City of Harrison, Ohio

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HARRISON
OHIO

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2017

CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Issued by:
Finance Department

Catherine Stockhoff
Finance Director

INTRODUCTORY

SECTION

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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June 20, 2018

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, 2017, 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, 2017. 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 2017. Freddy's Restaurant opened in 2017. Chandler's Restaurant finished their remodeling of a vacated space and opened for business in March of 2017.

With regard to residential development, single-family residential growth continued at Parks of Whitewater. Villages of Whitewater, an upscale, ranch-style community also continues its growth.

MAJOR INITIATIVES

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

Campbell Road was reconstructed to remove the hazard of flooding during heavy rains.

JTM began construction on their estimated $70,000,000 expansion. It is projected to be completed and functional in April of 2018.

In a joint effort City Council, Harrison Township Trustees along with the chiefs/directors and interested citizens began to explore the possibilities for the future of Harrison. The revision of the city's comprehensive plans began. The city looks to adopt a final version in 2018.

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, 2016. This was the 18th 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

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, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

Mayor ..... WILLIAM NEYER

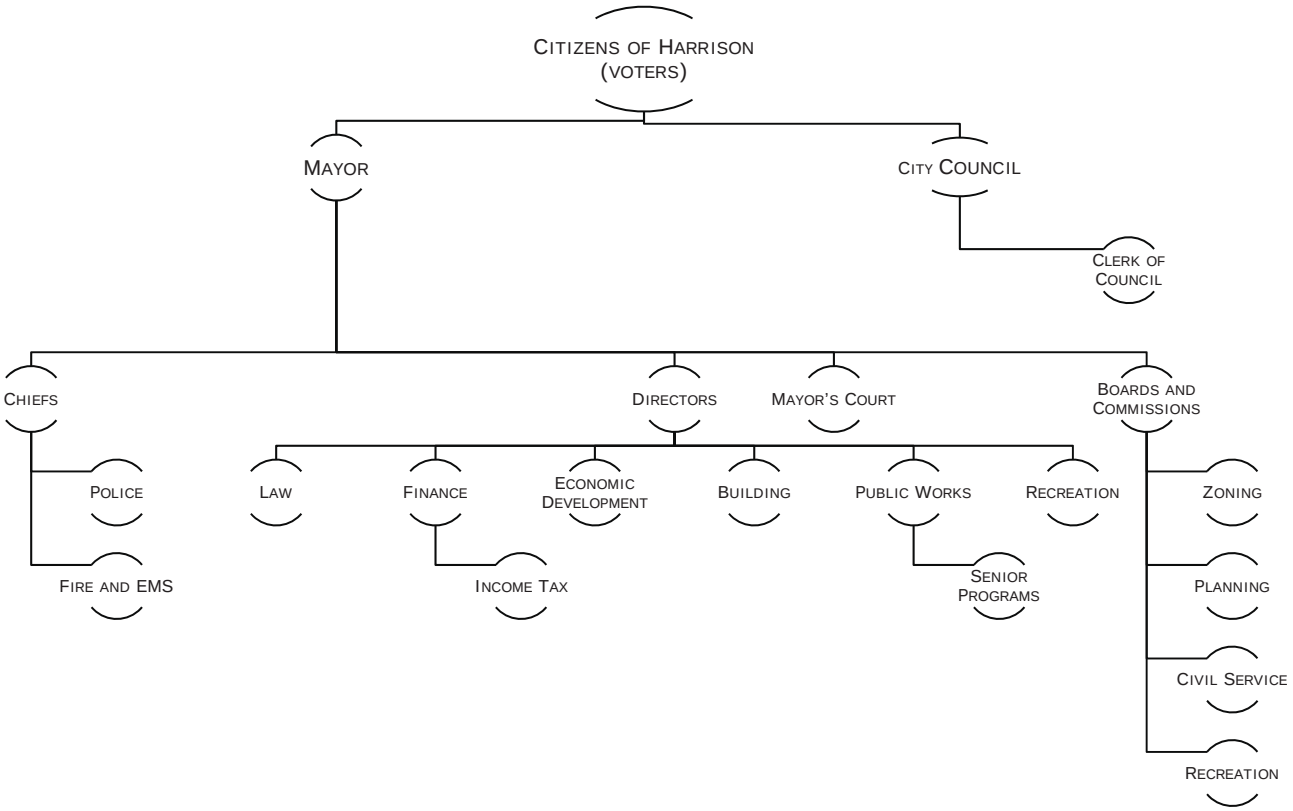
Council Member ..... CINDY ABRAMS
Council Member ..... RAY ACRA
Council Member ..... ETHAN DOLE
Council Member ..... RYAN GRUBBS
Council Member ..... MARK LOUIS
Council Member ..... HANK MENNINGER
Council Member ..... RANDY SHANK

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 ..... SHANNON HAMONS
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



FINANCIAL

SECTION

bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, 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 such 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.

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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, 2017, 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 contributions 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 statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018 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.

BHM CPA Group

BHM CPA Group Inc.
Piketon, Ohio
June 20, 2018

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, 2017. 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, 2017 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 $23,883,112.
- The City's total net position increased during the year by $2,200,680, or 10%.
- Unrestricted net position was in a deficit of $3,739,893, primarily attributable to the City's recognition of its proportionate share of net pension liabilities.
- The City's total expenses were $15,989,151, an increase of $910,860.
- Program revenues of $9,231,018 reduced the net cost of the City's functions to be financed from the City's general revenues to $6,758,133.

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 2017?" 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:

- 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.

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 $23.9 million at December 31, 2017.

Table 1 provides a summary of the City's net position for 2017 compared to 2016:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	*Restated* 2016	2017	*Restated* 2016
Current and other assets	$ 8,394,345	$ 8,275,199	$ 5,634,094	$ 4,941,486	$ 14,028,439	$ 13,216,685
Capital assets	21,675,340	20,087,558	31,880,770	32,544,525	53,556,110	52,632,083
Total assets	30,069,685	28,362,757	37,514,864	37,486,011	67,584,549	65,848,768
Deferred outflows of resources	3,285,787	2,766,626	1,077,356	986,144	4,363,143	3,752,770
Long-term liabilities:						
Net pension liability	11,878,814	10,726,690	1,109,634	797,868	12,988,448	11,524,558
Other long-term liabilities	8,699,055	8,522,346	21,701,829	23,233,850	30,400,884	31,756,196
Other liabilities	541,288	567,991	196,573	212,684	737,861	780,675
Total liabilities	21,119,157	19,817,027	23,008,036	24,244,402	44,127,193	44,061,429
Deferred inflows of resources	3,930,783	3,842,272	6,604	15,405	3,937,387	3,857,677
Net position:						
Net investment in capital assets	13,786,912	12,723,298	11,064,695	10,295,577	24,851,607	23,018,875
Restricted	1,053,199	917,258	1,718,199	1,649,657	2,771,398	2,566,915
Unrestricted (deficit)	(6,534,579)	(6,170,472)	2,794,686	2,267,114	(3,739,893)	(3,903,358)
Total net position	$ 8,305,532	$ 7,470,084	$ 15,577,580	$ 14,212,348	$ 23,883,112	$ 21,682,432

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.

As displayed in Table 1, total net position of the City increased by $2,200,680 from 2016 to 2017. Total assets increased by 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, due to several ongoing road projects.

The increase in liabilities was attributable to higher net pension liabilities, as the state-wide pension systems experienced lower than expected investment returns and a change in assumptions, offset by decreases in debt balances, as the City continued to make its scheduled debt service payments.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 79% 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.

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2017 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	*Restated* 2016	2017	*Restated* 2016
Program revenues:						
Charges for services	$ 1,472,959	$ 1,312,652	$ 6,228,800	$ 6,094,101	$ 7,701,759	$ 7,406,753
Operating grants and contributions	734,756	612,461	16,810	18,026	751,566	630,487
Capital grants and contributions	777,693	873,225	-	647,243	777,693	1,520,468
Total program revenues	2,985,408	2,798,338	6,245,610	6,759,370	9,231,018	9,557,708
General revenues:						
Income taxes	4,607,002	3,911,371	-	-	4,607,002	3,911,371
Property and other taxes	3,711,693	3,781,297	-	-	3,711,693	3,781,297
Grants and contributions not restricted to specific programs	518,899	552,432	-	-	518,899	552,432
Investment earnings	23,092	13,572	11,469	1,680	34,561	15,252
Miscellaneous	81,197	46,742	5,461	5,709	86,658	52,451
Total general revenues	8,941,883	8,305,414	16,930	7,389	8,958,813	8,312,803
Total revenues	11,927,291	11,103,752	6,262,540	6,766,759	18,189,831	17,870,511
Expenses:						
Security of persons and property	7,383,171	7,289,673	-	-	7,383,171	7,289,673
Public health services	243,534	246,232	-	-	243,534	246,232
Leisure time activities	275,475	247,303	-	-	275,475	247,303
Community and economic development	412,099	277,245	-	-	412,099	277,245
Transportation	1,220,645	974,689	-	-	1,220,645	974,689
General government	1,440,972	915,237	-	-	1,440,972	915,237
Interest on long-term debt	174,599	199,135	-	-	174,599	199,135
Water	-	-	1,739,329	1,748,889	1,739,329	1,748,889
Sewer	-	-	2,482,954	2,642,534	2,482,954	2,642,534
Storm water	-	-	131,944	49,412	131,944	49,412
Water/wastewater deposit	-	-	2,892	4,807	2,892	4,807
Sanitation	-	-	481,537	483,135	481,537	483,135
Total expenses	11,150,495	10,149,514	4,838,656	4,928,777	15,989,151	15,078,291
Transfers	58,652	59,544	(58,652)	(59,544)	-	-
Change in net position	835,448	1,013,782	1,365,232	1,778,438	2,200,680	2,792,220
Beginning net position	7,470,084	6,456,302	14,212,348	12,433,910	21,682,432	18,890,212
Ending net position	$ 8,305,532	$ 7,470,084	$ 15,577,580	$ 14,212,348	$ 23,883,112	$ 21,682,432

Governmental Activities

Total governmental activities revenue increased by $823,539, or 7%. The increases in income and property taxes were due to, as mentioned previously, better local economic conditions, as evidenced by increased personal income per capita. Total governmental activities expenses increased by $1,000,981, or 10%. The majority of the increase occurred in transportation, due to parks and recreation maintenance and clean up, and in general government, due to increases in pension expense associated with the increase net pension liabilities, payments to reimburse contractors under the City's Jobs Creation Grant, and timing of school compensation payments, as the second half 2016 payments were paid in 2017 due to later invoicing by the school district.

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 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Security of persons and property	$ 7,383,171	$ 6,179,767	$ 7,289,673	$ 6,415,514
Public health services	243,534	195,348	246,232	134,185
Leisure time activities	275,475	230,894	247,303	207,029
Community and economic development	412,099	150,276	277,245	49,278
Transportation	1,220,645	108,481	974,689	(372,243)
General government	1,440,972	1,125,722	915,237	718,278
Interest on long-term debt	174,599	174,599	199,135	199,135
Total cost of services	$ 11,150,495	$ 8,165,087	$ 10,149,514	$ 7,351,176

It should be noted that 27% 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 $8,165,087, 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 operations were fairly consistent, with operating income of $152,442, an increase from the prior year of $12,944. The Sewer Fund had operating income of $1,977,841, an increase of $324,638, due to increases in tap fees associated with the Parks of Whitewater residential development, and decrease in depreciation expense as Sewer Fund capital assets age.

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 $11.5 million, expenditures of $14.1 million, and net other financing sources of $2.0 million. During 2017, total fund balance of the governmental funds decreased by approximately $555,000 to a total fund balance at year-end of $2.6 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 a decrease in fund balance during 2017 of $542,318 . The General Fund is the primary fund that finances government services to citizens. Total revenue increased by approximately 12%, benefiting from increases in property and income taxes, while total expenditures also increased by 12%, due to salary increases and the payment from the City's Jobs Creation Grant. Also contributing to the decrease in fund balance was the increase in transfers to help fund capital improvements and a lease payoff.

The Fire Improvement Fund increased by $105,789 to reduce its deficit fund balance to $86,895. The Fire Improvement Fund benefited from increases in transfers from the General Fund, which was used to support personnel additions and replacement of firefighting equipment and vehicles.

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 $245,027, due to work done on several 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 2017, 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 higher from the original budget, to adjust several categories from conservative estimates in the original budget. Actual revenues came in approximately $423,000 higher than budgeted, as the anticipated income tax collections and property taxes exceeded expectations.

The final budget for expenditures was fairly consistent with the original budget, increasing by just 1.6%. Due to the City's continuing efforts to monitor and control expenditures, actual budgetary expenditures came in approximately $36,000 less than the $5.4 million included in the final budget for 2017.

Capital Assets

At the end of fiscal year 2017, the City had a total of $81.2 million invested in capital assets, less accumulated depreciation of $27.6 million, resulting in total capital assets, net of accumulated depreciation, of $53.6 million.

The City continued its efforts to upgrade its capital assets during 2017. The City acquired several vehicles, as well as completed several road projects and began engineering on others.

Table 4 shows 2017 balances compared to those of 2016:

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 3,015,891	$ 3,015,891	$ 485,420	$ 485,420	$ 3,501,311	$ 3,501,311
Construction in progress	1,432,511	79,250	-	-	1,432,511	79,250
Land improvements	5,377	10,010	-	-	5,377	10,010
Buildings and improvements	1,806,008	1,854,441	6,035,246	6,230,323	7,841,254	8,084,764
Equipment	399,825	252,464	1,503,028	1,317,428	1,902,853	1,569,892
Vehicles	781,255	1,093,910	145,260	142,632	926,515	1,236,542
Infrastructure	14,234,473	13,781,592	23,711,816	24,368,722	37,946,289	38,150,314
Totals	$ 21,675,340	$ 20,087,558	$ 31,880,770	$ 32,544,525	$ 53,556,110	$ 52,632,083

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

Debt Administration

At December 31, 2017, the City had a total of $28.9 million of long-term debt obligations compared with $29.8 million reported at December 31, 2016. Table 5 shows outstanding debt obligations of the City at December 31, 2017 compared with 2016:

Table 5

Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	$ 3,935,000	$ 4,360,000	$ 4,415,000	$ 4,580,000	$ 8,350,000	$ 8,940,000
Capital Leases	1,469,570	885,275	39,503	23,351	1,509,073	908,626
OPWC Loans	2,297,547	1,985,902	1,164,928	1,278,266	3,462,475	3,264,168
OWDA Loans	-	-	3,576,107	3,876,802	3,576,107	3,876,802
Revenue Bonds	-	-	11,955,000	12,860,000	11,955,000	12,860,000
Total	$ 7,702,117	$ 7,231,177	$ 21,150,538	$ 22,618,419	$ 28,852,655	$ 29,849,596

Of the City's general obligation bonds outstanding at December 31, 2017, $3.9 million are accounted for within the governmental activities and the remaining $4.4 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

CITY OF HARRISON, OHIO

Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	$ 2,325,230	$ 2,847,924	$ 5,173,154
Cash in segregated accounts	16,402	-	16,402
Receivables:			
Property and other taxes	3,188,760	-	3,188,760
Payment in lieu of taxes	570,975	-	570,975
Income taxes	1,650,928		1,650,928
Accounts	74,425	999,928	1,074,353
Intergovernmental	494,721	-	494,721
Prepaid items	62,856	10,338	73,194
Materials and supplies inventory	10,048	57,705	67,753
Restricted cash and investments with fiscal agent	-	1,718,199	1,718,199
Non-depreciable capital assets	4,448,402	485,420	4,933,822
Depreciable capital assets, net	17,226,938	31,395,350	48,622,288
Total assets	30,069,685	37,514,864	67,584,549
Deferred Outflows of Resources			
Deferred charge on refunding	-	613,044	613,044
Pensions	3,285,787	464,312	3,750,099
Total deferred outflows of resources	3,285,787	1,077,356	4,363,143
Liabilities			
Accounts payable	80,230	17,581	97,811
Accrued salaries	207,898	31,225	239,123
Intergovernmental payable	169,023	16,784	185,807
Accrued interest payable	24,137	130,983	155,120
Notes payable	60,000	-	60,000
Long-term liabilities:			
Due within one year	920,839	1,602,075	2,522,914
Due more than one year:			
Net pension liabilities	11,878,814	1,109,634	12,988,448
Other long-term amounts due more than one year	7,778,216	20,099,754	27,877,970
Total liabilities	21,119,157	23,008,036	44,127,193
Deferred Inflows of Resources			
Property taxes and payment in lieu of taxes levied for next year	3,635,292	-	3,635,292
Pensions	295,491	6,604	302,095
Total deferred inflows of resources	3,930,783	6,604	3,937,387
Net Position			
Net investment in capital assets	13,786,912	11,064,695	24,851,607
Restricted for:			
Capital projects	394,553	-	394,553
Debt service	-	1,718,199	1,718,199
Streets and highways	167,661	-	167,661
Recreation	490,985	-	490,985
Unrestricted (deficit)	(6,534,579)	2,794,686	(3,739,893)
Total net position	$ 8,305,532	$ 15,577,580	$ 23,883,112

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Activities
Year Ended December 31, 2017

		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
Functions/Programs							
Governmental activities:							
Security of persons and property	$ 7,383,171	$ 866,791	$ 118,822	$ 217,791	$ (6,179,767)	$ -	$ (6,179,767)
Public health services	243,534	18,586	29,600	-	(195,348)	-	(195,348)
Leisure time activities	275,475	36,448	8,133	-	(230,894)	-	(230,894)
Community and economic development	412,099	261,823	-	-	(150,276)	-	(150,276)
Transportation	1,220,645	-	552,262	559,902	(108,481)	-	(108,481)
General government	1,440,972	289,311	25,939	-	(1,125,722)	-	(1,125,722)
Interest on long-term debt	174,599	-	-	-	(174,599)	-	(174,599)
Total governmental activities	11,150,495	1,472,959	734,756	777,693	(8,165,087)	-	(8,165,087)
Business-type activities:							
Water	1,739,329	1,760,544	16,810	-	-	38,025	38,025
Sewer	2,482,954	3,816,548	-	-	-	1,333,594	1,333,594
Other business-type activities:							
Storm Water	131,944	118,078	-	-	-	(13,866)	(13,866)
Water/Wastewater deposit	2,892	6,618	-	-	-	3,726	3,726
Sanitation	481,537	527,012	-	-	-	45,475	45,475
Total business-type activities	4,838,656	6,228,800	16,810	-	-	1,406,954	1,406,954
Total	$ 15,989,151	$ 7,701,759	$ 751,566	$ 777,693	(8,165,087)	1,406,954	(6,758,133)
General revenues and transfers:							
Income taxes levied for general purposes					4,607,002	-	4,607,002
Property taxes levied for:							
General purposes					1,437,545	-	1,437,545
Fire improvements					1,509,284	-	1,509,284
Police pension					62,616	-	62,616
Recreation					34,040	-	34,040
Capital projects					113,042	-	113,042
Payments in lieu of taxes					555,166	-	555,166
Grants and contributions not restricted to specific programs					518,899	-	518,899
Investment earnings					23,092	11,469	34,561
Miscellaneous					81,197	5,461	86,658
Transfers					58,652	(58,652)	-
Total general revenues and transfers					9,000,535	(41,722)	8,958,813
Change in net position					835,448	1,365,232	2,200,680
Net position beginning of year, *restated*					7,470,084	14,212,348	21,682,432
Net position end of year					$ 8,305,532	$ 15,577,580	$ 23,883,112

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Balance Sheet
Governmental Funds
December 31, 2017

	General	Fire Improvement	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and investments	$ 502,715	$ 61,699	$ 265,088	$ 1,495,728	$ 2,325,230
Cash in segregated accounts	-	-	-	16,402	16,402
Receivables:					
Property and other taxes	1,231,038	1,871,918	22,103	63,701	3,188,760
Payment in lieu of taxes	-	-	-	570,975	570,975
Income taxes	1,650,928	-	-	-	1,650,928
Accounts	20,966	51,593	-	1,866	74,425
Intergovernmental	213,778	58,845	-	222,098	494,721
Prepaid items	25,575	27,524	-	9,757	62,856
Materials and supplies inventory	-	-	-	10,048	10,048
Advances to other funds	20,411	-	-	-	20,411
Total assets	$ 3,665,411	$ 2,071,579	$ 287,191	$ 2,390,575	$ 8,414,756
Liabilities:					
Accounts payable	$ 37,019	$ 3,805	$ -	$ 39,406	$ 80,230
Accrued salaries	102,717	80,503	-	24,678	207,898
Intergovernmental payable	35,486	83,403	-	50,134	169,023
Advances from other funds	-	-	-	20,411	20,411
Notes payable	-	60,000	-	-	60,000
Total liabilities	175,222	227,711	-	134,629	537,562
Deferred Inflows of Resources:					
Property taxes and payment in lieu of taxes levied for next year	1,186,523	1,826,926	-	621,843	3,635,292
Unavailable revenue	1,377,724	103,837	-	156,914	1,638,475
Total deferred inflows of resources	2,564,247	1,930,763	-	778,757	5,273,767
Fund balances:					
Nonspendable	60,986	27,524	-	19,805	108,315
Restricted	-	-	-	1,111,713	1,111,713
Committed	-	-	287,191	-	287,191
Assigned	273,248	-	-	385,239	658,487
Unassigned	591,708	(114,419)	-	(39,568)	437,721
Total fund balances	925,942	(86,895)	287,191	1,477,189	2,603,427
Total liabilities, deferred inflows of resources and fund balances	$ 3,665,411	$ 2,071,579	$ 287,191	$ 2,390,575	$ 8,414,756

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, 2017

Total governmental fund balances		$ 2,603,427
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.		21,675,340
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.		1,638,475
In the statement of net position, interest is accrued on outstanding bonds and loans, whereas in governmental funds, interest is accrued when due.		(24,137)
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	(4,061,311)	
OPWC loan payable	(2,297,547)	
Capital lease payable	(1,469,570)	
Compensated absences payable	(870,627)	(8,699,055)
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	3,285,787	
Deferred inflows - pensions	(295,491)	
Net pension liability	(11,878,814)	(8,888,518)
Net position of governmental activities		$ 8,305,532

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, 2017

	General	Fire Improvement	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property and other taxes	$ 1,463,138	$ 1,574,032	$ 113,042	$ 98,470	$ 3,248,682
Income taxes	3,982,048	-	-	-	3,982,048
Payment in lieu of taxes	-	-	-	567,551	567,551
Intergovernmental	576,566	397,586	479,902	568,161	2,022,215
Charges for services	752	862,641	-	2,152	865,545
Fines, costs and forfeitures	162,166	-	-	7,680	169,846
Licenses, permits and inspections	387,526	-	-	-	387,526
Interest	23,092	-	-	-	23,092
Contributions	54,908	-	-	18,896	73,804
Other	66,791	65,651	1,623	5,230	139,295
Total revenues	6,716,987	2,899,910	594,567	1,268,140	11,479,604
Expenditures:					
Current:					
Security of persons and property	2,725,054	4,259,409	-	74,044	7,058,507
Public health services	-	-	-	218,369	218,369
Leisure time activities	75,158	-	-	127,536	202,694
Community and economic development	369,238	-	-	-	369,238
Transportation	-	-	-	758,751	758,751
General government	987,958	-	-	276,099	1,264,057
Capital outlay	81,449	1,293,887	1,231,797	225,201	2,832,334
Debt Service:					
Principal retirement	384,804	556,409	96,111	143,078	1,180,402
Interest and fiscal charges	17,962	13,408	14,271	124,329	169,970
Total expenditures	4,641,623	6,123,113	1,342,179	1,947,407	14,054,322
Excess of revenues over (under) expenditures	2,075,364	(3,223,203)	(747,612)	(679,267)	(2,574,718)
Other financing sources (uses):					
Transfers in	-	1,812,183	58,652	805,499	2,676,334
Transfers out	(2,617,682)	-	-	-	(2,617,682)
OPWC loans issued	-	-	443,933	-	443,933
Proceeds from sale of assets	-	309,400	-	-	309,400
Inception of capital leases	-	1,207,409	-	-	1,207,409
Total other financing sources (uses)	(2,617,682)	3,328,992	502,585	805,499	2,019,394
Net change in fund balances	(542,318)	105,789	(245,027)	126,232	(555,324)
Fund balance, beginning of year, *restated*	1,468,260	(192,684)	532,218	1,350,957	3,158,751
Fund balance, end of year	$ 925,942	$ (86,895)	$ 287,191	$ 1,477,189	$ 2,603,427

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, 2017

Net change in fund balances - total governmental funds	$ (555,324)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital asset additions	2,572,877
Depreciation expense	(578,139)
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.	(406,956)
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.	545,396
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	287,459
Interest on long-term debt	(11,401)
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, theses amounts consisted of general obligation bonds, ODOT, OPWC loans and capital leases.	1,180,402
Loan proceeds and inception of capital leases are recorded as other financing sources in the governmental funds, but are reported as increases of liabilities on the statement of net position.	(1,651,342)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	856,930
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,411,226)
Change in net position of governmental activities	$ 835,448

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, 2017

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	$ 1,311,919	$ 1,367,506	$ 1,463,138	$ 95,632
Income taxes	3,917,726	4,083,721	4,369,303	285,582
Intergovernmental	443,106	461,881	494,181	32,300
Charges for services	674	703	752	49
Fines, costs and forfeitures	144,061	150,165	160,666	10,501
Licenses, permits and inspections	347,071	361,776	387,076	25,300
Interest	20,705	21,583	23,092	1,509
Contributions	28,534	29,743	31,823	2,080
Other	679,705	684,115	654,079	(30,036)
Total revenues	6,893,501	7,161,193	7,584,110	422,917
Expenditures:				
Current:				
General government	1,521,933	1,488,859	1,571,098	(82,239)
Security of persons and property	3,073,134	3,096,412	2,966,300	130,112
Community and economic development	314,449	372,662	398,917	(26,255)
Leisure time activity	75,577	112,238	97,503	14,735
Debt service	357,579	357,579	357,771	(192)
Total expenditures	5,342,672	5,427,750	5,391,589	36,161
Excess of revenues over expenditures	1,550,829	1,733,443	2,192,521	459,078
Other financing uses:				
Transfers out	(1,961,653)	(1,961,653)	(2,617,683)	(656,030)
Total other financing uses	(1,961,653)	(1,961,653)	(2,617,683)	(656,030)
Net change in fund balance	(410,824)	(228,210)	(425,162)	$ (196,952)
Fund balance, beginning of year	619,868	619,868	619,868	
Prior year encumbrances appropriated	72,496	72,496	72,496	
Fund balance, end of year	$ 281,540	$ 464,154	$ 267,202	

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, 2017

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	$ 1,538,885	$ 1,878,351	$ 1,574,032	$ (304,319)
Intergovernmental	388,708	474,454	397,586	(76,868)
Charges for services	841,136	1,026,684	860,347	(166,337)
Other	83,169	101,516	85,069	(16,447)
Total revenues	2,851,898	3,481,005	2,917,034	(563,971)
Expenditures:				
Current:				
Security of persons and property				
Fire Department				
Personal services	3,528,297	3,590,445	3,594,659	(4,214)
Contractual services	433,321	828,223	834,237	(6,014)
Operations/maintenance	212,448	212,448	160,969	51,479
Capital outlay	51,845	370,487	386,352	(15,865)
Debt service	62,400	62,400	62,400	-
Total expenditures	4,288,311	5,064,003	5,038,617	25,386
Deficiency of revenues under expenditures	(1,436,413)	(1,582,998)	(2,121,583)	(538,585)
Other financing sources:				
Sale of assets	-	-	309,400	309,400
Transfers in	1,463,324	1,463,324	1,812,183	348,859
Total other financing sources	1,463,324	1,463,324	2,121,583	658,259
Net change in fund balance	26,911	(119,674)	-	$ 119,674
Fund balance, beginning of year	(68,157)	(68,157)	(68,157)	
Prior year encumbrances appropriated	68,157	68,157	68,157	
Fund balance, end of year	$ 26,911	$ (119,674)	$ -	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	$ 1,375,047	$ 1,056,579	$ 416,298	$ 2,847,924
Receivables:				
Accounts	271,325	616,098	112,505	999,928
Prepaid items	2,576	7,762	-	10,338
Materials and supplies inventory	47,168	10,537	-	57,705
Total current assets	1,696,116	1,690,976	528,803	3,915,895
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agent	-	1,718,199	-	1,718,199
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	4,560	-	485,420
Depreciable capital assets, net	12,026,239	17,587,538	1,781,573	31,395,350
Total non-current assets	12,507,099	19,327,475	1,781,573	33,616,147
Total assets	14,203,215	21,018,451	2,310,376	37,532,042
Deferred outflows of resources				
Deferred charge on refunding	-	613,044	-	613,044
Pensions	215,314	248,998	-	464,312
Total deferred outflows of resources	215,314	862,042	-	1,077,356
Liabilities				
Current liabilities:				
Accounts payable	2,883	14,698	-	17,581
Accrued salaries	14,750	16,475	-	31,225
Intergovernmental payable	8,047	8,737	-	16,784
Accrued interest payable	52,528	78,455	-	130,983
Compensated absences payable, current portion of	2,778	47,261	-	50,039
Advances from other funds	-	-	17,178	17,178
Capital lease payable, current portion of	17,791	-	-	17,791
Revenue bonds payable, current portion of	-	940,000	-	940,000
General obligation bonds payable, current portion of	-	170,000	-	170,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	310,907	-	-	310,907
Total current liabilities	409,684	1,367,934	38,208	1,815,826
Long-term liabilities:				
Capital lease payable, net of current portion	21,712	-	-	21,712
Revenue bonds payable, net of current portion	-	11,180,691	-	11,180,691
General obligation bonds payable, net of current portion	-	4,357,890	-	4,357,890
OPWC loans payable, net of current portion	-	830,775	220,815	1,051,590
OWDA loans payable, net of current portion	3,265,200	-	-	3,265,200
Compensated absences payable, net of current portion	55,405	167,266	-	222,671
Net pension liability	512,139	597,495	-	1,109,634
Total long-term liabilities	3,854,456	17,134,117	220,815	21,209,388
Total liabilities	4,264,140	18,502,051	259,023	23,025,214
Deferred inflows of resources				
Pensions	3,048	3,556	-	6,604
Net Position				
Net investment in capital assets	8,891,489	633,478	1,539,728	11,064,695
Restricted for debt service	-	1,718,199	-	1,718,199
Unrestricted	1,259,852	1,023,209	511,625	2,794,686
Total net position	$ 10,151,341	$ 3,374,886	$ 2,051,353	$ 15,577,580

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, 2017

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Operating revenues:				
Charges for services	$ 1,760,544	$ 3,816,548	$ 651,708	$ 6,228,800
Other	5,349	112	-	5,461
Total operating revenues	1,765,893	3,816,660	651,708	6,234,261
Operating expenses:				
Personnel services	517,552	659,010	-	1,176,562
Contractual services	309,701	397,855	566,868	1,274,424
Supplies and materials	123,695	73,931	-	197,626
Other	233,002	233,003	2,892	468,897
Depreciation	429,501	475,020	46,613	951,134
Total operating expenses	1,613,451	1,838,819	616,373	4,068,643
Operating income	152,442	1,977,841	35,335	2,165,618
Non-operating revenues (expenses):				
Intergovernmental revenue	16,810	-	-	16,810
Interest revenue	-	11,469	-	11,469
Interest expense and fiscal charges	(125,878)	(644,135)	-	(770,013)
Total non-operating revenues (expenses)	(109,068)	(632,666)	-	(741,734)
Income before transfers	43,374	1,345,175	35,335	1,423,884
Transfers out	-	(30,183)	(28,469)	(58,652)
Change in net position	43,374	1,314,992	6,866	1,365,232
Net position, beginning of year, *restated*	10,107,967	2,059,894	2,044,487	14,212,348
Net position, end of year	$ 10,151,341	$ 3,374,886	$ 2,051,353	$ 15,577,580

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Cash flows from operating activities:				
Cash received from customers	$ 1,744,531	$ 3,771,777	$ 643,596	$ 6,159,904
Cash payments for employee services and benefits	(463,830)	(599,172)	-	(1,063,002)
Cash payments to suppliers for goods and services	(450,145)	(474,619)	(566,868)	(1,491,632)
Cash payments for other operating expenses	(233,002)	(233,003)	(2,892)	(468,897)
Cash received from other operating revenue	7,446	112	-	7,558
Net cash from operating activities	605,000	2,465,095	73,836	3,143,931
Cash flows from noncapital financing activities:				
Transfers	-	(30,183)	(28,469)	(58,652)
Net cash from noncapital financing activities	-	(30,183)	(28,469)	(58,652)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(255,905)	-	(255,905)
Principal retirement	(316,596)	(1,162,308)	(21,030)	(1,499,934)
Interest paid	(112,927)	(615,573)	-	(728,500)
Net cash from capital and related financing activities	(429,523)	(2,033,786)	(21,030)	(2,484,339)
Cash flows from investing activities:				
Interest	-	11,469	-	11,469
Net change	175,477	412,595	24,337	612,409
Cash and pooled investments beginning of year	1,199,570	2,362,183	391,961	3,953,714
Cash and pooled investments end of year	$ 1,375,047	$ 2,774,778	$ 416,298	$ 4,566,123
Reconciliation of operating income to net cash from operating activities:				
Operating income	$ 152,442	$ 1,977,841	$ 35,335	$ 2,165,618
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	429,501	475,020	46,613	951,134
Changes in deferred outflows - pensions	(64,967)	(82,825)	-	(147,792)
Changes in deferred inflows - pensions	(4,269)	(4,532)	-	(8,801)
Changes in assets and liabilities:				
Receivables	(13,916)	(44,771)	(8,112)	(66,799)
Prepaid items	544	(439)	-	105
Materials and supplies inventory	(7,115)	(6,390)	-	(13,505)
Accounts payable	(9,634)	3,557	-	(6,077)
Accrued salaries	1,591	528	-	2,119
Intergovernmental payable	(211)	(1,058)	-	(1,269)
Compensated absences payable	(12,118)	(30,450)	-	(42,568)
Net pension liability	133,152	178,614	-	311,766
Net cash from operating activities	$ 605,000	$ 2,465,095	$ 73,836	$ 3,143,931
Schedule of non-cash capital and related financing activities:				
Capital assets acquired through capital lease	$ 31,474	-	-	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

Assets	
Cash in segregated accounts	$ 9,317
Equity in pooled cash and investments	269,146
Receivables:	
Income taxes	49,330
Total assets	$ 327,793
Liabilities	
Intergovernmental payable	$ 327,793
Total liabilities	$ 327,793

See accompanying notes to the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District
In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received $125,155 in revenues through the JEDD in 2017.

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.

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.

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.

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, 2017, 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 2017, 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 2017. 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, 2017, which approximates fair value.

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

D. Cash and Investments - *continued*

For 2017, 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 2017, interest revenue credited to the general fund amounted to $23,092, which includes $18,835 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 $1,718,199 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, 2017 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.

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 acquisition 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.

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.

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.

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, 2017, 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 2017.

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.

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 classified as a portion of 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).

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING *–continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2017, on the GAAP basis to the budget basis are as follows:

	General Fund	Fire Improvement
Net change in fund balance - ***GAAP Basis***	$ (542,318)	$ 105,789
Funds reclassified	(50,701)	-
Net adjustment for revenue accruals	926,656	17,124
Net adjustment for expenditure accruals	(644,799)	1,146,195
Encumbrances	(113,999)	(61,699)
Net change in fund balance - ***Budget Basis***	$ (425,162)	$ -

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;

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.

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, unless the financial institution participates in the Ohio Treasurer of State's Ohio Collateral Pool System, which reduces the amount to 102% of the deposits being secured. 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, 2017, the carrying amount of all City deposits was $5,168,834. $4,013,779 of the City's bank balance of $5,048,294 was exposed to custodial risk as discussed above, while $1,034,515 was covered by FDIC.

Investments: The City's investments at December 31, 2017 are summarized as follows:

Investment Type		Fair Value	Maturity 6 months or less
STAR Ohio	$	10,004	10,004
Money Market		2,007,380	2,007,380
	$	2,017,384	2,017,384

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.

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2017:

Investment Type		Fair Value	Percent of Total
STAR Ohio	$	10,004	0.5%
Money Market		2,007,380	99.5%
	$	2,017,384	100.0%

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

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 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes, which became a lien December 31, 2016 are levied after October 1, 2017, and are collected in 2018 with real property taxes.

NOTE 4 - PROPERTY TAXES – *continued*

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, 2017 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 2017 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.

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 2017:

	Transfers In	Transfers Out
General Fund	$ -	$ 2,617,682
Fire Improvement	1,812,183	-
Capital Improvement	58,652	-
Nonmajor governmental funds	805,499	-
Sewer Fund	-	30,183
Nonmajor enterprise fund	-	28,469
	$ 2,676,334	$ 2,676,334

NOTE 6 - INTERFUND ACTIVITY – ***continued***

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, 2017:

	Advances to Other Funds	Advances from Other Funds
General Fund	$ 20,411	$ -
Nonmajor governmental funds	-	20,411
Sewer	17,178	-
Nonmajor enterprise funds	-	17,178
	$ 37,589	$ 37,589

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, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 3,015,891	$ -	$ -	$ 3,015,891
Construction in progress	79,250	2,105,412	(752,151)	1,432,511
Total capital assets not being depreciated	3,095,141	2,105,412	(752,151)	4,448,402
Capital assets being depreciated:				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,954,990	29,083	-	3,984,073
Furniture and equipment	680,836	185,481	(76,183)	790,134
Vehicles	2,819,796	252,901	(1,128,412)	1,944,285
Infrastructure	15,666,101	752,151	-	16,418,252
Total capital assets being depreciated	23,926,540	1,219,616	(1,204,595)	23,941,561
Less accumulated depreciation:				
Land improvements	(794,807)	(4,633)	-	(799,440)
Buildings and improvements	(2,100,549)	(77,516)	-	(2,178,065)
Furniture and equipment	(428,372)	(38,120)	76,183	(390,309)
Vehicles	(1,725,886)	(158,600)	721,456	(1,163,030)
Infrastructure	(1,884,509)	(299,270)	-	(2,183,779)
Total accumulated depreciation	(6,934,123)	(578,139)	797,639	(6,714,623)
Total capital assets being depreciated, net	16,992,417	641,477	(406,956)	17,226,938
Capital assets, net	$ 20,087,558	$ 2,746,889	$ (1,159,107)	$ 21,675,340

Depreciation expense was charged to governmental functions as follows:

General government	$ 90,332
Security of persons and property	204,815
Public health services	1,988
Transportation	247,174
Leisure time activities	33,830
Total depreciation expense	$ 578,139

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 485,420	$ -	$ -	$ 485,420
Total capital assets not being depreciated	485,420	-	-	485,420
Capital assets being depreciated:				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,180,102	-	-	10,180,102
Furniture and equipment	7,530,815	255,905	-	7,786,720
Vehicles	509,222	31,474	-	540,696
Infrastructure	33,755,830	-	-	33,755,830
Total capital assets being depreciated	52,000,443	287,379	-	52,287,822
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(3,949,779)	(195,077)	-	(4,144,856)
Furniture and equipment	(6,213,387)	(70,305)	-	(6,283,692)
Vehicles	(366,590)	(28,846)	-	(395,436)
Infrastructure	(9,387,108)	(656,906)	-	(10,044,014)
Total accumulated depreciation	(19,941,338)	(951,134)	-	(20,892,472)
Total capital assets being depreciated, net	32,059,105	(663,755)	-	31,395,350
Capital assets, net	$ 32,544,525	$ (663,755)	$ -	$ 31,880,770

Depreciation expense was charged to segments as follows:

Major enterprise funds	
Water	$ 429,501
Sewer	475,020
Nonmajor enterprise fund	
Storm water	46,613
Total depreciation expense	$ 951,134

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.

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

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.

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):

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

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

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

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

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 2017, 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 1.0% during calendar year 2017 (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 $174,611 for 2017. Of this amount, $41,260 is reported as an intergovernmental payable.

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

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

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

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.

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

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

	Police		Firefighters	
2017 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2017 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	19.50	%	24.00	%
Employee	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 $767,577 for 2017. Of this amount, $129,234 is reported as an intergovernmental payable.

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

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, 2016 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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:

	OPERS	OP&F	Total
Proportionate Share of Net Pension Liability	$ 2,845,214	$ 10,143,234	$ 12,988,448
Proportion of Net Pension Liability	0.012529%	0.160142%	
Change in Proportion	0.001014%	0.012003%	
Pension Expense	$ 648,328	$ 1,003,329	$ 1,651,657

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 3,856	$ 2,871	$ 6,727
Net differences between projected and actual investment earnings	423,719	986,386	1,410,105
Change in assumptions	451,286	-	451,286
Change in City's proportionate share and differences in employer contributions	93,073	846,720	939,793
City contributions subsequent to the measurement date	174,611	767,577	942,188
	$ 1,146,545	$ 2,603,554	$ 3,750,099
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 16,933	$ 23,355	$ 40,288
Change in City's proportionate share and differences in employer contributions	-	261,807	261,807
	$ 16,933	$ 285,162	$ 302,095

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

$942,188 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2018	$ 400,570	$ 477,857	$ 878,427
2019	412,453	477,857	890,310
2020	154,398	388,469	542,867
2021	(12,420)	36,315	23,895
2022	-	153,656	153,656
Thereafter	-	16,661	16,661
	$ 955,001	$ 1,550,815	$ 2,505,816

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 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumptions	December 31, 2016 Valuation	December 31, 2015 Valuation
Wage inflation	3.25%	3.75%
Future salary increases, Including inflation	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.80% simple
Investment rate of return	7.50%	8.00%
Actuarial cost method	Individual entry age	Individual entry age
Mortality tables	RP-2014	RP-2000

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

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 2016 and the long-term expected real rates of return:

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	18.00%	4.92%
Total	100.00%	5.66%

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. 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 7.50%, 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 (6.50%) and one-percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate of 7.50%	1% Increase (8.50%)
City's proportionate share of the net pension liability	$ 4,346,757	$ 2,845,214	$ 1,594,011

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
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 determine 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, 2016 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalent	0.0%	0.0%
Domestic Equity	16.0%	5.21%
Non-U.S. Equity	16.0%	5.40%
Core Fixed Income*	20.0%	2.37%
Global Inflation Protected Securities*	20.0%	2.33%
High Yield	15.0%	4.48%
Real Estate	12.0%	5.65%
Private Markets	8.0%	7.99%
Timber	5.0%	6.87%
Master Limited Partnerships	8.0%	7.36%

Note: Assumptions are geometric. * Levered 2x

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

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 1.20 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	$ 13,509,586	$ 10,143,234	$ 7,290,205

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains 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 the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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 2016 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 2017, state and local employers contributed at a rate of 14.0% of covered payroll. 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 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% 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 2017 was 4.0%.

Actual employer contributions for 2017, 2016 and 2015 which were used to fund post-employment benefits were approximately $16,560, $44,000, and $39,000, 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.

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

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.

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 2017. 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 2017, 2016 and 2015 that were used to fund post-employment benefits were approximately $18,000, $17,000, and $15,000, respectively.

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation time for the City as a whole amounted to $138,075 at December 31, 2017.

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 $1,005,262 at December 31, 2017.

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, 2016 and 2015, 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, 2016 and 2015 (latest available):

	2016	2015
Assets	$ 14,765,712	$14,643,667
Liabilities	(9,531,506)	(9,112,030)
Members' Equity	$ 5,234,206	$ 5,531,637

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

NOTE 11 - RISK MANAGEMENT – *continued*

Health Insurance
During 2017, 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 2017 and balances for governmental activities' long-term liabilities of the City as of December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds					
2009 Various purpose bonds	$ 1,555,000	$ -	$ (55,000)	$ 1,500,000	$ 55,000
2015 Various purpose and refunding bonds	2,805,000	-	(370,000)	2,435,000	375,000
Add unamortized premiums	133,083	-	(6,772)	126,311	-
OPWC loans					
2006 Jefferson Avenue project	224,405	-	(23,620)	200,785	23,622
2009 Kater Street improvements	384,328	-	(28,469)	355,859	28,469
2011 Carolina Trace improvements	531,579	-	(34,295)	497,284	34,295
2012 Harrison Avenue improvements	147,794	-	(9,237)	138,557	9,237
2014 Whipporwill Drive improvements	48,140	-	(2,751)	45,389	2,751
2014 Lyness Avenue improvements	94,601	-	(5,406)	89,195	5,406
2014 Featherwood Drive improvements	186,951	-	(10,105)	176,846	10,105
2016 Miller, Elm, Sunset improvements	368,104	-	(18,405)	349,699	18,405
2017 New Haven Road rehabilitation	-	41,532	-	41,532	-
2017 Etta St & Sycamore St reconstruction	-	275,401	-	275,401	-
2017 Flintstone Dr reconstruction	-	127,000	-	127,000	-
Other long-term obligations					
Capital leases	885,275	1,207,409	(623,114)	1,469,570	270,513
Compensated absences	1,158,086	106,111	(393,570)	870,627	88,036
Net pension liability:					
OPERS	1,196,803	538,777	-	1,735,580	-
OP&F	9,529,887	613,347	-	10,143,234	-
Total governmental activities long-term obligations	$ 19,249,036	$ 2,909,577	$ (1,580,744)	$ 20,577,869	$ 920,839

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, 2017, the City has eleven interest-free loans outstanding through the OPWC payable from governmental activities. The loans are payable in semi-annual installments of principal.

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:

	Governmental Activities				
	Various Purpose Series - 2009		Various Purpose and Refunding Series - 2015		OPWC*
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal
2018	$ 55,000	$ 74,575	$ 375,000	$ 69,063	$ 132,290
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	65,000	65,600	115,000	49,263	132,290
2023-2027	375,000	278,251	535,000	198,400	626,017
2028-2032	425,000	169,313	550,000	111,500	455,024
2033-2037	325,000	72,450	245,000	14,800	111,120
2038	75,000	3,938	-	-	-
Total	$ 1,500,000	$ 875,177	$ 2,435,000	$ 610,015	$ 1,853,614

** - excludes 2017 OPWC loans, as those projects are ongoing and the loan amortizations have not been finalized.*

NOTE 12 - LONG-TERM LIABILITIES – *continued*

The following is a summary of changes during 2017 and balances for business-type activities' long-term liabilities of the City as of December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General Obligation Bonds					
2010 Sanitary Sewer Improvements	$ 4,580,000	$ -	$ (165,000)	$ 4,415,000	$ 170,000
Add unamortized premiums	119,162	-	(6,272)	112,890	-
Revenue Bonds					
2012 Revenue Refunding	12,860,000	-	(905,000)	11,955,000	940,000
Add unamortized premiums	180,991	-	(15,300)	165,691	-
OPWC loans					
State Street/Campbell Road sewer	1,015,391	-	(92,308)	923,083	92,308
Etta, Lellan and Joyce Avenue improvement	262,875	-	(21,030)	241,845	21,030
OWDA loans					
Water treatment plant	378,828	-	(63,626)	315,202	65,866
New Biddinger Rd./Caroline Trace Rd. water mains	1,092,315	-	(90,659)	1,001,656	93,253
Wellfield/transmission water mains	20,815	-	-	20,815	-
Marvin Rd./Carolina Trace water mains	1,200,902	-	(73,726)	1,127,176	76,434
Elevated water storage tank	1,183,942	-	(72,684)	1,111,258	75,354
Other long-term obligations					
Capital leases	23,351	32,053	(15,901)	39,503	17,791
Compensated absences	315,278	58,415	(100,983)	272,710	50,039
Net pension liability:					
OPERS	797,868	311,766	-	1,109,634	-
Total business-type activities long-term obligations	$ 24,031,718	$ 402,234	$ (1,622,489)	$ 22,811,463	$ 1,602,075

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.

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 $2,208,425, 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, 2017, 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, 2017, the City has outstanding borrowings of $3,576,107. 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, 2017.

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, 2017 were:

	Business-Type Activities						
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	OWDA	
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal	Principal	Interest
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	190,000	186,538	1,045,000	260,494	113,338	317,232	73,857
2023-2027	1,090,000	805,475	5,715,000	810,962	566,694	1,486,165	218,017
2028-2032	1,400,000	497,437	1,260,000	44,100	31,543	443,435	20,359
2033-2035	1,025,000	109,462	-	-	-	-	-
Total	$ 4,415,000	$ 2,407,472	$ 11,955,000	$ 2,403,493	$ 1,164,928	$ 3,576,107	$ 744,184

NOTE 13 – SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Interest Rate	Balance 12/31/16	Increase	Decrease	Balance 12/31/17
Governmental Activities:							
Tax anticipation note	10/22/14	10/01/18	2.00%	120,000	-	(60,000)	60,000
Total				$ 120,000	$ -	$ (60,000)	$ 60,000

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

The City has entered into several capitalized leases for assets including police vehicles, street sweeper, paramedic vehicles, fire trucks, staff vehicles and various equipment, including four in 2017. 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 $1,842,981, with a net book value of $824,179, for the governmental activities and $65,997, with a net book value of $54,219, 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, 2017.

Year Ending December 31,	Governmental Activities	Business-Type Activities
2018	$ 308,857	$ 19,501
2019	285,452	7,305
2020	219,131	7,305
2021	180,516	7,305
2022	180,516	1,826
2023-2027	456,181	-
Total	$ 1,630,653	$ 43,242
Less: amount representing interest	(161,083)	(3,739)
Present value of net minimum lease payments	$ 1,469,570	$ 39,503

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
Nonspendable:					
Prepaids	$ 25,575	$ 27,524	$ -	$ 9,757	$ 62,856
Inventory	-	-	-	10,048	10,048
Advances	35,411	-	-	-	35,411
Total Nonspendable	60,986	27,524	-	19,805	108,315
Restricted for:					
Police operations	-	-	-	1,982	1,982
Fire operations	-	-	-	4,202	4,202
Senior Center operations	-	-	-	14,717	14,717
Recreational activities	-	-	-	558,097	558,097
Street and highway projects	-	-	-	101,167	101,167
Law enforcement and education	-	-	-	20,976	20,976
Infrastructure projects	-	-	-	406,806	406,806
Other purposes	-	-	-	3,766	3,766
Total Restricted	-	-	-	1,111,713	1,111,713
Committed to					
Capital projects	-	-	287,191	-	287,191
Assigned to:					
Police operations	2,113	-	-	-	2,113
Fire operations	15,653	-	-	-	15,653
Debt service	-	-	-	385,239	385,239
Recreational activities	88,586	-	-	-	88,586
Purchases on order	77,140	-	-	-	77,140
Budget resource	89,756	-	-	-	89,756
Total Assigned	273,248	-	-	385,239	658,487
Unassigned (Deficit)	591,708	(114,419)	-	(39,568)	437,721
Total Fund Balance	$ 925,942	$ (86,895)	$ 287,191	$ 1,477,189	$ 2,603,427

NOTE 15 - FUND BALANCES – *continued*

At December 31, 2017, the following deficit fund balances were reported:

Fund	Deficit
Fire Improvement	$ 86,895
Nonmajor Govermental Funds:	
Community Center	427
Police Pension	38,861

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	$ 113,999
Fire Improvement Fund	61,699
Capital Improvement Fund	32,753
Nomajor Governmental Funds	102,488
	$ 310,939

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.

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.

Community Reinvestment Area

The Ohio Community Reinvestment Area (CRAO program is an economic development tool available to the City under Ohio Revised Code Sec. 3735 that is used to provide real property tax exemptions for property owners who construct new buildings or renovate existing properties. CRAs are areas of land in which property owners may receive tax incentives for investing in real property improvements. In order to participate in the CRA program, the City petitions the Ohio Development Services Agency (ODSA) for confirmation of a geographic area in which investment has traditionally been discouraged. Once an area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The City determines the type of development to support by specifying the eligibility of residential, commercial or industrial projects. The City grants property tax abatements on improvement projects based on the increase in property valuation resulting from the improvements, for up to fifteen years. Participating properties are subject to annual inspections by the Tax Incentive Review Council.

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, 2017, the City had 4 participants in these and abated $179,783 in real and personal property taxes.

NOTE 19 - RESTATEMENT

During the year, the City identified issues in the development of its utilities receivable and made the appropriate adjustments. The result of this adjustment had the following impact on beginning net position in the following funds and business-type activities:

	Water	Sewer	Nonmajor Enterprise	Business-Type Activities
Net Position at December 31, 2016	$ 9,959,020	$ 1,716,968	$1,988,485	$13,664,473
Adjustments:				
Receivable adjustments	148,947	342,926	56,002	547,875
Restated Net Position at December 31, 2016	$ 10,107,967	$ 2,059,894	$2,044,487	$14,212,348

NOTE 20 - RECLASSIFICATION

During the year, the City reclassified the Fire 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, 2016	$ 1,473,355	$ 1,345,862
Adjustments:		
Fund reclassification	(5,095)	5,095
Restated Fund Balance at December 31, 2016	$ 1,468,260	$ 1,350,957

Required Supplementary Information

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 Four Years (1)(2)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.01253%	0.01152%	0.01149%	0.01149%
City's Proportionate Share of the Net Pension Liability	$ 2,845,214	$ 1,994,671	$ 1,385,943	$ 1,354,639
City's Covered Payroll	$ 1,692,225	$ 1,552,425	$ 1,408,850	$ 1,502,200
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	168.13%	128.49%	98.37%	90.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

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 Four Years (1)(2)

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1601%	0.1481%	0.1556%	0.1556%
City's Proportionate Share of the Net Pension Liability	$ 10,143,234	$ 9,529,887	$ 8,060,993	$ 7,578,456
City's Covered Payroll	$ 3,624,913	$ 3,183,678	$ 3,198,414	$ 4,078,361
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	279.82%	299.34%	252.03%	185.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

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

	2017	2016	2015	2014	2013
Contractually Required Contributions	$ 174,611	$ 203,067	$ 186,291	$ 169,062	$ 195,286
Contributions in Relation to the Contractually Required Contributions	$ (174,611)	$ (203,067)	$ (186,291)	$ (169,062)	$ (195,286)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City Covered Payroll	$ 1,343,162	$ 1,692,225	$ 1,552,425	$ 1,408,850	$ 1,502,200
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

	2012	2011	2010	2009	2008
Contractually Required Contributions	$ 178,537	$ 182,879	$ 175,512	$ 172,512	$ 168,526
Contributions in Relation to the Contractually Required Contributions	$ (178,537)	$ (182,879)	$ (175,512)	$ (172,512)	$ (168,526)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City Covered Payroll	$ 1,785,370	$ 1,828,790	$ 1,967,623	$ 2,091,055	$ 2,407,514
Contributions as a Percentage of Covered Payroll	10.00%	10.00%	8.92%	8.25%	7.00%

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

	2017	2016	2015	2014	2013
Contractually Required Contributions	$ 767,577	$ 728,245	$ 639,601	$ 651,197	$ 696,584
Contributions in Relation to the Contractually Required Contributions	(767,577)	(728,245)	(639,601)	(651,197)	(696,584)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City Covered Payroll	$ 3,820,692	$ 3,624,913	$ 3,183,678	$ 3,198,414	$ 4,078,361
Contributions as a Percentage of Covered Payroll	20.09%	20.09%	20.09%	20.36%	17.08%

	2012	2011	2010	2009	2008
Contractually Required Contributions	$ 492,870	$ 474,381	$ 469,877	$ 442,825	$ 359,715
Contributions in Relation to the Contractually Required Contributions	(492,870)	(474,381)	(469,877)	(442,825)	(359,715)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City Covered Payroll	$ 3,382,773	$ 3,352,516	$ 3,370,710	$ 3,169,828	$ 2,522,546
Contributions as a Percentage of Covered Payroll	14.57%	14.15%	13.94%	13.97%	14.26%

Combining Financial Statements And Individual Fund Schedules

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, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Revenues:				
Property and other taxes	$ 1,311,919	$ 1,367,506	1,463,138	$ 95,632
Income taxes	3,917,726	4,083,721	4,369,303	285,582
Intergovernmental	443,106	461,881	494,181	32,300
Charges for services	674	703	752	49
Fines, costs and forfeitures	144,061	150,165	160,666	10,501
Licenses, permits and inspections	347,071	361,776	387,076	25,300
Interest	20,705	21,583	23,092	1,509
Contributions	28,534	29,743	54,908	25,165
Other	679,705	684,115	654,079	(30,036)
Total revenues	6,893,501	7,161,193	7,607,195	446,002
Expenditures:				
Current:				
General government				
Planning commission:				
Operations/maintenance	592	592	571	21
Total planning commission	592	592	571	21
Information technology:				
Operations/maintenance	134,632	104,632	64,377	40,255
Income tax:				
Personal services	-	448	308	140
Contractual services	141,138	141,138	123,628	17,510
Operations/maintenance	475	475	364	111
Total income tax	141,613	142,061	124,300	17,761
Jobs creation:				
Operations/maintenance	130,000	130,000	338,009	(208,009)
Mayor:				
Personal services	38,628	38,628	37,185	1,443
Operations/maintenance	500	500	-	500
Total mayor	39,128	39,128	37,185	1,943
Council:				
Personal services	79,752	79,752	79,818	(66)
Contractual services	58,550	58,550	46,654	11,896
Operations/maintenance	2,750	2,750	281	2,469
Total council	$ 141,052	$ 141,052	$ 126,753	$ 14,299

(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, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Economic development:				
Personal services	$ 121,530	$ 111,989	$ 99,534	$ 12,455
Contractual services	91,700	101,241	98,523	2,718
Operations/maintenance	10,062	10,062	7,270	2,792
Capital improvements	-	-	5,000	(5,000)
Total economic development	223,292	223,292	210,327	12,965
Finance:				
Personal services	241,078	234,435	210,447	23,988
Contractual services	63,975	62,197	58,258	3,939
Operations/maintenance	10,076	10,200	10,044	156
Capital improvements	1,000	5,775	5,775	-
Total finance	316,129	312,607	284,524	28,083
Custodian:				
Operations/maintenance	5,000	5,000	3,057	1,943
Total custodian	5,000	5,000	3,057	1,943
Civil service:				
Contractual services	6,000	6,000	3,319	2,681
Operations/maintenance	100	100	-	100
Total civil service	6,100	6,100	3,319	2,781
Law director:				
Personal services	101,541	98,260	97,231	1,029
Contractual services	20,500	23,781	23,585	196
Total law director	122,041	122,041	120,816	1,225
Magistrate:				
Personal services	95,158	94,852	86,295	8,557
Contractual services	7,925	7,925	5,240	2,685
Operations/maintenance	500	500	509	(9)
Capital improvements	-	306	306	-
Total magistrate	103,583	103,583	92,350	11,233
General government:				
Operations/maintenance	158,771	158,771	165,510	(6,739)
Total general government	$ 1,521,933	$ 1,488,859	$ 1,571,098	$ (82,239)

(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, 2017

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Security of persons and property				
Law enforcement:				
Personal services	$ 2,686,003	$ 2,698,884	$ 2,603,132	$ 95,752
Contractual services	259,849	254,017	228,833	25,184
Operations/maintenance	71,492	78,266	69,090	9,176
Capital improvements	55,790	65,245	65,245	-
Total security of persons and property	3,073,134	3,096,412	2,966,300	130,112
Community and economic development				
Building department:				
Personal services	205,436	199,234	227,515	(28,281)
Contractual services	104,513	168,928	167,443	1,485
Operations/maintenance	2,500	2,500	2,252	248
Total building department	312,449	370,662	397,210	(26,548)
Zoning department:				
Operations/maintenance	2,000	2,000	1,707	293
Total zoning department	2,000	2,000	1,707	293
Total community and economic development	314,449	372,662	398,917	(26,255)
Leisure time activity				
Parks and recreation:				
Personal services	25,677	25,677	23,544	2,133
Contractual services	33,300	39,300	34,664	4,636
Operations/maintenance	12,600	14,800	13,133	1,667
Capital improvements	4,000	32,461	26,162	6,299
Total parks and recreation	75,577	112,238	97,503	14,735
Total leisure time activity	75,577	112,238	97,503	14,735
Debt service	357,579	357,579	357,771	(192)
Total expenditures	$ 5,342,672	$ 5,427,750	$ 5,391,589	$ 36,161
Excess of revenues over expenditures	$ 1,550,829	$ 1,733,443	$ 2,215,606	$ 482,163
Other financing uses:				
Transfers out	(1,961,653)	(1,961,653)	(2,617,683)	(656,030)
Total other financing uses	(1,961,653)	(1,961,653)	(2,617,683)	(656,030)
Net change in fund balance	(410,824)	(228,210)	(402,077)	$ (173,867)
Fund balance, beginning of year	619,868	619,868	619,868	
Prior year encumbrances appropriated	72,496	72,496	72,496	
Fund balance, end of year	$ 281,540	$ 464,154	$ 290,287	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	$ 90,000	$ 110,509	$ 20,509
Intergovernmental	22,911	22,402	$ (509)
Other	-	3,123	3,123
Total revenues	112,911	136,034	23,123
	-		
Expenditures:			
Current:			
General government:			
Operations/maintenance	682,200	32,753	649,447
Capital improvements	671,187	336,664	334,523
Debt service	33,325	51,730	(18,405)
Total expenditures	1,386,712	421,147	965,565
Deficiency of revenues under expenditures	(1,273,801)	(285,113)	988,688
Other financing sources:			
OPWC loans issued	120,000	-	(120,000)
Net change in fund balance	(1,153,801)	(285,113)	$ 868,688
Fund balance, beginning of year	(301,940)	(301,940)	
Prior year encumbrances appropriated	819,387	819,387	
Fund balance, end of year	$ (636,354)	$ 232,334	

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.

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, utilitizing 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 puchase of equipment, training, and travel in the fight against drugs.

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

Fire Memorial
This fund accounts for donations received by the local fire department. . These monies may be used at the discretion of the Fire 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.

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 Activitiy 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.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

DEBT SERVICE FUNDS

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

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.

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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 703,683	$ 408,467	$ 383,578	$ 1,495,728
Cash in segregated accounts	16,402	-	-	16,402
Receivables:				
Property and other taxes	63,701	-	-	63,701
Payment in lieu of taxes	-	-	570,975	570,975
Accounts	1,866	-	-	1,866
Intergovernmental	222,098	-	-	222,098
Prepaid items	9,757	-	-	9,757
Materials and supplies inventory	10,048	-	-	10,048
Total assets	$ 1,027,555	$ 408,467	$ 954,553	$ 2,390,575
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	$ 39,406	$ -	$ -	$ 39,406
Accrued salaries	24,678	-	-	24,678
Intergovernmental payable	50,134	-	-	50,134
Advances from other funds	20,411	-	-	20,411
Total liabilities	134,629	-	-	134,629
Deferred Inflows of Resources:				
Property taxes and payment in lieu of taxes	61,843	-	560,000	621,843
Unavailable revenue	145,939	-	10,975	156,914
Total deferred inflows of resources	207,782	-	570,975	778,757
Fund balances:				
Nonspendable	19,805	-	-	19,805
Restricted	704,907	23,228	383,578	1,111,713
Assigned	-	385,239	-	385,239
Unassigned	(39,568)	-	-	(39,568)
Total fund balances	685,144	408,467	383,578	1,477,189
Total liabilities, deferred inflows of resources and fund balances	$ 1,027,555	$ 408,467	$ 954,553	$ 2,390,575

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	$ 98,470	$ -	$ -	$ 98,470
Payments in lieu of taxes	-	-	567,551	567,551
Intergovernmental	568,161	-	-	568,161
Charges for services	2,152	-	-	2,152
Fines, costs and forfeitures	7,680	-	-	7,680
Contributions	18,896	-	-	18,896
Other	5,230	-	-	5,230
Total revenues	700,589	-	567,551	1,268,140
Expenditures:				
Current:				
Security of persons and property	74,044	-	-	74,044
Public health services	218,369	-	-	218,369
Leisure time activity	127,536	-	-	127,536
Transportation	758,751			758,751
General government	-	-	276,099	276,099
Capital outlay	225,201	-	-	225,201
Debt service:				
Principal retirement	23,078	-	120,000	143,078
Interest and fiscal charges	2,366	-	121,963	124,329
Total expenditures	1,429,345	-	518,062	1,947,407
Excess of revenues over (under) expenditures	(728,756)	-	49,489	(679,267)
Other financing sources:				
Transfers in	805,499	-	-	805,499
Net change in fund balance	76,743	-	49,489	126,232
Fund balance at beginning of year, *restated*	608,401	408,467	334,089	1,350,957
Fund balance at end of year	$ 685,144	$ 408,467	$ 383,578	$ 1,477,189

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Maintenance and Repair	State Highway Improvements	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Assets:						
Equity in pooled cash and investments	$ 60,561	$ 46,097	$ 2,705	$ 4,202	$ 3,892	$ 1,405
Cash in segregated accounts	-	-	-	-	16,402	-
Receivables:						
Property and other taxes	-	-	-	-	-	-
Accounts	1,866	-	-	-	-	-
Intergovernmental	205,710	10,440	-	-	1,873	-
Prepaid items	6,698		280		2,779	-
Materials and supplies inventory	10,048	-	-	-	-	-
Total assets	$ 284,883	$ 56,537	$ 2,985	$ 4,202	$ 24,946	$ 1,405
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	$ 36,446	$ 265	$ 1,033	$ -	$ 1,662	$ -
Accrued salaries	18,202	-	1,604	-	4,872	-
Intergovernmental payable	8,177	-	775	-	2,321	-
Advances from other funds	-	20,411	-	-	-	-
Total liabilities	62,825	20,676	3,412	-	8,855	-
Deferred Inflows of Resources:						
Property taxes and payment in lieu of taxes	-	-	-	-	-	-
Unavailable revenue	133,046	6,960	-	-	-	-
Total deferred inflows of resources	133,046	6,960	-	-	-	-
Fund Balances:						
Nonspendable	16,746	-	280	-	2,779	-
Restricted	72,266	28,901	-	4,202	13,312	1,405
Assigned	-	-	-	-	-	-
Unassigned	-	-	(707)	-	-	-
Total fund balances	89,012	28,901	(427)	4,202	16,091	1,405
Total liabilities, deferred inflows of resources and fund balances	$ 284,883	$ 56,537	$ 2,985	$ 4,202	$ 24,946	$ 1,405

continued

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Recreation Tax Receipts	Indigent Interlock	TOTAL
$ 4,073	$ 1,982	$ -	$ 7,423	$ 5,319	$ 2,761	$ 3,766	$ 558,097	$ 1,400	$ 703,683
-	-	-	-	-	-	-	-	-	16,402
-	-	63,701	-	-	-	-	-	-	63,701
-	-	-	-	-	-	-	-	-	1,866
-	-	4,075	-	-	-	-	-	-	222,098
-	-	-	-	-	-	-	-	-	9,757
-	-	-	-	-	-	-	-	-	10,048
$ 4,073	$ 1,982	$ 67,776	$ 7,423	$ 5,319	$ 2,761	$ 3,766	$ 558,097	$ 1,400	$ 1,027,555
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 39,406
-	-	-	-	-	-	-	-	-	24,678
-	-	38,861	-	-	-	-	-	-	50,134
-	-	-	-	-	-	-	-	-	20,411
-	-	38,861	-	-	-	-	-	-	134,629
-	-	61,843	-	-	-	-	-	-	61,843
-	-	5,933	-	-	-	-	-	-	145,939
-	-	67,776	-	-	-	-	-	-	207,782
-	-	-	-	-	-	-	-	-	19,805
4,073	1,982	-	7,423	5,319	2,761	3,766	558,097	1,400	704,907
-	-	-	-	-	-	-	-	-	-
-	-	(38,861)	-	-	-	-	-	-	(39,568)
4,073	1,982	(38,861)	7,423	5,319	2,761	3,766	558,097	1,400	685,144
$ 4,073	$ 1,982	$ 67,776	$ 7,423	$ 5,319	$ 2,761	$ 3,766	$ 558,097	$ 1,400	$ 1,027,555

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017

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

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
Assets:					
Equity in pooled cash and investments	$ 152,766	$ 151,161	$ 76,764	$ 2,887	$ 383,578
Receivables:					
Payment in lieu of taxes	215,000	290,975	65,000	-	570,975
Total assets	$ 367,766	$ 442,136	$ 141,764	$ 2,887	$ 954,553
Deferred Inflows of Resources and Fund Balances:					
Deferred Inflows of Resources:					
Property taxes and payment in lieu of taxes	215,000	280,000	65,000	-	560,000
Unavailable revenue	-	10,975	-	-	10,975
Total deferred inflows of resources	215,000	290,975	65,000	-	570,975
Fund Balances:					
Restricted	152,766	151,161	76,764	2,887	383,578
Total deferred inflows of resources and fund balances	$ 367,766	$ 442,136	$ 141,764	$ 2,887	$ 954,553

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2017

	Street Maintenance and Repair	State Highway Improvements	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Revenues:						
Property and other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	499,880	31,124	-	-	29,600	-
Charges for services	2,152	-	-	-	-	-
Fines, costs and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	18,586	-
Other	4,925	152	-	-	153	-
Total revenues	506,957	31,276	-	-	48,339	-
Expenditures:						
Current:						
Security of persons and property	-	-	-	-	-	-
Public health services	-	-	-	-	218,369	-
Leisure time activity	-	-	127,536	-	-	-
Transportation	726,944	31,807	-	-	-	-
Capital outlay	207,156	-	-	-	18,045	-
Debt service						
Principal retirement	23,078	-	-	-	-	-
Interest and fiscal charges	2,366	-	-	-	-	-
Total expenditures	959,544	31,807	127,536	-	236,414	-
Excess of revenues over (under) expenditures	(452,587)	(531)	(127,536)	-	(188,075)	-
Other financing sources						
Transfers in	484,683	-	133,831	-	186,128	-
Net change in fund balance	32,096	(531)	6,295	-	(1,947)	-
Fund balance at beginning of year, *restated*	56,916	29,432	(6,722)	4,202	18,038	1,405
Fund balance at end of year	$ 89,012	$ 28,901	$ (427)	$ 4,202	$ 16,091	$ 1,405

continued

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Recreation Tax Receipts	Indigent Interlock	TOTAL
$ -	$ -	$ 64,430	$ -	$ -	$ -	$ -	$ 34,040	$ -	$ 98,470
-	-	7,557	-	-	-	-	-	-	568,161
-	-	-	-	-	-	-	-	-	2,152
1,705	-	-	4,150	1,800	25	-	-	-	7,680
-	310	-	-	-	-	-	-	-	18,896
-	-	-	-	-	-	-	-	-	5,230
1,705	310	71,987	4,150	1,800	25	-	34,040	-	700,589
-	298	73,122	585	-	39	-	-	-	74,044
-	-	-	-	-	-	-	-	-	218,369
-	-	-	-	-	-	-	-	-	127,536
-	-	-	-	-	-	-	-	-	758,751
-	-	-	-	-	-	-	-	-	225,201
-	-	-	-	-	-	-	-	-	23,078
-	-	-	-	-	-	-	-	-	2,366
-	298	73,122	585	-	39	-	-	-	1,429,345
1,705	12	(1,135)	3,565	1,800	(14)	-	34,040	-	(728,756)
-	-	857	-	-	-	-	-	-	805,499
1,705	12	(278)	3,565	1,800	(14)	-	34,040	-	76,743
2,368	1,970	(38,583)	3,858	3,519	2,775	3,766	524,057	1,400	608,401
$ 4,073	$ 1,982	$ (38,861)	$ 7,423	$ 5,319	$ 2,761	$ 3,766	$ 558,097	$ 1,400	$ 685,144

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2017

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

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2017

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	TOTAL
Revenues:					
Payments in lieu of taxes	$ 252,858	$ 281,222	$ 33,471	$ -	$ 567,551
Expenditures:					
Current:					
General government	137,097	124,019	14,983	-	276,099
Debt service					
Principal retirement	65,000	55,000	-	-	120,000
Interest and fiscal charges	45,600	76,363	-	-	121,963
Total expenditures	247,697	255,382	14,983	-	518,062
Net change in fund balance	5,161	25,840	18,488	-	49,489
Fund balance at beginning of year	147,605	125,321	58,276	2,887	334,089
Fund balance at end of year	$ 152,766	$ 151,161	$ 76,764	$ 2,887	$ 383,578

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	$ 599,221	$ 488,159	$ (111,062)
Charges for services	5,268	286	(4,982)
Other	10,536	13,069	2,533
Total revenues	615,025	501,514	(113,511)
Expenditures:			
Current:			
Transportation			
Personal services	626,639	591,106	35,533
Contractual services	84,406	78,955	5,451
Operations/maintenance	70,210	64,094	6,116
Capital improvements	420,360	252,042	168,318
Total expenditures	1,201,615	986,197	215,418
Deficiency of revenues under expenditures	(586,590)	(484,683)	101,907
Other financing sources:			
Transfers in	304,334	484,683	180,349
Net change in fund balance	(282,256)	-	$ 282,256
Fund balance, beginning of year	(10,282)	(10,282)	
Prior year encumbrances appropriated	10,282	10,282	
Fund balance, end of year	$ (282,256)	$ -	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	$ 35,188	$ 33,036	$ (2,152)
Other	-	152	152
Total revenues	35,188	33,188	(2,000)
Expenditures:			
Current:			
Transportation			
Operations/maintenance	71,360	56,871	14,489
Total expenditures	71,360	56,871	14,489
Net change in fund balance	(36,172)	(23,683)	$ 12,489
Fund balance, beginning of year	3,090	3,090	
Prior year encumbrances appropriated	41,360	41,360	
Fund balance, end of year	$ 8,278	$ 20,767	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Expenditures:			
Current:			
Leisure time activity			
Personal services	$ 84,070	$ 57,139	$ 26,931
Contractual services	71,432	71,813	(381)
Operations/maintenance	11,515	4,879	6,636
Capital outlay	1,000	-	1,000
Total expenditures	168,017	133,831	34,186
Deficiency of revenues under expenditures	(168,017)	(133,831)	34,186
Other financing sources:			
Transfers in	132,699	133,831	1,132
Net change in fund balance	(35,318)	-	$ 35,318
Fund balance, beginning of year	(1,945)	(1,945)	
Prior year encumbrances appropriated	1,945	1,945	
Fund balance, end of year	$ (35,318)	$ -	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 4,202	$ 4,202	
Fund balance, end of year	$ 4,202	$ 4,202	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	$ 143,710	$ 29,758	$ (113,952)
Contributions	23,653	18,501	(5,152)
Other	-	906	906
Total revenues	167,363	49,165	(118,198)
Expenditures:			
Current:			
Public health services			
Personal services	211,276	187,035	24,241
Contractual services	38,500	29,783	8,717
Operations/maintenance	34,645	4,713	29,932
Capital improvements	19,045	18,045	1,000
Total expenditures	303,466	239,576	63,890
Deficiency of revenues under expenditures	(136,103)	(190,411)	(54,308)
Other financing sources:			
Transfers in	63,955	186,128	122,173
Net change in fund balance	(72,148)	(4,283)	$ 67,865
Fund balance, beginning of year	942	942	
Prior year encumbrances appropriated	3,341	3,341	
Fund balance, end of year	$ (67,865)	$ -	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Charges for services	$ 6,000	$ -	$ (6,000)
Total revenues	6,000	-	(6,000)
Expenditures:			
Current:			
Public health services			
Operations/maintenance	6,000	-	6,000
Total public health services	6,000	-	6,000
Total expenditures	6,000	-	6,000
Net change in fund balance	-	-	$ -
Fund balance, beginning of year	1,405	1,405	
Fund balance, end of year	$ 1,405	$ 1,405	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	$ 5,037	$ 1,705	$ (3,332)
Total revenues	5,037	1,705	(3,332)
Expenditures:			
Current:			
General government			
Operations/maintenance	1,200	-	1,200
Total expenditures	1,200	-	1,200
Net change in fund balance	3,837	1,705	$ (2,132)
Fund balance, beginning of year	2,367	2,367	
Fund balance, end of year	$ 6,204	$ 4,072	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	$ 310	$ 310	$ -
Total revenues	310	310	-
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	500	298	202
Total expenditures	500	298	202
Net change in fund balance	(190)	12	$ 202
Fund balance, beginning of year	1,970	1,970	
Fund balance, end of year	$ 1,780	$ 1,982	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	$ 64,430	$ 64,430	$ -
Intergovernmental	7,555	7,557	2
Total revenues	71,985	71,987	2
Expenditures:			
Current:			
Security of persons and property			
Personal services	68,117	71,985	(3,868)
Operations/maintenance	1,037	859	178
Total expenditures	69,154	72,844	(3,690)
Net change in fund balance	2,831	-	$ (2,831)
Fund balance, beginning of year	-	-	
Fund balance, end of year	$ 2,831	$ -	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	$ 4,150	$ 4,150	$ -
Total revenues	4,150	4,150	-
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	1,000	585	415
Total expenditures	1,000	585	415
Net change in fund balance	3,150	3,565	$ 415
Fund balance, beginning of year	3,858	3,858	
Fund balance, end of year	$ 7,008	$ 7,423	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	$ 1,800	$ 1,800	$ -
Total revenues	1,800	1,800	-
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	500	-	500
Total expenditures	500	-	500
Net change in fund balance	1,300	1,800	$ 500
Fund balance, beginning of year	3,520	3,520	
Fund balance, end of year	$ 4,820	$ 5,320	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	$ 25	$ 25	$ -
Total revenues	25	25	-
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	100	39	61
Total expenditures	100	39	61
Net change in fund balance	(75)	(14)	$ 61
Fund balance, beginning of year	2,775	2,775	
Fund balance, end of year	$ 2,700	$ 2,761	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 3,766	$ 3,766	
Fund balance, end of year	$ 3,766	$ 3,766	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	$ 34,040	$ 34,040	$ -
Other	$ -	$ -	$ -
Total revenues	34,040	34,040	-
Net change in fund balance	34,040	34,040	$ -
Fund balance, beginning of year	524,057	524,057	
Fund balance, end of year	$ 558,097	$ 558,097	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 1,400	$ 1,400	
Fund balance, end of year	$ 1,400	$ 1,400	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Memorial Fund (1)
Year Ended December 31, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	$ 1,000	$ -	$ (1,000)
Total revenues	1,000	-	(1,000)
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	2,177	2,177	-
Total expenditures	2,177	2,177	-
Net change in fund balance	(1,177)	(2,177)	$ (1,000)
Fund balance, beginning of year	9,905	9,905	
Fund balance, end of year	$ 8,728	$ 7,728	

(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
Police Memorial Fund (1)
Year Ended December 31, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 2,113	$ 2,113	
Fund balance, end of year	$ 2,113	$ 2,113	

(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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Other	$ 36,448	$ 36,448	$ -
Total revenues	36,448	36,448	-
Expenditures:			
Current:			
Leisure time activities			
Operations/maintenance	8,000	4,545	3,455
Capital improvements	2,000	1,950	50
Total expenditures	10,000	6,495	3,505
Net change in fund balance	26,448	29,953	$ 3,505
Fund balance, beginning of year	58,632	58,632	
Fund balance, end of year	$ 85,080	$ 88,585	

(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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 385,239	$ 385,239	
Fund balance, end of year	$ 385,239	$ 385,239	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 23,228	$ 23,228	
Fund balance, end of year	$ 23,228	$ 23,228	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	$ 391,234	$ 252,858	$ (138,376)
Total revenues	391,234	252,858	(138,376)
Expenditures:			
Current:			
General government:			
Capital improvements	100,190	137,097	(36,907)
Debt Service	110,600	110,600	-
Total expenditures	210,790	247,697	(36,907)
Net change in fund balance	180,444	5,161	$ (175,283)
Fund balance, beginning of year	147,605	147,605	
Fund balance, end of year	$ 328,049	$ 152,766	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	$ 140,611	$ 281,222	$ 140,611
Total revenues	140,611	281,222	140,611
Expenditures:			
Current:			
General government:			
Contractual services	130,480	124,019	6,461
Debt Service	131,363	131,363	-
Total expenditures	261,843	255,382	6,461
Net change in fund balance	(121,232)	25,840	$ 147,072
Fund balance, beginning of year	125,321	125,321	
Fund balance, end of year	$ 4,089	$ 151,161	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	$ 33,471	$ 33,471	$ -
Total revenues	33,471	33,471	-
Expenditures:			
Current:			
General government			
Operations/maintenance	31,577	14,983	16,594
Total expenditures	31,577	14,983	16,594
Net change in fund balance	1,894	18,488	$ 16,594
Fund balance, beginning of year	58,276	58,276	
Fund balance, end of year	$ 60,170	$ 76,764	

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	$ 2,887	$ 2,887	
Fund balance, end of year	$ 2,887	$ 2,887	

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, 2017

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets:				
Current assets:				
Equity in pooled cash and investments	$ 72,523	$ 106,815	$ 236,960	$ 416,298
Receivables:				
Accounts	21,024	-	91,481	112,505
Total current assets	93,547	106,815	328,441	528,803
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	1,781,573	-	-	1,781,573
Total assets	1,875,120	106,815	328,441	2,310,376
Liabilities and Net Position:				
Liabilities:				
Current liabilities:				
Advances from other funds	17,178	-	-	17,178
OPWC loan payable, current portion of	21,030	-	-	21,030
Total current liabilities	38,208	-	-	38,208
Long-term liabilities:				
OPWC loan payable, net of current portion	220,815	-	-	220,815
Total liabilities	259,023	-	-	259,023
Net position:				
Net investment in capital assets	1,539,728	-	-	1,539,728
Unrestricted	76,369	106,815	328,441	511,625
Total net position	$ 1,616,097	$ 106,815	$ 328,441	$ 2,051,353

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2017

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
Operating revenues:				
Charges for services	$ 118,078	$ 6,618	$ 527,012	$ 651,708
Operating expenses:				
Contractual services	85,331	-	481,537	566,868
Other	-	2,892	-	2,892
Depreciation	46,613	-	-	46,613
Total operating expenses	131,944	2,892	481,537	616,373
Operating income	(13,866)	3,726	45,475	35,335
Transfers out	(28,469)	-	-	(28,469)
Change in net position	(42,335)	3,726	45,475	6,866
Net position, beginning of year, *restated*	1,658,432	103,089	282,966	2,044,487
Net position, end of year	$ 1,616,097	$ 106,815	$ 328,441	$ 2,051,353

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2017

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
Cash flows from operating activities:				
Cash received from customers	$ 116,579	$ 6,618	$ 520,399	$ 643,596
Cash payments to suppliers for goods and services	(85,331)	-	(481,537)	(566,868)
Cash payments for other operating expenses	-	(2,892)	-	(2,892)
Net cash from operating activities	31,248	3,726	38,862	73,836
Cash flows from noncapital financing activities:				
Transfers	(28,469)	-	-	(28,469)
Net cash from noncapital financing activities	(28,469)	-	-	(28,469)
Cash flows from capital and related financing activities:				
Principal retirement	(21,030)	-	-	(21,030)
Net cash from capital and related financing activities	(21,030)	-	-	(21,030)
Net change	(18,251)	3,726	38,862	24,337
Cash and pooled investments beginning of year	90,774	103,089	198,098	391,961
Cash and pooled investments end of year	$ 72,523	$ 106,815	$ 236,960	$ 416,298
Reconciliation of operating income to net cash from operating activities:				
Operating income	$ (13,866)	$ 3,726	$ 45,475	$ 35,335
Adjustments to reconcile operating income to net cash from by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	(1,499)	-	(6,613)	(8,112)
Net cash from operating activities	$ 31,248	$ 3,726	$ 38,862	$ 73,836

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-Harrsion 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, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Mayor's Court				
Assets:				
Cash in segregated accounts	$ 16,073	$ 219,224	$ 225,980	$ 9,317
Liabilities:				
Intergovernmental payable	16,073	219,224	225,980	9,317
Joint Economic Development District				
Assets:				
Equity in pooled cash and investments	29,518	278,812	147,222	161,108
Income taxes receivable	57,321	49,330	57,321	49,330
Total assets	86,839	328,142	204,543	210,438
Liabilities:				
Intergovernmental payable	86,839	328,142	204,543	210,438
Benefit Clearing				
Assets:				
Equity in pooled cash and investments	26,891	218,717	137,570	108,038
Liabilities:				
Intergovernmental payable	26,891	218,717	137,570	108,038
TOTAL				
Assets:				
Cash in segregated accounts	16,073	219,224	225,980	9,317
Equity in pooled cash and investments	56,409	497,529	284,792	269,146
Income taxes receivable	57,321	49,330	57,321	49,330
Total assets	129,803	766,083	568,093	327,793
Liabilities:				
Intergovernmental payable	129,803	766,083	568,093	327,793
Total liabilities	$ 129,803	$ 766,083	$ 568,093	$ 327,793

STATISTICAL

SECTION

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 proved 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)

	2017	2016 (3)	2015	2014 (2)	2013 (1)	2012	2011	2010	2009	2008
Governmental Activities										
Net investment in capital assets	$ 13,786,912	$ 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
Restricted:										
Capital Projects	394,553	357,449	200,229	1,472,849	1,243,568	70,399	320,110	463,089	246,153	802,220
Debt Service	-	-	-	-	-	-	-	349,409	381,877	607,608
Streets and Highways	167,661	97,137	166,982	163,568	193,356	302,855	434,498	618,134	807,072	779,370
Recreation	490,985	462,672	597,201	493,991	496,461	490,505	529,826	441,070	293,901	194,023
Other Purposes	-	-	9,807	-	288,152	172,248	172,805	253,799	579,115	769,187
Unrestricted (deficit)	(6,534,579)	(6,170,472)	(6,207,718)	(7,525,513)	(646,855)	434,520	528,906	898,341	899,413	2,243,692
Total Governmental Activities Net Positon	8,305,532	7,470,084	6,456,302	6,607,135	12,775,818	12,298,176	11,259,821	11,636,844	11,908,113	13,584,766
Business Type - Activities										
Net investment in capital assets	11,064,695	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
Restricted	1,718,199	1,649,657	1,537,083	1,525,963	1,885,810	2,131,205	2,183,434	2,183,465	2,148,863	2,112,293
Unrestricted	2,794,686	2,267,114	990,362	835,761	1,276,607	1,637,109	2,028,991	3,748,975	2,638,922	3,358,016
Total Business-Type Activities Net Position	15,577,580	14,212,348	11,886,035	11,047,139	11,484,353	12,404,914	12,759,542	12,888,194	12,805,527	13,679,297
Primary Government										
Net investment in capital assets	24,851,607	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
Restricted	2,771,398	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
Unrestricted	(3,739,893)	(3,903,358)	(5,217,356)	(6,689,752)	629,752	2,071,629	2,557,897	4,647,316	3,538,335	5,601,708
Total Primary Government Net Positon	$ 23,883,112	$ 21,682,432	$ 18,342,337	$ 17,654,274	$ 24,260,171	$ 24,703,090	$ 24,019,363	$ 24,525,038	$ 24,713,640	$ 27,264,063

(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.
(3) The City restated 2016 amounts to correct receivable errors. Informaiotn 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	$ 866,791	$ 831,548	$ 819,207	$ 759,496	$ 868,095	$ 870,269	$ 745,046	$ 893,571	$ 698,301	$ 595,500
Public Health Services	18,586	26,504	30,438	27,548	36,320	46,240	49,732	25,858	35,097	157,651
Leisure Time Activities	36,448	29,674	47,531	37,754	53,471	58,076	73,529	71,358	72,138	68,899
Community and Economic Development	261,823	227,967	153,303	152,164	133,226	104,960	117,564	47,195	152,332	86,114
Transportation	-	-	-	-	-	-	-	-	375	120
General Government	289,311	196,959	315,839	297,033	290,841	369,377	369,018	369,018	97,079	91,539
Operating Grants and Contributions	734,756	612,461	675,874	677,047	692,625	706,475	680,347	877,907	896,275	756,604
Capital Grants and Contributions	777,693	873,225	-	439,529	339,905	1,313,600	489,106	-	265,063	528,547
Total Governmental Activities Program Revenues	2,985,408	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
Business-Type Activities:										
Charges for Services:										
Water	1,760,544	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
Sewer	3,816,548	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
Storm Water	118,078	116,566	114,769	110,857	112,006	111,424	118,253	105,247	179,977	94,862
Water/Wastewater Deposits	6,618	10,611	8,960	11,855	9,745	7,126	5,622	5,578	8,916	4,660
Sanitation	527,012	517,853	491,289	459,286	462,736	453,360	444,775	424,907	377,239	365,055
Operating Grants and Contributions	16,810	18,026	-	-	-	-	-	-	8,047	58,837
Capital Grants and Contributions	-	647,243	-	-	-	-	-	-	-	185,022
Total Business-Type Activities Program Revenues	6,245,610	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
Total Primary Government	$ 9,231,018	$ 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
Expenses:										
Governmental Activities:										
Security of Persons and Property	$ 7,383,171	$ 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
Public Health Services	243,534	246,232	255,739	234,620	250,573	316,702	314,128	339,855	400,154	313,537
Leisure Time Activities	275,475	247,303	201,812	205,074	216,324	266,164	303,402	315,334	369,208	332,381
Community and Economic Development	412,099	277,245	49,317	43,944	33,721	104,288	127,997	138,115	150,035	110,453
Transportation	1,220,645	974,689	962,654	834,448	807,923	919,283	914,534	971,886	889,189	738,160
General Government	1,440,972	915,237	1,123,721	827,579	793,184	1,138,495	1,291,876	1,299,480	1,526,678	1,011,755
Interest and Fiscal Charges	174,599	199,135	310,976	221,787	248,331	242,803	244,701	295,479	230,125	214,254
Total Governmental Activities Expenses	11,150,495	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
Business-Type Activities:										
Water	1,739,329	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
Sewer	2,482,954	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
Storm Water	131,944	49,412	46,513	46,914	46,813	46,613	114,987	129,183	50,123	617,408
Water/Wastewater Deposits	2,892	4,807	4,106	3,667	1,166	2,500	2,240	3,098	1,824	848
Sanitation	481,537	483,135	489,462	464,521	499,475	414,627	446,402	423,451	434,487	355,800
Total Business-Type Activities Expenses	4,838,656	4,928,777	5,375,391	5,623,926	5,691,968	5,527,779	5,205,281	4,596,432	5,244,535	4,867,602
Total Primary Government	$ 15,989,151	$ 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
Net (Expense) Revenue:										
Governmental Activities	$ (8,165,087)	$ (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)
Business-Type Activities	1,406,954	1,830,593	581,862	(188,516)	(432,451)	(333,054)	(239,885)	61,262	(1,012,652)	(589,884)
Total Primary Government Net Expense	$ (6,758,133)	$ (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)

continued

CITY OF HARRISON, OHIO

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	$ 1,437,545	$ 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
Fire Improvements	1,509,284	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
Police Pension	62,616	63,551	60,017	58,693	57,150	57,978	62,067	58,466	54,489	60,085
Recreation	34,040	30,763	40,683	28,100	19,200	19,600	6,541	18,318	14,800	8,500
Capital Projects	113,042	106,419	95,691	97,283	70,016	92,683	60,951	62,672	255,008	244,635
Municipal Income Taxes levied for:										
General Purposes	4,607,002	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
Payment in Lieu of Taxes	555,166	552,565	524,329	454,961	462,470	453,214	436,412	259,559	-	-
Grants and Entitlements not Restricted to										
Specific Programs	518,899	552,432	486,881	483,551	498,626	479,451	719,408	903,534	1,013,554	575,158
Investment Earnings	23,092	13,572	16,145	16,071	21,841	28,313	34,474	56,698	67,215	201,017
Miscellaneous	81,197	46,742	93,647	92,860	76,036	171,181	74,513	99,419	151,696	60,817
Transfers	58,652	59,544	(242,062)	28,468	28,469	28,469	28,469	-	-	80,154
Total Governmental Activities	9,000,535	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
Business-Type Activities:										
Investment Earnings	11,469	1,680	545	611	820	948	1,882	2,233	13,472	187,861
Miscellaneous	5,461	5,709	14,427	1,812	2,209	5,947	137,820	19,172	125,410	9,885
Transfers	(58,652)	(59,544)	242,062	(28,468)	(28,469)	(28,469)	(28,469)	-	-	(80,154)
Total Business-Type Activities	(41,722)	(52,155)	257,034	(26,045)	(25,440)	(21,574)	111,233	21,405	138,882	117,592
Total Primary Government	$ 8,958,813	$ 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
Changes in Net Position:										
Governmental Activities	$ 835,448	$ 1,013,782	$ (150,833)	$ 1,628,458	$ 555,898	$ 1,038,355	$ (377,023)	$ (263,828)	$ (1,676,653)	$ 896,722
Business-Type Activities	1,365,232	1,778,438	838,896	(214,561)	(457,891)	(354,628)	(128,652)	82,667	(873,770)	(472,292)
Total Primary Government	$ 2,200,680	$ 2,792,220	$ 688,063	$ 1,413,897	$ 98,007	$ 683,727	$ (505,675)	$ (181,161)	$ (2,550,423)	$ 424,430

Source: City financial records

CITY OF HARRISON, OHIO

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 107,219	$ 138,909	$ 94,110
Unreserved	-	-	-	-	-	-	-	973,409	1,372,342	1,937,901
Nonspendable	60,986	60,760	63,946	81,661	159,782	44,307	61,155	-	-	-
Assigned	273,248	419,894	46,812	64,667	393,296	562,112	256,401	-	-	-
Unassigned	591,708	992,701	961,561	740,820	-	73,663	560,025	-	-	-
Total General Fund	$ 925,942	$ 1,473,355	$ 1,072,319	$ 887,148	$ 553,078	$ 680,082	$ 877,581	$ 1,080,628	$ 1,511,251	$ 2,032,011
All Other Governmental Funds:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 276,219	$ 350,647	$ 77,949
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	787,787	1,047,477	1,458,594
Debt Service Funds	-	-	-	-	-	-	-	410,733	394,074	620,316
Capital Projects Funds	-	-	-	-	-	-	-	723,045	666,249	787,220
Nonspendable	47,329	48,154	60,786	26,291	25,621	27,702	38,999	-	-	-
Restricted	1,111,713	991,843	970,914	680,849	608,767	675,513	1,039,070	-	-	-
Committed	287,191	532,218	571,918	-	-	70,850	-	-	-	-
Assigned	385,239	385,239	386,352	386,152	386,152	386,152	386,152	-	-	-
Unassigned	(153,987)	(272,058)	(260,746)	(1,666,725)	(1,325,608)	(1,558,573)	(544,843)	-	-	-
Total All Other Governmental Funds	$ 1,677,485	$ 1,685,396	$ 1,729,224	$ (573,433)	$ (305,068)	$ (398,356)	$ 919,378	$ 2,197,784	$ 2,458,447	$ 2,944,079

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	$ 7,230,730	$ 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
Payment in Lieu of Taxes	567,551	529,205	524,329	476,964	454,547	452,863	441,506	240,736	-	-
Intergovernmental	2,022,215	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
Charges for Services	865,545	830,136	826,214	769,224	864,869	881,137	747,078	968,302	692,342	697,907
Fines, Costs and Forfeitures	169,846	134,233	124,043	152,163	131,101	197,051	196,021	229,666	117,904	126,519
Licenses, Permits and Inspections	387,526	300,487	347,373	298,993	308,476	213,233	223,341	177,223	245,031	172,878
Interest	23,092	13,572	16,145	16,071	21,841	28,313	34,474	58,205	66,941	217,625
Contributions	73,804	40,140	33,349	26,105	33,608	47,270	50,749	6,783	17,680	40
Other	139,295	64,116	100,970	46,681	32,820	337,962	152,887	127,934	211,186	89,008
Total Revenues	11,479,604	10,943,147	9,407,050	9,508,348	10,022,287	9,313,866	9,087,037	8,855,244	8,727,856	8,445,853
Expenditures										
Current:										
Security of persons and property	7,058,507	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
Public health services	218,369	227,640	248,339	237,289	238,774	306,401	292,932	338,848	371,429	307,502
Leisure time activities	202,694	198,776	174,456	177,236	189,075	200,297	220,659	251,512	294,920	275,595
Community and economic development	369,238	276,425	47,212	43,646	33,680	100,612	124,383	134,578	143,679	109,590
Transportation	758,751	656,406	609,815	613,396	608,994	632,330	677,233	780,692	667,450	579,366
General government	1,264,057	809,508	881,903	779,533	717,760	1,125,019	1,311,725	1,209,228	1,435,916	1,002,167
Capital outlay	2,832,334	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
Debt Service:										
Principal Retirement	1,180,402	857,834	1,872,291	743,128	733,287	627,520	573,628	518,871	431,811	395,220
Interest and Fiscal Charges	169,970	206,631	249,673	232,916	255,585	247,899	252,270	265,646	195,695	185,481
Issuance Costs	-	-	87,804	-	-	-	-	-	87,316	2,493
Total Expenditures	14,054,322	11,013,587	10,587,887	9,726,652	10,084,472	11,713,083	11,341,942	9,937,011	12,373,627	8,688,928
Excess of Revenues Over (Under) Expenditures	(2,574,718)	(70,440)	(1,180,837)	(218,304)	(62,185)	(2,399,217)	(2,254,905)	(1,081,767)	(3,645,771)	(243,075)
Other Financing Sources (Uses)										
Bond Issuance	-	-	3,185,000	-	-	-	-	-	1,810,000	-
Premium on Bond Issue	-	-	71,281	-	-	-	-	-	87,316	-
Premium on Note Issue	-	-	-	-	-	-	-	-	-	3,281
Proceeds from sale of assets	309,400	-	-	-	-	-	-	-	-	-
Inception of Capital Lease	1,207,409	-	606,917	24,651	-	503,048	226,798	325,430	237,739	47,013
Loan Issuance	443,933	368,104	47,529	317,712	-	352,467	518,185	65,051	504,324	-
Transfers In	2,676,334	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
Transfers Out	(2,617,682)	(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)
Total Other Financing Sources (Uses)	2,019,394	427,648	3,668,665	370,831	28,469	883,984	773,452	390,481	2,639,379	130,448
Net Change in Fund Balances	$ (555,324)	$ 357,208	$ 2,487,828	$ 152,527	$ (33,716)	$ (1,515,233)	$ (1,481,453)	$ (691,286)	$ (1,006,392)	$ (112,627)
Debt Service as a Percentage of Noncapital Expenditures	11.76%	11.24%	21.57%	11.46%	11.45%	9.39%	8.57%	8.47%	7.51%	8.01%

Source: City financial records

CITY OF HARRISON, OHIO

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

	Real Property		Public Utility Property		Tangible Personal Property (a)		Total		
Tax Year	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
2017	$ 253,337,250	$ 723,820,714	$ 7,354,950	$ 7,354,950	$ -	$ -	$ 260,692,200	$ 731,175,664	$ 16.90
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

Source: Hamilton County Auditor's Office
Note: Tax collections are one year in arrears (i.e. Tax Year 2017, Collection Year 2018

(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 elminated all current Tangible Personal Property in 2009, except for telecommunicatio
companies, whose last required filing was in 2010.

CITY OF HARRISON, OHIO

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

Collection Year	City Levy			Township Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Police Pension	Fire								
2017	7.20%	0.30%	9.40%	0.06%	44.18%	18.85%	0.00%	2.70%	1.03%	1.00%	84.72%
2016	7.20%	0.30%	9.40%	0.06%	44.18%	18.85%	0.00%	2.70%	1.03%	1.00%	84.72%
2015	5.70%	0.30%	8.50%	0.06%	44.18%	18.85%	0.00%	2.70%	1.03%	1.00%	82.32%
2014	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	0.00%	2.70%	1.03%	1.00%	82.50%
2013	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	0.00%	2.70%	1.03%	1.00%	82.50%
2012	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	0.00%	2.70%	1.03%	1.00%	82.50%
2011	5.70%	0.30%	8.50%	0.06%	44.68%	19.45%	0.00%	2.70%	1.03%	1.00%	83.42%
2010	5.70%	0.30%	8.50%	0.06%	44.98%	20.48%	0.00%	2.70%	1.03%	1.00%	84.75%
2009	5.70%	0.30%	7.00%	0.06%	45.14%	20.63%	1.25%	2.70%	1.03%	1.00%	84.81%
2008	5.70%	0.30%	7.00%	0.06%	45.30%	20.56%	1.25%	2.70%	1.03%	1.00%	84.90%

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

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

	December 31, 2017		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Assessed Value**
Duke Energy Ohio Inc	$ 7,321,420	1	2.81%
Hurbert North American	3,579,020	2	1.37%
Indian Footprint Apartments LLC	2,803,190	3	1.08%
Broad Properties LLC	2,765,730	4	1.06%
Harrison Center LLC	2,120,660	5	0.81%
Maas Enterprises Ltd	1,978,660	6	0.76%
Icon US Industrial Owner	1,614,270	7	0.62%
Toebben LTD	1,560,080	8	0.60%
Mercy Health Plaza	1,520,600	9	0.58%
McKenna & Friedmann Real Estate Co LTD	1,492,340	10	0.57%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	$ 26,755,970		10.26%
Total City Real Estate and Tangible Personal Property Valuation	$ 260,692,200		

	December 31, 2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Assessed Value**
Hubert Company LLC	$ 5,567,860	1	2.42%
Duke Energy Ohio Inc.	3,987,950	2	1.73%
Indian Footprint	3,246,260	3	1.41%
Hyper Shoppes, Inc.	3,033,000	4	1.32%
Wurster Erlene TR	2,391,670	5	1.04%
Maas Enterprises LTD	2,105,820	6	0.92%
SCI LTD Partnership IV	2,028,190	7	0.88%
Broad Properties LLC	1,935,580	8	0.84%
Mercy Health Partners Property Management	1,519,870	9	0.66%
Broad Properties III LLC	1,355,660	10	0.59%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	$ 27,171,860		11.81%
Total City Real Estate and Tangible Personal Property Valuation	$ 229,936,750		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

REAL AND PUBLIC UTILILTY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Levy	Current Collections	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy
2017	$ 3,236,788	$ 2,936,777	90.73%	$ 51,282	$ 2,988,059	92.32%
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%

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes Net Profits	Taxes m Individuals	Percentage of Taxes from Individuals
2017	1.00%	$ 3,973,901	$ 2,670,156	67.19%	$ 679,944	17.11%	$ 623,801	15.70%
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%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities				Business-Type Activities	
Year	**General Obligation Bonds**	**OPWC Loans**	**ODOT Loan**	**Capital Leases**	**General Obligation Bonds**	**Revenue Bonds**
2017	$ 4,061,311	$ 2,297,547	$ -	$ 1,469,570	$ 4,527,890	$ 12,120,691
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

continued

CITY OF HARRISON, OHIO

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

	Business-Type Activities							
Year	Capital Leases	OPWC Loans	OWDA Loans	(a) Total Primary Government	(c) Per Capita Personal Income	Percentage of Personal Income	(b) Population	Per Capita
2017	$ 39,503	$ 1,164,928	$ 3,576,107	$ 29,257,547	N/A	N/A	11,300	$ 2,589
2,016	23,351	1,278,266	3,876,802	30,282,832	$ 48,668	6%	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

"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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt (3)	Ratio of General Bonded Debt to Estimated Actual Value of Taxable Property	General Bonded Debt Per Capital
2017	11,300	$ 731,175,664	$ 8,589,201	1.17%	$ 760
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

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, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
Direct - City of Harrison			
General Obligation Bonds	$ 4,061,311	100.00%	$ 4,061,311
OPWC Loans	2,297,547	100.00%	2,297,547
Capital Leases	1,469,570	100.00%	1,469,570
Total Direct Debt	7,828,428		7,828,428
Overlapping			
Hamilton County	133,845,000	1.30%	1,739,985
Southwest Local School District	20,325,000	42.90%	8,719,425
Great Oaks Institute of Technology	6,070,000	1.28%	77,696
Total Overlapping Debt	160,240,000		10,537,106
Total Direct and Overlapping Debt	$ 168,068,428		$ 18,365,534

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Value	$ 260,692,200	$ 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
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	27,372,681	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
Total Indebtedness	8,350,000	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
Debt Within 10.5% Limitation	8,350,000	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
Overall Legal Debt Margin Within 10.5% Limitation	$ 19,022,681	$ 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
Unvoted Debt Limitation - 5.5% of Assessed Value	$ 14,338,071	$ 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
Indebtedness Authorized by Council	8,350,000	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
Debt Within 5.5% Limitation	8,350,000	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
Unvoted Legal Debt Margin Within 5.5% Limitation	$ 5,988,071	$ 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

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

PLEDGED REVENUE BOND COVERAGE - SEWER FUND
LAST TEN YEARS

Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available fo Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2017	$ 3,828,129	$ 1,363,799	$ 2,464,330	$ 905,000	$ 401,781	$ 1,306,781	1.89
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

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 requied coverage ratio is 1.10.

CITY OF HARRISON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

				Unemployment Rates (2)		
Year	**Population (1)**	**Per Capita Personal Income (2)**	**School Enrollment (3)**	**Hamilton County**	**Ohio**	**United States**
2017	11,300	N/A	3,724	4.0%	4.9%	4.1%
2016	11,048	$48,668	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%

"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

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
J.T.M. Provisions Company Inc.	500-550	1	5.38%	250-300	6	2.17%
Kroger Limited Partnership	500-550	2	5.38%	400-450	3	3.35%
Southwest Local School District	300-350	3	3.33%	450-500	1	3.70%
Hubert North America	250-300	4	2.82%	350-400	4	2.84%
Cincinnati Test Systems	200-250	5	2.31%			
F&M Mafco Inc.	200-250	6	2.31%	200-250	7	1.76%
Wayne Scott Fetzer Company	200-250	7	2.31%	450-500	2	3.53%
City of Harrison, Ohio	100-150	8	1.28%	100-150	10	1.10%
Campbell Hausfeld/Scott Fetzer	50-100	9	0.77%	150-200	9	1.29%
Crown Plastics	50-100	10	0.77%			
Shawneespring Health Care Center				300-350	5	2.39%
Superval Holdings Inc.				200-250	8	1.68%
Total	2,350-2,850		26.66%	2,000-2,250		23.81%
Total City Employmen	9,500-10,000			12,500-13,000		

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

CITY OF HARRISON, OHIO

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Municipal Court Magistrate	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1
Finance	1	1	1	1	2	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	-	-	-
Other	9	9	9	9	8	6	6	6	3	3
Public Safety										
Police	28	25	25	20	25	22	21	22	21	23
Fire	42	46	51	46	36	36	39	42	30	31
Health and Welfare										
Senior Center	4	4	4	4	4	3	3	3	3	3
Transportation										
Streets	6	8	8	8	8	7	6	7	7	7
Community Environment										
Planning	1	3	3	3	-	-	-	-	-	-
Building/Zoning	6	5	5	5	1	1	2	2	2	2
Leisure Time Activity										
Parks Administration	1	1	1	1	2	1	1	1	1	1
Community Center	-	2	2	2	2	2	2	2	1	1
Utility Services										
Water	6	6	6	6	5	5	4	5	5	5
Sewer	8	6	6	6	7	7	9	7	7	7
Total	120	124	129	119	108	100	103	106	89	92

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Positions Filled	10	4	3	10	0	2	-	5	3	3
Building Permits Issued	186	244	178	220	177	215	210	219	240	213
Building Inspections Performe	436	648	486	588	620	938	-	779	n/a	884
Ordinances & Resolutions	85	122	76	77	76	44	33	28	24	28
Public Safety										
Police:										
Physical Arrests	1,308	1,293	1,241	1,219	1,050	853	911	960	1,016	1,126
Offense Reports	1,267	1,196	1,255	1,242	1,072	1,001	1,018	1,063	1,060	1,001
Traffic Citations	1,762	1,711	3,544	2,792	2,745	1,858	1,987	1,551	1,668	1,853
Fire:										
Emergency Responses	1,641	1,663	1,755	1,846	1,636	1,647	1,799	1,784	1,885	1,974
Fire Responses	437	407	408	427	425	557	484	613	575	565
Inspections conducted	843	765	479	647	612	419	594	680	669	804
Leisure Time Activities										
Senior Center Attendance	7,997	8,873	7,659	7,172	6,969	7,686	7,400	6,768	7,000	8,400
Senior Center Membership	233	223	201	186	185	208	241	185	185	185
Transportation										
Street Resurfacing (miles)	1.1	1.1	1.1	4.0	0.2	1.1	0.5	-	0.2	1.5
Tons of salt used	936	690	813	362	511	313	389	276	333	736
Water										
New Connections	29	20	17	51	52	62	61	100	88	31
Water Main Breaks	15	8	15	9	8	9	3	14	11	6

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

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

Source: City of Harrison Finance Director Office