-	28,440	40,140
Other	53,376	50	-	10,690	64,116
Total revenues	<u>6,002,345</u>	<u>2,693,982</u>	<u>979,644</u>	<u>1,267,176</u>	<u>10,943,147</u>
<b>Expenditures:</b>					
Current:					
Security of persons and property	2,577,115	3,439,080	-	88,331	6,104,526
Public health services	6,963	-	-	220,677	227,640
Leisure time activities	66,116	-	-	132,660	198,776
Community and economic development	276,425	-	-	-	276,425
Transportation	-	-	-	656,406	656,406
General government	693,814	-	-	115,694	809,508
Capital outlay	135,057	86,863	1,358,923	94,998	1,675,841
Debt Service:					
Principal retirement	378,557	229,879	72,706	176,692	857,834
Interest and fiscal charges	24,016	38,849	15,363	128,403	206,631
Total expenditures	<u>4,158,063</u>	<u>3,794,671</u>	<u>1,446,992</u>	<u>1,613,861</u>	<u>11,013,587</u>
Excess of revenues over (under) expenditures	<u>1,844,282</u>	<u>(1,100,689)</u>	<u>(467,348)</u>	<u>(346,685)</u>	<u>(70,440)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	1,101,246	59,544	343,113	1,503,903
Transfers out	(1,444,359)	-	-	-	(1,444,359)
OPWC loans issued	-	-	368,104	-	368,104
Total other financing sources (uses)	<u>(1,444,359)</u>	<u>1,101,246</u>	<u>427,648</u>	<u>343,113</u>	<u>427,648</u>
Net change in fund balances	399,923	557	(39,700)	(3,572)	357,208
Fund balance, beginning of year, <i>restated</i>	<u>1,073,432</u>	<u>(193,241)</u>	<u>571,918</u>	<u>1,349,434</u>	<u>2,801,543</u>
Fund balance, end of year	<u>\$ 1,473,355</u>	<u>\$ (192,684)</u>	<u>\$ 532,218</u>	<u>\$ 1,345,862</u>	<u>\$ 3,158,751</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, 2016

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<b>Net change in fund balances - total governmental funds</b>	\$	357,208
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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		1,543,068
Depreciation expense		(688,445)
 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.		
		(12,628)
 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.		
		172,923
 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		(354,914)
Interest on long-term debt		724
Amortization of bond premiums		6,772
 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.		
		857,834
 Loan proceeds are recorded as an other financing source in the governmental funds, but are reported as an increase of the liability on the statement of net position.		
		(368,104)
 Contractually required contributions are reported as expenditures in governmental funds; however the statement of net position reports these amounts as deferred outflows.		
		850,313
 Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		<u>(1,350,969)</u>
 <b>Change in net position of governmental activities</b>	 \$	 <u>1,013,782</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  
General Fund  
Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
<b>Revenues:</b>				
Property and other taxes	\$ 1,118,412	\$ 1,118,412	\$ 1,139,247	\$ 20,835
Income taxes	4,159,347	4,181,826	3,578,066	(603,760)
Intergovernmental	202,755	202,755	508,938	306,183
Charges for services	627	630	581	(49)
Fines, costs and forfeitures	130,610	131,316	124,642	(6,674)
Licenses, permits and inspections	284,964	286,505	329,867	43,362
Interest	10,449	10,505	1,635	(8,870)
Contributions	-	-	100	100
Other	640,933	641,276	523,419	(117,857)
Total revenues	<u>6,548,097</u>	<u>6,573,225</u>	<u>6,206,495</u>	<u>(366,730)</u>
<b>Expenditures:</b>				
Current:				
General government	1,592,410	1,356,355	1,155,356	200,999
Security of persons and property	2,818,692	3,002,143	2,837,489	164,654
Public health services	-	13,926	6,963	6,963
Community and economic development	217,426	288,272	262,128	26,144
Leisure time activity	70,653	70,953	61,435	9,518
Debt service	357,579	357,579	357,579	-
Total expenditures	<u>5,056,760</u>	<u>5,089,228</u>	<u>4,680,950</u>	<u>408,278</u>
Excess of revenues over expenditures	<u>1,491,337</u>	<u>1,483,997</u>	<u>1,525,545</u>	<u>41,548</u>
<b>Other financing uses:</b>				
Transfers out	<u>(1,570,138)</u>	<u>(1,661,052)</u>	<u>(1,444,359)</u>	<u>216,693</u>
Total other financing uses	<u>(1,570,138)</u>	<u>(1,661,052)</u>	<u>(1,444,359)</u>	<u>216,693</u>
Net change in fund balance	(78,801)	(177,055)	81,186	\$ 258,241
Fund balance, beginning of year	461,435	461,435	461,435	
Prior year encumbrances appropriated	<u>77,247</u>	<u>77,247</u>	<u>77,247</u>	
Fund balance, end of year	<u>\$ 459,881</u>	<u>\$ 361,627</u>	<u>\$ 619,868</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 - Major Special Revenue Fund

Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
<b>Revenues:</b>				
Property and other taxes	\$ 1,646,136	\$ 1,646,136	\$ 1,796,674	\$ 150,538
Intergovernmental	175,079	175,079	71,985	(103,094)
Charges for services	644,348	790,161	809,013	18,852
Other	2,455	3,010	90	(2,920)
Total revenues	<u>2,468,018</u>	<u>2,614,386</u>	<u>2,677,762</u>	<u>63,376</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Fire Department				
Personal services	3,148,466	3,163,445	3,164,218	(773)
Contractual services	424,610	455,657	437,402	18,255
Operations/maintenance	208,000	176,955	148,367	28,588
Capital outlay	20,000	91,000	91,000	-
Debt service	63,600	63,600	63,600	-
Total expenditures	<u>3,864,676</u>	<u>3,950,657</u>	<u>3,904,587</u>	<u>46,070</u>
Deficiency of revenues under expenditures	<u>(1,396,658)</u>	<u>(1,336,271)</u>	<u>(1,226,825)</u>	<u>109,446</u>
<b>Other financing source:</b>				
Transfers in	<u>1,197,603</u>	<u>1,197,603</u>	<u>1,101,246</u>	<u>(96,357)</u>
Total other financing sources	<u>1,197,603</u>	<u>1,197,603</u>	<u>1,101,246</u>	<u>(96,357)</u>
Net change in fund balance	(199,055)	(138,668)	(125,579)	\$ 13,089
Fund balance, beginning of year	57,227	57,227	57,227	
Prior year encumbrances appropriated	<u>195</u>	<u>195</u>	<u>195</u>	
Fund balance, end of year	<u>\$ (141,633)</u>	<u>\$ (81,246)</u>	<u>\$ (68,157)</u>	

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Statement of Net Position  
 Proprietary Funds  
 December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
<b>Assets</b>				
Current assets:				
Equity in pooled cash and investments	\$ 1,199,570	\$ 712,526	\$ 391,961	\$ 2,304,057
Receivables:				
Accounts	108,462	228,401	48,391	385,254
Prepaid items	3,120	7,323	-	10,443
Materials and supplies inventory	40,053	4,147	-	44,200
Total current assets	<u>1,351,205</u>	<u>952,397</u>	<u>440,352</u>	<u>2,743,954</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agent	-	1,649,657	-	1,649,657
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	4,560	-	485,420
Depreciable capital assets, net	12,424,266	17,806,653	1,828,186	32,059,105
Total non-current assets	<u>12,905,126</u>	<u>19,478,048</u>	<u>1,828,186</u>	<u>34,211,360</u>
Total assets	<u>14,256,331</u>	<u>20,430,445</u>	<u>2,268,538</u>	<u>36,955,314</u>
<b>Deferred outflows of resources</b>				
Deferred charge on refunding	-	669,624	-	669,624
Pensions	150,347	166,173	-	316,520
Total deferred outflows of resources	<u>150,347</u>	<u>835,797</u>	<u>-</u>	<u>986,144</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	12,517	11,141	-	23,658
Accrued salaries	13,159	15,947	-	29,106
Intergovernmental payable	8,258	9,795	-	18,053
Accrued interest payable	56,966	84,901	-	141,867
Compensated absences payable, current portion of	15,292	50,674	-	65,966
Advances from other funds	-	-	17,178	17,178
Capital lease payable, current portion of	11,505	-	-	11,505
Revenue bonds payable, current portion of	-	905,000	-	905,000
General obligation bonds payable, current portion of	-	165,000	-	165,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	300,696	-	-	300,696
Total current liabilities	<u>418,393</u>	<u>1,334,766</u>	<u>38,208</u>	<u>1,791,367</u>
Long-term liabilities:				
Capital lease payable, net of current portion	11,846	-	-	11,846
Revenue bonds payable, net of current portion	-	12,135,991	-	12,135,991
General obligation bonds payable, net of current portion	-	4,534,162	-	4,534,162
OPWC loans payable, net of current portion	-	923,083	241,845	1,164,928
OWDA loans payable, net of current portion	3,576,106	-	-	3,576,106
Compensated absences payable, net of current portion	55,009	194,303	-	249,312
Net pension liability	378,987	418,881	-	797,868
Total long-term liabilities	<u>4,021,948</u>	<u>18,206,420</u>	<u>241,845</u>	<u>22,470,213</u>
Total liabilities	<u>4,440,341</u>	<u>19,541,186</u>	<u>280,053</u>	<u>24,261,580</u>
<b>Deferred inflows of resources</b>				
Pensions	7,317	8,088	-	15,405
<b>Net Position</b>				
Net investment in capital assets	9,004,973	(274,707)	1,565,311	10,295,577
Restricted for debt service	-	1,649,657	-	1,649,657
Unrestricted	954,047	342,018	423,174	1,719,239
Total net position	<u>\$ 9,959,020</u>	<u>\$ 1,716,968</u>	<u>\$ 1,988,485</u>	<u>\$ 13,664,473</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, 2016

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
<b>Operating revenues:</b>				
Charges for services	\$ 1,759,563	\$ 3,689,508	\$ 645,030	\$ 6,094,101
Other	2,841	2,868	-	5,709
Total operating revenues	<u>1,762,404</u>	<u>3,692,376</u>	<u>645,030</u>	<u>6,099,810</u>
<b>Operating expenses:</b>				
Personnel services	562,180	672,996	-	1,235,176
Contractual services	269,393	437,766	485,934	1,193,093
Supplies and materials	157,557	74,560	-	232,117
Other	206,827	206,829	4,807	418,463
Depreciation	426,949	647,022	46,613	1,120,584
Total operating expenses	<u>1,622,906</u>	<u>2,039,173</u>	<u>537,354</u>	<u>4,199,433</u>
Operating income	139,498	1,653,203	107,676	1,900,377
<b>Non-operating revenues (expenses):</b>				
Intergovernmental revenue	18,026	-	-	18,026
Interest revenue	-	1,680	-	1,680
Interest expense and fiscal charges	(125,983)	(603,361)	-	(729,344)
Total non-operating revenues (expenses)	<u>(107,957)</u>	<u>(601,681)</u>	<u>-</u>	<u>(709,638)</u>
Income before transfers and contributions	31,541	1,051,522	107,676	1,190,739
Capital contributions	125,170	522,073	-	647,243
Transfers out	-	(31,075)	(28,469)	(59,544)
	<u>125,170</u>	<u>490,998</u>	<u>(28,469)</u>	<u>587,699</u>
Change in net position	156,711	1,542,520	79,207	1,778,438
Net position, beginning of year	<u>9,802,309</u>	<u>174,448</u>	<u>1,909,278</u>	<u>11,886,035</u>
Net position, end of year	<u>\$ 9,959,020</u>	<u>\$ 1,716,968</u>	<u>\$ 1,988,485</u>	<u>\$ 13,664,473</u>

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,764,770	\$ 3,716,251	\$ 641,828	\$ 6,122,849
Cash payments for employee services and benefits	(483,845)	(589,923)	-	(1,073,768)
Cash payments to suppliers for goods and services	(388,173)	(531,172)	(528,744)	(1,448,089)
Cash payments for other operating expenses	(206,827)	(206,829)	(4,807)	(418,463)
Cash received from other operating revenue	744	2,868	-	3,612
Net cash from operating activities	<u>686,669</u>	<u>2,391,195</u>	<u>108,277</u>	<u>3,186,141</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers	-	(31,075)	(28,469)	(59,544)
Net cash from noncapital financing activities	<u>-</u>	<u>(31,075)</u>	<u>(28,469)</u>	<u>(59,544)</u>
<b>Cash flows from capital and related financing activities:</b>				
Principal retirement	(301,998)	(1,122,308)	(21,030)	(1,445,336)
Interest paid	(121,411)	(574,486)	-	(695,897)
Net cash from capital and related financing activities	<u>(423,409)</u>	<u>(1,696,794)</u>	<u>(21,030)</u>	<u>(2,141,233)</u>
<b>Cash flows from investing activities:</b>				
Interest	-	1,680	-	1,680
Net change	263,260	665,006	58,778	987,044
Cash and pooled investments beginning of year	936,310	1,697,177	333,183	2,966,670
Cash and pooled investments end of year	<u>\$ 1,199,570</u>	<u>\$ 2,362,183</u>	<u>\$ 391,961</u>	<u>\$ 3,953,714</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 139,498	\$ 1,653,203	\$ 107,676	\$ 1,900,377
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	426,949	647,022	46,613	1,120,584
Changes in deferred outflows - pensions	(110,404)	(117,761)	-	(228,165)
Changes in deferred inflows - pensions	3,580	3,559	-	7,139
Changes in assets and liabilities:				
Receivables	3,110	26,743	(3,202)	26,651
Prepaid items	11,143	11,775	-	22,918
Materials and supplies inventory	28,745	(3,464)	-	25,281
Accounts payable	(4,231)	(34,480)	(42,810)	(81,521)
Accrued salaries	6,970	(2,086)	-	4,884
Intergovernmental payable	1,631	(2,910)	-	(1,279)
Compensated absences payable	13,414	48,534	-	61,948
Net pension liability	166,264	161,060	-	327,324
Net cash from operating activities	<u>\$ 686,669</u>	<u>\$ 2,391,195</u>	<u>\$ 108,277</u>	<u>\$ 3,186,141</u>
<b>Schedule of non-cash capital and related financing activities:</b>				
Capital assets acquired through developer contributions	\$ <u>125,170</u>	<u>522,073</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, 2016

*Assets*

Cash in segregated accounts	\$ 16,073
Equity in pooled cash and investments	56,409
Receivables:	
Income taxes	<u>57,321</u>
Total assets	<u>\$ 129,803</u>

*Liabilities*

Intergovernmental payable	\$ 129,803
Total liabilities	<u>\$ 129,803</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, 2016**

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**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 \$140,291 in revenues through the JEDD in 2016.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**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, 2016**

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

**B. Basis of Presentation** - *continued*

*Capital Improvement Fund* – This fund accounts for hotel taxes, grants and loans restricted or committed to purchase equipment and construct capital assets.

**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, 2016**

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**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, 2016**

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**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 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, 2016, but are intended to finance the subsequent year's 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 2016, investments were limited to STAR Ohio and U.S. Government money market mutual funds.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2016. 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 the net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2016, which approximates fair value.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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

**D. Cash and Investments** - *continued*

For 2016, there were no limitations or restrictions on any participants withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2016, interest revenue credited to the general fund amounted to \$13,572, which includes \$11,584 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 \$1,649,657 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, 2016 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, 2016**

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**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, 2016**

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**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, 2016**

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**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, 2016**

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**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, 2016, 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 2016.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**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, 2016**

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**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).
5. Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING** –*continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2016, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>	<u>Fire Improvement</u>
Net change in fund balance - <i>GAAP Basis</i>	\$ 399,923	\$ 557
Funds reclassified	(12,821)	-
Net adjustment for revenue accruals	226,048	(16,220)
Net adjustment for expenditure accruals	(459,468)	(41,759)
Encumbrances	<u>(72,496)</u>	<u>(68,157)</u>
Net change in fund balance - <i>Budget Basis</i>	<u>\$ 81,186</u>	<u>\$ (125,579)</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, 2016**

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**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, 2016**

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**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, 2016, the carrying amount of all City deposits was \$4,802,728. \$3,931,382 of the City’s bank balance of \$4,965,767 was exposed to custodial risk as discussed above, while \$1,034,385 was covered by FDIC.

Investments: The City’s investments at December 31, 2016 are summarized as follows:

Investment Type	Fair Value	Maturity 6 months or less
STAR Ohio	\$ 9,898	9,898
Money Market	1,852,466	1,852,466
	\$ 1,862,364	1,862,364

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.

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, 2016:

Investment Type	Fair Value	Percent of Total
STAR Ohio	\$ 9,898	0.5%
Money Market	1,852,466	99.5%
	\$ 1,862,364	100.0%



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 3 - DEPOSITS AND INVESTMENTS** – *continued*

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.

Fair Value Measurement: In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the City categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in money market and STAR Ohio funds are excluded from fair value measurement requirements under GASB Statement No. 72, and instead are reported at amortized cost.

**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 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016 on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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. 2016 public utility property taxes, which became a lien December 31, 2015 are levied after October 1, 2016, and are collected in 2017 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, 2016 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 2016 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, 2016**

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**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 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,444,359
Fire Improvement	1,101,246	-
Capital Improvement	59,544	-
Nonmajor governmental funds	343,113	-
Sewer Fund	-	31,075
Nonmajor enterprise fund	-	28,469
	<u>\$ 1,503,903</u>	<u>\$ 1,503,903</u>

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; and to provide additional resources for current operations, debt service or capital improvements. 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, 2016:

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

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**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, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 3,015,891	\$ -	\$ -	\$ 3,015,891
Construction in progress	<u>261,982</u>	<u>1,353,074</u>	<u>(1,535,806)</u>	<u>79,250</u>
Total capital assets not being depreciated	<u>3,277,873</u>	<u>1,353,074</u>	<u>(1,535,806)</u>	<u>3,095,141</u>
<b><i>Capital assets being depreciated:</i></b>				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,954,990	-	-	3,954,990
Furniture and equipment	706,574	73,252	(98,990)	680,836
Vehicles	2,784,596	116,742	(81,542)	2,819,796
Infrastructure	<u>14,130,295</u>	<u>1,535,806</u>	<u>-</u>	<u>15,666,101</u>
Total capital assets being depreciated	<u>22,381,272</u>	<u>1,725,800</u>	<u>(180,532)</u>	<u>23,926,540</u>
Less accumulated depreciation:				
Land improvements	(790,174)	(4,633)	-	(794,807)
Buildings and improvements	(2,023,614)	(76,935)	-	(2,100,549)
Furniture and equipment	(500,608)	(14,126)	86,362	(428,372)
Vehicles	(1,527,287)	(280,141)	81,542	(1,725,886)
Infrastructure	<u>(1,571,899)</u>	<u>(312,610)</u>	<u>-</u>	<u>(1,884,509)</u>
Total accumulated depreciation	<u>(6,413,582)</u>	<u>(688,445)</u>	<u>167,904</u>	<u>(6,934,123)</u>
Total capital assets being depreciated, net	<u>15,967,690</u>	<u>1,037,355</u>	<u>(12,628)</u>	<u>16,992,417</u>
 Capital assets, net	 <u>\$ 19,245,563</u>	 <u>\$ 2,390,429</u>	 <u>\$ (1,548,434)</u>	 <u>\$ 20,087,558</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 7 - CAPITAL ASSETS – continued**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 90,332
Security of persons and property	306,919
Public health services	3,975
Transportation	260,514
Leisure time activities	26,705
Total depreciation expense	\$ 688,445

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Total capital assets not being depreciated	485,420	-	-	485,420
<b><i>Capital assets being depreciated:</i></b>				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,180,102	-	-	10,180,102
Furniture and equipment	7,530,815	-	-	7,530,815
Vehicles	509,222	-	-	509,222
Infrastructure	33,108,587	647,243	-	33,755,830
Total capital assets being depreciated	51,353,200	647,243	-	52,000,443
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(3,751,255)	(198,524)	-	(3,949,779)
Furniture and equipment	(5,973,932)	(239,455)	-	(6,213,387)
Vehicles	(340,891)	(25,699)	-	(366,590)
Infrastructure	(8,730,202)	(656,906)	-	(9,387,108)
Total accumulated depreciation	(18,820,754)	(1,120,584)	-	(19,941,338)
Total capital assets being depreciated, net	32,532,446	(473,341)	-	32,059,105
Capital assets, net	\$ 33,017,866	\$ (473,341)	\$ -	\$ 32,544,525

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 7 - CAPITAL ASSETS** – *continued*

Depreciation expense was charged to segments as follows:

<u>Major enterprise funds</u>	
Water	\$ 426,949
Sewer	647,022
<u>Nonmajor enterprise fund</u>	
Storm water	<u>46,613</u>
Total depreciation expense	<u>\$ 1,120,584</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, 2016**

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**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):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of Service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by year of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 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, 2016**

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**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 2016, 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 2016 (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 \$203,067 for 2016. Of this amount, \$46,298 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](http://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, 2016**

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**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:

	<b>Police</b>		<b>Firefighters</b>	
<b>2016 Statutory Maximum Contribution Rates</b>				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
 <b>2016 Actual Contribution Rates</b>				
Employer::				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	19.50	%	24.00	%
Employee	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 \$728,245 for 2016. Of this amount, \$121,472 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, 2015 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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, 2016**

**NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 1,994,671	\$ 9,529,887	\$ 11,524,558
Proportion of Net Pension Liability	0.011516%	0.148139%	
Change in Proportion	0.000025%	-0.007466%	
Pension Expense	\$ 294,902	\$ 1,243,364	\$ 1,538,266

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Net differences between projected and actual investment earnings	\$ 586,190	\$ 1,563,602	\$ 2,149,792
Change in City's proportionate share	2,042	-	2,042
City contributions subsequent to the measurement date	<u>203,067</u>	<u>728,245</u>	<u>931,312</u>
	<u>\$ 791,299</u>	<u>\$ 2,291,847</u>	<u>\$ 3,083,146</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 38,513	\$ 26,759	\$ 65,272
Change in City's proportionate share	<u>-</u>	<u>324,291</u>	<u>324,291</u>
	<u>\$ 38,513</u>	<u>\$ 351,050</u>	<u>\$ 389,563</u>

\$931,312 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, 2017. 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&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$ 129,158	\$ 344,974	\$ 474,132
2018	138,512	344,974	483,486
2019	149,368	344,975	494,343
2020	132,681	258,119	390,800
2021	-	(67,640)	(67,640)
Thereafter	<u>-</u>	<u>(12,850)</u>	<u>(12,850)</u>
	<u>\$ 549,719</u>	<u>\$ 1,212,552</u>	<u>\$ 1,762,271</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 8 - DEFINED BENEFIT PENSION PLANS** – *continued*

***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.

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, 2015, 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 COLA or Ad Hoc COLA	4.25% to 10.05%, including wage inflation Pre 1/7/2013 Retirees: 3%; Post 1/7/2013 Retirees: 3% simple through 2018, then 2.80% 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.

During 2015, 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. During 2016, OPERS consolidated the health care portfolios (see Note 9). 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 0.4% for 2015.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued**

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 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other Investments	<u>18.00%</u>	<u>4.59%</u>
Total	<u>100.00%</u>	<u>5.27%</u>

**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	\$ 3,177,999	\$ 1,994,671	\$ 996,572

**Changes Between Measurement Date and Report Date.** In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8% to 7.5%. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 8 - DEFINED BENEFIT PENSION PLANS** – *continued*

*Actuarial Assumptions – OP&F*

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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 determined 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, 2015, are presented below:

Valuation date	January 1, 2015
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 for the five-year period ended December 31, 2011.

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, 2015 are summarized below:

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 8 - DEFINED BENEFIT PENSION PLANS – continued**

Asset Class	Target Allocation	10 Year Expected Rate of Return**	30 Year Expected Rate of Return**
Cash and Cash Equivalent	0.0%		
Domestic Equity	16.0%	4.47%	7.80%
Non-U.S. Equity	16.0%	4.47%	8.00%
Core Fixed Income*	20.0%	1.62%	5.35%
Global Inflation Protected Securities*	20.0%	1.33%	4.73%
High Yield	15.0%	3.39%	7.21%
Real Estate	12.0%	3.93%	7.43%
Private Markets	8.0%	6.98%	10.73%
Timber	5.0%	4.92%	7.35%
Master Limited Partnerships	8.0%	7.03%	10.75%
	<u>120.0%</u>		

Note: Assumptions are geometric. \* Levered 2x; \*\* Numbers include inflation.

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.

**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	\$ 12,568,643	\$ 9,529,887	\$ 6,955,759

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016.

As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

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 2015 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.

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 2016, 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.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of the employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS 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 RMA for participants in the Member-Directed Plan for 2016 was 4.0%.



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 9 - POSTEMPLOYMENT BENEFITS** – *continued*

Actual employer contributions for 2016, 2015 and 2014 which were used to fund post-employment benefits were approximately \$44,000, \$39,000 and \$35,000, 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](http://www.op-f.org).

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 2016. 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 2016, 2015 and 2014 that were used to fund post-employment benefits were approximately \$17,000, \$15,000 and \$15,000, respectively.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**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 \$459,534 at December 31, 2016.

*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 \$1,013,830 at December 31, 2016.

**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, 2015 and 2014, 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, 2015 and 2014 (latest available):

	<u>2015</u>	<u>2014</u>
Assets	\$ 14,643,667	\$ 14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u>\$ 5,531,637</u>	<u>\$ 5,887,681</u>

You can read the complete audited financial statements for the OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 11 - RISK MANAGEMENT** – *continued*

Health Insurance

During 2016, 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.

**NOTE 12 - LONG-TERM LIABILITIES**

The following is a summary of changes during 2016 and balances for governmental activities' long-term liabilities of the City as of December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
<u>General Obligation Bonds</u>					
2009 Various purpose bonds	\$ 1,605,000	\$ -	\$ (50,000)	\$ 1,555,000	\$ 55,000
2015 Various purpose and refunding bonds	3,165,000	-	(360,000)	2,805,000	370,000
Add unamortized premiums	139,855	-	(6,772)	133,083	-
<u>OPWC loans</u>					
2006 Jefferson Avenue project	248,025	-	(23,620)	224,405	23,622
2009 Kater Street improvements	412,797	-	(28,469)	384,328	28,469
2011 Carolina Trace improvements	565,877	-	(34,298)	531,579	34,296
2012 Harrison Avenue improvements	157,031	-	(9,237)	147,794	9,237
2014 Whipporwill Drive improvements	50,891	-	(2,751)	48,140	2,751
2014 Lyness Avenue improvements	100,006	-	(5,405)	94,601	5,406
2014 Featherwood Drive improvements	197,056	-	(10,105)	186,951	10,105
2016 Miller, Elm, Sunset improvements	-	368,104	-	368,104	18,405
<u>ODOT loan</u>					
2006 New Haven bridge	39,298	-	(39,298)	-	-
<u>Other long-term obligations</u>					
Capital leases	1,179,926	-	(294,651)	885,275	237,177
Compensated absences	803,172	415,485	(60,571)	1,158,086	393,570
Net pension liability:					
OPERS	915,399	281,404	-	1,196,803	-
OP&F	8,060,993	1,468,894	-	9,529,887	-
Total governmental activities long-term obligations	<u>\$ 17,640,326</u>	<u>\$ 2,533,887</u>	<u>\$ (925,177)</u>	<u>\$ 19,249,036</u>	<u>\$ 1,188,038</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 12 - LONG-TERM LIABILITIES** – *continued*

*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.

*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.

*OPWC Loans*

Improvements to the City’s street infrastructure were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2016, the City has eight 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%. The loan was paid off during 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 funds.

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		OPWC
	Principal	Interest	Principal	Interest	Principal
2017	\$ 55,000	\$ 76,362	\$ 370,000	\$ 76,463	\$ 132,291
2018	55,000	74,575	375,000	69,063	132,291
2019	60,000	72,650	385,000	61,563	132,291
2020	60,000	70,400	115,000	53,863	132,291
2021	60,000	68,000	115,000	51,563	132,291
2022-2026	355,000	296,076	550,000	214,513	649,636
2027-2031	455,000	193,200	530,000	130,050	500,637
2032-2036	310,000	88,726	365,000	29,400	174,174
2037-2038	145,000	11,550	-	-	-
Total	<u>\$ 1,555,000</u>	<u>\$ 951,539</u>	<u>\$ 2,805,000</u>	<u>\$ 686,478</u>	<u>\$ 1,985,902</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 12 - LONG-TERM LIABILITIES** – *continued*

The following is a summary of changes during 2016 and balances for business-type activities' long-term liabilities of the City as of December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
<i>General Obligation Bonds</i>					
2010 Sanitary Sewer Improvements	\$ 4,740,000	\$ -	\$ (160,000)	\$ 4,580,000	\$ 165,000
Add unamortized premiums	125,434	-	(6,272)	119,162	-
<i>Revenue Bonds</i>					
2012 Revenue Refunding	13,730,000	-	(870,000)	12,860,000	905,000
Add unamortized premiums	196,291	-	(15,300)	180,991	-
<i>OPWC loans</i>					
State Street/Campbell Road sewer	1,107,699	-	(92,308)	1,015,391	92,308
Etta, Lellan and Joyce Avenue improvement	283,905	-	(21,030)	262,875	21,030
<i>OWDA loans</i>					
Water treatment plant	440,291	-	(61,463)	378,828	63,626
New Biddinger Rd./Caroline Trace Rd. water mains	1,180,454	-	(88,139)	1,092,315	90,660
Wellfield/transmission water mains	20,815	-	-	20,815	-
Marvin Rd./Carolina Trace water mains	1,272,016	-	(71,114)	1,200,902	73,726
Elevated water storage tank	1,254,052	-	(70,110)	1,183,942	72,684
<i>Other long-term obligations</i>					
Capital leases	34,523	-	(11,172)	23,351	11,505
Compensated absences	253,330	76,969	(15,021)	315,278	65,966
Net pension liability:					
OPERS	470,544	327,324	-	797,868	-
Total business-type activities long-term obligations	<u>\$ 25,109,354</u>	<u>\$ 404,293</u>	<u>\$ (1,481,929)</u>	<u>\$ 24,031,718</u>	<u>\$ 1,561,505</u>

**General Obligation 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.

**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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 12 - LONG-TERM LIABILITIES** – *continued*

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 \$1,306,581 and \$2,300,225, 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, 2016, 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, 2016, the City has outstanding borrowings of \$3,876,802. 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, 2016.

Compensated Absences

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

Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2016 were:

Year Ending December 31,	Business-Type Activities						
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	OWDA	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
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	185,000	193,475	1,020,000	285,994	113,339	364,507	109,006
2022-2026	1,040,000	852,100	5,540,000	984,656	566,693	1,533,716	269,135
2027-2031	1,330,000	567,262	2,480,000	130,900	144,882	713,115	43,098
2032-2035	1,335,000	179,550	-	-	-	-	-
Total	<u>\$ 4,580,000</u>	<u>\$ 2,622,717</u>	<u>\$ 12,860,000</u>	<u>\$ 2,805,274</u>	<u>\$ 1,278,266</u>	<u>\$ 3,876,802</u>	<u>\$ 872,726</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 13 – SHORT-TERM OBLIGATIONS**

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/15</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/16</u>
<u>Governmental Activities:</u>							
Tax anticipation note	10/22/14	10/01/18	2.00%	180,000	-	(60,000)	120,000
Total				<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 120,000</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.

**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 \$1,839,580, with a net book value of \$1,044,944, for the governmental activities and \$34,523, with a net book value of \$29,345, 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, 2016.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$ 268,989	\$ 12,195
2018	216,668	12,196
2019	193,265	-
2020	126,944	-
2021	88,327	-
2022	88,328	-
Total	<u>\$ 982,521</u>	<u>\$ 24,391</u>
Less: amount representing interest	<u>(97,246)</u>	<u>(1,040)</u>
Present value of net minimum lease payments	<u>\$ 885,275</u>	<u>\$ 23,351</u>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

**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:

Fund Balances	General Fund	Fire Improvement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>					
Prepays	\$ 25,349	\$ 28,974	\$ -	\$ 9,743	\$ 64,066
Inventory	-	-	-	9,437	9,437
Advances	35,411	-	-	-	35,411
<b><i>Total Nonspendable</i></b>	<b><u>60,760</u></b>	<b><u>28,974</u></b>	<b><u>-</u></b>	<b><u>19,180</u></b>	<b><u>108,914</u></b>
<b><i>Restricted for:</i></b>					
Police operations	-	-	-	1,970	1,970
Fire operations	-	-	-	4,202	4,202
Senior Center operations	-	-	-	16,393	16,393
Recreational activities	-	-	-	524,057	524,057
Street and highway projects	-	-	-	70,218	70,218
Law enforcement and education	-	-	-	13,920	13,920
Infrastructure projects	-	-	-	357,317	357,317
Other purposes	-	-	-	3,766	3,766
<b><i>Total Restricted</i></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>991,843</u></b>	<b><u>991,843</u></b>
<b><i>Committed to</i></b>					
Capital projects	-	-	532,218	-	532,218
<b><i>Assigned to:</i></b>					
Police operations	2,113	-	-	-	2,113
Debt service	-	-	-	385,239	385,239
Recreational activities	58,633	-	-	-	58,633
Purchases on order	20,821	-	-	-	20,821
Budget resource	338,327	-	-	-	338,327
<b><i>Total Assigned</i></b>	<b><u>419,894</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>385,239</u></b>	<b><u>805,133</u></b>
<b><i>Unassigned (Deficit)</i></b>	<b><u>992,701</u></b>	<b><u>(221,658)</u></b>	<b><u>-</u></b>	<b><u>(50,400)</u></b>	<b><u>720,643</u></b>
<b><i>Total Fund Balance</i></b>	<b><u>\$ 1,473,355</u></b>	<b><u>\$ (192,684)</u></b>	<b><u>\$ 532,218</u></b>	<b><u>\$ 1,345,862</u></b>	<b><u>\$ 3,158,751</u></b>

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2016**

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**NOTE 15 - FUND BALANCES** – *continued*

At December 31, 2016, the following deficit fund balances were reported:

<u>Fund</u>	<u>Deficit</u>
Fire Improvement	\$ 192,684
Nonmajor Governmental Funds:	
Fire Memorial	5,095
Community Center	6,722
Police Pension	38,583

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	\$ 72,496
Fire Improvement Fund	68,157
Capital Improvement Fund	819,387
Nomajor Governmental Funds	<u>348,317</u>
	<u>\$ 1,308,357</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, 2016**

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**NOTE 18 - TAX ABATEMENTS**

Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the City is required to disclose certain information on its use of tax abatement incentives. A tax abatement incentive, under this Statement, is an agreement between the City and an individual or entity in which the City promises to forgo tax revenue, while the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City.

**Enterprise Zone Program**

The Enterprise Zone Program is an economic development tool administered by the City, pursuant to Ohio Revised Code Sec. 5709 and City Council resolutions, that provides real and personal property tax exemptions to businesses making investments within an enterprise zone. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are generally not eligible.

The City determines approval of projects based upon their contribution to the economic welfare of the community, including job creation or retention. Approved projects receive a 75% tax exemption on new real and personal property investment for up to ten years, with forty-five percent of the total tax exemption benefit paid to the local school district in which the project is located. Participants are monitored for compliance during the incentive period by the Tax Incentive Review Council. As of December 31, 2016, the City had 3 participants in the Enterprise Zone Program and abated \$18,471 in real and personal property taxes.

**NOTE 19 - RECLASSIFICATION**

During the year, the City reclassified the Police Memorial Fund from a special revenue fund to the General Fund in accordance with GASB Statement No. 54. The result of this reclassification had the following impact on beginning fund balances:

	General	Nonmajor Governmental Funds
Fund Balance at December 31, 2015	\$ 1,072,319	\$ 1,922,465
Adjustments:		
Fund reclassification	1,113	(1,113)
Restated Fund Balance at December 31, 2015	\$ 1,073,432	\$ 1,921,352



# **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 Three Measurement Periods (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.011516%	0.011491%	0.011491%
City's Proportionate Share of the Net Pension Liability	\$ 1,994,671	\$ 1,385,943	\$ 1,354,639
City's Covered-Employee Payroll	\$ 1,552,425	\$ 1,408,850	\$ 1,502,199
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	128.49%	98.37%	90.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	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 Three Measurement Periods (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1481390%	0.1556051%	0.1556051%
City's Proportionate Share of the Net Pension Liability	\$ 9,529,887	\$ 8,060,993	\$ 7,578,456
City's Covered-Employee Payroll	\$ 3,183,678	\$ 3,198,414	\$ 4,078,361
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	299.34%	252.03%	185.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contributions	\$ 203,067	\$ 186,291	\$ 169,062	\$ 195,286	\$ 178,537
Contributions in Relation to the Contractually Required Contributions	<u>\$ (203,067)</u>	<u>\$ (186,291)</u>	<u>\$ (169,062)</u>	<u>\$ (195,286)</u>	<u>\$ (178,537)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 1,692,225	\$ 1,552,425	\$ 1,408,850	\$ 1,502,200	\$ 1,785,370
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%	10.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contributions	\$ 182,879	\$ 175,512	\$ 172,512	\$ 168,526	\$ 163,946
Contributions in Relation to the Contractually Required Contributions	<u>\$ (182,879)</u>	<u>\$ (175,512)</u>	<u>\$ (172,512)</u>	<u>\$ (168,526)</u>	<u>\$ (163,946)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 1,828,790	\$ 1,967,623	\$ 2,091,055	\$ 2,407,514	\$ 1,963,425
Contributions as a Percentage of Covered-Employee Payroll	10.00%	8.92%	8.25%	7.00%	8.35%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contributions	\$ 728,245	\$ 639,601	\$ 651,197	\$ 696,584	\$ 492,870
Contributions in Relation to the Contractually Required Contributions	<u>(728,245)</u>	<u>(639,601)</u>	<u>(651,197)</u>	<u>(696,584)</u>	<u>(492,870)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 3,624,913	\$ 3,183,678	\$ 3,198,414	\$ 4,078,361	\$ 3,382,773
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.09%	20.36%	17.08%	14.57%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contributions	\$ 474,381	\$ 469,877	\$ 442,825	\$ 359,715	\$ 316,179
Contributions in Relation to the Contractually Required Contributions	<u>(474,381)</u>	<u>(469,877)</u>	<u>(442,825)</u>	<u>(359,715)</u>	<u>(316,179)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 3,352,516	\$ 3,370,710	\$ 3,169,828	\$ 2,522,546	\$ 2,160,430
Contributions as a Percentage of Covered-Employee Payroll	14.15%	13.94%	13.97%	14.26%	14.66%

# **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, 2016

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
<b>Revenues:</b>				
Property and other taxes	\$ 1,118,412	\$ 1,118,412	1,139,247	\$ 20,835
Income taxes	4,159,347	4,181,826	3,578,066	(603,760)
Intergovernmental	202,755	202,755	508,938	306,183
Charges for services	627	630	581	(49)
Fines, costs and forfeitures	130,610	131,316	124,642	(6,674)
Licenses, permits and inspections	284,964	286,505	329,867	43,362
Interest	10,449	10,505	1,635	(8,870)
Contributions	-	-	100	100
Other	640,933	641,276	523,419	(117,857)
Total revenues	<u>6,548,097</u>	<u>6,573,225</u>	<u>6,206,495</u>	<u>(366,730)</u>
<b>Expenditures:</b>				
Current:				
General government				
Planning commission:				
Operations/maintenance	<u>500</u>	<u>522</u>	<u>615</u>	<u>(93)</u>
Total planning commission	<u>500</u>	<u>522</u>	<u>615</u>	<u>(93)</u>
Information technology:				
Operations/maintenance	<u>147,052</u>	<u>128,617</u>	<u>97,132</u>	<u>31,485</u>
Income tax:				
Personal services	14,658	431	3	428
Contractual services	125,325	125,325	94,768	30,557
Operations/maintenance	450	450	323	127
Refunds/reimbursements	-	-	-	-
Total income tax	<u>140,433</u>	<u>126,206</u>	<u>95,094</u>	<u>31,112</u>
Jobs creation:				
Operations/maintenance	<u>99,500</u>	<u>99,500</u>	<u>98,678</u>	<u>822</u>
Mayor:				
Personal services	35,235	36,235	36,686	(451)
Contractual services	1,560	1,504	300	1,204
Operations/maintenance	250	250	130	120
Capital improvements	3,000	3,000	1,014	1,986
Total mayor	<u>40,045</u>	<u>40,989</u>	<u>38,130</u>	<u>2,859</u>
Council:				
Personal services	67,769	70,534	78,103	(7,569)
Contractual services	176,453	120,124	53,433	66,691
Operations/maintenance	2,750	10,750	2,767	7,983
Total council	<u>\$ 246,972</u>	<u>\$ 201,408</u>	<u>\$ 134,303</u>	<u>\$ 67,105</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, 2016

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Economic development:				
Personal services	\$ 130,458	\$ 92,458	\$ 92,217	\$ 241
Contractual services	56,236	45,236	38,171	7,065
Operations/maintenance	18,619	29,619	19,682	9,937
Capital improvements	5,000	5,000	-	5,000
Total economic development	<u>210,313</u>	<u>172,313</u>	<u>150,070</u>	<u>22,243</u>
Finance:				
Personal services	249,373	222,462	219,915	2,547
Contractual services	64,580	64,280	56,140	8,140
Operations/maintenance	11,705	12,006	6,605	5,401
Capital improvements	5,800	5,800	-	5,800
Total finance	<u>331,458</u>	<u>304,548</u>	<u>282,660</u>	<u>21,888</u>
Custodian:				
Operations/maintenance	5,000	5,000	2,897	2,103
Total custodian	<u>5,000</u>	<u>5,000</u>	<u>2,897</u>	<u>2,103</u>
Civil service:				
Contractual services	3,500	-	-	-
Operations/maintenance	100	6,100	4,126	1,974
Total civil service	<u>3,600</u>	<u>6,100</u>	<u>4,126</u>	<u>1,974</u>
Real estate:				
Operations/maintenance	48,926	20,000	9,373	10,627
Total real estate	<u>48,926</u>	<u>20,000</u>	<u>9,373</u>	<u>10,627</u>
Law director:				
Personal services	95,856	101,442	100,046	1,396
Contractual services	17,500	17,500	16,389	1,111
Total law director	<u>113,356</u>	<u>118,942</u>	<u>116,435</u>	<u>2,507</u>
Magistrate:				
Personal services	75,990	81,765	81,620	145
Contractual services	9,615	15,562	16,011	(449)
Operations/maintenance	550	783	733	50
Total magistrate	<u>86,155</u>	<u>98,110</u>	<u>98,364</u>	<u>(254)</u>
General government:				
Operations/maintenance	119,100	34,100	27,479	6,621
Elections:				
Operations/maintenance	-	-	-	-
Total general government	<u>\$ 1,592,410</u>	<u>\$ 1,356,355</u>	<u>\$ 1,155,356</u>	<u>\$ 200,999</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, 2016

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Security of persons and property				
Law enforcement:				
Personal services	\$ 2,418,320	\$ 2,436,979	\$ 2,340,955	\$ 96,024
Contractual services	268,034	258,355	221,550	36,805
Operations/maintenance	74,189	66,541	65,193	1,348
Capital improvements	58,149	140,268	129,046	11,222
Total law enforcement	<u>2,818,692</u>	<u>2,902,143</u>	<u>2,756,744</u>	<u>145,399</u>
Street lighting:				
Operations/maintenance	-	100,000	80,745	19,255
Total security of persons and property	<u>2,818,692</u>	<u>3,002,143</u>	<u>2,837,489</u>	<u>164,654</u>
Public health and welfare				
Board of health:				
Operations/maintenance	-	13,926	6,963	6,963
Total public health services	<u>-</u>	<u>13,926</u>	<u>6,963</u>	<u>6,963</u>
Community and economic development				
Building department:				
Personal services	77,341	145,388	141,043	4,345
Contractual services	130,419	133,953	116,496	17,457
Operations/maintenance	2,500	1,685	1,643	42
Capital improvements	5,000	5,000	700	4,300
Total building department	<u>215,260</u>	<u>286,026</u>	<u>259,882</u>	<u>26,144</u>
Zoning department:				
Contractual services	300	425	425	-
Operations/maintenance	1,866	1,821	1,821	-
Total zoning department	<u>2,166</u>	<u>2,246</u>	<u>2,246</u>	<u>-</u>
Total community and economic development	<u>217,426</u>	<u>288,272</u>	<u>262,128</u>	<u>26,144</u>
Leisure time activity				
Parks and recreation:				
Personal services	23,353	23,653	21,869	1,784
Contractual services	32,700	21,468	16,454	5,014
Operations/maintenance	11,600	22,832	20,815	2,017
Capital improvements	3,000	3,000	2,297	703
Total parks and recreation	<u>70,653</u>	<u>70,953</u>	<u>61,435</u>	<u>9,518</u>
Total leisure time activity	<u>70,653</u>	<u>70,953</u>	<u>61,435</u>	<u>9,518</u>
Debt service	<u>357,579</u>	<u>357,579</u>	<u>357,579</u>	<u>-</u>
Total expenditures	<u>\$ 5,056,760</u>	<u>\$ 5,089,228</u>	<u>\$ 4,680,950</u>	<u>\$ 408,278</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, 2016

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Excess of revenues over expenditures	\$ 1,491,337	\$ 1,483,997	\$ 1,525,545	\$ 41,548
<b>Other financing uses:</b>				
Transfers out	(1,570,138)	(1,661,052)	(1,444,359)	216,693
Total other financing uses	(1,570,138)	(1,661,052)	(1,444,359)	216,693
Net change in fund balance	(78,801)	(177,055)	81,186	\$ 258,241
Fund balance, beginning of year	461,435	461,435	461,435	
Prior year encumbrances appropriated	77,247	77,247	77,247	
Fund balance, end of year	\$ 459,881	\$ 361,627	\$ 619,868	

## 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.

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.

Police Memorial

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

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.

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 607,959	\$ 408,467	\$ 334,089	\$ 1,350,515
Cash in segregated accounts	16,317	-	-	16,317
Receivables:				
Property and other taxes	64,302	-	-	64,302
Payment in lieu of taxes	-	-	583,360	583,360
Accounts	4,314	-	-	4,314
Intergovernmental	193,041	-	-	193,041
Prepaid items	9,743	-	-	9,743
Materials and supplies inventory	9,437	-	-	9,437
Total assets	<u>\$ 905,113</u>	<u>\$ 408,467</u>	<u>\$ 917,449</u>	<u>\$ 2,231,029</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,237	\$ -	\$ -	\$ 6,237
Accrued salaries	20,555	-	-	20,555
Intergovernmental payable	50,627	-	-	50,627
Advances from other funds	35,411	-	-	35,411
Total liabilities	<u>112,830</u>	<u>-</u>	<u>-</u>	<u>112,830</u>
<b>Deferred Inflows of Resources:</b>				
Property taxes and payment in lieu of taxes	60,630	-	560,000	620,630
Unavailable revenue	128,347	-	23,360	151,707
Total deferred inflows of resources	<u>188,977</u>	<u>-</u>	<u>583,360</u>	<u>772,337</u>
<b>Fund balances:</b>				
Nonspendable	19,180	-	-	19,180
Restricted	634,526	23,228	334,089	991,843
Assigned	-	385,239	-	385,239
Unassigned	(50,400)	-	-	(50,400)
Total fund balances	<u>603,306</u>	<u>408,467</u>	<u>334,089</u>	<u>1,345,862</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 905,113</u>	<u>\$ 408,467</u>	<u>\$ 917,449</u>	<u>\$ 2,231,029</u>



**CITY OF HARRISON, OHIO**
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and other taxes	\$ 92,869	\$ -	\$ -	\$ 92,869
Payments in lieu of taxes	-	-	529,205	529,205
Intergovernmental	589,928	-	-	589,928
Charges for services	4,282	-	-	4,282
Fines, costs and forfeitures	11,762	-	-	11,762
Contributions	28,440	-	-	28,440
Other	10,690	-	-	10,690
Total revenues	<u>737,971</u>	<u>-</u>	<u>529,205</u>	<u>1,267,176</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property	88,331	-	-	88,331
Public health services	220,677	-	-	220,677
Leisure time activity	132,660	-	-	132,660
Transportation	656,406	-	-	656,406
General government	-	-	115,694	115,694
Capital outlay	94,998	-	-	94,998
Debt service:				
Principal retirement	22,394	-	154,298	176,692
Interest and fiscal charges	3,050	-	125,353	128,403
Total expenditures	<u>1,218,516</u>	<u>-</u>	<u>395,345</u>	<u>1,613,861</u>
Excess of revenues over (under) expenditures	<u>(480,545)</u>	<u>-</u>	<u>133,860</u>	<u>(346,685)</u>
<b>Other financing sources:</b>				
Transfers in	<u>343,113</u>	<u>-</u>	<u>-</u>	<u>343,113</u>
Net change in fund balance	(137,432)	-	133,860	(3,572)
Fund balance at beginning of year, <i>restated</i>	<u>740,738</u>	<u>408,467</u>	<u>200,229</u>	<u>1,349,434</u>
Fund balance at end of year	<u>\$ 603,306</u>	<u>\$ 408,467</u>	<u>\$ 334,089</u>	<u>\$ 1,345,862</u>

**CITY OF HARRISON, OHIO**  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2016

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
<b>Assets:</b>							
Equity in pooled cash and investments	\$ -	\$ 44,451	\$ 9,905	\$ -	\$ 4,202	\$ 4,283	\$ 1,405
Cash in segregated accounts	-	-	-	-	-	16,317	-
Receivables:							
Property and other taxes	-	-	-	-	-	-	-
Accounts	4,314	-	-	-	-	-	-
Intergovernmental	171,059	16,176	-	-	-	2,031	-
Prepaid items	6,693	-	-	-	-	3,050	-
Materials and supplies inventory	9,437	-	-	-	-	-	-
Total assets	<u>\$ 191,503</u>	<u>\$ 60,627</u>	<u>\$ 9,905</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ 25,681</u>	<u>\$ 1,405</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 3,043	\$ -	\$ -	\$ 2,045	\$ -	\$ 1,149	\$ -
Accrued salaries	13,308	-	-	3,224	-	4,023	-
Intergovernmental payable	8,120	-	-	1,453	-	2,471	-
Advances from other funds	-	20,411	15,000	-	-	-	-
Total liabilities	<u>24,471</u>	<u>20,411</u>	<u>15,000</u>	<u>6,722</u>	<u>-</u>	<u>7,643</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>							
Property taxes and payment in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenue	110,116	10,784	-	-	-	-	-
Total deferred inflows of resources	<u>110,116</u>	<u>10,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>							
Nonspendable	16,130	-	-	-	-	3,050	-
Restricted	40,786	29,432	-	-	4,202	14,988	1,405
Unassigned	-	-	(5,095)	(6,722)	-	-	-
Total fund balances	<u>56,916</u>	<u>29,432</u>	<u>(5,095)</u>	<u>(6,722)</u>	<u>4,202</u>	<u>18,038</u>	<u>1,405</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 191,503</u>	<u>\$ 60,627</u>	<u>\$ 9,905</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ 25,681</u>	<u>\$ 1,405</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
\$ 2,368	\$ 1,970	\$ -	\$ 3,858	\$ 3,519	\$ 2,775	\$ 3,766	\$ -	\$ 524,057	\$ 1,400	\$ 607,959
-	-	-	-	-	-	-	-	-	-	16,317
-	-	64,302	-	-	-	-	-	-	-	64,302
-	-	-	-	-	-	-	-	-	-	4,314
-	-	3,775	-	-	-	-	-	-	-	193,041
-	-	-	-	-	-	-	-	-	-	9,743
-	-	-	-	-	-	-	-	-	-	9,437
<u>\$ 2,368</u>	<u>\$ 1,970</u>	<u>\$ 68,077</u>	<u>\$ 3,858</u>	<u>\$ 3,519</u>	<u>\$ 2,775</u>	<u>\$ 3,766</u>	<u>\$ -</u>	<u>\$ 524,057</u>	<u>\$ 1,400</u>	<u>\$ 905,113</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,237
-	-	-	-	-	-	-	-	-	-	20,555
-	-	38,583	-	-	-	-	-	-	-	50,627
-	-	-	-	-	-	-	-	-	-	35,411
-	-	38,583	-	-	-	-	-	-	-	112,830
-	-	60,630	-	-	-	-	-	-	-	60,630
-	-	7,447	-	-	-	-	-	-	-	128,347
-	-	68,077	-	-	-	-	-	-	-	188,977
-	-	-	-	-	-	-	-	-	-	19,180
2,368	1,970	-	3,858	3,519	2,775	3,766	-	524,057	1,400	634,526
-	-	(38,583)	-	-	-	-	-	-	-	(50,400)
<u>2,368</u>	<u>1,970</u>	<u>(38,583)</u>	<u>3,858</u>	<u>3,519</u>	<u>2,775</u>	<u>3,766</u>	<u>-</u>	<u>524,057</u>	<u>1,400</u>	<u>603,306</u>
<u>\$ 2,368</u>	<u>\$ 1,970</u>	<u>\$ 68,077</u>	<u>\$ 3,858</u>	<u>\$ 3,519</u>	<u>\$ 2,775</u>	<u>\$ 3,766</u>	<u>\$ -</u>	<u>\$ 524,057</u>	<u>\$ 1,400</u>	<u>\$ 905,113</u>

**CITY OF HARRISON, OHIO**  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2016

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
<b><i>Assets:</i></b>			
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>
<b><i>Fund Balances:</i></b>			
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>

**CITY OF HARRISON, OHIO**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2016

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 147,605	\$ 125,321	\$ 58,276	\$ 2,887	\$ 334,089
Receivables:					
Property and other taxes	-	-	-	-	-
Payment in lieu of taxes	238,360	280,000	65,000	-	583,360
Total assets	<u>\$ 385,965</u>	<u>\$ 405,321</u>	<u>\$ 123,276</u>	<u>\$ 2,887</u>	<u>\$ 917,449</u>
<b>Deferred Inflows of Resources and Fund Balances:</b>					
<b>Deferred Inflows of Resources:</b>					
Property taxes and payment in lieu of taxes	215,000	280,000	65,000	-	560,000
Unavailable revenue	23,360	-	-	-	23,360
Total deferred inflows of resources	<u>238,360</u>	<u>280,000</u>	<u>65,000</u>	<u>-</u>	<u>583,360</u>
<b>Fund Balances:</b>					
Restricted	<u>147,605</u>	<u>125,321</u>	<u>58,276</u>	<u>2,887</u>	<u>334,089</u>
Total deferred inflows of resources and fund balances	<u>\$ 385,965</u>	<u>\$ 405,321</u>	<u>\$ 123,276</u>	<u>\$ 2,887</u>	<u>\$ 917,449</u>

**CITY OF HARRISON, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended December 31, 2016

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
<b>Revenues:</b>							
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	449,424	31,951	-	19,376	-	85,543	-
Charges for services	1,288	-	-	-	-	-	2,994
Fines, costs and forfeitures	-	-	-	-	-	-	-
Contributions	-	-	4,930	77	-	23,433	-
Other	4,783	-	-	5,753	-	154	-
Total revenues	<u>455,495</u>	<u>31,951</u>	<u>4,930</u>	<u>25,206</u>	<u>-</u>	<u>109,130</u>	<u>2,994</u>
<b>Expenditures:</b>							
Current:							
Security of persons and property	-	-	1,717	-	-	-	-
Public health services	-	-	-	-	-	217,377	3,300
Leisure time activity	-	-	-	132,660	-	-	-
Transportation	648,033	8,373	-	-	-	-	-
Capital outlay	19,478	-	-	5,753	-	-	-
Debt service							
Principal retirement	22,394	-	-	-	-	-	-
Interest and fiscal charges	3,050	-	-	-	-	-	-
Total expenditures	<u>692,955</u>	<u>8,373</u>	<u>1,717</u>	<u>138,413</u>	<u>-</u>	<u>217,377</u>	<u>3,300</u>
Excess of revenues over (under) expenditures	<u>(237,460)</u>	<u>23,578</u>	<u>3,213</u>	<u>(113,207)</u>	<u>-</u>	<u>(108,247)</u>	<u>(306)</u>
<b>Other financing sources</b>							
Transfers in	<u>191,149</u>	<u>-</u>	<u>-</u>	<u>78,467</u>	<u>-</u>	<u>63,332</u>	<u>-</u>
Net change in fund balance	(46,311)	23,578	3,213	(34,740)	-	(44,915)	(306)
Fund balance at beginning of year, <i>restated</i>	<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>
Fund balance at end of year	<u>\$ 56,916</u>	<u>\$ 29,432</u>	<u>\$ (5,095)</u>	<u>\$ (6,722)</u>	<u>\$ 4,202</u>	<u>\$ 18,038</u>	<u>\$ 1,405</u>

*continued*

<u>Court Computer</u>	<u>Project Lifesaver</u>	<u>Police Pension</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Enforcement and Education</u>	<u>FEMA</u>	<u>Recreation Tax Receipts</u>	<u>Indigent Interlock</u>	<u>TOTAL</u>
\$ -	\$ -	\$ 62,106	\$ -	\$ -	\$ -	\$ -	\$ 30,763	\$ -	\$ 92,869
-	-	3,634	-	-	-	-	-	-	589,928
-	-	-	-	-	-	-	-	-	4,282
1,279	-	-	6,275	3,950	258	-	-	-	11,762
-	-	-	-	-	-	-	-	-	28,440
-	-	-	-	-	-	-	-	-	10,690
<u>1,279</u>	<u>-</u>	<u>65,740</u>	<u>6,275</u>	<u>3,950</u>	<u>258</u>	<u>-</u>	<u>30,763</u>	<u>-</u>	<u>737,971</u>
181	571	81,479	3,815	568	-	-	-	-	88,331
-	-	-	-	-	-	-	-	-	220,677
-	-	-	-	-	-	-	-	-	132,660
-	-	-	-	-	-	-	-	-	656,406
-	-	-	-	-	-	-	69,767	-	94,998
-	-	-	-	-	-	-	-	-	22,394
-	-	-	-	-	-	-	-	-	3,050
<u>181</u>	<u>571</u>	<u>81,479</u>	<u>3,815</u>	<u>568</u>	<u>-</u>	<u>-</u>	<u>69,767</u>	<u>-</u>	<u>1,218,516</u>
<u>1,098</u>	<u>(571)</u>	<u>(15,739)</u>	<u>2,460</u>	<u>3,382</u>	<u>258</u>	<u>-</u>	<u>(39,004)</u>	<u>-</u>	<u>(480,545)</u>
-	-	-	-	-	-	-	10,165	-	343,113
1,098	(571)	(15,739)	2,460	3,382	258	-	(28,839)	-	(137,432)
<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>552,896</u>	<u>1,400</u>	<u>740,738</u>
<u>\$ 2,368</u>	<u>\$ 1,970</u>	<u>\$ (38,583)</u>	<u>\$ 3,858</u>	<u>\$ 3,519</u>	<u>\$ 2,775</u>	<u>\$ 3,766</u>	<u>\$ 524,057</u>	<u>\$ 1,400</u>	<u>\$ 603,306</u>

**CITY OF HARRISON, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
Year Ended December 31, 2016

	<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, 2016

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
<b>Revenues:</b>					
Payments in lieu of taxes	\$ 193,626	\$ 286,365	\$ 49,214	\$ -	\$ 529,205
<b>Expenditures:</b>					
Current:					
General government	40,148	66,802	8,744	-	115,694
Debt service					
Principal retirement	104,298	50,000	-	-	154,298
Interest and fiscal charges	47,490	77,863	-	-	125,353
Total expenditures	<u>191,936</u>	<u>194,665</u>	<u>8,744</u>	<u>-</u>	<u>395,345</u>
Net change in fund balance	1,690	91,700	40,470	-	133,860
Fund balance at beginning of year	145,915	33,621	17,806	2,887	200,229
Fund balance at end of year	<u>\$ 147,605</u>	<u>\$ 125,321</u>	<u>\$ 58,276</u>	<u>\$ 2,887</u>	<u>\$ 334,089</u>

**CITY OF HARRISON, OHIO**

## Schedule of Revenues, Expenditures and Changes in Fund

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

Street Maintenance and Repair - Nonmajor Special Revenue Fund

Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 448,841	\$ 454,558	\$ 5,717
Charges for services	3,903	1,288	(2,615)
Other	7,806	10,059	2,253
Total revenues	<u>460,550</u>	<u>465,905</u>	<u>5,355</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Personal services	559,421	550,704	8,717
Contractual services	90,025	77,516	12,509
Operations/maintenance	53,200	48,935	4,265
Capital improvements	20,450	19,838	612
Total expenditures	<u>723,096</u>	<u>696,993</u>	<u>26,103</u>
Deficiency of revenues under expenditures	<u>(262,546)</u>	<u>(231,088)</u>	<u>31,458</u>
<b>Other financing sources:</b>			
Transfers in	<u>242,021</u>	<u>191,149</u>	<u>(50,872)</u>
Net change in fund balance	(20,525)	(39,939)	\$ (19,414)
Fund balance, beginning of year	29,582	29,582	
Prior year encumbrances appropriated	75	75	
Fund balance, end of year	<u>\$ 9,132</u>	<u>\$ (10,282)</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
State Highway Improvements - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 32,000	\$ 31,429	\$ (571)
Total revenues	<u>32,000</u>	<u>31,429</u>	<u>(571)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Operations/maintenance	50,616	49,734	882
Total expenditures	<u>50,616</u>	<u>49,734</u>	<u>882</u>
Net change in fund balance	(18,616)	(18,305)	\$ 311
Fund balance, beginning of year	779	779	
Prior year encumbrances appropriated	20,616	20,616	
Fund balance, end of year	<u>\$ 2,779</u>	<u>\$ 3,090</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Fire Memorial - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Contributions	\$ 1,000	\$ 4,930	\$ 3,930
Total revenues	<u>1,000</u>	<u>4,930</u>	<u>3,930</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Operations/maintenance	2,000	1,717	283
Total expenditures	<u>2,000</u>	<u>1,717</u>	<u>283</u>
Net change in fund balance	(1,000)	3,213	\$ 4,213
Fund balance, beginning of year	6,692	6,692	
Fund balance, end of year	<u>\$ 5,692</u>	<u>\$ 9,905</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Community Center - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 33,568	\$ 28,348	\$ (5,220)
Other	5,753	5,830	77
Total revenues	<u>39,321</u>	<u>34,178</u>	<u>(5,143)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activity			
Personal services	75,932	49,470	26,462
Contractual services	62,038	55,984	6,054
Operations/maintenance	29,109	28,222	887
Capital outlay	5,753	5,753	-
Total expenditures	<u>172,832</u>	<u>139,429</u>	<u>33,403</u>
Deficiency of revenues under expenditures	<u>(133,511)</u>	<u>(105,251)</u>	<u>28,260</u>
<b>Other financing sources:</b>			
Transfers in	<u>110,511</u>	<u>78,467</u>	<u>(32,044)</u>
Net change in fund balance	(23,000)	(26,784)	\$ (3,784)
Fund balance, beginning of year	<u>24,839</u>	<u>24,839</u>	
Fund balance, end of year	<u>\$ 1,839</u>	<u>\$ (1,945)</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Fire Capital Reserve - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget and Actual - Budget (Non-GAAP) Basis  
 Senior Center - Nonmajor Special Revenue Fund  
 Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 166,646	\$ 116,511	\$ (50,135)
Contributions	14,213	21,795	7,582
Other	-	154	154
Total revenues	<u>180,859</u>	<u>138,460</u>	<u>(42,399)</u>
<b>Expenditures:</b>			
Current:			
Public health services			
Personal services	202,208	175,854	26,354
Contractual services	35,500	32,841	2,659
Operations/maintenance	43,806	26,312	17,494
Capital improvements	151,000	-	151,000
Total expenditures	<u>432,514</u>	<u>235,007</u>	<u>197,507</u>
Deficiency of revenues under expenditures	<u>(251,655)</u>	<u>(96,547)</u>	<u>155,108</u>
<b>Other financing sources:</b>			
Transfers in	<u>94,999</u>	<u>63,332</u>	<u>(31,667)</u>
Net change in fund balance	(156,656)	(33,215)	\$ 123,441
Fund balance, beginning of year	27,501	27,501	
Prior year encumbrances appropriated	<u>6,656</u>	<u>6,656</u>	
Fund balance, end of year	<u>\$ (122,499)</u>	<u>\$ 942</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Passport Account - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Charges for services	\$ 6,000	\$ 3,385	\$ (2,615)
Total revenues	<u>6,000</u>	<u>3,385</u>	<u>(2,615)</u>
<b>Expenditures:</b>			
Current:			
Public health services			
Operations/maintenance	6,812	5,178	1,634
Total expenditures	<u>6,812</u>	<u>5,178</u>	<u>1,634</u>
Net change in fund balance	(812)	(1,793)	\$ (981)
Fund balance, beginning of year	2,386	2,386	
Prior year encumbrances appropriated	812	812	
Fund balance, end of year	<u>\$ 2,386</u>	<u>\$ 1,405</u>	



**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Court Computer - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Fines, costs and forfeitures	\$ 1,200	\$ 1,395	\$ 195
Total revenues	<u>1,200</u>	<u>1,395</u>	<u>195</u>
<b>Expenditures:</b>			
Current:			
General government			
Operations/maintenance	1,200	182	1,018
Total expenditures	<u>1,200</u>	<u>182</u>	<u>1,018</u>
Net change in fund balance	-	1,213	\$ 1,213
Fund balance, beginning of year	<u>1,154</u>	<u>1,154</u>	
Fund balance, end of year	<u>\$ 1,154</u>	<u>\$ 2,367</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Project Lifesaver - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Contributions	\$ 500	\$ -	\$ (500)
Total revenues	<u>500</u>	<u>-</u>	<u>(500)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Operations/maintenance	500	571	(71)
Total expenditures	<u>500</u>	<u>571</u>	<u>(71)</u>
Net change in fund balance	-	(571)	\$ (571)
Fund balance, beginning of year	2,541	2,541	
Fund balance, end of year	<u>\$ 2,541</u>	<u>\$ 1,970</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Police Pension - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Property and other taxes	\$ 58,864	\$ 62,106	\$ 3,242
Intergovernmental	8,320	3,634	(4,686)
Total revenues	<u>67,184</u>	<u>65,740</u>	<u>(1,444)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Personal services	66,176	65,201	975
Operations/maintenance	1,008	539	469
Total expenditures	<u>67,184</u>	<u>65,740</u>	<u>1,444</u>
Net change in fund balance	-	-	\$ -
Fund balance, beginning of year	-	-	
Fund balance, end of year	<u>\$ -</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 - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Fines, costs and forfeitures	\$ 2,500	\$ 6,400	\$ 3,900
Total revenues	<u>2,500</u>	<u>6,400</u>	<u>3,900</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Operations/maintenance	3,815	3,815	-
Total expenditures	<u>3,815</u>	<u>3,815</u>	<u>-</u>
Net change in fund balance	(1,315)	2,585	\$ 3,900
Fund balance, beginning of year	1,273	1,273	
Fund balance, end of year	<u>\$ (42)</u>	<u>\$ 3,858</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Law Enforcement Trust - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Fines, costs and forfeitures	\$ 500	\$ 3,950	\$ 3,450
Total revenues	<u>500</u>	<u>3,950</u>	<u>3,450</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Operations/maintenance	<u>567</u>	<u>567</u>	-
Total expenditures	<u>567</u>	<u>567</u>	-
Net change in fund balance	(67)	3,383	\$ 3,450
Fund balance, beginning of year	<u>137</u>	<u>137</u>	
Fund balance, end of year	<u>\$ 70</u>	<u>\$ 3,520</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Enforcement and Education - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Fines, costs and forfeitures	\$ 500	\$ 258	\$ (242)
Total revenues	<u>500</u>	<u>258</u>	<u>(242)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Operations/maintenance	100	-	100
Total expenditures	<u>100</u>	<u>-</u>	<u>100</u>
Net change in fund balance	400	258	\$ (142)
Fund balance, beginning of year	<u>2,517</u>	<u>2,517</u>	
Fund balance, end of year	<u>\$ 2,917</u>	<u>\$ 2,775</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
FEMA - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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  
Recreation Tax Receipts - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Property and other taxes	\$ 37,835	\$ 30,763	\$ (7,072)
Total revenues	<u>37,835</u>	<u>30,763</u>	<u>(7,072)</u>
<b>Expenditures:</b>			
Capital outlay			
Capital improvements	69,767	69,767	-
Total expenditures	<u>69,767</u>	<u>69,767</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(31,932)</u>	<u>(39,004)</u>	<u>(7,072)</u>
<b>Other financing sources:</b>			
Transfers in	<u>10,165</u>	<u>10,165</u>	<u>-</u>
Net change in fund balance	(21,767)	(28,839)	\$ (7,072)
Fund balance, beginning of year	552,896	552,896	
Fund balance, end of year	<u>\$ 531,129</u>	<u>\$ 524,057</u>	



**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Indigent Interlock Fund - Nonmajor Special Revenue Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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  
Police Memorial Fund (1)  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Donations	\$ -	\$ 1,000	\$ 1,000
Total revenues	<u>-</u>	<u>1,000</u>	<u>1,000</u>
 Net change in fund balance	 -	 1,000	 \$ 1,000
 Fund balance, beginning of year	 <u>1,113</u>	 <u>1,113</u>	
Fund balance, end of year	<u>\$ 1,113</u>	<u>\$ 2,113</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  
Recreation Activity Receipts Fund (1)  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Contributions	\$ 10,000	\$ 10,600	\$ 600
Other	-	10,298	10,298
Total revenues	<u>10,000</u>	<u>20,898</u>	<u>10,898</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Operations/maintenance	8,000	7,078	922
Capital improvements	2,000	2,000	-
Total expenditures	<u>10,000</u>	<u>9,078</u>	<u>922</u>
Net change in fund balance	-	11,820	\$ 11,820
Fund balance, beginning of year	<u>46,812</u>	<u>46,812</u>	
Fund balance, end of year	<u>\$ 46,812</u>	<u>\$ 58,632</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 - Nonmajor Debt Service Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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 - Nonmajor Debt Service Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Capital Improvement Fund - Major Capital Projects Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Property and other taxes	\$ 80,000	\$ 98,436	\$ 18,436
Intergovernmental	<u>1,371,476</u>	<u>873,225</u>	<u>(498,251)</u>
Total revenues	<u>1,451,476</u>	<u>971,661</u>	<u>(479,815)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Operations/maintenance	214,002	-	214,002
Capital improvements	2,230,714	2,173,510	57,204
Debt service	<u>28,525</u>	<u>28,525</u>	<u>-</u>
Total expenditures	<u>2,473,241</u>	<u>2,202,035</u>	<u>271,206</u>
Deficiency of revenues under expenditures	(1,021,765)	(1,230,374)	(208,609)
<b>Other financing sources:</b>			
OPWC loans issued	<u>883,241</u>	<u>368,104</u>	<u>(515,137)</u>
Net change in fund balance	(138,524)	(862,270)	\$ (723,746)
Fund balance, beginning of year	(599,386)	(599,386)	
Prior year encumbrances appropriated	<u>1,159,716</u>	<u>1,159,716</u>	
Fund balance, end of year	<u>\$ 421,806</u>	<u>\$ (301,940)</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Home Depot TIF - Nonmajor Capital Projects Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Payments in lieu of taxes	\$ 215,000	\$ 193,626	\$ (21,374)
Total revenues	<u>215,000</u>	<u>193,626</u>	<u>(21,374)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Capital improvements	100,109	40,148	59,961
Debt Service	<u>151,788</u>	<u>151,788</u>	<u>-</u>
Total expenditures	<u>251,897</u>	<u>191,936</u>	<u>59,961</u>
Net change in fund balance	(36,897)	1,690	\$ 38,587
Fund balance, beginning of year	<u>145,915</u>	<u>145,915</u>	
Fund balance, end of year	<u>\$ 109,018</u>	<u>\$ 147,605</u>	

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
Harrison Avenue TIF - Nonmajor Capital Projects Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Payments in lieu of taxes	\$ 280,000	\$ 286,365	\$ 6,365
Total revenues	<u>280,000</u>	<u>286,365</u>	<u>6,365</u>
<b>Expenditures:</b>			
Current:			
General government:			
Contractual services	130,480	66,802	63,678
Debt Service	<u>127,863</u>	<u>127,863</u>	<u>-</u>
Total expenditures	<u>258,343</u>	<u>194,665</u>	<u>63,678</u>
Net change in fund balance	21,657	91,700	\$ 70,043
Fund balance, beginning of year	<u>33,621</u>	<u>33,621</u>	
Fund balance, end of year	<u>\$ 55,278</u>	<u>\$ 125,321</u>	



**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual - Budget (Non-GAAP) Basis  
CTS TIF Fund - Nonmajor Capital Projects Fund  
Year Ended December 31, 2016

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
<b>Revenues:</b>			
Payments in lieu of taxes	\$ 65,000	\$ 49,214	\$ (15,786)
Total revenues	<u>65,000</u>	<u>49,214</u>	<u>(15,786)</u>
<b>Expenditures:</b>			
Current:			
General government			
Operations/maintenance	47,232	22,803	24,429
Total expenditures	<u>47,232</u>	<u>22,803</u>	<u>24,429</u>
Net change in fund balance	17,768	26,411	\$ 8,643
Fund balance, beginning of year	17,475	17,475	
Prior year encumbrances appropriated	14,390	14,390	
Fund balance, end of year	<u>\$ 49,633</u>	<u>\$ 58,276</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 - Nonmajor Capital Projects Fund  
Year Ended December 31, 2016

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
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, 2016

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$ 90,774	\$ 103,089	\$ 198,098	\$ 391,961
Receivables:				
Accounts	9,040	-	39,351	48,391
Total current assets	<u>99,814</u>	<u>103,089</u>	<u>237,449</u>	<u>440,352</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	1,828,186	-	-	1,828,186
Total assets	<u>1,928,000</u>	<u>103,089</u>	<u>237,449</u>	<u>2,268,538</u>
<b>Liabilities and Net Position:</b>				
<b>Liabilities:</b>				
Current liabilities:				
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>-</u>	<u>38,208</u>
Long-term liabilities:				
OPWC loan payable, net of current portion	241,845	-	-	241,845
Total liabilities	<u>280,053</u>	<u>-</u>	<u>-</u>	<u>280,053</u>
<b>Net position:</b>				
Net investment in capital assets	1,565,311	-	-	1,565,311
Unrestricted	82,636	103,089	237,449	423,174
Total net position	<u>\$ 1,647,947</u>	<u>\$ 103,089</u>	<u>\$ 237,449</u>	<u>\$ 1,988,485</u>

**CITY OF HARRISON, OHIO**  
Combining Statement of Revenues, Expenses  
and Changes in Net Position  
Nonmajor Enterprise Funds  
Year Ended December 31, 2016

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for services	\$ 116,566	\$ 10,611	\$ 517,853	\$ 645,030
<b>Operating expenses:</b>				
Contractual services	2,799	-	483,135	485,934
Other	-	4,807	-	4,807
Depreciation	46,613	-	-	46,613
Total operating expenses	<u>49,412</u>	<u>4,807</u>	<u>483,135</u>	<u>537,354</u>
Operating income	67,154	5,804	34,718	107,676
Transfers out	<u>(28,469)</u>	<u>-</u>	<u>-</u>	<u>(28,469)</u>
Change in net position	38,685	5,804	34,718	79,207
Net position, beginning of year	<u>1,609,262</u>	<u>97,285</u>	<u>202,731</u>	<u>1,909,278</u>
Net position, end of year	<u>\$ 1,647,947</u>	<u>\$ 103,089</u>	<u>\$ 237,449</u>	<u>\$ 1,988,485</u>

**CITY OF HARRISON, OHIO**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2016

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 116,033	\$ 10,611	\$ 515,184	\$ 641,828
Cash payments to suppliers for goods and services	(2,799)	-	(525,945)	(528,744)
Cash payments for other operating expenses	-	(4,807)	-	(4,807)
Net cash from operating activities	<u>113,234</u>	<u>5,804</u>	<u>(10,761)</u>	<u>108,277</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers	(28,469)	-	-	(28,469)
Net cash from noncapital financing activities	<u>(28,469)</u>	<u>-</u>	<u>-</u>	<u>(28,469)</u>
<b>Cash flows from capital and related financing activities:</b>				
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	63,735	5,804	(10,761)	58,778
Cash and pooled investments beginning of year	<u>27,039</u>	<u>97,285</u>	<u>208,859</u>	<u>333,183</u>
Cash and pooled investments end of year	<u>\$ 90,774</u>	<u>\$ 103,089</u>	<u>\$ 198,098</u>	<u>\$ 391,961</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 67,154	\$ 5,804	\$ 34,718	\$ 107,676
Adjustments to reconcile operating income to net cash from by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	(533)	-	(2,669)	(3,202)
Accounts payable	-	-	(42,810)	(42,810)
Net cash from operating activities	<u>\$ 113,234</u>	<u>\$ 5,804</u>	<u>\$ (10,761)</u>	<u>\$ 108,277</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, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Mayor's Court</b>				
<b>Assets:</b>				
Cash in segregated accounts	\$ 10,256	\$ 181,414	\$ 175,597	\$ 16,073
<b>Liabilities:</b>				
Intergovernmental payable	<u>10,256</u>	<u>181,414</u>	<u>175,597</u>	<u>16,073</u>
<hr/>				
<b>Joint Economic Development District</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	26,463	224,179	221,124	29,518
Income taxes receivable	49,686	57,321	49,686	57,321
Total assets	<u>76,149</u>	<u>281,500</u>	<u>270,810</u>	<u>86,839</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>76,149</u>	<u>281,500</u>	<u>270,810</u>	<u>86,839</u>
<hr/>				
<b>Benefit Clearing</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>15,245</u>	<u>200,530</u>	<u>188,884</u>	<u>26,891</u>
Total assets	<u>15,245</u>	<u>200,530</u>	<u>188,884</u>	<u>26,891</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>15,245</u>	<u>200,530</u>	<u>188,884</u>	<u>26,891</u>
<hr/>				
<b>TOTAL</b>				
<b>Assets:</b>				
Cash in segregated accounts	10,256	181,414	175,597	16,073
Equity in pooled cash and investments	41,708	424,709	410,008	56,409
Income taxes receivable	49,686	57,321	49,686	57,321
Total assets	<u>101,650</u>	<u>663,444</u>	<u>635,291</u>	<u>129,803</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>101,650</u>	<u>663,444</u>	<u>635,291</u>	<u>129,803</u>
Total liabilities	<u>\$ 101,650</u>	<u>\$ 663,444</u>	<u>\$ 635,291</u>	<u>\$ 129,803</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)**

	2016	2015	2014 <sup>(2)</sup>	2013 <sup>(1)</sup>	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 12,723,298	\$ 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
Restricted:										
Capital Projects	357,449	200,229	1,472,849	1,243,568	70,399	320,110	463,089	246,153	802,220	833,089
Debt Service	-	-	-	-	-	-	349,409	381,877	607,608	879,953
Streets and Highways	97,137	166,982	163,568	193,356	302,855	434,498	618,134	807,072	779,370	547,732
Recreation	462,672	597,201	493,991	496,461	490,505	529,826	441,070	293,901	194,023	104,032
Other Purposes	-	9,807	-	288,152	172,248	172,805	253,799	579,115	769,187	973,782
Unrestricted (deficit)	(6,170,472)	(6,207,718)	(7,525,513)	(646,855)	434,520	528,906	898,341	899,413	2,243,692	2,131,089
<b>Total Governmental Activities Net Position</b>	<b>7,470,084</b>	<b>6,456,302</b>	<b>6,607,135</b>	<b>12,775,818</b>	<b>12,298,176</b>	<b>11,259,821</b>	<b>11,636,844</b>	<b>11,908,113</b>	<b>13,584,766</b>	<b>12,688,044</b>
<b>Business Type - Activities</b>										
Net investment in capital assets	10,295,577	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
Restricted	1,649,657	1,557,083	1,525,963	1,885,810	2,131,205	2,183,434	2,183,465	2,148,863	2,112,293	2,103,523
Unrestricted	1,719,239	990,362	833,761	1,276,607	1,637,109	2,028,991	3,748,975	2,638,922	3,358,016	3,844,896
<b>Total Business-Type Activities Net Position</b>	<b>13,664,473</b>	<b>11,886,035</b>	<b>11,047,139</b>	<b>11,484,353</b>	<b>12,404,914</b>	<b>12,759,542</b>	<b>12,888,194</b>	<b>12,805,527</b>	<b>13,679,297</b>	<b>14,151,589</b>
<b>Primary Government</b>										
Net investment in capital assets	23,018,875	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
Restricted	2,566,915	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
Unrestricted	(4,451,233)	(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
<b>Total Primary Government Net Position</b>	<b>\$ 21,134,557</b>	<b>\$ 18,342,337</b>	<b>\$ 17,654,274</b>	<b>\$ 24,260,171</b>	<b>\$ 24,703,090</b>	<b>\$ 24,019,363</b>	<b>\$ 24,525,038</b>	<b>\$ 24,713,640</b>	<b>\$ 27,264,063</b>	<b>\$ 26,839,633</b>

(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)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	\$ 831,548	\$ 819,207	\$ 759,496	\$ 868,095	\$ 870,269	\$ 745,046	\$ 893,571	\$ 698,301	\$ 595,500	\$ 594,535
Public Health Services	26,504	30,438	27,548	36,320	46,240	49,732	25,858	35,097	157,651	161,182
Leisure Time Activities	29,674	47,531	37,754	53,471	58,076	73,529	71,358	68,899	112,069	112,069
Community and Economic Development	227,967	153,303	152,164	133,226	104,960	117,564	47,195	152,332	86,114	161,103
Transportation	-	-	-	-	-	-	-	375	120	480
General Government	196,959	315,839	297,033	290,841	369,377	369,018	369,018	97,079	91,539	88,502
Operating Grants and Contributions	612,461	675,874	677,047	692,625	706,475	680,347	877,907	896,275	756,604	462,771
Capital Grants and Contributions	873,225	-	439,529	339,905	1,313,600	489,106	-	265,063	528,547	436,179
Total Governmental Activities Program Revenues	2,798,338	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
Business-Type Activities:										
Charges for Services:										
Water	1,759,563	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
Sewer	3,689,508	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
Storm Water	116,566	114,769	110,857	112,006	111,424	118,253	105,247	179,977	94,862	27,146
Water/Wastewater Deposits	10,611	8,960	11,855	9,745	7,126	5,622	5,578	8,916	4,660	8,055
Sanitation	517,853	491,289	459,286	462,736	453,360	444,775	424,907	377,239	365,055	375,069
Operating Grants and Contributions	18,026	-	-	-	-	-	-	8,047	58,837	8,377
Capital Grants and Contributions	647,243	-	-	-	-	-	-	-	185,022	-
Total Business-Type Activities Program Revenues	6,759,370	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
Total Primary Government	\$ 9,557,708	\$ 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
<b>Expenses:</b>										
Governmental Activities:										
Security of Persons and Property	\$ 7,289,673	\$ 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
Public Health Services	246,232	255,739	234,620	250,573	316,702	314,128	339,855	400,154	313,537	281,603
Leisure Time Activities	247,303	201,812	205,074	216,324	266,164	303,402	315,334	369,208	332,381	308,959
Community and Economic Development	277,245	49,317	43,944	33,721	104,288	127,997	138,115	150,035	110,453	125,886
Transportation	974,689	962,654	834,448	807,923	919,283	914,534	971,886	889,189	738,160	685,405
General Government	915,237	1,123,721	827,579	793,184	1,138,495	1,291,876	1,299,480	1,526,678	1,011,755	839,493
Interest and Fiscal Charges	199,135	310,976	221,787	248,331	242,803	244,701	295,479	230,125	214,254	108,342
Total Governmental Activities Expenses	10,149,514	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
Business-Type Activities:										
Water	1,748,889	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
Sewer	2,642,534	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
Storm Water	49,412	46,513	46,813	46,613	114,987	114,987	129,183	50,123	617,408	38,301
Water/Wastewater Deposits	4,807	4,106	3,667	1,166	2,500	2,240	3,098	1,824	848	959
Sanitation	483,135	489,462	464,521	499,475	414,627	446,402	423,451	434,487	355,800	384,917
Total Business-Type Activities Expenses	4,928,777	5,375,391	5,623,926	5,691,968	5,327,779	5,205,281	4,596,432	5,244,535	4,867,602	3,917,451
Total Primary Government	\$ 15,078,291	\$ 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
Net (Expense) Revenue:										
Governmental Activities	\$ (7,351,176)	\$ (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)
Business-Type Activities	1,830,593	581,862	(188,516)	(432,451)	(333,054)	(239,885)	61,262	(1,012,632)	(589,884)	112,184
Total Primary Government Net Expense	\$ (5,520,583)	\$ (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)

*continued*

**CITY OF HARRISON, OHIO**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	\$ 1,167,283	\$ 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
Fire Improvements	1,860,716	1,199,571	1,165,037	1,130,567	1,141,133	1,174,922	1,151,918	739,772	857,520	915,426
Police Pension	63,551	60,017	58,693	57,150	57,978	62,067	58,466	54,489	60,085	58,283
Recreation	30,763	40,683	28,100	19,200	19,600	6,541	18,318	14,800	8,500	32,400
Capital Projects	106,419	95,691	97,283	70,016	92,683	60,951	62,672	255,008	244,635	233,431
Municipal Income Taxes levied for:										
General Purposes	3,911,371	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
Payment in Lieu of Taxes	552,565	524,329	454,961	462,470	453,214	436,412	259,559	-	-	-
Grants and Entitlements not Restricted to Specific Programs	552,432	486,881	483,551	498,626	479,451	719,408	903,534	1,013,554	575,158	655,461
Investment Earnings	13,572	16,145	16,071	21,841	28,313	34,474	56,698	67,215	201,017	321,019
Miscellaneous	46,742	93,647	92,860	76,036	171,181	74,513	99,419	151,696	60,817	107,742
Transfers	59,544	(242,062)	28,468	28,469	28,469	28,469	-	-	80,154	30,153
Total Governmental Activities	8,364,958	6,751,315	7,495,415	6,577,122	6,818,371	6,731,749	6,652,873	6,415,299	6,298,187	6,487,322
Business-Type Activities:										
Investment Earnings	1,680	545	611	820	948	1,882	2,233	13,472	187,861	140,535
Miscellaneous	5,709	14,427	1,812	2,209	5,947	137,820	19,172	125,410	9,885	10,519
Transfers	(59,544)	242,062	(28,468)	(28,469)	(28,469)	(28,469)	-	-	(80,154)	(30,153)
Total Business-Type Activities	(52,155)	257,034	(26,045)	(25,440)	(21,574)	111,233	21,405	138,882	117,592	120,901
Total Primary Government	\$ 8,312,803	\$ 7,008,349	\$ 7,469,370	\$ 6,551,682	\$ 6,796,797	\$ 6,842,982	\$ 6,674,278	\$ 6,554,181	\$ 6,415,779	\$ 6,608,223
<b>Changes in Net Position:</b>										
Governmental Activities	\$ 1,013,782	\$ (150,833)	\$ 1,628,458	\$ 555,898	\$ 1,038,355	\$ (377,023)	\$ (263,828)	\$ (1,676,653)	\$ 896,722	\$ 1,471,083
Business-Type Activities	1,778,438	838,896	(214,561)	(457,891)	(354,628)	(128,652)	82,667	(873,770)	(472,292)	233,085
Total Primary Government	\$ 2,792,220	\$ 688,063	\$ 1,413,897	\$ 98,007	\$ 683,727	\$ (505,675)	\$ (181,161)	\$ (2,550,423)	\$ 424,430	\$ 1,704,168

Source: City financial records

**CITY OF HARRISON, OHIO**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,219	\$ 138,909	\$ 94,110	\$ 89,890
Unreserved	-	-	-	-	-	-	973,409	1,372,342	1,937,901	1,787,588
Nonspendable	60,760	63,946	81,661	159,782	44,307	61,155	-	-	-	-
Assigned	419,894	46,812	64,667	393,296	562,112	256,401	-	-	-	-
Unassigned	992,701	961,561	740,820	-	73,663	560,025	-	-	-	-
Total General Fund	\$ 1,473,355	\$ 1,072,319	\$ 887,148	\$ 553,078	\$ 680,082	\$ 877,581	\$ 1,080,628	\$ 1,511,251	\$ 2,032,011	\$ 1,877,478
<b>All Other Governmental Funds:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,219	\$ 350,647	\$ 77,949	\$ 66,766
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	-	-	-	787,787	1,047,477	1,458,594	1,402,143
Debt Service Funds	-	-	-	-	-	-	410,733	394,074	620,316	923,848
Capital Projects Funds	-	-	-	-	-	-	723,045	666,249	787,220	818,482
Nonspendable	48,154	60,786	26,291	25,621	27,702	38,999	-	-	-	-
Restricted	991,843	970,914	680,849	608,767	675,513	1,039,070	-	-	-	-
Committed	532,218	571,918	-	-	70,850	-	-	-	-	-
Assigned	385,239	386,352	386,152	386,152	386,152	386,152	-	-	-	-
Unassigned	(272,058)	(260,746)	(1,666,725)	(1,325,608)	(1,558,573)	(544,843)	-	-	-	-
Total All Other Governmental Funds	\$ 1,685,396	\$ 1,729,224	\$ (573,433)	\$ (305,068)	\$ (398,356)	\$ 919,378	\$ 2,197,784	\$ 2,458,447	\$ 2,944,079	\$ 3,211,239

**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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes	\$ 6,994,998	\$ 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
Payment in Lieu of Taxes	529,205	524,329	476,964	454,547	452,863	441,506	240,736	-	-	-
Intergovernmental	2,036,260	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
Charges for Services	830,136	826,214	769,224	864,869	881,137	747,078	968,302	692,342	697,907	750,671
Fines, Costs and Forfeitures	134,233	124,043	152,163	131,101	197,051	196,021	229,666	117,904	126,519	108,891
Licenses, Permits and Inspections	300,487	347,373	298,993	308,476	213,233	223,341	177,223	245,031	172,878	245,275
Interest	13,572	16,145	16,071	21,841	28,313	34,474	58,205	66,941	217,625	321,019
Contributions	40,140	33,349	26,105	33,608	47,270	50,749	6,783	17,680	40	-
Other	64,116	100,970	46,681	32,820	337,962	152,887	127,934	211,186	89,008	151,685
<b>Total Revenues</b>	<b>10,943,147</b>	<b>9,407,050</b>	<b>9,508,348</b>	<b>10,022,287</b>	<b>9,313,866</b>	<b>9,087,037</b>	<b>8,855,244</b>	<b>8,727,856</b>	<b>8,445,853</b>	<b>8,308,345</b>
<b>Expenditures</b>										
Current:										
Security of persons and property	6,104,526	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
Public health services	227,640	248,339	237,289	238,774	306,401	292,932	338,848	371,429	307,502	279,541
Leisure time activities	198,776	174,456	177,236	189,075	200,297	220,659	251,512	294,920	275,595	251,698
Community and economic development	276,425	47,212	43,646	33,680	100,612	124,383	134,578	143,679	109,590	124,646
Transportation	656,406	609,815	613,396	608,994	632,330	677,233	780,692	667,450	579,366	555,511
General government	809,508	881,903	779,533	717,760	1,125,019	1,311,725	1,209,228	1,435,916	1,002,167	836,722
Capital outlay	1,675,841	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
Debt Service:										
Principal Retirement	857,834	1,872,291	743,128	733,287	627,520	573,628	518,871	431,811	395,220	327,701
Interest and Fiscal Charges	206,631	249,673	232,916	255,585	247,899	252,270	265,646	195,695	185,481	37,416
Issuance Costs	-	87,804	-	-	-	-	-	87,316	2,493	-
<b>Total Expenditures</b>	<b>11,013,587</b>	<b>10,587,887</b>	<b>9,726,652</b>	<b>10,084,472</b>	<b>11,713,083</b>	<b>11,341,942</b>	<b>9,957,011</b>	<b>12,373,627</b>	<b>8,688,928</b>	<b>9,299,981</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(70,440)</b>	<b>(1,180,837)</b>	<b>(218,304)</b>	<b>(62,185)</b>	<b>(2,399,217)</b>	<b>(2,254,905)</b>	<b>(1,081,767)</b>	<b>(3,645,771)</b>	<b>(243,075)</b>	<b>(991,636)</b>
<b>Other Financing Sources (Uses)</b>										
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
Loan Issuance	368,104	47,529	317,712	518,185	352,467	518,185	65,051	504,324	-	-
Transfers In	1,503,903	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
Transfers Out	(1,444,359)	(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)
<b>Total Other Financing Sources (Uses)</b>	<b>427,648</b>	<b>3,668,665</b>	<b>370,831</b>	<b>28,469</b>	<b>883,984</b>	<b>773,452</b>	<b>390,481</b>	<b>2,639,379</b>	<b>130,448</b>	<b>1,274,409</b>
<b>Net Change in Fund Balances</b>	<b>\$ 357,208</b>	<b>\$ 2,487,828</b>	<b>\$ 152,527</b>	<b>\$ (33,716)</b>	<b>\$ (1,515,233)</b>	<b>\$ (1,481,453)</b>	<b>\$ (691,286)</b>	<b>\$ (1,006,392)</b>	<b>\$ (112,627)</b>	<b>\$ 282,773</b>
Debt Service as a Percentage of Noncapital Expenditures	11.24%	21.57%	11.46%	11.45%	9.39%	8.57%	8.47%	7.51%	8.01%	5.38%

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		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Direct Tax Rate
2016	\$ 233,401,580	\$ 666,861,657	\$ 6,718,400	\$ 6,718,400	\$ -	\$ -	\$ 240,119,980	\$ 673,580,057	\$ 16.90
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	0.15
2013	214,369,500	612,484,286	5,952,950	5,952,950	-	-	220,322,450	618,437,236	0.15
2012	211,208,850	603,453,857	5,433,520	5,433,520	-	-	216,642,370	608,887,377	0.15
2011	212,591,880	607,405,371	5,275,410	5,275,410	-	-	217,867,290	612,680,781	0.15
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	0.15
2009	223,533,270	638,666,486	4,314,400	4,314,400	250,870	1,337,973	228,098,540	644,318,859	0.15
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	0.13
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	0.13

Source: Hamilton County Auditor's Office  
Note: Tax collections are one year in arrears (i.e. Tax Year 2015, Collection Year 2016)

(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		Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Pension	Police				Ambulatory Levy	Levy				
2016	7.20%	0.30%	0.30%	0.06%	44.18%	18.85%	0.00%	0.00%	2.70%	1.03%	1.00%	84.72%
2015	5.70%	0.30%	0.30%	0.06%	44.18%	18.85%	0.00%	0.00%	2.70%	1.03%	1.00%	82.32%
2014	5.70%	0.30%	0.30%	0.06%	44.18%	19.03%	0.00%	0.00%	2.70%	1.03%	1.00%	82.50%
2013	5.70%	0.30%	0.30%	0.06%	44.18%	19.03%	0.00%	0.00%	2.70%	1.03%	1.00%	82.50%
2012	5.70%	0.30%	0.30%	0.06%	44.18%	19.03%	0.00%	0.00%	2.70%	1.03%	1.00%	82.50%
2011	5.70%	0.30%	0.30%	0.06%	44.68%	19.45%	0.00%	0.00%	2.70%	1.03%	1.00%	83.42%
2010	5.70%	0.30%	0.30%	0.06%	44.98%	20.48%	0.00%	0.00%	2.70%	1.03%	1.00%	84.75%
2009	5.70%	0.30%	0.30%	0.06%	45.14%	20.63%	1.25%	1.25%	2.70%	1.03%	1.00%	84.81%
2008	5.70%	0.30%	0.30%	0.06%	45.30%	20.56%	1.25%	1.25%	2.70%	1.03%	1.00%	84.90%
2007	5.70%	0.30%	0.30%	0.06%	45.30%	20.18%	1.25%	1.25%	2.70%	1.03%	1.00%	84.52%

**Source:** Hamilton County Auditor's Office

**CITY OF HARRISON, OHIO**

*PRINCIPAL TAXPAYERS  
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX  
CURRENT AND NINE YEARS AGO*

<b>December 31, 2016</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Duke Energy Ohio Inc	\$ 6,666,750	1	2.78%
Hurbert North American	3,066,690	2	1.28%
Indian Footprint Apartments LLC	2,790,110	3	1.16%
Broad Properties LLC	2,707,080	4	1.13%
Harrison Center LLC	2,157,140	5	0.90%
Maas Enterprises Ltd	1,910,230	6	0.80%
Toebben LTD	1,641,120	7	0.68%
Icon US Industrial Owner	1,610,000	8	0.67%
Mercy Health Plaza	1,559,890	9	0.65%
McKenna & Friedmann Real Estate Co LTD	1,374,910	10	0.57%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 25,483,920</u>		<u>10.62%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 240,119,980</u>		

<b>December 31, 2007</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Hubert Company LLC	\$ 20,509,320	1	9.01%
Home Depot USA Inc.	6,730,800	2	2.96%
Wurster Erlene	6,011,400	3	2.64%
F&M MAFCO Inc.	3,227,540	4	1.42%
Wayne Scott Fetzer Co.	3,160,010	5	1.39%
JTM Provisions Co. Inc.	2,904,830	6	1.28%
Campbell Hausfield Scott	2,829,010	7	1.24%
Cronin Ford Inc.	2,140,000	8	0.94%
Supervalu Holdings, Inc.	2,100,000	9	0.92%
Huck Group	1,320,700	10	0.58%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 50,933,610</u>		<u>22.38%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 227,643,430</u>		

**Source:** Hamilton County Auditor's Office

**CITY OF HARRISON, OHIO**

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

<b>Year</b>	<b>Total Levy</b>	<b>Current Collections</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>	<b>Percent of Total Collections to Tax Levy</b>
2016	\$ 3,286,236	\$ 3,242,575	98.67%	\$ 71,860	\$ 3,314,435	100.86%
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%

**Source:** Hamilton County Auditor's Office

**CITY OF HARRISON, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
2016	1.00%	\$ 4,297,342	\$ 2,702,772	62.89%	\$ 959,822	22.34%	\$ 634,746	14.77%
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%

**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	
2016	\$ 4,493,083	\$ 1,985,902	\$ -	\$ 885,275	\$ 4,699,162	\$ 13,040,991	
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	

*continued*

CITY OF HARRISON, OHIO

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

Year	Business-Type Activities			(a)			(c)			Percentage of Personal Income	(b) Population	Per Capita
	Capital Leases	OPWC Loans	OWDA Loans	Total Primary Government	Per Capita Personal Income							
2016	\$ 23,351	\$ 1,278,266	\$ 3,876,802	\$ 30,282,832	N/A		N/A				11,048	\$ 2,741
2015	34,523	1,391,604	4,167,628	32,246,242	\$ 47,254		6%				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

"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>
2016	11,048	\$ 673,580,057	\$ 9,192,245	1.36%	\$ 832
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

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, 2016*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Harrison</b>			
General Obligation Bonds	\$ 4,493,083	100.00%	\$ 4,493,083
OPWC Loans	1,985,902	100.00%	1,985,902
Capital Leases	<u>885,275</u>	100.00%	<u>885,275</u>
Total Direct Debt	<u>7,364,260</u>		<u>7,364,260</u>
<b>Overlapping</b>			
Hamilton County	71,750,000	1.26%	904,050
Southwest Local School District	12,415,000	42.71%	5,302,447
Great Oaks Institute of Technology	<u>8,630,000</u>	1.24%	<u>107,012</u>
Total Overlapping Debt	<u>92,795,000</u>		<u>6,313,509</u>
Total Direct and Overlapping Debt	<u>\$ 100,159,260</u>		<u>\$ 13,677,769</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*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed Value	\$ 240,119,980	\$ 647,665,499	\$ 625,719,749	\$ 618,437,236	\$ 608,887,377	\$ 612,680,781	\$ 659,672,512	\$ 644,318,859	\$ 662,982,344	\$ 672,748,059
Legal Debt Margin Debt Limitation - 10.5% of Assessed Value	25,212,598	68,004,877	65,700,574	64,935,910	63,933,175	64,331,482	69,265,614	67,653,480	69,613,146	70,638,546
Total Indebtedness	8,940,000	9,510,000	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000
Debt Within 10.5% Limitation	8,940,000	9,510,000	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000
Overall Legal Debt Margin Within 10.5% Limitation	\$ 16,272,598	\$ 58,494,877	\$ 57,590,574	\$ 56,380,910	\$ 54,948,175	\$ 54,936,482	\$ 59,500,614	\$ 63,178,480	\$ 66,758,146	\$ 67,598,546
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 13,206,599	\$ 35,621,602	\$ 34,414,586	\$ 34,014,048	\$ 33,488,806	\$ 33,697,443	\$ 36,281,988	\$ 35,437,537	\$ 36,464,029	\$ 37,001,143
Indebtedness Authorized by Council	8,940,000	9,510,000	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000
Debt Within 5.5% Limitation	8,940,000	9,510,000	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000
Unvoted Legal Debt Margin Within 5.5% Limitation	\$ 4,266,599	\$ 26,111,602	\$ 26,304,586	\$ 25,459,048	\$ 24,503,806	\$ 24,302,443	\$ 26,516,988	\$ 30,962,537	\$ 33,609,029	\$ 33,961,143

**Source:** City of Harrison, Finance Director's Office

**CITY OF HARRISON, OHIO**

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

<b>Year</b>	<b>Operating Revenue (1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage (3)</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2016	\$ 3,692,376	\$ 1,392,151	\$ 2,300,225	\$ 870,000	\$ 436,581	\$ 1,306,581	1.76
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

**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*

<b>Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rates (2)</b>		
				<b>Hamilton County</b>	<b>Ohio</b>	<b>United States</b>
2016	11,048	N/A	3,724	4.0%	5.0%	4.7%
2015	10,666	\$47,254	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%

"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*

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
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 Mafco Inc.	200-250	6	2.31%	200-250	8	1.62%
City of Harrison, Ohio	100-150	7	1.28%	100-150	10	1.08%
Cincinnati Test Systems	50-100	8	0.77%	0	n/a	0.00%
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%
<b>Total</b>	<b>2,251-2,750</b>		<b>24.36%</b>	<b>2,400-2,750</b>		<b>19.18%</b>
<b>Total City Employment</b>	<b>9,500-10,000</b>			<b>12,500-13,000</b>		

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	2	1	1	1	1	2	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	-	-
Other	11	9	9	9	9	8	6	6	6	3
Public Safety										
Police	28	28	25	25	20	25	22	21	22	21
Fire	36	42	46	51	46	36	36	39	42	30
Health and Welfare										
Senior Center	4	4	4	4	4	4	3	3	3	3
Transportation										
Streets	6	6	8	8	8	8	7	6	7	7
Community Environment										
Planning	1	1	3	3	3	-	-	-	-	-
Building/Zoning	6	6	5	5	5	1	1	2	2	2
Leisure Time Activity										
Parks Administration	1	1	1	1	1	2	1	1	1	1
Community Center	3	-	2	2	2	2	2	2	2	1
Utility Services										
Water	6	6	6	6	6	5	5	4	5	5
Sewer	7	8	6	6	6	7	7	9	7	7
<b>Total</b>	<b>119</b>	<b>120</b>	<b>124</b>	<b>129</b>	<b>119</b>	<b>108</b>	<b>100</b>	<b>103</b>	<b>106</b>	<b>89</b>

Source: City of Harrison, Finance Director's Office

**CITY OF HARRISON, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Government</b>										
Positions Filled	7	10	4	3	10	0	2	-	5	3
Building Permits Issued	187	186	244	178	220	177	215	210	219	240
Building Inspections Performed	654	436	648	486	588	620	938	-	779	n/a
Ordinances & Resolutions	64	85	122	76	77	76	44	33	28	24
<b>Public Safety</b>										
<b>Police:</b>										
Physical Arrests	1,400	1,308	1,293	1,241	1,219	1,050	853	911	960	1,016
Offense Reports	1,420	1,267	1,196	1,255	1,242	1,072	1,001	1,018	1,063	1,060
Traffic Citations	1,732	1,762	1,711	3,544	2,792	2,745	1,858	1,987	1,551	1,668
<b>Fire:</b>										
Emergency Responses	1,628	1,641	1,663	1,755	1,846	1,636	1,647	1,799	1,784	1,885
Fire Responses	401	437	407	408	427	425	557	484	613	575
Inspections conducted	931	843	765	479	647	612	419	594	680	669
<b>Leisure Time Activities</b>										
Senior Center Attendance	8,200	7,997	8,873	7,659	7,172	6,969	7,686	7,400	6,768	7,000
Senior Center Membership	223	233	223	201	186	185	208	241	185	185
<b>Transportation</b>										
Street Resurfacing (miles)	2.6	1.1	1.1	1.1	4.0	0.2	1.1	0.5	-	0.2
Tons of salt used	990	936	690	813	362	511	313	389	276	333
<b>Water</b>										
New Connections	94	29	20	17	51	52	62	61	100	88
Water Main Breaks	12	15	8	15	9	8	9	3	14	11

Source: City of Harrison, Finance Director's Office  
n/a - information was unavailable at the time of preparation.

**CITY OF HARRISON, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
<b>Leisure Time Activities</b>										
Parks	4	4	5	5	5	5	5	5	5	5
Park Acreage	63.5	63.5	69.5	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
<b>Transportation</b>										
Streets (Paved Miles)	40	40	40	40	42	42	44	44	44	44
<b>Water</b>										
Water Mains (miles)	35	35	37	37	40	40	40	40	40	40
<b>Sewer</b>										
Sanitary Sewers (miles)	25	25	27	27	34	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  
OCTOBER 24, 2017