



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF HARRISON
HAMILTON COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Harrison, Hamilton County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2021

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**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

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For the Year Ended December 31, 2019**

Independent Auditor's Report on Internal Control Over
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Members of City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2021, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* and we also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the City's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



BHM CPA Group, Inc.
Piketon, Ohio
March 30, 2021

**City of Harrison
Hamilton County**

Schedule of Findings
December 31, 2019

FINDING NUMBER 2019-001

Noncompliance

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations were greater than estimated resources at December 31, 2019 in the following funds:

Fund	Appropriation Authority	Estimated Resources	Variance
Capital Improvements Fund	\$603,418	\$486,199	(\$117,219)
Sewer Fund	\$6,673,431	\$4,965,107	(\$1,708,324)

The City should implement monitoring procedures to ensure compliance and it is recommended the City Council only adopt appropriations that do not exceed estimated resources.

Officials Response: City council tabled approval of final adjustment until after January 1. Finance Director was instructed by county employees final reports would not be approved if submitted after December 31. Council has been made ware by the Finance Director the importance of reviewing and approving final amendments no later than the last meeting in December.

City of Harrison, Ohio

boundless



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2019

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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Issued by:
Finance Department

Catherine Stockhoff
Finance Director

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**INTRODUCTORY
SECTION**

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CITY OF HARRISON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2019

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Finance Department

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Harrison, Ohio 45030
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www.harrisonohio.gov

March 30, 2021

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, 2019, 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.

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 Accountants' Compilation 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 11,000 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 85 full-time employees and 23 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 2018, the City renewed all three contracts through mid-2021.

ECONOMIC CONDITION AND OUTLOOK

The City's commercial and residential development continued to be strong in 2019. Several businesses in the Downtown District began renovating and upgrading both the interior and exterior of their facilities. Three businesses were able to accomplish this in part by utilizing the Hamilton County/City of Harrison Revolving Loan funds. Two new businesses, O'Reilly Florist and the Tap Room, renovated their facilities and were opened for business in 2019.

With regard to residential development, single-family residential growth continues with the addition of 144 new homes being built. There are a few additional developments under review to potentially add several hundred single-family homes.

MAJOR INITIATIVES

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

The beginning stages of bringing a citywide water filtration system was begun in 2019. The estimated completion is early to mid-2021.

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.

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, 2018. This was the 20th consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,

Catherine Stockhoff
Finance Director
Tax Commissioner



Government Finance Officers Association

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

Presented to

**City of Harrison
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

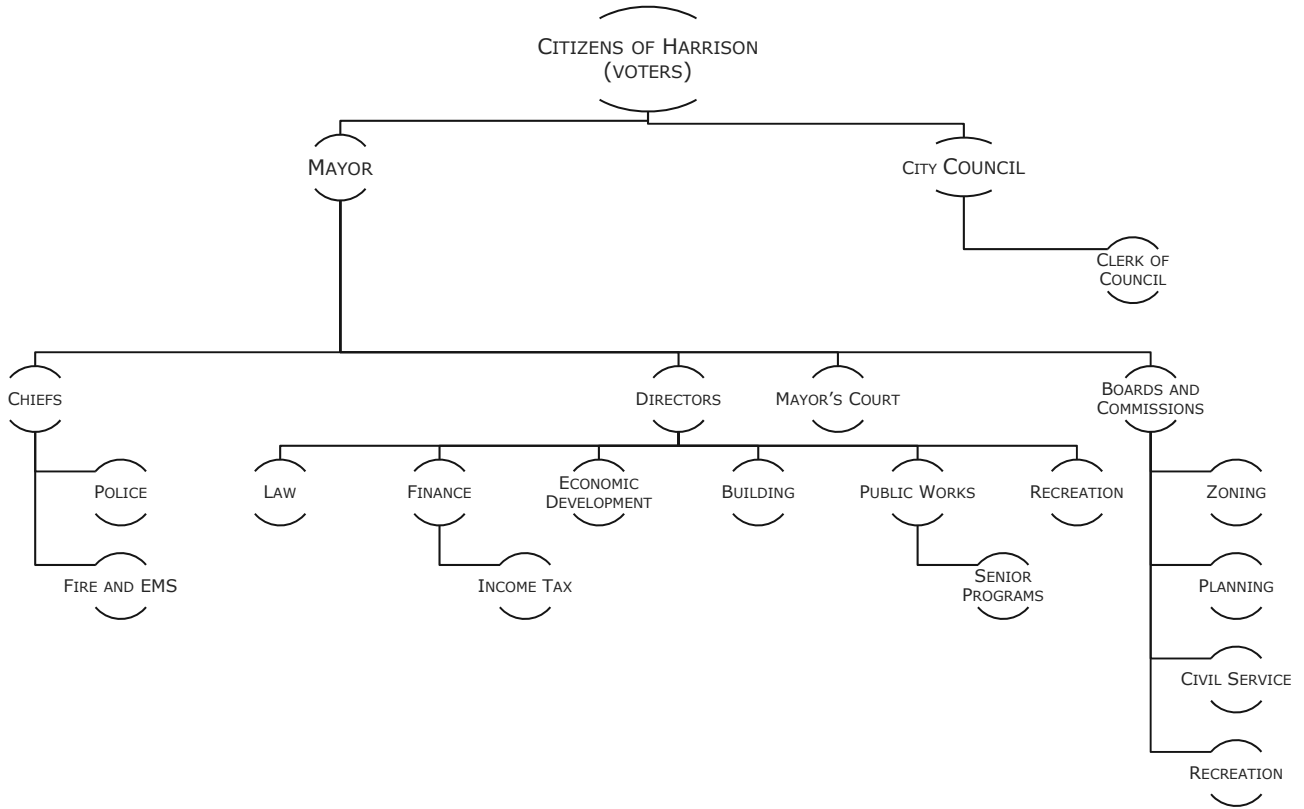
Mayor WILLIAM NEYER
Council Member.....ETHAN DOLE
Council Member..... ANTHONY EGNER
Council Member..... RYAN GRUBBS
Council Member..... MATT HACKWORTH
Council Member..... MIKE MAINS
Council Member.....RYAN SAMUELS
Council Member.....JEAN WILSON

APPOINTED OFFICIALS

Clerk of CouncilRISA DOLE
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
Senior Program Coordinator JILL FRENCH
Recreation Director KIM SOVERN
Mayor’s Court Clerk..... LISA PFAFFL

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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**FINANCIAL
SECTION**

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Basic Financial Statements

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INDEPENDENT AUDITOR'S REPORT

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

To the Members of City Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2019, 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.

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 the City of Harrison, Hamilton County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire Improvement funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is 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 March 30, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

BHM CPA Group, Inc.
Piketon, Ohio
March 30, 2021

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CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2019
Unaudited

On 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, 2019. 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, 2019 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 \$24,168,328.
- The City's total net position increased during the year by \$9,013,530, or 59%.
- Unrestricted net position was in a deficit of \$6,879,727, primarily attributable to the City's recognition of its proportionate share of net pension and other postemployment benefit (OPEB) liabilities.
- The City's total expenses were \$10,131,750, a decrease of \$7,223,057.
- Program revenues of \$10,067,253 reduced the net cost of the City's functions to be financed from the City's general revenues to \$64,497.

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 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2019
Unaudited

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

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Fire Improvement, 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 Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. 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. Custodial funds are the only fiduciary fund type used by the City.

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2019
Unaudited

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total \$24.2 million at December 31, 2019.

Table 1 provides a summary of the City's net position for 2019 compared to 2018:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	<i>Restated</i> 2018	2019	2018	2019	<i>Restated</i> 2018
Current and other assets	\$ 9,965,346	\$ 9,069,023	\$ 6,782,384	\$ 7,944,171	\$ 16,747,730	\$ 17,013,194
Capital assets	22,376,094	22,016,882	32,974,505	31,496,977	55,350,599	53,513,859
Total assets	<u>32,341,440</u>	<u>31,085,905</u>	<u>39,756,889</u>	<u>39,441,148</u>	<u>72,098,329</u>	<u>70,527,053</u>
Deferred outflows of resources	<u>6,467,743</u>	<u>4,294,960</u>	<u>1,062,721</u>	<u>848,825</u>	<u>7,530,464</u>	<u>5,143,785</u>
Long-term liabilities:						
Net pension liability	16,103,869	11,671,810	1,413,588	794,982	17,517,457	12,466,792
Net OPEB liability	2,809,152	10,614,893	773,046	644,022	3,582,198	11,258,915
Other long-term liabilities	7,596,177	7,987,231	18,580,693	20,113,341	26,176,870	28,100,572
Other liabilities	<u>641,914</u>	<u>493,172</u>	<u>2,727,493</u>	<u>2,921,955</u>	<u>3,369,407</u>	<u>3,415,127</u>
Total liabilities	<u>27,151,112</u>	<u>30,767,106</u>	<u>23,494,820</u>	<u>24,474,300</u>	<u>50,645,932</u>	<u>55,241,406</u>
Deferred inflows of resources	<u>4,793,873</u>	<u>5,040,320</u>	<u>20,660</u>	<u>234,314</u>	<u>4,814,533</u>	<u>5,274,634</u>
Net position:						
Net investment in capital assets	15,488,172	14,769,743	12,671,364	12,114,803	28,159,536	26,884,546
Restricted	1,296,211	1,033,072	1,592,308	1,555,644	2,888,519	2,588,716
Unrestricted (deficit)	<u>(9,920,185)</u>	<u>(16,229,376)</u>	<u>3,040,458</u>	<u>1,910,912</u>	<u>(6,879,727)</u>	<u>(14,318,464)</u>
Total net position	<u>\$ 6,864,198</u>	<u>\$ (426,561)</u>	<u>\$ 17,304,130</u>	<u>\$ 15,581,359</u>	<u>\$ 24,168,328</u>	<u>\$ 15,154,798</u>

The net pension liability (NPL) is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27*. The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

CITY OF HARRISON, OHIO
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Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 and GASB Statement No. 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 required 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement No. 68 and GASB Statement No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

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As displayed in Table 1, total net position of the City increased by \$9,013,530 from 2018 to 2019. Total assets increased by 2.2%, while total liabilities decreased by 8.3%.

The increase in assets was primarily due to several road, waterline and sanitary sewer projects undertaken by the City during the year. The projects include road improvement to North Hill Street and sanitary sewer improvements on West Road and Short Road.

The decrease in liabilities was attributable to lower Ohio Police and Fire Pension Retirement System net OPEB liabilities, as the System made changes to its retiree health care benefits, transitioning from a group insurance policy to a stipend model.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 77% 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. The deficit balance reported in governmental activities is attributable to the recognition of the City's proportionate share of net pension and OPEB liabilities in accordance with GASB Statement Nos. 68 and 75. If the net pension and OPEB liabilities and related deferrals were excluded, the unrestricted net position for governmental activities would be a positive \$3,270,442. As the operation of the state-wide retirement systems are outside the control of the City and varies significantly from year to year based on the performance of investments, it's important to acknowledge the significant impact the recognition of the net pension and OPEB liabilities has on the City's reported net position.

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Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2019 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	<i>Restated</i> 2018	2019	2018	2019	<i>Restated</i> 2018
Program revenues:						
Charges for services	\$ 1,617,273	\$ 1,404,553	\$ 6,876,681	\$ 6,078,028	\$ 8,493,954	\$ 7,482,581
Operating grants and contributions	915,189	703,984	13,574	22,838	928,763	726,822
Capital grants and contributions	644,536	733,000	-	-	644,536	733,000
Total program revenues	<u>3,176,998</u>	<u>2,841,537</u>	<u>6,890,255</u>	<u>6,100,866</u>	<u>10,067,253</u>	<u>8,942,403</u>
General revenues:						
Income taxes	3,996,737	3,790,538	-	-	3,996,737	3,790,538
Property and other taxes	4,199,084	4,059,304	-	-	4,199,084	4,059,304
Grants and contributions not restricted to specific programs	619,151	548,653	-	-	619,151	548,653
Investment earnings	21,029	16,544	36,383	128,214	57,412	144,758
Miscellaneous	180,127	138,817	25,516	50,388	205,643	189,205
Total general revenues	<u>9,016,128</u>	<u>8,553,856</u>	<u>61,899</u>	<u>178,602</u>	<u>9,078,027</u>	<u>8,732,458</u>
Total revenues	<u>12,193,126</u>	<u>11,395,393</u>	<u>6,952,154</u>	<u>6,279,468</u>	<u>19,145,280</u>	<u>17,674,861</u>
Expenses:						
Security of persons and property	981,612	8,541,514	-	-	981,612	8,541,514
Public health services	241,430	269,458	-	-	241,430	269,458
Leisure time activities	328,975	264,355	-	-	328,975	264,355
Community and economic development	440,643	382,732	-	-	440,643	382,732
Transportation	1,366,014	1,101,545	-	-	1,366,014	1,101,545
General government	1,476,767	1,076,734	-	-	1,476,767	1,076,734
Interest on long-term debt	179,970	175,623	-	-	179,970	175,623
Water	-	-	1,820,603	1,915,189	1,820,603	1,915,189
Sewer	-	-	2,697,996	2,979,701	2,697,996	2,979,701
Storm water	-	-	46,613	55,278	46,613	55,278
Water/wastewater deposit	-	-	6,876	17,464	6,876	17,464
Sanitation	-	-	544,251	575,214	544,251	575,214
Total expenses	<u>5,015,411</u>	<u>11,811,961</u>	<u>5,116,339</u>	<u>5,542,846</u>	<u>10,131,750</u>	<u>17,354,807</u>
Excess (deficiency) before transfers	7,177,715	(416,568)	1,835,815	736,622	9,013,530	320,054
Transfers	113,044	158,544	(113,044)	(158,544)	-	-
Change in net position	7,290,759	(258,024)	1,722,771	578,078	9,013,530	320,054
Beginning net position	(426,561)	(168,537)	15,581,359	15,003,281	15,154,798	14,834,744
Ending net position	<u>\$ 6,864,198</u>	<u>\$ (426,561)</u>	<u>\$ 17,304,130</u>	<u>\$ 15,581,359</u>	<u>\$ 24,168,328</u>	<u>\$ 15,154,798</u>

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Governmental Activities

Total governmental activities revenue increased by \$797,733, or 7%. The increase was driven by growth in charges for services, operating grants and taxes. The increase in charges for services was driven by increases in permit revenue, due to new building projects by the local school district and increases in single-family housing within the City. The increase in operating grants was due to an increase in the state gas tax, which went into effect on July 1, 2019. Finally, the increase in income taxes was due to better local economic conditions, as evidenced by the decrease in the unemployment rate (3.8% as of December 31, 2019 compared to 4.1% as of December 31, 2018).

Total governmental activities expenses decreased by \$6,796,550, or 58%. The majority of the decrease occurred in security of persons and property because of decreases in the City's proportionate share of the Ohio Police & Fire Retirement System's net OPEB liabilities. As previously discussed, the System changed its retiree health care benefits from a traditional group insurance plan to a monthly stipend model, significantly reducing the net OPEB liability and recognizing \$7,518,075 in *negative* OPEB expenses. The financial performance of the state-wide retirement systems can vary significantly between years due to investment market fluctuations, changes in assumptions and differences between actuarial assumptions and actual results, all of which are beyond the control of the City's management.

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 2019	Net Cost of Services 2019	<i>Restated</i> Total Cost of Services 2018	<i>Restated</i> Net Cost of Services 2018
Security of persons and property	\$ 981,612	\$ 47,788	\$ 8,541,514	\$ 7,624,247
Public health services	241,430	77,538	269,458	163,741
Leisure time activities	328,975	264,766	264,355	224,095
Community and economic development	440,643	27,002	382,732	108,693
Transportation	1,366,014	32,907	1,101,545	(160,189)
General government	1,476,767	1,208,442	1,076,734	814,214
Interest on long-term debt	179,970	179,970	175,623	175,623
Total cost of services	\$ <u>5,015,411</u>	\$ <u>1,838,413</u>	\$ <u>11,811,961</u>	\$ <u>8,950,424</u>

It should be noted that 63% 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 \$1,838,413, the majority of the City's programs are funded by program revenues, primarily due to the significant negative OPEB expenses discussed above. Historically, governmental activities' expenses are primarily funded by general revenues. A significant portion of the total general revenues consists of income and property taxes.

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Business-Type Activities

The City's major business-type activities include water and sewer operations. The Water Fund operations experienced growth, with an operating income of \$119,715, an increase from the prior year of \$202,256. The Sewer Fund had operating income of \$2,263,594, an increase of \$662,843. These increases were due to growth in customers and decreases in shared services costs utilized by these utility funds.

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 \$12.4 million, expenditures of \$12.1 million, and net other financing sources of \$0.6 million. During 2019, total fund balance of the governmental funds increased by approximately \$926,000 to a total fund balance at year-end of \$4.0 million. While capital assets are included in the statement of net position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund experienced an increase in fund balance during 2019 of \$552,918. The General Fund is the primary fund that finances government services to citizens. Total revenue increased by approximately 12%, due to increases in income tax and permit revenues, as previously discussed.

The Fire Improvement Fund increased by \$10,518 to reduce its deficit fund balance to \$40,162. This is consistent with prior years.

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 increased during the year by \$91,413. Project expenditures incurred during the year include road work on North Hill Street and Madison and Washington Avenues.

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 2019, 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 remained unchanged with the original budget. Actual revenues came in approximately \$159,905 lower than budgeted, as the anticipated income tax collections were below expectations, as discussed previously.

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The final budget for expenditures was fairly consistent with the original budget, decreasing by less than 1%. Due to the City's continuing efforts to monitor and control expenditures, actual budgetary expenditures came in approximately \$285,000 less than the \$5.5 million included in the final budget for 2019.

Capital Assets

At the end of fiscal year 2019, the City had a total of \$86.1 million invested in capital assets, less accumulated depreciation of \$30.7 million, resulting in total capital assets, net of accumulated depreciation, of \$55.4 million. The City continued its efforts to upgrade its capital assets during 2019. The City completed road improvements on North Hill Street, while construction began or continued on Madison and Washington Avenues and sewer line reconstruction on West Road and Short Road.

Table 4 shows 2019 balances compared to those of 2018:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 3,015,891	\$ 3,015,891	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,501,311
Construction in progress	269,936	858,857	2,779,513	435,468	3,049,449	1,294,325
Land improvements	-	3,061	-	-	-	3,061
Buildings and improvements	1,655,717	1,728,492	5,651,981	5,843,614	7,307,698	7,572,106
Equipment	302,716	358,031	1,372,985	1,436,521	1,675,701	1,794,552
Vehicles	1,368,915	628,540	105,344	141,530	1,474,259	770,070
Infrastructure	<u>15,762,919</u>	<u>15,424,010</u>	<u>22,579,262</u>	<u>23,154,424</u>	<u>38,342,181</u>	<u>38,578,434</u>
Totals	<u>\$ 22,376,094</u>	<u>\$ 22,016,882</u>	<u>\$ 32,974,505</u>	<u>\$ 31,496,977</u>	<u>\$ 55,350,599</u>	<u>\$ 53,513,859</u>

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

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Debt Administration

At December 31, 2019, the City had a total of \$25.0 million of long-term debt obligations compared with \$26.7 million reported at December 31, 2018. Table 5 shows outstanding debt obligations of the City at December 31, 2019 compared with 2018:

Table 5
Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 3,100,000	\$ 3,505,000	\$ 4,250,000	\$ 4,245,000	\$ 7,350,000	\$ 7,750,000
Capital Leases	1,086,040	1,199,058	27,216	42,628	1,113,256	1,241,686
OPWC Loans	2,598,110	2,423,542	938,252	1,051,590	3,536,362	3,475,132
OWDA Loans	-	-	2,943,732	3,265,200	2,943,732	3,265,200
Revenue Bonds	-	-	10,035,000	11,015,000	10,035,000	11,015,000
Total	\$ 6,784,150	\$ 7,127,600	\$ 18,194,200	\$ 19,619,418	\$ 24,978,350	\$ 26,747,018

Of the City's general obligation bonds outstanding at December 31, 2019, \$3.1 million are accounted for within the governmental activities and the remaining \$4.3 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.

During 2019, the City issued \$2.5 million in bond anticipation notes to roll over \$2.7 million in bond anticipation notes. Additionally, the City advance refunded \$1,385,000 in Series 2009 general obligation various purpose bonds in governmental activities and \$3,515,000 in Series 2010 general obligation sanitary sewer improvement bonds for a reduction of \$1,277,206 in future debt service payments.

See Notes 12, 13 and 14 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

Contacting the City's Finance Department

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

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CITY OF HARRISON, OHIO

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 3,574,423	\$ 4,423,461	\$ 7,997,884
Cash in segregated accounts	16,582	-	16,582
Receivables:			
Property and other taxes	3,562,049	-	3,562,049
Payment in lieu of taxes	575,331	-	575,331
Income taxes	1,276,823		1,276,823
Accounts	22,884	706,409	729,293
Intergovernmental	711,249	-	711,249
Prepaid items	218,118	33,738	251,856
Materials and supplies inventory	7,887	26,468	34,355
Restricted cash and investments	-	1,592,308	1,592,308
Non-depreciable capital assets	3,285,827	3,264,933	6,550,760
Depreciable capital assets, net	19,090,267	29,709,572	48,799,839
Total assets	<u>32,341,440</u>	<u>39,756,889</u>	<u>72,098,329</u>
Deferred Outflows of Resources			
Deferred loss on refunding	-	539,834	539,834
Pensions	5,144,188	443,712	5,587,900
OPEB	1,323,555	79,175	1,402,730
Total deferred outflows of resources	<u>6,467,743</u>	<u>1,062,721</u>	<u>7,530,464</u>
Liabilities			
Accounts payable	66,774	15,276	82,050
Accrued salaries	424,999	76,804	501,803
Intergovernmental payable	134,323	15,294	149,617
Accrued interest payable	15,818	120,119	135,937
Notes payable	-	2,500,000	2,500,000
Long-term liabilities:			
Due within one year	590,407	1,641,256	2,231,663
Due more than one year:			
Net pension liability	16,103,869	1,413,588	17,517,457
Net OPEB liability	2,809,152	773,046	3,582,198
Other long-term amounts due more than one year	7,005,770	16,939,437	23,945,207
Total liabilities	<u>27,151,112</u>	<u>23,494,820</u>	<u>50,645,932</u>
Deferred Inflows of Resources			
Deferred gain on refunding	48,124	-	48,124
Property taxes and payment in lieu of taxes levied for next year	4,000,400	-	4,000,400
Pensions	240,391	18,562	258,953
OPEB	504,958	2,098	507,056
Total deferred inflows of resources	<u>4,793,873</u>	<u>20,660</u>	<u>4,814,533</u>
Net Position			
Net investment in capital assets	15,488,172	12,671,364	28,159,536
Restricted for:			
Capital projects	467,477	-	467,477
Debt service	-	1,592,308	1,592,308
Streets and highways	282,553	-	282,553
Recreation	546,181	-	546,181
Unrestricted (deficit)	<u>(9,920,185)</u>	<u>3,040,458</u>	<u>(6,879,727)</u>
Total net position	<u>\$ 6,864,198</u>	<u>\$ 17,304,130</u>	<u>\$ 24,168,328</u>

See accompanying notes.

CITY OF HARRISON, OHIO

Statement of Activities

Year Ended December 31, 2019

Functions/Programs	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
Governmental activities:							
Security of persons and property	\$ 981,612	\$ 876,914	\$ 56,410	\$ 500	\$ (47,788)	\$ -	\$ (47,788)
Public health services	241,430	25,108	138,784	-	(77,538)	-	(77,538)
Leisure time activities	328,975	54,709	9,500	-	(264,766)	-	(264,766)
Community and economic development	440,643	393,641	20,000	-	(27,002)	-	(27,002)
Transportation	1,366,014	-	689,071	644,036	(32,907)	-	(32,907)
General government	1,476,767	266,901	1,424	-	(1,208,442)	-	(1,208,442)
Interest on long-term debt	179,970	-	-	-	(179,970)	-	(179,970)
Total governmental activities	<u>5,015,411</u>	<u>1,617,273</u>	<u>915,189</u>	<u>644,536</u>	<u>(1,838,413)</u>	<u>-</u>	<u>(1,838,413)</u>
Business-type activities:							
Water	1,820,603	1,836,084	13,574	-	-	29,055	29,055
Sewer	2,697,996	4,362,504	-	-	-	1,664,508	1,664,508
Other business-type activities:							
Storm Water	46,613	126,725	-	-	-	80,112	80,112
Water/Wastewater deposit	6,876	7,221	-	-	-	345	345
Sanitation	544,251	544,147	-	-	-	(104)	(104)
Total business-type activities	<u>5,116,339</u>	<u>6,876,681</u>	<u>13,574</u>	<u>-</u>	<u>-</u>	<u>1,773,916</u>	<u>1,773,916</u>
Total	<u>\$ 10,131,750</u>	<u>\$ 8,493,954</u>	<u>\$ 928,763</u>	<u>\$ 644,536</u>	<u>(1,838,413)</u>	<u>1,773,916</u>	<u>(64,497)</u>
General revenues and transfers:							
Income taxes levied for general purposes					3,996,737	-	3,996,737
Property taxes levied for:							
General purposes					1,305,394	-	1,305,394
Fire improvements					2,032,608	-	2,032,608
Police pension					73,174	-	73,174
Recreation					33,940	-	33,940
Capital projects					113,528	-	113,528
Payments in lieu of taxes					640,440	-	640,440
Grants and contributions not restricted							
to specific programs					619,151	-	619,151
Investment earnings					21,029	36,383	57,412
Miscellaneous					180,127	25,516	205,643
Transfers					113,044	(113,044)	-
Total general revenues and transfers					<u>9,129,172</u>	<u>(51,145)</u>	<u>9,078,027</u>
Change in net position					7,290,759	1,722,771	9,013,530
Net position beginning of year, <i>restated</i>					(426,561)	15,581,359	15,154,798
Net position end of year					<u>\$ 6,864,198</u>	<u>\$ 17,304,130</u>	<u>\$ 24,168,328</u>

See accompanying notes.

CITY OF HARRISON, OHIO

Balance Sheet

Governmental Funds

December 31, 2019

	<u>General</u>	<u>Fire Improvement</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and investments	\$ 1,511,814	\$ 103,824	\$ 304,823	\$ 1,653,962	\$ 3,574,423
Cash in segregated accounts	-	-	-	16,582	16,582
Receivables:					
Property and other taxes	1,411,324	2,067,345	9,076	74,304	3,562,049
Payment in lieu of taxes	-	-	-	575,331	575,331
Income taxes	1,276,823	-	-	-	1,276,823
Accounts	9,880	7,817	-	5,187	22,884
Intergovernmental	155,413	80,123	91,000	384,713	711,249
Prepaid items	95,634	95,503	-	26,981	218,118
Materials and supplies inventory	-	-	-	7,887	7,887
Advances to other funds	20,411	-	-	-	20,411
Total assets	<u>\$ 4,481,299</u>	<u>\$ 2,354,612</u>	<u>\$ 404,899</u>	<u>\$ 2,744,947</u>	<u>\$ 9,985,757</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 62,527	\$ 2,386	\$ -	\$ 1,861	\$ 66,774
Accrued salaries	209,148	183,317	-	32,534	424,999
Intergovernmental payable	61,142	61,603	-	11,578	134,323
Advances from other funds	-	-	-	20,411	20,411
Total liabilities	<u>332,817</u>	<u>247,306</u>	<u>-</u>	<u>66,384</u>	<u>646,507</u>
Deferred Inflows of Resources					
Property taxes and payment in lieu of taxes levied for next year	1,361,741	1,991,657	-	647,002	4,000,400
Unavailable revenue	<u>1,006,518</u>	<u>155,811</u>	<u>-</u>	<u>200,825</u>	<u>1,363,154</u>
Total deferred inflows of resources	<u>2,368,259</u>	<u>2,147,468</u>	<u>-</u>	<u>847,827</u>	<u>5,363,554</u>
Fund balances					
Nonspendable	116,045	95,503	-	34,868	246,416
Restricted	-	-	-	1,357,772	1,357,772
Committed	585,896	-	404,899	-	990,795
Assigned	152,242	-	-	438,139	590,381
Unassigned	<u>926,040</u>	<u>(135,665)</u>	<u>-</u>	<u>(43)</u>	<u>790,332</u>
Total fund balances	<u>1,780,223</u>	<u>(40,162)</u>	<u>404,899</u>	<u>1,830,736</u>	<u>3,975,696</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,481,299</u>	<u>\$ 2,354,612</u>	<u>\$ 404,899</u>	<u>\$ 2,744,947</u>	<u>\$ 9,985,757</u>

See accompanying notes.

CITY OF HARRISON, OHIO
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019

Total governmental fund balances \$ 3,975,696

*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. 22,376,094

Other long-term assets are not available to pay for current-period expenditures and
therefore are unavailable in the funds. 1,363,154

In the statement of net position, interest is accrued on outstanding bonds and loans,
whereas in governmental funds, interest is accrued when due. (15,818)

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	(3,155,648)	
OPWC loan payable	(2,598,110)	
Capital lease payable	(1,086,040)	
Compensated absences payable	(756,379)	(7,596,177)

Governmental funds report the effect of bond refunding when debt is first issued, whereas
these amounts are deferred and amortized in the statement of activities. (48,124)

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

Deferred outflows - pensions	5,144,188	
Deferred inflows - pensions	(240,391)	
Net pension liability	(16,103,869)	
Deferred outflows - OPEB	1,323,555	
Deferred inflows - OPEB	(504,958)	
Net OPEB liability	(2,809,152)	(13,190,627)

Net position of governmental activities \$ 6,864,198

See accompanying notes.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2019

	General	Fire Improvement	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property and other taxes	\$ 1,306,828	\$ 2,007,736	\$ 113,528	\$ 106,622	\$ 3,534,714
Income taxes	4,268,600	-	-	-	4,268,600
Payment in lieu of taxes	-	-	-	645,935	645,935
Intergovernmental	619,897	156,380	644,036	851,689	2,272,002
Charges for services	3,291	859,398	-	7,010	869,699
Fines, costs and forfeitures	159,284	-	-	10,252	169,536
Licenses, permits and inspections	490,376	-	-	-	490,376
Interest	17,523	-	-	3,506	21,029
Contributions	16,632	949	-	26,621	44,202
Other	63,447	20,396	-	540	84,383
Total revenues	<u>6,945,878</u>	<u>3,044,859</u>	<u>757,564</u>	<u>1,652,175</u>	<u>12,400,476</u>
Expenditures					
Current:					
Security of persons and property	2,967,840	3,969,260	-	81,026	7,018,126
Public health services	16,946	-	-	217,270	234,216
Leisure time activities	75,819	-	-	130,555	206,374
Community and economic development	333,050	-	-	24,105	357,155
Transportation	-	-	-	809,344	809,344
General government	920,388	-	-	294,623	1,215,011
Capital outlay	193,687	19,836	921,881	65,150	1,200,554
Debt Service:					
Principal retirement	351,180	230,042	133,200	149,489	863,911
Interest and fiscal charges	5,500	28,104	13,062	116,605	163,271
Issuance costs	-	-	-	31,004	31,004
Total expenditures	<u>4,864,410</u>	<u>4,247,242</u>	<u>1,068,143</u>	<u>1,919,171</u>	<u>12,098,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,081,468</u>	<u>(1,202,383)</u>	<u>(310,579)</u>	<u>(266,996)</u>	<u>301,510</u>
Other financing sources (uses)					
Transfers in	225,000	1,302,901	63,044	632,162	2,223,107
Transfers out	(1,895,063)	(90,000)	-	(125,000)	(2,110,063)
Issuance of OPWC loans	-	-	338,948	-	338,948
Issuance of refunding bonds	-	-	-	1,425,000	1,425,000
Payment to refunding escrow agent	-	-	-	(1,393,996)	(1,393,996)
Inception of capital leases	141,513	-	-	-	141,513
Total other financing sources (uses)	<u>(1,528,550)</u>	<u>1,212,901</u>	<u>401,992</u>	<u>538,166</u>	<u>624,509</u>
Net change in fund balances	552,918	10,518	91,413	271,170	926,019
Fund balance, beginning of year, <i>restated</i>	<u>1,227,305</u>	<u>(50,680)</u>	<u>313,486</u>	<u>1,559,566</u>	<u>3,049,677</u>
Fund balance, end of year	<u>\$ 1,780,223</u>	<u>\$ (40,162)</u>	<u>\$ 404,899</u>	<u>\$ 1,830,736</u>	<u>\$ 3,975,696</u>

See accompanying notes.

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, 2019

Net change in fund balances - total governmental funds \$ 926,019

*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	1,120,808
Depreciation expense	(761,596)

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. (207,350)

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	(16,287)
Interest on long-term debt	7,534
Amortization of bond premiums	(63,891)

Repayment of long-term obligations is reported as an expenditure in the governmental
 funds, but the repayment reduces the long-term liabilities in the statement of net position.
 In the current year, these amounts consisted of general obligation bonds, OPWC loans,
 and capital leases. 863,911

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. (480,461)

Refunding of bonds is recorded as other financing sources and uses in the governmental
 funds, but are reported as increases or decreases of liabilities on the statement of net
 position. 39,658

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

Pensions	1,080,568
OPEB	27,979

Except for amounts reported as deferred inflows/outflows, changes in the net pension and
 OPEB liabilities are reported as pension and OPEB expense in the statement of activities:

Pensions	(2,606,554)
OPEB	<u>7,360,421</u>

Change in net position of governmental activities \$ 7,290,759

See accompanying notes.

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, 2019

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property and other taxes	\$ 1,380,679	\$ 1,380,679	\$ 1,306,828	\$ (73,851)
Income taxes	4,462,694	4,462,694	4,126,408	(336,286)
Intergovernmental	425,726	425,726	582,069	156,343
Charges for services	500	500	3,291	2,791
Fines, costs and forfeitures	200,000	200,000	141,494	(58,506)
Licenses, permits and inspections	323,200	323,200	490,376	167,176
Interest	1,740	1,740	17,523	15,783
Contributions	100	100	1,350	1,250
Other	577,668	577,668	543,063	(34,605)
Total revenues	<u>7,372,307</u>	<u>7,372,307</u>	<u>7,212,402</u>	<u>(159,905)</u>
Expenditures				
Current:				
General government	1,729,438	1,644,838	1,453,390	191,448
Security of persons and property	3,023,431	3,023,431	2,971,703	51,728
Community and economic development	325,033	367,170	342,821	24,349
Leisure time activity	96,688	96,689	80,034	16,655
Debt service	357,079	357,079	356,679	400
Total expenditures	<u>5,531,669</u>	<u>5,489,207</u>	<u>5,204,627</u>	<u>284,580</u>
Excess of revenues over expenditures	<u>1,840,638</u>	<u>1,883,100</u>	<u>2,007,775</u>	<u>124,675</u>
Other financing uses				
Transfers out	<u>(2,036,863)</u>	<u>(2,036,863)</u>	<u>(2,010,064)</u>	<u>26,799</u>
Net change in fund balance	(196,225)	(153,763)	(2,289)	<u>\$ 151,474</u>
Fund balance, beginning of year	416,929	416,929	416,929	
Prior year encumbrances appropriated	69,922	69,922	69,922	
Fund balance, end of year	<u>\$ 290,626</u>	<u>\$ 333,088</u>	<u>\$ 484,562</u>	

See accompanying notes.

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, 2019

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property and other taxes	\$ 2,011,000	\$ 2,011,000	\$ 2,007,736	\$ (3,264)
Intergovernmental	157,000	157,000	156,380	(620)
Charges for services	884,489	884,489	902,047	17,558
Contributions	2,400	2,400	949	(1,451)
Other	58,100	58,100	75,698	17,598
Total revenues	<u>3,112,989</u>	<u>3,112,989</u>	<u>3,142,810</u>	<u>29,821</u>
Expenditures				
Current:				
Security of persons and property				
Fire Department				
Personal services	3,773,268	3,840,247	3,784,733	55,514
Contractual services	401,527	397,461	393,519	3,942
Operations/maintenance	197,570	229,396	224,547	4,849
Capital outlay	46,542	43,108	41,965	1,143
Total expenditures	<u>4,418,907</u>	<u>4,510,212</u>	<u>4,444,764</u>	<u>65,448</u>
Deficiency of revenues under expenditures	<u>(1,305,918)</u>	<u>(1,397,223)</u>	<u>(1,301,954)</u>	<u>95,269</u>
Other financing sources (uses)				
Transfers in	1,306,865	1,306,865	1,302,901	(3,964)
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,216,865</u>	<u>1,216,865</u>	<u>1,212,901</u>	<u>(3,964)</u>
Net change in fund balance	(89,053)	(180,358)	(89,053)	<u>\$ 91,305</u>
Fund balance, beginning of year, <i>restated</i>	-	-	-	
Prior year encumbrances appropriated	<u>89,053</u>	<u>89,053</u>	<u>89,053</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ (91,305)</u>	<u>\$ -</u>	

See accompanying notes.

CITY OF HARRISON, OHIO

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 1,239,136	\$ 2,765,244	\$ 419,081	\$ 4,423,461
Receivables:				
Accounts	183,579	444,961	77,869	706,409
Prepaid items	11,758	21,980	-	33,738
Materials and supplies inventory	24,214	2,254	-	26,468
Total current assets	<u>1,458,687</u>	<u>3,234,439</u>	<u>496,950</u>	<u>5,190,076</u>
Noncurrent assets:				
Restricted cash and investments	-	1,592,308	-	1,592,308
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	895,928	2,369,005	-	3,264,933
Depreciable capital assets, net	11,211,383	16,724,362	1,773,827	29,709,572
Total noncurrent assets	<u>12,107,311</u>	<u>20,702,853</u>	<u>1,773,827</u>	<u>34,583,991</u>
Total assets	<u>13,565,998</u>	<u>23,937,292</u>	<u>2,270,777</u>	<u>39,774,067</u>
Deferred outflows of resources				
Deferred charge on refunding	-	539,834	-	539,834
Pensions	209,200	234,512	-	443,712
OPEB	37,293	41,882	-	79,175
Total deferred outflows of resources	<u>246,493</u>	<u>816,228</u>	<u>-</u>	<u>1,062,721</u>
Liabilities				
Current liabilities:				
Accounts payable	8,106	7,170	-	15,276
Accrued salaries	23,154	53,650	-	76,804
Intergovernmental payable	7,145	8,149	-	15,294
Accrued interest payable	43,194	76,925	-	120,119
Advances from other funds	-	-	17,178	17,178
Notes payable	-	2,500,000	-	2,500,000
Compensated absences payable, current portion of	4,448	6,726	-	11,174
Capital lease payable, current portion of	16,021	-	-	16,021
Revenue bonds payable, current portion of	-	995,000	-	995,000
General obligation bonds payable, current portion of	-	230,000	-	230,000
OPWC loans payable, current portion of	-	46,154	10,515	56,669
OWDA loans payable, current portion of	332,392	-	-	332,392
Total current liabilities	<u>434,460</u>	<u>3,923,774</u>	<u>27,693</u>	<u>4,385,927</u>
Long-term liabilities:				
Capital lease payable, net of current portion	11,195	-	-	11,195
Revenue bonds payable, net of current portion	-	9,175,091	-	9,175,091
General obligation bonds payable, net of current portion	-	4,033,684	-	4,033,684
OPWC loans payable, net of current portion	-	692,313	189,270	881,583
OWDA loans payable, net of current portion	2,611,340	-	-	2,611,340
Compensated absences payable, net of current portion	58,305	168,239	-	226,544
Net pension liability	665,658	747,930	-	1,413,588
Net OPEB liability	364,027	409,019	-	773,046
Total long-term liabilities	<u>3,710,525</u>	<u>15,226,276</u>	<u>189,270</u>	<u>19,126,071</u>
Total liabilities	<u>4,144,985</u>	<u>19,150,050</u>	<u>216,963</u>	<u>23,511,998</u>
Deferred inflows of resources				
Pensions	8,741	9,821	-	18,562
OPEB	988	1,110	-	2,098
Total deferred inflows of resources	<u>9,729</u>	<u>10,931</u>	<u>-</u>	<u>20,660</u>
Net Position				
Net investment in capital assets	9,136,363	1,960,959	1,574,042	12,671,364
Restricted for:				
Debt service	-	1,592,308	-	1,592,308
Unrestricted	521,414	2,039,272	479,772	3,040,458
Total net position	<u>\$ 9,657,777</u>	<u>\$ 5,592,539</u>	<u>\$ 2,053,814</u>	<u>\$ 17,304,130</u>

See accompanying notes.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
<i>Operating revenues</i>				
Charges for services	\$ 1,836,084	\$ 4,362,504	\$ 678,093	\$ 6,876,681
Other	385	-	-	385
Total operating revenues	<u>1,836,469</u>	<u>4,362,504</u>	<u>678,093</u>	<u>6,877,066</u>
<i>Operating expenses</i>				
Personnel services	658,890	783,622	-	1,442,512
Contractual services	190,914	421,929	544,251	1,157,094
Supplies and materials	243,994	232,885	-	476,879
Other	189,023	189,023	6,876	384,922
Depreciation	433,933	471,451	46,613	951,997
Total operating expenses	<u>1,716,754</u>	<u>2,098,910</u>	<u>597,740</u>	<u>4,413,404</u>
Operating income	119,715	2,263,594	80,353	2,463,662
<i>Non-operating revenues (expenses):</i>				
Intergovernmental revenue	13,574	-	-	13,574
Interest revenue	-	36,383	-	36,383
Interest expense and fiscal charges	(103,849)	(599,086)	-	(702,935)
Other	-	25,131	-	25,131
Total non-operating revenues (expenses)	<u>(90,275)</u>	<u>(537,572)</u>	<u>-</u>	<u>(627,847)</u>
Income before transfers	29,440	1,726,022	80,353	1,835,815
Transfers out	<u>(25,000)</u>	<u>(59,575)</u>	<u>(28,469)</u>	<u>(113,044)</u>
Change in net position	4,440	1,666,447	51,884	1,722,771
Net position, beginning of year	<u>9,653,337</u>	<u>3,926,092</u>	<u>2,001,930</u>	<u>15,581,359</u>
Net position, end of year	<u>\$ 9,657,777</u>	<u>\$ 5,592,539</u>	<u>\$ 2,053,814</u>	<u>\$ 17,304,130</u>

See accompanying notes.

CITY OF HARRISON, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
<i>Cash flows from operating activities</i>				
Cash received from customers	\$ 1,933,671	\$ 4,541,093	\$ 711,946	\$ 7,186,710
Cash payments for employee services and benefits	(512,197)	(619,055)	-	(1,131,252)
Cash payments to suppliers for goods and services	(416,831)	(677,525)	(544,251)	(1,638,607)
Cash payments for other operating expenses	(189,023)	(189,023)	(6,876)	(384,922)
Cash received from other operating revenue	385	-	-	385
Net cash from operating activities	<u>816,005</u>	<u>3,055,490</u>	<u>160,819</u>	<u>4,032,314</u>
<i>Cash flows from noncapital financing activities</i>				
Transfers	(25,000)	(59,575)	(28,469)	(113,044)
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(415,068)	(1,928,977)	(85,480)	(2,429,525)
Proceeds from notes payable	-	2,500,000	-	2,500,000
Premium on issuance of notes	-	25,131	-	25,131
Proceeds from refunding bonds	-	3,695,000	-	3,695,000
Payment to escrow agent	-	(3,641,614)	-	(3,641,614)
Payment of bond issuance costs	-	(53,386)	-	(53,386)
Principal retirement	(336,880)	(3,947,308)	(21,030)	(4,305,218)
Interest paid	(95,020)	(505,529)	-	(600,549)
Net cash from capital and related financing activities	<u>(846,968)</u>	<u>(3,856,683)</u>	<u>(106,510)</u>	<u>(4,810,161)</u>
<i>Cash flows from investing activities</i>				
Interest	-	36,383	-	36,383
Net change	(55,963)	(824,385)	25,840	(854,508)
Cash and pooled investments beginning of year	<u>1,295,099</u>	<u>5,181,937</u>	<u>393,241</u>	<u>6,870,277</u>
Cash and pooled investments end of year	<u>\$ 1,239,136</u>	<u>\$ 4,357,552</u>	<u>\$ 419,081</u>	<u>\$ 6,015,769</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 119,715	\$ 2,263,594	\$ 80,353	\$ 2,463,662
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	433,933	471,451	46,613	951,997
Changes in deferred outflows - pensions and OPEB	(111,208)	(119,318)	-	(230,526)
Changes in deferred inflows - pensions and OPEB	(99,307)	(114,347)	-	(213,654)
Changes in assets and liabilities:				
Receivables	97,587	178,589	33,853	310,029
Prepaid items	(8,170)	(16,078)	-	(24,248)
Materials and supplies inventory	22,201	(703)	-	21,498
Accounts payable	(4,124)	(22,008)	-	(26,132)
Accrued salaries	4,927	34,591	-	39,518
Intergovernmental payable	(3,626)	(4,639)	-	(8,265)
Compensated absences payable	2,350	(1,545)	-	805
Net pension liability	294,941	323,665	-	618,606
Net OPEB liability	66,786	62,238	-	129,024
Net cash from operating activities	<u>\$ 816,005</u>	<u>\$ 3,055,490</u>	<u>\$ 160,819</u>	<u>\$ 4,032,314</u>

See accompanying notes.

CITY OF HARRISON, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

Assets

Cash in segregated accounts	\$ 100,101
Equity in pooled cash and investments	6,438
Receivables:	
Income taxes	<u>38,309</u>
Total assets	<u><u>144,848</u></u>

Liabilities

Intergovernmental payable	<u>144,848</u>
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Net Position

Restricted for other governments and organizations	<u><u>\$ -</u></u>
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See accompanying notes.

CITY OF HARRISON, OHIO

Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2019

Additions

Collections for other governments and organizations:	
Income taxes	\$ 192,725
Fines, costs and forfeitures	<u>60,262</u>
Total additions	<u>252,987</u>

Deductions

Administrative expenses	16,497
Distributions of income taxes	176,228
Distributions to state, local governments and others	<u>60,262</u>
Total deductions	<u>252,987</u>

Change in fiduciary net position -

Net position, beginning of year, *restated* -

Net position, end of year \$ -

See accompanying notes.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 a custodial 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 \$163,789 in revenues through the JEDD in 2019.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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. Interfund services provided and used are not eliminated in the process of consolidation.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 custodial funds. Custodial funds are used to account for assets held in a fiduciary capacity on behalf of others. The City's custodial funds account for monies held by the Mayor's Court in a fiduciary capacity and to account for the administering and collection of income taxes related to the Joint Economic Development District.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

C. Measurement Focus - *continued*

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

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

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

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

Revenues – Exchange and Non-Exchange Transactions

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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, pensions and other postemployment benefits other than pensions (OPEB). 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 and OPEB are explained in Notes 8 and 9.

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, pensions and OPEB. Receivables for property taxes and payments in lieu of taxes represent amounts that are measurable as of December 31, 2019, 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 and OPEB are explained in Notes 8 and 9.

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 2019, 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 2019. 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 has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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, 2019, which approximates fair value.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

D. Cash and Investments - *continued*

For 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2019, interest revenue credited to the general fund amounted to \$17,523, which includes \$10,253 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 \$1,592,308 for amounts held by a trustee, as designated by bond indenture for debt repayment. These amounts are reported as “restricted cash and investments” 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, 2019 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

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

G. Capital Assets

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 restricted for sewer improvements or being held by a trustee as designated by the bond indenture restricted for debt service.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the retirement systems' fiduciary net position is not sufficient for payment of those benefits.

J. Interfund Balances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

K. Pensions and OPEB

For purposes of measuring the net pension and OPEB liabilities and their related deferrals and expenses, information about the fiduciary net position of the retirement systems and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement 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.

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

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.

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

O. Fund Balances - *continued*

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, 2019, 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 2019.

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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

Q. Budgetary Process - *continued*

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.

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 re-appropriated.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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).

The adjustments necessary to convert the results of operations for the year ended December 31, 2019, on the GAAP basis to the budget basis are as follows:

	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Improvement</u>	
Net change in fund balance - GAAP Basis	\$ 552,918	\$ 10,518	
Funds reclassified	29,073	-	
Net adjustment for revenue accruals	292,679	97,951	
Net adjustment for expenditure accruals	(293,462)	(156,305)	
Encumbrances	(101,983)	(41,217)	
Other sources (uses)	<u>(481,514)</u>	<u>-</u>	
Net change in fund balance - Budget Basis	<u>\$ (2,289)</u>	<u>\$ (89,053)</u>	

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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;
- (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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 3—DEPOSITS AND INVESTMENTS – *continued*

- (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.

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, 2019, the carrying amount of all City deposits was \$7,684,784. \$6,282,408 of the City’s bank balance of \$7,317,189 was exposed to custodial risk as discussed above, while \$1,034,781 was covered by FDIC.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 3—DEPOSITS AND INVESTMENTS – *continued*

Investments: The City’s investments at December 31, 2019 are summarized as follows:

Investment Type	Fair Value	Maturity 6 months or less
STAR Ohio	\$ 10,440	10,440
Money Market	<u>2,018,089</u>	<u>2,018,089</u>
	<u>\$ 2,028,529</u>	<u>2,028,529</u>

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

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

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, 2019:

Investment Type	Fair Value	Percent of Total
STAR Ohio	\$ 10,440	0.5%
Money Market	<u>2,018,089</u>	<u>99.5%</u>
	<u>\$ 2,028,529</u>	<u>100.0%</u>

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. Due to the money market and STAR Ohio having average maturities of 21 and 45 days, respectively, at December 31, 2019, they were presented as investments with a maturity of six months or less.

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019 on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes, which became a lien December 31, 2018 are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019 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 2019 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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 225,000	\$ 1,895,063
Fire Improvement	1,302,901	90,000
Capital Improvement	63,044	-
Nonmajor governmental funds	632,162	125,000
Water Fund	-	25,000
Sewer Fund	-	59,575
Nonmajor enterprise fund	-	28,469
	<u>\$ 2,223,107</u>	<u>\$ 2,223,107</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to provide additional resources for current operations, debt service or capital improvements. Transfers into the General Fund were due to the establishment of a severance reserve fund, included with the General Fund in accordance with GAAP, that was funded by transfers from other governmental and enterprise funds. Transfers between governmental funds are eliminated for reporting on the statement of activities.

The following represent the outstanding advances to/from other funds as of December 31, 2019:

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

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 7—CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,015,891	\$ -	\$ -	\$ 3,015,891
Construction in progress	<u>858,857</u>	<u>952,314</u>	<u>(1,541,235)</u>	<u>269,936</u>
Total capital assets not being depreciated	<u>3,874,748</u>	<u>952,314</u>	<u>(1,541,235)</u>	<u>3,285,827</u>
<i>Capital assets being depreciated:</i>				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,984,073	5,965	-	3,990,038
Furniture and equipment	790,134	14,881	-	805,015
Vehicles	1,944,285	944,505	(156,596)	2,732,194
Infrastructure	<u>17,937,886</u>	<u>744,378</u>	<u>-</u>	<u>18,682,264</u>
Total capital assets being depreciated	<u>25,461,195</u>	<u>1,709,729</u>	<u>(156,596)</u>	<u>27,014,328</u>
Less accumulated depreciation:				
Land improvements	(801,756)	(3,061)	-	(804,817)
Buildings and improvements	(2,255,581)	(78,740)	-	(2,334,321)
Furniture and equipment	(432,103)	(70,196)	-	(502,299)
Vehicles	(1,315,745)	(204,130)	156,596	(1,363,279)
Infrastructure	<u>(2,513,876)</u>	<u>(405,469)</u>	<u>-</u>	<u>(2,919,345)</u>
Total accumulated depreciation	<u>(7,319,061)</u>	<u>(761,596)</u>	<u>156,596</u>	<u>(7,924,061)</u>
Total capital assets being depreciated, net	<u>18,142,134</u>	<u>948,133</u>	<u>-</u>	<u>19,090,267</u>
Capital assets, net	<u>\$ 22,016,882</u>	<u>\$ 1,900,447</u>	<u>\$ (1,541,235)</u>	<u>\$ 22,376,094</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 94,439
Security of persons and property	277,199
Transportation	362,170
Leisure time activities	<u>27,788</u>
Total depreciation expense	<u>\$ 761,596</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 7—CAPITAL ASSETS – continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Construction in progress	435,468	2,429,525	(85,480)	2,779,513
Total capital assets not being depreciated	920,888	2,429,525	(85,480)	3,264,933
Capital assets being depreciated:				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,180,102	-	-	10,180,102
Furniture and equipment	7,786,720	-	-	7,786,720
Vehicles	568,314	-	-	568,314
Infrastructure	33,859,810	85,480	-	33,945,290
Total capital assets being depreciated	52,419,420	85,480	-	52,504,900
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(4,336,488)	(191,633)	-	(4,528,121)
Furniture and equipment	(6,350,199)	(63,536)	-	(6,413,735)
Vehicles	(426,784)	(36,186)	-	(462,970)
Infrastructure	(10,705,386)	(660,642)	-	(11,366,028)
Total accumulated depreciation	(21,843,331)	(951,997)	-	(22,795,328)
Total capital assets being depreciated, net	30,576,089	(866,517)	-	29,709,572
 Capital assets, net	 \$ 31,496,977	 \$ 1,563,008	 \$ (85,480)	 \$ 32,974,505

Depreciation expense was charged to segments as follows:

<u>Major enterprise funds</u>	
Water	\$ 433,933
Sewer	471,451
 <u>Nonmajor enterprise fund</u>	
Storm water	46,613
Total depreciation expense	\$ 951,997

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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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.

Ohio Public Employees Retirement System (OPERS)

Plan Description. 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):

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 2019, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$288,101 for 2019. Of this amount, \$41,583 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description. 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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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:

	<u>Police</u>		<u>Firefighters</u>	
2019 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2019 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	<u>19.50</u>	<u>%</u>	<u>24.00</u>	<u>%</u>
Employee	<u>12.25</u>	<u>%</u>	<u>12.25</u>	<u>%</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$893,248 for 2019. Of this amount, \$108,035 is reported as an intergovernmental payable.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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, 2018 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, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$ 3,739,650	\$ 13,777,807	\$ 17,517,457
Proportion of Net Pension Liability	0.01365%	0.168791%	
Change in Proportion	0.00053%	-0.000779%	
Pension Expense	\$ 916,305	\$ 2,033,963	\$ 2,950,268

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 173	\$ 566,076	\$ 566,249
Net differences between projected and actual investment earnings	507,576	1,697,413	2,204,989
Change in assumptions	325,546	365,268	690,814
Change in City's proportionate share and differences in employer contributions	73,931	870,568	944,499
City contributions subsequent to the measurement date	288,101	893,248	1,181,349
	<u>\$ 1,195,327</u>	<u>\$ 4,392,573</u>	<u>\$ 5,587,900</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 49,104	\$ 12,866	\$ 61,970
Change in City's proportionate share and differences in employer contributions	-	196,983	196,983
	<u>\$ 49,104</u>	<u>\$ 209,849</u>	<u>\$ 258,953</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 8—DEFINED BENEFIT PENSION PLANS – *continued*

\$1,181,349 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, 2020. 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:			
2020	\$ 384,821	\$ 996,509	\$ 1,381,330
2021	190,153	625,336	815,489
2022	47,088	746,281	793,369
2023	236,060	858,866	1,094,926
2024	-	62,484	62,484
	\$ 858,122	\$ 3,289,476	\$ 4,147,598

Ohio Public Employees Retirement System (OPERS)

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation	3.25%
Future salary increases, Including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return:	
Current measurement period	7.20%
Prior measurement period	7.50%
Actuarial cost method	Individual entry age
Mortality tables	RP-2014

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 8—DEFINED BENEFIT PENSION PLANS – *continued*

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 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 was a loss of 2.94% for 2018.

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 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	100.00%	5.95%

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. 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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 8—DEFINED BENEFIT PENSION PLANS – continued

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 7.20%, 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 (6.20%) and one-percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate of 7.20%	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 5,524,545	\$ 3,739,650	\$ 2,256,379

Ohio Police & Fire Pension Fund (OP&F)

Actuarial Assumptions. OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determine amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation date	January 1, 2018 with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	3.0% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.0%.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 8—DEFINED BENEFIT PENSION PLANS – *continued*

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. 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, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.0%	0.8%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	12.0%	6.10%
	<u>120.0%</u>	

*Note: Assumptions are geometric. * Levered 2x*

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 8—DEFINED BENEFIT PENSION PLANS – *continued*

Discount Rate. The total pension liability was calculated using the discount rate of 8.0%. 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 8.0%. 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 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.0%) or one-percentage point higher (9.0%) than the current rate.

	1% Decrease (7.0%)	Current Discount Rate of 8.0%	1% Increase (9.0%)
City's proportionate share of the net pension liability	\$ 18,109,979	\$ 13,777,807	\$ 10,157,653

NOTE 9—DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – *continued*

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Ohio Public Employees Retirement System (OPERS)

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty 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 No. 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member 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 Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2019. 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 into the RMA for participants in the Member-Directed Plan for 2019 was 4.0%.

The City's contractually required contribution to OPERS was \$11,025 for 2019.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description. The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B premiums to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement 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 OPEB as described in GASB Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB. 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy. 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 24.0% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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. For 2019, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. 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 Section 115 and 401(h).

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$20,811 for 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net OPEB Liability	\$ 2,045,097	\$ 1,537,101	\$ 3,582,198
Proportion of Net OPEB Liability	0.015686%	0.168791%	
Change in Proportion	0.000479%	-0.000779%	
OPEB (Negative) Expense	\$ 222,028	\$ (7,518,075)	\$ (7,296,047)

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 692	\$ -	\$ 692
Net differences between projected and actual investment earnings	93,755	52,033	145,788
Change in assumptions	65,937	796,757	862,694
Change in City's proportionate share and differences in employer contributions	38,870	322,850	361,720
City contributions subsequent to the measurement date	11,025	20,811	31,836
	<u>\$ 210,279</u>	<u>\$ 1,192,451</u>	<u>\$ 1,402,730</u>
 <u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 5,549	\$ 41,183	\$ 46,732
Change in assumptions	-	425,545	425,545
Change in City's proportionate share and differences in employer contributions	-	34,779	34,779
	<u>\$ 5,549</u>	<u>\$ 501,507</u>	<u>\$ 507,056</u>

\$31,836 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$ 94,123	\$ 117,775	\$ 211,898
2021	36,384	117,775	154,159
2022	15,967	117,775	133,742
2023	47,231	133,512	180,743
2024	-	108,701	108,701
Thereafter	-	74,595	74,595
	<u>\$ 193,705</u>	<u>\$ 670,133</u>	<u>\$ 863,838</u>

Actuarial Assumptions—OPERS

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – *continued*

Actuarial valuations of an ongoing plan involve estimates of the value 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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	3.96%
Prior measurement period	3.85%
Investment rate of return:	
Current measurement period	6.00%
Prior measurement period	6.50%
Municipal bond rate:	
Current measurement period	3.71%
Prior measurement period	3.31%
Health care cost trend rate:	
Current measurement period	10.0% initial, 3.25% ultimate in 2029
Prior measurement period	7.5% initial, 3.25% ultimate in 2028
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

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

The long-term expected rate of return on health care 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.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. 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 Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

Discount Rate. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City’s proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (2.96%) or 1.0% point higher (4.96%) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate of 3.96%	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$ 2,616,369	\$ 2,045,097	\$ 1,590,683

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate. Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Cost Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,965,728	\$ 2,045,097	\$ 2,136,388

Actuarial Assumptions—OP&F

OP&F’s total OPEB liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

Actuarial Assumptions—OP&F

Projections of benefit for financial 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.75% to 10.50%
Payroll growth	Inflation rate of 2.75%, plus productivity increase rate of 0.5%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Municipal bond rate:	
Current measurement date	4.13%
Prior measurement date	3.16%
Cost of living adjustments	3.0% simple; 2.2% simple for increase based on the lesser of the increases in CPI and 3.0%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – *continued*

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F’s Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. 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 the 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 real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalent	0.0%	0.80%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	<u>12.0%</u>	6.10%
Total	120.00%	

*Note: Assumptions are geometric. * Levered 2x*

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 9—DEFINED BENEFIT OPEB PLANS – continued

Discount Rate. Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from 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 8.0%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 4.66% at December 31, 2018 and 3.24% at December 31, 2017.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.66%) and 1% point higher (5.66%) than the current discount rate.

	1% Decrease (3.66%)	Current Discount Rate of 4.66%	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 1,872,609	\$ 1,537,101	\$ 1,255,471

Changes Subsequent to the Measurement Date. Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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 \$77,625 at December 31, 2019.

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 \$916,472 at December 31, 2019.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 776 and 774 members as of December 31, 2019 and 2018, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Assets	\$ 15,920,504	\$ 15,065,412
Liabilities	<u>(11,329,011)</u>	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,591,493</u>	<u>\$ 4,330,789</u>

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

Health Insurance

During 2019, 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 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

Workers’ Compensation

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 12—LONG-TERM LIABILITIES

The following is a summary of changes during 2019 and balances for governmental activities' long-term liabilities of the City as of December 31, 2019.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2009 Various purpose	\$ 1,445,000	\$ -	\$ (1,445,000)	\$ -	\$ -
2015 Various purpose	2,060,000	-	(385,000)	1,675,000	115,000
Unamortized premiums	119,539	-	(63,891)	55,648	-
<i>Direct Placement:</i>					
2019 Private placement refunding	-	1,425,000		1,425,000	90,000
OPWC direct borrowing loans	2,423,542	338,948	(164,380)	2,598,110	90,275
Capital lease obligations	1,199,058	141,513	(254,531)	1,086,040	228,681
Compensated absences	740,092	152,420	(136,133)	756,379	66,451
	<u>\$ 7,987,231</u>	<u>\$ 2,057,881</u>	<u>\$ (2,448,935)</u>	<u>\$ 7,596,177</u>	<u>\$ 590,407</u>

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 were advanced refunded during the year with the issuance of Series 2019 private placement refunding bonds.

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.

Series 2019 Private Placement Refunding Bonds

On December 18, 2019, the City issued \$1,425,000 in direct placement Series 2019 private placement refunding bonds to advance refund \$1,385,000 of the Series 2009 general obligation various purpose improvement bonds. The City completed the refunding to reduce its total debt service payments over the next 19 years by \$401,862 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$285,022. The refunded bonds pay an interest rate of 2.52% and mature on 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, 2019, the City has thirteen interest-free loans outstanding through the OPWC payable from governmental activities. The loans are payable in semi-annual installments of principal.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 12—LONG-TERM LIABILITIES – *continued*

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 general obligation bonds will be liquidated from the General, Capital Improvement, Home Depot TIF and Harrison Avenue TIF Funds. The OPWC loans will be liquidated from the General and Capital Improvement Funds.

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

Year Ending December 31,	<i>Governmental Activities</i>	
	Various Purpose and Refunding Series - 2015	
	Principal	Interest
2020	\$ 115,000	\$ 53,863
2021	115,000	51,563
2022	115,000	49,263
2023	125,000	46,675
2024	125,000	42,925
2025-2029	490,000	164,600
2030-2034	590,000	70,500
Total	\$ 1,675,000	\$ 479,389

Year Ending December 31,	<i>Governmental Activities Direct Placement and Direct Borrowing</i>		
	Private Placement Refunding Series 2019		OPWC*
	Principal	Interest	Principal
2020	\$ 90,000	\$ 34,214	\$ 90,275
2021	85,000	33,642	180,551
2022	90,000	31,500	180,550
2023	90,000	29,232	180,550
2024	95,000	26,964	180,551
2025-2029	515,000	97,272	831,893
2030-2034	460,000	33,264	588,322
2035-2039	-	-	279,832
2040	-	-	8,086
Total	\$ 1,425,000	\$ 286,088	\$ 2,520,610

* - *excludes 2019 OPWC Madison and Washington Avenue improvements loan, as the project is ongoing and the loan amortization have not been finalized.*

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 12—LONG-TERM LIABILITIES – *continued*

The following is a summary of changes during 2019 and balances for business-type activities' long-term liabilities of the City as of December 31, 2019.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
2010 Sanitary sewer improvements	\$ 4,245,000	\$ -	\$ (3,690,000)	\$ 555,000	\$ 180,000
Unamortized premiums	106,619	-	(92,935)	13,684	-
<i>Direct Placement:</i>					
2019 Private placement refunding	-	3,695,000	-	3,695,000	50,000
Revenue Bonds:					
2012 Sewer revenue refunding	11,015,000	-	(980,000)	10,035,000	995,000
Unamortized premiums	150,391	-	(15,300)	135,091	-
OPWC direct borrowing loans	1,051,590	-	(113,338)	938,252	56,669
ODWA direct borrowing loans	3,265,200	-	(321,468)	2,943,732	332,392
Capital lease obligations	42,628	-	(15,412)	27,216	16,021
Compensated absences	236,913	22,774	(21,969)	237,718	11,174
	<u>\$ 20,113,341</u>	<u>\$ 3,717,774</u>	<u>\$ (5,250,422)</u>	<u>\$ 18,580,693</u>	<u>\$ 1,641,256</u>

Series 2010 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. The bonds were partially advance refunded during the year with the issuance of Series 2019 private placement refunding bonds. The remaining bonds bear interest rates of 3.40% to 3.75% and fully mature on December 1, 2022.

Series 2012 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.

Series 2019 Private Placement Refunding Bonds

On December 18, 2019, the City issued \$3,695,000 in direct placement Series 2019 private placement refunding bonds to advance refund \$3,515,000 of the Series 2010 general obligation sanitary sewer improvement bonds. The City completed the refunding to reduce its total debt service payments over the next 16 years by \$875,344 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$695,316. The refunded bonds pay an interest rate of 2.571% and mature on December 1, 2034.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 \$1,307,981 and \$2,771,428, 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, 2019, 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, 2019, the City has outstanding borrowings of \$2,943,732. 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, 2019.

Compensated Absences

Compensated absences for business-type activities will be paid from the Sewer and Water Funds.

The general obligation and revenue bonds will be liquidated from the Sewer Fund. The OPWC loans will be liquidated from the Sewer and Storm Water Funds. The OWDA loans will be liquidated from the Water Fund.

Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2019 were:

Year Ending <u>December 31,</u>	<i>Business-Type Activities</i>			
	General Obligation Bonds		Revenue Refunding Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 180,000	\$ 199,595	\$ 995,000	\$ 308,381
2021	185,000	193,475	1,020,000	285,994
2022	190,000	186,538	1,045,000	260,494
2023	-	-	1,075,000	231,756
2024	-	-	1,105,000	199,506
2025-2029	-	-	4,795,000	423,800
2030-2034	-	-	-	-
2035-2035	-	-	-	-
Total	\$ 555,000	\$ 579,608	\$ 10,035,000	\$ 1,709,931

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 12—LONG-TERM LIABILITIES – continued

Year Ending December 31,	<i>Business-Type Activities Direct Placement and Direct Borrowing</i>					
	Private Placement Refunding Bonds		OWDA		OPWC	
	Principal	Interest	Principal	Interest	Principal	
2020	\$ 50,000	\$ 112,304	\$ 332,392	\$ 96,845	\$ 56,669	
2021	70,000	91,854	364,507	109,006	113,339	
2022	70,000	90,090	317,233	73,857	113,338	
2023	255,000	88,326	289,162	63,778	113,338	
2024	260,000	81,900	298,912	54,030	113,339	
2025-2029	1,395,000	308,322	1,341,526	120,568	428,229	
2030-2034	1,595,000	122,472	-	-	-	
Total	\$ 3,695,000	\$ 895,268	\$ 2,943,732	\$ 518,084	\$ 938,252	

Defeased Debt

The City had defeased general obligation bonds during the year by placing the proceeds of the new bonds into irrevocable trust accounts to provide for the debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the City's financial statements. At December 31, 2019, \$4,900,000 of defeased bonds remain outstanding.

NOTE 13—SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities:						
Sewer bond anticipation notes - 3.50%	10/30/2018	10/29/2019	\$ 2,700,000	\$ -	\$(2,700,000)	\$ -
Sewer bond anticipation notes - 3.00%	10/29/2019	10/28/2020	-	2,500,000	-	2,500,000
			\$ 2,700,000	\$ 2,500,000	\$(2,700,000)	\$ 2,500,000

On October 30, 2018, the City issued \$2,700,000 in Sewer bond anticipation notes for various sewer improvements. These notes had an interest rate of 3.50%. On October 29, 2019, the City issued \$2,500,000 in Sewer bond anticipation notes that provided funding to rollover the October 2018 bond anticipation notes. These notes bear an interest rate of 3.00% and mature on October 28, 2020.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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 five vehicles in 2019. 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 \$1,820,523, with a net book value of \$1,455,962, for the governmental activities and \$59,092, with a net book value of \$36,451, 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, 2019.

Year Ending December 31,	Governmental Activities	Business-Type Activities
2020	\$ 257,214	\$ 16,907
2021	218,599	9,705
2022	218,598	1,826
2023	129,330	-
2024	91,237	-
2025-2027	273,708	-
Total	1,188,686	28,438
Less: amount representing interest	(102,646)	(1,222)
Present value of net minimum lease payments	\$ 1,086,040	\$ 27,216

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

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
<i>Nonspendable:</i>					
Prepays	\$ 95,634	\$ 95,503	\$ -	\$ 26,981	\$ 218,118
Inventory	-	-	-	7,887	7,887
Advances	20,411	-	-	-	20,411
<i>Total Nonspendable</i>	<u>116,045</u>	<u>95,503</u>	<u>-</u>	<u>34,868</u>	<u>246,416</u>
<i>Restricted for:</i>					
Police operations	-	-	-	7,682	7,682
Fire operations	-	-	-	4,202	4,202
Senior Center operations	-	-	-	19,132	19,132
Recreational activities	-	-	-	610,637	610,637
Street and highway projects	-	-	-	177,133	177,133
Law enforcement and education	-	-	-	28,620	28,620
Infrastructure projects	-	-	-	490,705	490,705
Other purposes	-	-	-	19,661	19,661
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,357,772</u>	<u>1,357,772</u>
<i>Committed to</i>					
Severances	585,896	-	-	-	585,896
Capital projects	-	-	404,899	-	404,899
<i>Total Committed</i>	<u>585,896</u>	<u>-</u>	<u>404,899</u>	<u>-</u>	<u>990,795</u>
<i>Assigned to:</i>					
Police operations	2,113	-	-	-	2,113
Debt service	-	-	-	385,239	385,239
Recreational activities	85,112	-	-	-	85,112
Law enforcement capital	43,244	-	-	52,900	96,144
Parks and recreation	4,667	-	-	-	4,667
Building, planning and zoning	4,251	-	-	-	4,251
General government	6,216	-	-	-	6,216
Budget resource	6,639	-	-	-	6,639
<i>Total Assigned</i>	<u>152,242</u>	<u>-</u>	<u>-</u>	<u>438,139</u>	<u>590,381</u>
<i>Unassigned (Deficit)</i>	<u>926,040</u>	<u>(135,665)</u>	<u>-</u>	<u>(43)</u>	<u>790,332</u>
<i>Total Fund Balance</i>	<u>\$ 1,780,223</u>	<u>\$ (40,162)</u>	<u>\$ 404,899</u>	<u>\$ 1,830,736</u>	<u>\$ 3,975,696</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 15—FUND BALANCES – *continued*

At December 31, 2019, the following deficit fund balance was reported:

Fire Improvement	\$ 40,162
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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	\$ 101,983
Fire Improvement Fund	41,217
Capital Improvement Fund	98
Nomajor Governmental Funds	<u>59,075</u>
	<u>\$ 202,373</u>

NOTE 17—CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2019

NOTE 18—CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

During the year, the City implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*.

Statement No. 84 establishes criteria for identifying fiduciary activities for all state and local governments. This Statement also requires the presentation of a statement of fiduciary net position and a statement of changes in fiduciary net position.

Statement No. 88 requires disclosure on direct borrowings and direct placements. This Statement also refines debt for purposes of disclosures and requires additional essential information related to debt to be disclosed, including unused lines of credit, assets pledged for collateral and certain debt agreement terms. The requirements of this Statement have been incorporated into the City’s long-term obligations note disclosure.

The implementation of Statement No. 84 had the following effect on fund balances and net position as reported at December 31, 2018:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2018	\$ 1,138,593	\$ 1,539,566	\$ 2,940,965
Adjustments:			
GASB 84 reclassifications	88,712	20,000	108,712
Restated Fund Balance at December 31, 2018	\$ 1,227,305	\$ 1,559,566	\$ 3,049,677
		Governmental Activities	
Net Position at December 31, 2018		\$ (535,273)	
Adjustments:			
GASB 84 reclassifications		108,712	
Restated Net Position at December 31, 2018		\$ (426,561)	

NOTE 19—SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues and any recovery from emergency funding, either federal or state, cannot be estimated.

In October 2020, the City rolled over its sewer bond anticipation notes at \$2,500,000, with an interest rate of 2% and maturing on October 26, 2021.

Required Supplementary Information

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CITY OF HARRISON, OHIO

Required Supplementary Information

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

Ohio Public Employees Retirement System - Traditional Pension Plan

Last Six Years (1) (2)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.01149%	\$ 1,354,639	\$ 1,502,200	90.18%	86.36%
2015	0.01149%	1,385,943	1,408,850	98.37%	86.45%
2016	0.01152%	1,994,671	1,552,425	128.49%	81.08%
2017	0.01253%	2,845,214	1,692,225	168.13%	77.25%
2018	0.01313%	2,059,541	1,343,162	153.34%	84.66%
2019	0.01365%	3,739,650	1,798,529	207.93%	74.70%

(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.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

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 Six Years (1) (2)

	<u>City's Proportion of the Net Pension Liability</u>	<u>City's Proportionate Share of the Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.155605%	\$ 7,578,456	\$ 4,078,361	185.82%	73.00%
2015	0.155605%	8,060,993	3,198,414	252.03%	72.20%
2016	0.148139%	9,529,887	3,183,678	299.34%	66.77%
2017	0.160142%	10,143,234	3,624,913	279.82%	68.36%
2018	0.169570%	10,407,251	3,820,692	272.39%	70.91%
2019	0.168791%	13,777,807	3,977,501	346.39%	63.07%

(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 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, 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 Pension Contributions

Ohio Public Employees Retirement System - Traditional Pension Plan

Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	\$ 175,512	\$ (175,512)	\$ -	\$ 1,967,623	8.92%
2011	182,879	(182,879)	-	1,828,790	10.00%
2012	178,537	(178,537)	-	1,785,370	10.00%
2013	195,286	(195,286)	-	1,502,200	13.00%
2014	169,062	(169,062)	-	1,408,850	12.00%
2015	186,291	(186,291)	-	1,552,425	12.00%
2016	203,067	(203,067)	-	1,692,225	12.00%
2017	174,611	(174,611)	-	1,343,162	13.00%
2018	251,794	(251,794)	-	1,798,529	14.00%
2019	288,101	(288,101)	-	2,057,864	14.00%

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

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	\$ 469,877	\$ (469,877)	\$ -	\$ 3,370,710	13.94%
2011	474,381	(474,381)	-	3,352,516	14.15%
2012	492,870	(492,870)	-	3,382,773	14.57%
2013	696,584	(696,584)	-	4,078,361	17.08%
2014	651,197	(651,197)	-	3,198,414	20.36%
2015	639,601	(639,601)	-	3,183,678	20.09%
2016	728,245	(728,245)	-	3,624,913	20.09%
2017	767,577	(767,577)	-	3,820,692	20.09%
2018	799,080	(799,080)	-	3,977,501	20.09%
2019	893,248	(893,248)	-	4,446,232	20.09%

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City's Proportionate Share of the Net OPEB Liability
 Ohio Public Employees Retirement System
 Last Three Years (1) (2)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.014743%	\$ 1,489,124	\$ 1,692,225	88.00%	54.05%
2018	0.015207%	1,651,339	1,343,162	122.94%	54.14%
2019	0.015686%	2,045,097	1,798,529	113.71%	46.33%

(1) Information prior to 2017 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 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund
 Last Three Years (1) (2)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.160142%	\$ 7,601,581	\$ 3,624,913	209.70%	15.96%
2018	0.169570%	9,607,576	3,820,692	251.46%	14.13%
2019	0.168791%	1,537,101	3,977,501	38.64%	46.57%

(1) Information prior to 2017 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 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

Change in benefit terms. Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into individual health reimbursements accounts that retiree will use to be reimbursed for health care expenses.

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City OPEB Contributions
 Ohio Public Employees Retirement System
 Last Nine Years (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 73,152	\$ (73,152)	\$ -	\$ 1,828,790	4.0%
2012	71,415	(71,415)	-	1,785,370	4.0%
2013	15,022	(15,022)	-	1,502,200	1.0%
2014	28,177	(28,177)	-	1,408,850	2.0%
2015	31,049	(31,049)	-	1,552,425	2.0%
2016	33,845	(33,845)	-	1,692,225	2.0%
2017	16,560	(16,560)	-	1,343,162	1.2%
2018 (2)	9,881	(9,881)	-	1,798,529	0.5%
2019	11,025	(11,025)	-	2,057,864	0.5%

- (1) Information prior to 2011 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.
 (2) Information for 2018 was updated based on revised information.

CITY OF HARRISON, OHIO
 Required Supplementary Information
 Schedule of City OPEB Contributions
 Ohio Police and Fire Pension Fund
 Last Nine Years (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 213,787	\$ (213,787)	\$ -	\$ 3,352,516	6.4%
2012	221,667	(221,667)	-	3,382,773	6.6%
2013	145,541	(145,541)	-	4,078,361	3.6%
2014	15,208	(15,208)	-	3,198,414	0.5%
2015	15,349	(15,349)	-	3,183,678	0.5%
2016	17,244	(17,244)	-	3,624,913	0.5%
2017	17,949	(17,949)	-	3,820,692	0.5%
2018	18,598	(18,598)	-	3,977,501	0.5%
2019	20,811	(20,811)	-	4,446,232	0.5%

(1) Information prior to 2011 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

Combining Financial Statements And Individual Fund Schedules

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CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues				
Property and other taxes	\$ 1,380,679	\$ 1,380,679	1,306,828	\$ (73,851)
Income taxes	4,462,694	4,462,694	4,126,408	(336,286)
Intergovernmental	425,726	425,726	582,069	156,343
Charges for services	500	500	3,291	2,791
Fines, costs and forfeitures	200,000	200,000	141,494	(58,506)
Licenses, permits and inspections	323,200	323,200	490,376	167,176
Interest	1,740	1,740	17,523	15,783
Contributions	100	100	1,350	1,250
Other	577,668	577,668	543,063	(34,605)
Total revenues	<u>7,372,307</u>	<u>7,372,307</u>	<u>7,212,402</u>	<u>(159,905)</u>
Expenditures				
Current:				
General government				
Planning commission:				
Personal Services	1,800	1,800	1,800	-
Operations/maintenance	700	700	-	700
Total planning commission	<u>2,500</u>	<u>2,500</u>	<u>1,800</u>	<u>700</u>
Information technology:				
Operations/maintenance	<u>71,500</u>	<u>109,146</u>	<u>109,146</u>	<u>-</u>
Income tax:				
Personal services	780	120	28	92
Contractual services	145,550	133,775	119,235	14,540
Operations/maintenance	2,417	575	504	71
Capital improvements	<u>15,000</u>	<u>800</u>	<u>800</u>	<u>-</u>
Total income tax	<u>163,747</u>	<u>135,270</u>	<u>120,567</u>	<u>14,703</u>
Jobs creation:				
Operations/maintenance	<u>200,000</u>	<u>190,831</u>	<u>59,913</u>	<u>130,918</u>
Mayor:				
Personal services	38,696	40,731	40,728	3
Contractual services	374	74	65	9
Operations/maintenance	200	-	-	-
Capital improvements	<u>600</u>	<u>726</u>	<u>726</u>	<u>-</u>
Total mayor	<u>39,870</u>	<u>41,531</u>	<u>41,519</u>	<u>12</u>
Council:				
Personal services	77,175	80,573	80,073	500
Contractual services	48,000	45,676	43,478	2,198
Operations/maintenance	1,525	390	390	-
Capital improvements	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total council	<u>\$ 127,700</u>	<u>\$ 126,639</u>	<u>\$ 123,941</u>	<u>\$ 2,698</u>

continued

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund - *continued*

Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Expenditures (continued)				
Current (continued):				
Economic development:				
Personal services	\$ 121,238	\$ 129,894	\$ 129,865	\$ 29
Contractual services	62,350	52,442	44,958	7,484
Operations/maintenance	4,176	4,967	4,892	75
Capital improvements	500	700	700	-
Total economic development	<u>188,264</u>	<u>188,003</u>	<u>180,415</u>	<u>7,588</u>
Finance:				
Personal services	264,290	258,833	258,833	-
Contractual services	69,526	51,076	50,713	363
Operations/maintenance	12,401	56,618	56,164	454
Capital improvements	3,000	1,385	1,385	-
Total finance	<u>349,217</u>	<u>367,912</u>	<u>367,095</u>	<u>817</u>
Custodian:				
Personal services	70,513	64,269	64,160	109
Contractual services	-	1,450	1,450	-
Operations/maintenance	5,048	3,346	3,346	-
Total custodian	<u>75,561</u>	<u>69,065</u>	<u>68,956</u>	<u>109</u>
Civil service:				
Personal services	2,400	2,400	2,400	-
Contractual services	6,200	3,992	3,992	-
Operations/maintenance	250	67	67	-
Total civil service	<u>8,850</u>	<u>6,459</u>	<u>6,459</u>	<u>-</u>
Law director:				
Personal services	99,775	101,551	101,415	136
Contractual services	33,517	30,110	28,381	1,729
Total law director	<u>133,292</u>	<u>131,661</u>	<u>129,796</u>	<u>1,865</u>
Magistrate:				
Personal services	90,283	91,360	91,360	-
Contractual services	99,154	5,161	4,962	199
Operations/maintenance	550	350	350	-
Total magistrate	<u>189,987</u>	<u>96,871</u>	<u>96,672</u>	<u>199</u>
General government:				
Contractual services	<u>178,950</u>	<u>178,950</u>	<u>147,111</u>	<u>31,839</u>
Total general government	<u>\$ 1,729,438</u>	<u>\$ 1,644,838</u>	<u>\$ 1,453,390</u>	<u>\$ 191,448</u>

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund - *continued*

Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Expenditures (continued)				
Current (continued):				
Security of persons and property				
Law enforcement:				
Personal services	\$ 2,649,461	\$ 2,690,086	\$ 2,649,695	\$ 40,391
Contractual services	260,312	188,771	178,960	9,811
Operations/maintenance	77,969	93,482	93,093	389
Capital improvements	35,689	51,092	49,955	1,137
Total security of persons and property	<u>3,023,431</u>	<u>3,023,431</u>	<u>2,971,703</u>	<u>51,728</u>
Community and economic development				
Building department:				
Personal services	260,640	276,915	276,592	323
Contractual services	52,309	75,608	54,084	21,524
Operations/maintenance	3,800	3,800	3,331	469
Capital improvements	500	500	-	500
Total building department	<u>317,249</u>	<u>356,823</u>	<u>334,007</u>	<u>22,816</u>
Zoning department:				
Personal services	3,000	3,000	3,000	-
Contractual services	2,000	3,075	3,075	-
Operations/maintenance	2,784	4,272	2,739	1,533
Total zoning department	<u>7,784</u>	<u>10,347</u>	<u>8,814</u>	<u>1,533</u>
Total community and economic development	<u>325,033</u>	<u>367,170</u>	<u>342,821</u>	<u>24,349</u>
Leisure time activity				
Parks and recreation:				
Personal services	25,654	25,654	23,635	2,019
Contractual services	49,182	49,873	39,915	9,958
Operations/maintenance	17,852	17,162	12,874	4,288
Capital improvements	4,000	4,000	3,610	390
Total parks and recreation	<u>96,688</u>	<u>96,689</u>	<u>80,034</u>	<u>16,655</u>
Total leisure time activity	<u>\$ 96,688</u>	<u>\$ 96,689</u>	<u>\$ 80,034</u>	<u>\$ 16,655</u>

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund - *concluded*

Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
<i>Expenditures</i> (continued)				
Debt service	\$ 357,079	\$ 357,079	\$ 356,679	\$ 400
Total expenditures	<u>5,531,669</u>	<u>5,489,207</u>	<u>5,204,627</u>	<u>284,580</u>
Excess of revenues over expenditures	<u>1,840,638</u>	<u>1,883,100</u>	<u>2,007,775</u>	<u>124,675</u>
<i>Other financing uses</i>				
Transfers out	<u>(2,036,863)</u>	<u>(2,036,863)</u>	<u>(2,010,064)</u>	<u>26,799</u>
Net change in fund balance	(196,225)	(153,763)	(2,289)	<u>\$ 151,474</u>
Fund balance, beginning of year	416,929	416,929	416,929	
Prior year encumbrances appropriated	<u>69,922</u>	<u>69,922</u>	<u>69,922</u>	
Fund balance, end of year	<u>\$ 290,626</u>	<u>\$ 333,088</u>	<u>\$ 484,562</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
 Capital Improvement Fund - Major Capital Projects Fund
 Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Property and other taxes	\$ 110,000	\$ 115,938	\$ 5,938
Intergovernmental	781,600	-	(781,600)
Total revenues	<u>891,600</u>	<u>115,938</u>	<u>(775,662)</u>
Expenditures			
Current:			
General government:			
Contractual services	84,412	21,706	62,706
Capital improvement	435,787	67,978	367,809
Total general government	<u>520,199</u>	<u>89,684</u>	<u>430,515</u>
Debt service	<u>83,218</u>	<u>83,218</u>	<u>-</u>
Total expenditures	<u>603,417</u>	<u>172,902</u>	<u>430,515</u>
Excess (deficiency) of revenues over (under) expenditures	288,183	(56,964)	(345,147)
Other financing sources			
OPWC loans issued	<u>360,600</u>	<u>59,330</u>	<u>(301,270)</u>
Net change in fund balance	648,783	2,366	<u>\$ (646,417)</u>
Fund balance, beginning of year	282,843	282,843	
Prior year encumbrances appropriated	<u>19,516</u>	<u>19,516</u>	
Fund balance, end of year	<u>\$ 951,142</u>	<u>\$ 304,725</u>	

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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.

Hamilton County Revolving Loan

This fund accounts for revolving loan funds with local businesses administered by Hamilton County and City management.

Project Lifesaver

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

Police Pension

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

Drug Law Enforcement

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

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

Enforcement and Education

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

FEMA

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

Recreation Tax Receipts

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

Indigent Interlock

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

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. In accordance with GASB Statement No. 54, this fund does not meet 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. In accordance with GASB Statement No. 54, this fund does not meet the definition to be reported as a Special Revenue Fund and has been included with the General Fund in the governmental fund financial statements. Therefore, the City has only presented the budgetary schedule for this fund based upon its legally-adopted budget.

Recreation Activity Receipts

This fund accounts for the charges for services for recreational activities in the City. In accordance with GASB Statement No. 54, this fund does not meet 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)

SPECIAL REVENUE FUNDS (Continued)

Separation Benefits Fund

This fund receives transfers from other City funds to build reserves for future severance payouts. In accordance with GASB Statement No. 54, this fund does not meet the definition to be reported as a Special Revenue Fund and has been included with the General Fund in the governmental fund financial statements. Therefore, the City has only presented the budgetary schedule for this fund based upon its legally-adopted budget.

DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

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.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS (Continued)

Police Capital Improvement

This fund accounts for transfers from the general and police-related funds for police department-related capital activity.

Fire Capital Improvement

This fund accounts for funding from Harrison Township Trustees and the general fund for fire department-related capital activity.

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CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Assets</i>				
Equity in pooled cash and investments	\$ 725,118	\$ 408,467	\$ 520,377	\$ 1,653,962
Cash in segregated accounts	16,582	-	-	16,582
Receivables:				
Property and other taxes	74,304	-	-	74,304
Payment in lieu of taxes	-	-	575,331	575,331
Accounts	5,187	-	-	5,187
Intergovernmental	384,713	-	-	384,713
Prepaid items	26,981	-	-	26,981
Materials and supplies inventory	7,887	-	-	7,887
Total assets	<u>\$ 1,240,772</u>	<u>\$ 408,467</u>	<u>\$ 1,095,708</u>	<u>\$ 2,744,947</u>
<i>Liabilities, Deferred Inflows of Resources and Fund Balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 1,861	\$ -	\$ -	\$ 1,861
Accrued salaries	32,534	-	-	32,534
Intergovernmental payable	11,578	-	-	11,578
Advances from other funds	20,411	-	-	20,411
Total liabilities	<u>66,384</u>	<u>-</u>	<u>-</u>	<u>66,384</u>
<i>Deferred Inflows of Resources</i>				
Property taxes and payment in lieu of taxes	71,671	-	575,331	647,002
Unavailable revenue	200,825	-	-	200,825
Total deferred inflows of resources	<u>272,496</u>	<u>-</u>	<u>575,331</u>	<u>847,827</u>
<i>Fund balances</i>				
Nonspendable	34,868	-	-	34,868
Restricted	867,067	23,228	467,477	1,357,772
Assigned	-	385,239	52,900	438,139
Unassigned	(43)	-	-	(43)
Total fund balances	<u>901,892</u>	<u>408,467</u>	<u>520,377</u>	<u>1,830,736</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,240,772</u>	<u>\$ 408,467</u>	<u>\$ 1,095,708</u>	<u>\$ 2,744,947</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and other taxes	\$ 106,622	\$ -	\$ -	\$ 106,622
Payments in lieu of taxes	-	-	645,935	645,935
Intergovernmental	851,689	-	-	851,689
Charges for services	7,010	-	-	7,010
Fines, costs and forfeitures	10,252	-	-	10,252
Interest	3,506	-	-	3,506
Contributions	26,121	-	500	26,621
Other	540	-	-	540
Total revenues	<u>1,005,740</u>	<u>-</u>	<u>646,435</u>	<u>1,652,175</u>
Expenditures				
Current:				
Security of persons and property	81,026	-	-	81,026
Public health services	217,270	-	-	217,270
Leisure time activity	130,555	-	-	130,555
Community and economic development	24,105	-	-	24,105
Transportation	809,344	-	-	809,344
General government	-	-	294,623	294,623
Capital outlay	2,240	-	62,910	65,150
Debt service:				
Principal retirement	24,489	-	125,000	149,489
Interest and fiscal charges	955	-	115,650	116,605
Issuance costs	-	-	31,004	31,004
Total expenditures	<u>1,289,984</u>	<u>-</u>	<u>629,187</u>	<u>1,919,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(284,244)</u>	<u>-</u>	<u>17,248</u>	<u>(266,996)</u>
Other financing sources (uses)				
Transfers in	572,162	-	60,000	632,162
Transfers out	(125,000)	-	-	(125,000)
Issuance of refunding bonds	-	-	1,425,000	1,425,000
Payment to refunding escrow agent	-	-	(1,393,996)	(1,393,996)
Total other financing sources (uses)	<u>447,162</u>	<u>-</u>	<u>91,004</u>	<u>538,166</u>
Net change in fund balance	162,918	-	108,252	271,170
Fund balance at beginning of year	<u>738,974</u>	<u>408,467</u>	<u>412,125</u>	<u>1,559,566</u>
Fund balance at end of year	<u>\$ 901,892</u>	<u>\$ 408,467</u>	<u>\$ 520,377</u>	<u>\$ 1,830,736</u>

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Street Maintenance and Repair	State Highway Improvements	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Assets:						
Equity in pooled cash and investments	\$ 8,970	\$ 34,621	\$ 4,172	\$ 4,202	\$ 5,674	\$ 580
Cash in segregated accounts	-	-	-	-	16,582	-
Receivables:						
Property and other taxes	-	-	-	-	-	-
Accounts	-	-	-	-	5,187	-
Intergovernmental	352,805	27,546	-	-	-	-
Prepaid items	18,658	-	2,210	-	6,113	-
Materials and supplies inventory	7,887	-	-	-	-	-
Total assets	<u>\$ 388,320</u>	<u>\$ 62,167</u>	<u>\$ 6,382</u>	<u>\$ 4,202</u>	<u>\$ 33,556</u>	<u>\$ 580</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	\$ 801	\$ 310	\$ 451	\$ -	\$ -	\$ -
Accrued salaries	23,075	-	2,813	-	6,646	-
Intergovernmental payable	8,382	-	951	-	2,245	-
Advances from other funds	-	20,411	-	-	-	-
Total liabilities	<u>32,258</u>	<u>20,721</u>	<u>4,215</u>	<u>-</u>	<u>8,891</u>	<u>-</u>
Deferred Inflows of Resources:						
Property taxes and payment in lieu of taxes	-	-	-	-	-	-
Unavailable revenue	179,293	14,537	-	-	-	-
Total deferred inflows of resources	<u>179,293</u>	<u>14,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable	26,545	-	2,210	-	6,113	-
Restricted	150,224	26,909	-	4,202	18,552	580
Unassigned	-	-	(43)	-	-	-
Total fund balances (deficit)	<u>176,769</u>	<u>26,909</u>	<u>2,167</u>	<u>4,202</u>	<u>24,665</u>	<u>580</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 388,320</u>	<u>\$ 62,167</u>	<u>\$ 6,382</u>	<u>\$ 4,202</u>	<u>\$ 33,556</u>	<u>\$ 580</u>

Court Computer	HAMILTON Co. Revolving Loan	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Recreation Tax Receipts	Indigent Interlock	TOTAL
\$ 14,729	\$ 15,895	\$ 943	\$ 6,739	\$ 3,170	\$ 6,809	\$ 2,811	\$ 3,766	\$ 610,637	\$ 1,400	\$ 725,118
-	-	-	-	-	-	-	-	-	-	16,582
-	-	-	74,304	-	-	-	-	-	-	74,304
-	-	-	-	-	-	-	-	-	-	5,187
-	-	-	4,362	-	-	-	-	-	-	384,713
-	-	-	-	-	-	-	-	-	-	26,981
-	-	-	-	-	-	-	-	-	-	7,887
<u>\$ 14,729</u>	<u>\$ 15,895</u>	<u>\$ 943</u>	<u>\$ 85,405</u>	<u>\$ 3,170</u>	<u>\$ 6,809</u>	<u>\$ 2,811</u>	<u>\$ 3,766</u>	<u>\$ 610,637</u>	<u>\$ 1,400</u>	<u>\$ 1,240,772</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299	\$ -	\$ -	\$ -	\$ -	\$ 1,861
-	-	-	-	-	-	-	-	-	-	32,534
-	-	-	-	-	-	-	-	-	-	11,578
-	-	-	-	-	-	-	-	-	-	20,411
-	-	-	-	-	299	-	-	-	-	66,384
-	-	-	71,671	-	-	-	-	-	-	71,671
-	-	-	6,995	-	-	-	-	-	-	200,825
-	-	-	78,666	-	-	-	-	-	-	272,496
-	-	-	-	-	-	-	-	-	-	34,868
14,729	15,895	943	6,739	3,170	6,510	2,811	3,766	610,637	1,400	867,067
-	-	-	-	-	-	-	-	-	-	(43)
<u>14,729</u>	<u>15,895</u>	<u>943</u>	<u>6,739</u>	<u>3,170</u>	<u>6,510</u>	<u>2,811</u>	<u>3,766</u>	<u>610,637</u>	<u>1,400</u>	<u>901,892</u>
<u>\$ 14,729</u>	<u>\$ 15,895</u>	<u>\$ 943</u>	<u>\$ 85,405</u>	<u>\$ 3,170</u>	<u>\$ 6,809</u>	<u>\$ 2,811</u>	<u>\$ 3,766</u>	<u>\$ 610,637</u>	<u>\$ 1,400</u>	<u>\$ 1,240,772</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2019

	Street Maintenance and Repair	State Highway Improvements	Community Center	Fire Capital Reserve	Senior Center	Passport Account	Court Computer
Revenues							
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	598,283	42,310	43,836	-	138,784	-	-
Charges for services	7,010	-	-	-	-	-	-
Fines, costs and forfeitures	-	-	-	-	-	-	6,511
Interest	-	-	3,506	-	-	-	-
Contributions	-	-	-	-	25,108	-	-
Other	40	-	-	-	500	-	-
Total revenues	<u>605,333</u>	<u>42,310</u>	<u>47,342</u>	<u>-</u>	<u>164,392</u>	<u>-</u>	<u>6,511</u>
Expenditures							
Current:							
Security of persons and property	-	-	-	-	-	-	-
Public health services	-	-	-	-	217,270	-	-
Leisure time activity	-	-	130,555	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Transportation	772,559	36,785	-	-	-	-	-
Capital outlay	-	-	2,240	-	-	-	-
Debt service							
Principal retirement	24,489	-	-	-	-	-	-
Interest and fiscal charges	955	-	-	-	-	-	-
Total expenditures	<u>798,003</u>	<u>36,785</u>	<u>132,795</u>	<u>-</u>	<u>217,270</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,670)</u>	<u>5,525</u>	<u>(85,453)</u>	<u>-</u>	<u>(52,878)</u>	<u>-</u>	<u>6,511</u>
Other financing sources (uses)							
Transfers in	336,262	-	143,188	-	92,712	-	-
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>286,262</u>	<u>-</u>	<u>93,188</u>	<u>-</u>	<u>67,712</u>	<u>-</u>	<u>-</u>
Net change in fund balance	93,592	5,525	7,735	-	14,834	-	6,511
Fund balance (deficit) at beginning of year	<u>83,177</u>	<u>21,384</u>	<u>(5,568)</u>	<u>4,202</u>	<u>9,831</u>	<u>580</u>	<u>8,218</u>
Fund balance (deficit) at end of year	<u>\$ 176,769</u>	<u>\$ 26,909</u>	<u>\$ 2,167</u>	<u>\$ 4,202</u>	<u>\$ 24,665</u>	<u>\$ 580</u>	<u>\$ 14,729</u>

Hamilton Co. Revolving Loan	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Recreation Tax Receipts	Indigent Interlock	TOTAL
\$ -	\$ -	\$ 72,682	\$ -	\$ -	\$ -	\$ -	\$ 33,940	\$ -	\$ 106,622
20,000	-	8,476	-	-	-	-	-	-	851,689
-	-	-	-	-	-	-	-	-	7,010
-	-	-	2,441	1,275	25	-	-	-	10,252
-	-	-	-	-	-	-	-	-	3,506
-	1,013	-	-	-	-	-	-	-	26,121
-	-	-	-	-	-	-	-	-	540
<u>20,000</u>	<u>1,013</u>	<u>81,158</u>	<u>2,441</u>	<u>1,275</u>	<u>25</u>	<u>-</u>	<u>33,940</u>	<u>-</u>	<u>1,005,740</u>
-	1,818	77,971	938	299	-	-	-	-	81,026
-	-	-	-	-	-	-	-	-	217,270
-	-	-	-	-	-	-	-	-	130,555
24,105	-	-	-	-	-	-	-	-	24,105
-	-	-	-	-	-	-	-	-	809,344
-	-	-	-	-	-	-	-	-	2,240
-	-	-	-	-	-	-	-	-	24,489
-	-	-	-	-	-	-	-	-	955
<u>24,105</u>	<u>1,818</u>	<u>77,971</u>	<u>938</u>	<u>299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,289,984</u>
<u>(4,105)</u>	<u>(805)</u>	<u>3,187</u>	<u>1,503</u>	<u>976</u>	<u>25</u>	<u>-</u>	<u>33,940</u>	<u>-</u>	<u>(284,244)</u>
-	-	-	-	-	-	-	-	-	572,162
-	-	-	-	-	-	-	-	-	(125,000)
-	-	-	-	-	-	-	-	-	447,162
(4,105)	(805)	3,187	1,503	976	25	-	33,940	-	162,918
<u>20,000</u>	<u>1,748</u>	<u>3,552</u>	<u>1,667</u>	<u>5,534</u>	<u>2,786</u>	<u>3,766</u>	<u>576,697</u>	<u>1,400</u>	<u>738,974</u>
<u>\$ 15,895</u>	<u>\$ 943</u>	<u>\$ 6,739</u>	<u>\$ 3,170</u>	<u>\$ 6,510</u>	<u>\$ 2,811</u>	<u>\$ 3,766</u>	<u>\$ 610,637</u>	<u>\$ 1,400</u>	<u>\$ 901,892</u>

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2019

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

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Nonmajor Debt Service Funds

Year Ended December 31, 2019

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

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	Police Capital Improvement	Fire Capital Improvement	TOTAL
Assets							
Equity in pooled cash and investments	\$ 169,194	\$ 169,647	\$ 125,649	\$ 2,987	\$ 35,810	\$ 17,090	\$ 520,377
Receivables:							
Payment in lieu of taxes	238,166	298,553	38,612	-	-	-	575,331
Total assets	<u>\$ 407,360</u>	<u>\$ 468,200</u>	<u>\$ 164,261</u>	<u>\$ 2,987</u>	<u>\$ 35,810</u>	<u>\$ 17,090</u>	<u>\$ 1,095,708</u>
Deferred Inflows of Resources and Fund Balances							
Deferred Inflows of Resources							
Property taxes and payment in lieu of taxes	<u>\$ 238,166</u>	<u>\$ 298,553</u>	<u>\$ 38,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,331</u>
Fund Balances							
Restricted	169,194	169,647	125,649	2,987	-	-	467,477
Assigned	-	-	-	-	35,810	17,090	52,900
Total fund balances	<u>169,194</u>	<u>169,647</u>	<u>125,649</u>	<u>2,987</u>	<u>35,810</u>	<u>17,090</u>	<u>520,377</u>
Total deferred inflows of resources and fund balances	<u>\$ 407,360</u>	<u>\$ 468,200</u>	<u>\$ 164,261</u>	<u>\$ 2,987</u>	<u>\$ 35,810</u>	<u>\$ 17,090</u>	<u>\$ 1,095,708</u>

CITY OF HARRISON, OHIO
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 Year Ended December 31, 2019

	Home Depot TIF	Harrison Avenue TIF	CTS TIF	Street and Safety Construction	Police Capital Improvement	Fire Capital Improvement	TOTAL
Revenues							
Payments in lieu of taxes	\$ 243,856	\$ 357,710	\$ 44,369	\$ -	\$ -	\$ -	\$ 645,935
Contributions	-	-	-	-	500	-	500
Total revenues	<u>243,856</u>	<u>357,710</u>	<u>44,369</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>646,435</u>
Expenditures							
Current:							
General government	111,323	163,445	19,855	-	-	-	294,623
Capital outlay	-	-	-	-	-	62,910	62,910
Debt service							
Principal retirement	65,000	60,000	-	-	-	-	125,000
Interest and fiscal charges	43,000	72,650	-	-	-	-	115,650
Issuance costs	-	31,004	-	-	-	-	31,004
Total expenditures	<u>219,323</u>	<u>327,099</u>	<u>19,855</u>	<u>-</u>	<u>-</u>	<u>62,910</u>	<u>629,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,533</u>	<u>30,611</u>	<u>24,514</u>	<u>-</u>	<u>500</u>	<u>(62,910)</u>	<u>17,248</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	20,000	40,000	60,000
Issuance of refunding bonds	-	1,425,000	-	-	-	-	1,425,000
Payment to refunding escrow agent	-	(1,393,996)	-	-	-	-	(1,393,996)
Total other financing sources (uses)	<u>-</u>	<u>31,004</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>40,000</u>	<u>91,004</u>
Net change in fund balance	24,533	61,615	24,514	-	20,500	(22,910)	108,252
Fund balance at beginning of year	<u>144,661</u>	<u>108,032</u>	<u>101,135</u>	<u>2,987</u>	<u>15,310</u>	<u>40,000</u>	<u>412,125</u>
Fund balance at end of year	<u>\$ 169,194</u>	<u>\$ 169,647</u>	<u>\$ 125,649</u>	<u>\$ 2,987</u>	<u>\$ 35,810</u>	<u>\$ 17,090</u>	<u>\$ 520,377</u>

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 Street Maintenance and Repair - Nonmajor Special Revenue Fund
 Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Intergovernmental	\$ 447,000	\$ 501,574	\$ 54,574
Charges for services	13,000	7,010	(5,990)
Other	12,523	8,766	(3,757)
Total revenues	<u>472,523</u>	<u>517,350</u>	<u>44,827</u>
Expenditures			
Current:			
Transportation			
Personal services	671,783	671,697	86
Contractual services	74,383	65,347	9,036
Operations/maintenance	96,902	88,340	8,562
Capital improvements	14,472	14,472	-
Total expenditures	<u>857,540</u>	<u>839,856</u>	<u>17,684</u>
Deficiency of revenues under expenditures	<u>(385,017)</u>	<u>(322,506)</u>	<u>62,511</u>
Other financing sources (uses)			
Transfers in	413,247	336,262	(76,985)
Transfers out	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>363,247</u>	<u>286,262</u>	<u>(76,985)</u>
Net change in fund balance	(21,770)	(36,244)	<u>\$ (14,474)</u>
Fund balance, beginning of year	14,473	14,473	
Prior year encumbrances appropriated	21,771	21,771	
Fund balance, end of year	<u>\$ 14,474</u>	<u>\$ -</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
State Highway Improvements - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Intergovernmental	\$ 32,000	\$ 35,015	\$ 3,015
<i>Expenditures</i>			
Current:			
Transportation			
Operations/maintenance	<u>57,988</u>	<u>41,228</u>	<u>16,760</u>
Net change in fund balance	(25,988)	(6,213)	<u>\$ 19,775</u>
Fund balance, beginning of year	35,509	35,509	
Prior year encumbrances appropriated	<u>3,488</u>	<u>3,488</u>	
Fund balance, end of year	<u>\$ 13,009</u>	<u>\$ 32,784</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 Community Center - Nonmajor Special Revenue Fund
 Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Intergovernmental	\$ 68,645	\$ 43,836	\$ (24,809)
Interest	-	3,506	3,506
Total revenues	<u>68,645</u>	<u>47,342</u>	<u>(21,303)</u>
Expenditures			
Current:			
Leisure time activity			
Personal services	95,077	71,783	23,294
Contractual services	68,165	62,125	6,040
Operations/maintenance	6,219	4,678	1,541
Capital improvements	2,600	2,240	360
Total expenditures	<u>172,061</u>	<u>140,826</u>	<u>31,235</u>
Deficiency of revenues under expenditures	<u>(103,416)</u>	<u>(93,484)</u>	<u>9,932</u>
Other financing sources (uses)			
Transfers in	153,120	143,188	9,932
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	-
Total other financing sources (uses)	<u>103,120</u>	<u>93,188</u>	<u>9,932</u>
Net change in fund balance	(296)	(296)	<u>\$ 19,864</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>296</u>	<u>296</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Capital Reserve - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 Senior Center - Nonmajor Special Revenue Fund
 Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Intergovernmental	\$ 173,938	\$ 138,523	\$ (35,415)
Contributions	20,000	21,399	1,399
Other	3,549	4,093	544
Total revenues	<u>197,487</u>	<u>164,015</u>	<u>(33,472)</u>
Expenditures			
Current:			
Public health services			
Personal services	186,526	188,679	(2,153)
Contractual services	47,925	38,394	9,531
Operations/maintenance	720	5,608	(4,888)
Capital improvements	2,635	-	2,635
Total expenditures	<u>237,806</u>	<u>232,681</u>	<u>5,125</u>
Deficiency of revenues under expenditures	<u>(40,319)</u>	<u>(68,666)</u>	<u>(28,347)</u>
Other financing sources (uses)			
Transfers in	68,631	92,712	24,081
Transfers out	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>43,631</u>	<u>67,712</u>	<u>24,081</u>
Net change in fund balance	3,312	(954)	<u>\$ (4,266)</u>
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	954	954	
Fund balance, end of year	<u>\$ 4,266</u>	<u>\$ -</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Passport Account - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Expenditures</i>			
Current:			
Public health services			
Operations/maintenance	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	(6,000)	-	<u>\$ 6,000</u>
Fund balance, beginning of year	<u>\$ 580</u>	<u>\$ 580</u>	
Fund balance, end of year	<u>\$ (5,420)</u>	<u>\$ 580</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Court Computer - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Fines, costs and forfeitures	\$ 6,180	\$ 6,511	\$ 331
Net change in fund balance	6,180	6,511	<u>\$ 331</u>
Fund balance, beginning of year	<u>8,218</u>	<u>8,218</u>	
Fund balance, end of year	<u>\$ 14,398</u>	<u>\$ 14,729</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

Hamilton County Revolving Loan - Nonmajor Special Revenue Fund

Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Intergovernmental	\$ -	\$ 20,000	\$ 20,000
<i>Expenditures</i>			
Current:			
Community and economic development			
Contractual services	24,105	24,105	-
Total expenditures	<u>24,105</u>	<u>24,105</u>	<u>-</u>
Net change in fund balance	(24,105)	(4,105)	<u>\$ 20,000</u>
Fund balance, beginning of year	20,000	20,000	
Fund balance, end of year	<u>\$ (4,105)</u>	<u>\$ 15,895</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Project Lifesaver - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Contributions	\$ 600	\$ 1,013	\$ 413
<i>Expenditures</i>			
Current:			
Security of persons and property			
Operations/maintenance	<u>2,000</u>	<u>1,818</u>	<u>182</u>
Net change in fund balance	(1,400)	(805)	<u>\$ 595</u>
Fund balance, beginning of year	<u>1,748</u>	<u>1,748</u>	
Fund balance, end of year	<u>\$ 348</u>	<u>\$ 943</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Police Pension - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Property and other taxes	\$ 72,219	\$ 72,682	\$ 463
Intergovernmental	7,987	8,476	489
Total revenues	<u>80,206</u>	<u>81,158</u>	<u>952</u>
Expenditures			
Current:			
Security of persons and property			
Personal services	77,099	77,099	-
Operations/maintenance	872	872	-
Total expenditures	<u>77,971</u>	<u>77,971</u>	-
Net change in fund balance	2,235	3,187	<u>\$ 952</u>
Fund balance, beginning of year	<u>3,552</u>	<u>3,552</u>	
Fund balance, end of year	<u>\$ 5,787</u>	<u>\$ 6,739</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Drug Law Enforcement - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Fines, costs and forfeitures	\$ 3,500	\$ 2,441	\$ (1,059)
<i>Expenditures</i>			
Current:			
Security of persons and property			
Operations/maintenance	<u>1,500</u>	<u>938</u>	<u>562</u>
Net change in fund balance	2,000	1,503	<u>\$ (497)</u>
Fund balance, beginning of year	<u>1,667</u>	<u>1,667</u>	
Fund balance, end of year	<u>\$ 3,667</u>	<u>\$ 3,170</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Law Enforcement Trust - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Fines, costs and forfeitures	\$ 1,000	\$ 1,275	\$ 275
Total revenues	<u>1,000</u>	<u>1,275</u>	<u>275</u>
<i>Expenditures</i>			
Current:			
Security of persons and property			
Operations/maintenance	<u>500</u>	<u>299</u>	<u>201</u>
Net change in fund balance	500	976	<u>\$ 476</u>
Fund balance, beginning of year	<u>5,534</u>	<u>5,534</u>	
Fund balance, end of year	<u>\$ 6,034</u>	<u>\$ 6,510</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Enforcement and Education - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Fines, costs and forfeitures	\$ 25	\$ 25	\$ -
<i>Expenditures</i>			
Current:			
Security of persons and property			
Operations/maintenance	<u>100</u>	<u>-</u>	<u>100</u>
Net change in fund balance	(75)	25	<u>\$ 100</u>
Fund balance, beginning of year	<u>2,786</u>	<u>2,786</u>	
Fund balance, end of year	<u>\$ 2,711</u>	<u>\$ 2,811</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

FEMA - Nonmajor Special Revenue Fund

Year Ended December 31, 2019

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Tax Receipts - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Property and other taxes	\$ 20,000	\$ 33,940	\$ 13,940
Total revenues	<u>20,000</u>	<u>33,940</u>	<u>13,940</u>
 Net change in fund balance	 20,000	 33,940	 <u>\$ 13,940</u>
 Fund balance, beginning of year	 <u>576,697</u>	 <u>576,697</u>	
Fund balance, end of year	<u>\$ 596,697</u>	<u>\$ 610,637</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Indigent Interlock Fund - Nonmajor Special Revenue Fund
Year Ended December 31, 2019

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Memorial Fund (1)
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Contributions	\$ 1,000	\$ 5,782	\$ 4,782
Total revenues	<u>1,000</u>	<u>5,782</u>	<u>4,782</u>
Expenditures			
Current:			
Security of persons and property			
Operations/maintenance	16,498	16,146	352
Total expenditures	<u>16,498</u>	<u>16,146</u>	<u>352</u>
Net change in fund balance	(15,498)	(10,364)	<u>\$ 5,134</u>
Fund balance, beginning of year, <i>restated</i>	23,934	23,934	
Prior year encumbrances appropriated	352	352	
Fund balance, end of year	<u>\$ 8,788</u>	<u>\$ 13,922</u>	

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

Police Memorial Fund (1)

Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
Fund balance, beginning of year	\$ 2,113	\$ 2,113	
Fund balance, end of year	<u>\$ 2,113</u>	<u>\$ 2,113</u>	

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Activity Receipts Fund (1)
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Contributions	\$ 4,500	\$ 14,500	\$ 10,000
Other	6,500	10,873	4,373
Total revenues	<u>11,000</u>	<u>25,373</u>	<u>14,373</u>
Expenditures			
Current:			
Leisure time activities			
Operations/maintenance	5,000	5,000	-
Capital improvements	28,194	28,194	-
Total expenditures	<u>33,194</u>	<u>33,194</u>	<u>-</u>
Net change in fund balance	(22,194)	(7,821)	<u>\$ 14,373</u>
Fund balance, beginning of year	<u>92,933</u>	<u>92,933</u>	
Fund balance, end of year	<u>\$ 70,739</u>	<u>\$ 85,112</u>	

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Separation Benefits Fund (1)
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Expenditures</i>			
Current:			
General government			
Personal services	\$ 310,000	\$ 85,178	\$ 224,822
Total expenditures	<u>310,000</u>	<u>85,178</u>	<u>224,822</u>
Deficiency of revenues under expenditures	<u>(310,000)</u>	<u>(85,178)</u>	<u>224,822</u>
<i>Other financing sources</i>			
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	(10,000)	214,822	<u>\$ 224,822</u>
Fund balance, beginning of year	<u>371,074</u>	<u>371,074</u>	
Fund balance, end of year	<u>\$ 361,074</u>	<u>\$ 585,896</u>	

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Debt Service Fund - Nonmajor Debt Service Fund
Year Ended December 31, 2019

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Special Assessment - Nonmajor Debt Service Fund
Year Ended December 31, 2019

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

CITY OF HARRISON, 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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Payments in lieu of taxes	\$ 227,031	\$ 243,856	\$ 16,825
Total revenues	<u>227,031</u>	<u>243,856</u>	<u>16,825</u>
Expenditures			
Current:			
General government:			
Contractual services	135,395	111,323	24,072
Debt Service	<u>108,000</u>	<u>108,000</u>	<u>-</u>
Total expenditures	<u>243,395</u>	<u>219,323</u>	<u>24,072</u>
Net change in fund balance	(16,364)	24,533	<u>\$ 40,897</u>
Fund balance, beginning of year	<u>144,661</u>	<u>144,661</u>	
Fund balance, end of year	<u>\$ 128,297</u>	<u>\$ 169,194</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Harrison Avenue TIF - Nonmajor Capital Projects Fund
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues			
Payments in lieu of taxes	\$ 295,506	\$ 357,710	\$ 62,204
Total revenues	<u>295,506</u>	<u>357,710</u>	<u>62,204</u>
Expenditures			
Current:			
General government:			
Contractual services	203,080	198,205	4,875
Debt Service	<u>132,650</u>	<u>132,650</u>	<u>-</u>
Total expenditures	<u>335,730</u>	<u>330,855</u>	<u>4,875</u>
Net change in fund balance	(40,224)	26,855	<u>\$ 67,079</u>
Fund balance, beginning of year	<u>108,032</u>	<u>108,032</u>	
Fund balance, end of year	<u>\$ 67,808</u>	<u>\$ 134,887</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
CTS TIF Fund - Nonmajor Capital Projects Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
<i>Revenues</i>			
Payments in lieu of taxes	\$ 38,612	\$ 44,369	\$ 5,757
Total revenues	<u>38,612</u>	<u>44,369</u>	<u>5,757</u>
<i>Expenditures</i>			
Current:			
General government			
Contractual services	<u>23,000</u>	<u>19,855</u>	<u>3,145</u>
Total expenditures	<u>23,000</u>	<u>19,855</u>	<u>3,145</u>
Net change in fund balance	15,612	24,514	<u>\$ 8,902</u>
Fund balance, beginning of year	<u>101,135</u>	<u>101,135</u>	
Fund balance, end of year	<u>\$ 116,747</u>	<u>\$ 125,649</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Street and Safety Construction - Nonmajor Capital Projects Fund
Year Ended December 31, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget</u>
Fund balance, beginning of year	\$ 2,987	\$ 2,987	
Fund balance, end of year	<u>\$ 2,987</u>	<u>\$ 2,987</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Police Capital Improvement - Nonmajor Capital Projects Fund
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	-	500	500
Excess of revenues over expenditures	-	500	500
<i>Other financing sources</i>			
Transfers in	20,000	20,000	-
Net change in fund balance	20,000	20,500	\$ -
Fund balance, beginning of year	15,310	15,310	
Fund balance, end of year	<u>\$ 35,310</u>	<u>\$ 35,810</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Capital Improvement - Nonmajor Capital Projects Fund
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Expenditures:			
Capital outlay			
Capital improvements	\$ 62,910	62,910	-
Deficiency of revenues (under) expenditures	(62,910)	(62,910)	-
<i>Other financing sources</i>			
Transfers in	\$ 40,000	\$ 40,000	\$ -
Net change in fund balance	(22,910)	(22,910)	\$ -
Fund balance, beginning of year	40,000	40,000	
Fund balance, end of year	\$ 17,090	\$ 17,090	

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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.

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CITY OF HARRISON, OHIO
Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 123,950	\$ 99,784	\$ 195,347	\$ 419,081
Receivables:				
Accounts	14,749	-	63,120	77,869
Total current assets	<u>138,699</u>	<u>99,784</u>	<u>258,467</u>	<u>496,950</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	1,773,827	-	-	1,773,827
Total assets	<u>1,912,526</u>	<u>99,784</u>	<u>258,467</u>	<u>2,270,777</u>
Liabilities				
Current liabilities:				
Advances from other funds	17,178	-	-	17,178
OPWC loan payable, current portion of	10,515	-	-	10,515
Total current liabilities	<u>27,693</u>	<u>-</u>	<u>-</u>	<u>27,693</u>
Long-term liabilities:				
OPWC loan payable, net of current portion	189,270	-	-	189,270
Total liabilities	<u>216,963</u>	<u>-</u>	<u>-</u>	<u>216,963</u>
Net position				
Net investment in capital assets	1,574,042	-	-	1,574,042
Unrestricted	121,521	99,784	258,467	479,772
Total net position	<u>\$ 1,695,563</u>	<u>\$ 99,784</u>	<u>\$ 258,467</u>	<u>\$ 2,053,814</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2019

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total</u>
<i>Operating revenues</i>				
Charges for services	\$ 126,725	\$ 7,221	\$ 544,147	\$ 678,093
<i>Operating expenses</i>				
Contractual services	-	-	544,251	544,251
Other	-	6,876	-	6,876
Depreciation	46,613	-	-	46,613
Total operating expenses	<u>46,613</u>	<u>6,876</u>	<u>544,251</u>	<u>597,740</u>
Operating income (loss)	80,112	345	(104)	80,353
Transfers out	<u>(28,469)</u>	<u>-</u>	<u>-</u>	<u>(28,469)</u>
Change in net position	51,643	345	(104)	51,884
Net position, beginning of year	1,643,920	99,439	258,571	2,001,930
Net position, end of year	<u>\$ 1,695,563</u>	<u>\$ 99,784</u>	<u>\$ 258,467</u>	<u>\$ 2,053,814</u>

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2019

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
<i>Cash flows from operating activities</i>				
Cash received from customers	\$ 132,864	\$ 7,221	\$ 571,861	\$ 711,946
Cash payments to suppliers for goods and services	-	-	(544,251)	(544,251)
Cash payments for other operating expenses	-	(6,876)	-	(6,876)
Net cash from operating activities	<u>132,864</u>	<u>345</u>	<u>27,610</u>	<u>160,819</u>
<i>Cash flows from noncapital financing activities</i>				
Transfers	(28,469)	-	-	(28,469)
Net cash from noncapital financing activities	<u>(28,469)</u>	<u>-</u>	<u>-</u>	<u>(28,469)</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(85,480)	-	-	(85,480)
Principal retirement	(21,030)	-	-	(21,030)
Net cash from capital and related financing activities	<u>(106,510)</u>	<u>-</u>	<u>-</u>	<u>(106,510)</u>
Net change	(2,115)	345	27,610	25,840
Cash and pooled investments beginning of year	<u>126,065</u>	<u>99,439</u>	<u>167,737</u>	<u>393,241</u>
Cash and pooled investments end of year	<u>\$ 123,950</u>	<u>\$ 99,784</u>	<u>\$ 195,347</u>	<u>\$ 419,081</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 80,112	\$ 345	\$ (104)	\$ 80,353
Adjustments to reconcile operating income (loss) to net cash from by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	6,139	-	27,714	33,853
Net cash from operating activities	<u>\$ 132,864</u>	<u>\$ 345</u>	<u>\$ 27,610</u>	<u>\$ 160,819</u>

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COMBINING STATEMENTS – FIDUCIARY FUNDS

CUSTODIAL FUNDS

To account for monies held in a fiduciary capacity.

Mayor's Court

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

Joint Economic Development District

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

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CITY OF HARRISON, OHIO
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

	<u>Mayor's Court</u>	<u>JEDD</u>	<u>Total</u>
<i>Assets</i>			
Equity in pooled cash and investments	\$ -	\$ 100,101	\$ 100,101
Cash in segregated accounts	6,438	-	6,438
Income taxes receivable	-	38,309	38,309
Total assets	<u>6,438</u>	<u>138,410</u>	<u>144,848</u>
<i>Liabilities</i>			
Intergovernmental payable	<u>6,438</u>	<u>138,410</u>	<u>144,848</u>
<i>Net Position</i>			
Restricted for other governments and organizations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2019

	Mayor's Court	JEDD	Total
<i>Additions</i>			
Collections for other governments and organizations:			
Income taxes	\$ -	\$ 192,725	\$ 192,725
Fines, costs and forfeitures	60,262	-	60,262
Total additions	<u>60,262</u>	<u>192,725</u>	<u>252,987</u>
<i>Deductions</i>			
Administrative expenses	-	16,497	16,497
Distributions of income taxes	-	176,228	176,228
Distributions to state, local governments and others	60,262	-	60,262
Total deductions	<u>60,262</u>	<u>192,725</u>	<u>252,987</u>
Change in fiduciary net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATISTICAL
SECTION**

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STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF HARRISON, OHIO

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

	2019	2018 ⁽⁴⁾	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾	2013 ⁽¹⁾	2012	2011	2010
Governmental Activities										
Net investment in capital assets	\$ 15,488,172	\$ 14,769,743	\$ 13,707,662	\$ 12,723,298	\$ 11,689,801	\$ 12,002,240	\$ 11,201,136	\$ 10,827,649	\$ 9,273,676	\$ 8,613,002
Restricted:										
Capital Projects	467,477	362,310	394,553	357,449	200,229	1,472,849	1,243,568	70,399	320,110	463,089
Debt Service	-	-	-	-	-	-	-	-	-	349,409
Streets and Highways	282,553	166,601	167,661	97,137	166,982	163,568	193,356	302,855	434,498	618,134
Recreation	546,181	504,161	490,985	462,672	597,201	493,991	496,461	490,505	529,826	441,070
Other Purposes	-	-	-	-	9,807	-	288,152	172,248	172,805	253,799
Unrestricted (deficit)	(9,920,185)	(16,229,376)	(15,016,476)	(6,170,472)	(6,207,718)	(7,525,513)	(646,855)	434,520	528,906	898,341
Total Governmental Activities Net Position	6,864,198	(426,561)	(255,615)	7,470,084	6,456,302	6,607,135	12,775,818	12,298,176	11,259,821	11,636,844
Business Type - Activities										
Net investment in capital assets	12,671,364	12,114,803	11,064,695	10,295,577	9,358,590	8,685,415	8,321,936	8,636,600	8,547,117	6,955,754
Restricted	1,592,308	1,555,644	1,718,199	1,649,657	1,537,083	1,525,963	1,885,810	2,131,205	2,183,434	2,183,465
Unrestricted	3,040,458	1,910,912	2,220,387	2,267,114	990,362	835,761	1,276,607	1,637,109	2,028,991	3,748,975
Total Business-Type Activities Net Position	17,304,130	15,581,359	15,003,281	14,212,348	11,886,035	11,047,139	11,484,353	12,404,914	12,759,542	12,888,194
Primary Government										
Net investment in capital assets	28,159,536	26,884,546	24,772,357	23,018,875	21,048,391	20,687,655	19,523,072	19,464,249	17,820,793	15,568,756
Restricted	2,888,519	2,588,716	2,771,398	2,566,915	2,511,302	3,656,371	4,107,347	3,167,212	3,640,673	4,308,966
Unrestricted	(6,879,727)	(14,318,464)	(12,796,089)	(3,903,358)	(5,217,356)	(6,689,752)	629,752	2,071,629	2,557,897	4,647,316
Total Primary Government Net Position	\$ 24,168,328	\$ 15,154,798	\$ 14,747,666	\$ 21,682,432	\$ 18,342,337	\$ 17,654,274	\$ 24,260,171	\$ 24,703,090	\$ 24,019,363	\$ 24,525,038

(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 implemented GASB Statement No. 75 in 2018, restating 2017. Information to restate years prior was not available.

Additionally, certain OPWC loan balances were restated in 2017, revising governmental activities net investment in capital assets.

(4) The City implemented GASB Statement No. 84 in 2019, restating 2018. The City elected to apply the standard prospectively.

Source: City financial records

CITY OF HARRISON, OHIO

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	\$ 876,914	\$ 886,151	\$ 866,791	\$ 831,548	\$ 819,207	\$ 759,496	\$ 868,095	\$ 870,269	\$ 745,046	\$ 893,571
Public Health Services	25,108	18,611	18,586	26,504	30,438	27,548	36,320	46,240	49,732	25,858
Leisure Time Activities	54,709	24,102	36,448	29,674	47,531	37,754	53,471	58,076	73,529	71,358
Community and Economic Development	393,641	214,039	261,823	227,967	153,303	152,164	133,226	104,960	117,564	47,195
General Government	266,901	261,650	289,311	196,959	315,839	297,033	290,841	369,377	369,018	369,018
Operating Grants and Contributions	915,189	663,984	734,756	612,461	675,874	677,047	692,625	706,475	680,347	877,907
Capital Grants and Contributions	644,536	733,000	777,693	873,225	-	439,529	339,905	1,313,600	489,106	-
Total Governmental Activities Program Revenues	<u>3,176,998</u>	<u>2,801,537</u>	<u>2,985,408</u>	<u>2,798,338</u>	<u>2,042,192</u>	<u>2,390,571</u>	<u>2,414,483</u>	<u>3,468,997</u>	<u>2,524,342</u>	<u>2,284,907</u>
Business-Type Activities:										
Charges for Services:										
Water	1,836,084	1,708,202	1,760,544	1,759,563	1,742,204	1,568,955	1,509,511	1,415,656	1,350,769	1,288,614
Sewer	4,362,504	3,742,824	3,816,548	3,689,508	3,600,031	3,284,457	3,165,519	3,207,159	3,045,977	2,833,348
Storm Water	126,725	111,570	118,078	116,566	114,769	110,857	112,006	111,424	118,253	105,247
Water/Wastewater Deposits	7,221	10,088	6,618	10,611	8,960	9,745	9,745	7,126	5,622	5,578
Sanitation	544,147	505,344	527,012	517,853	491,289	459,286	462,736	453,360	444,775	424,907
Operating Grants and Contributions	13,574	22,838	16,810	18,026	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	647,243	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>6,890,255</u>	<u>6,100,866</u>	<u>6,245,610</u>	<u>6,759,370</u>	<u>5,957,253</u>	<u>5,435,410</u>	<u>5,259,517</u>	<u>5,194,725</u>	<u>4,965,396</u>	<u>4,657,694</u>
Total Primary Government	<u>\$ 10,067,253</u>	<u>\$ 8,902,403</u>	<u>\$ 9,231,018</u>	<u>\$ 9,557,708</u>	<u>\$ 7,999,445</u>	<u>\$ 7,825,981</u>	<u>\$ 7,674,000</u>	<u>\$ 8,663,722</u>	<u>\$ 7,489,738</u>	<u>\$ 6,942,601</u>
Expenses:										
Governmental Activities:										
Security of Persons and Property	\$ 981,612	\$ 8,541,514	\$ 7,383,171	\$ 7,289,673	\$ 6,040,121	\$ 5,890,076	\$ 6,085,651	\$ 6,261,278	\$ 6,436,476	\$ 5,841,459
Public Health Services	241,430	269,458	243,534	246,232	255,739	234,620	250,573	316,702	314,128	339,855
Leisure Time Activities	328,975	264,355	275,475	247,303	201,812	205,074	216,324	266,164	303,402	315,334
Community and Economic Development	440,643	362,732	412,099	277,245	49,317	43,944	33,721	104,288	127,997	138,115
Transportation	1,366,014	1,101,545	1,220,645	974,689	962,654	834,448	807,923	919,283	914,534	971,886
General Government	1,476,767	1,076,734	1,440,972	915,237	1,123,721	827,579	793,184	1,138,495	1,291,876	1,299,480
Interest and Fiscal Charges	179,970	175,623	174,599	199,135	310,976	221,787	248,331	242,803	244,701	295,479
Total Governmental Activities Expenses	<u>5,015,411</u>	<u>11,791,961</u>	<u>11,150,495</u>	<u>10,149,514</u>	<u>8,944,340</u>	<u>8,257,528</u>	<u>8,435,707</u>	<u>9,249,013</u>	<u>9,633,114</u>	<u>9,201,608</u>
Business-Type Activities:										
Water	1,820,603	1,915,189	1,739,329	1,748,889	1,708,274	1,737,239	1,951,365	1,601,191	1,564,893	1,387,114
Sewer	2,697,996	2,979,701	2,482,954	2,642,534	3,127,036	3,371,585	3,193,149	3,462,848	3,076,759	2,653,586
Storm Water	46,613	55,278	131,944	49,412	46,513	46,914	46,813	46,613	114,987	129,183
Water/Wastewater Deposits	6,876	17,464	2,892	4,807	4,106	3,667	1,166	2,500	2,240	3,098
Sanitation	544,251	575,214	481,537	483,135	489,462	464,521	499,475	414,627	446,402	423,451
Total Business-Type Activities Expenses	<u>5,116,339</u>	<u>5,542,846</u>	<u>4,838,656</u>	<u>4,928,777</u>	<u>5,375,391</u>	<u>5,623,926</u>	<u>5,691,968</u>	<u>5,527,779</u>	<u>5,205,281</u>	<u>4,596,432</u>
Total Primary Government	<u>\$ 10,131,750</u>	<u>\$ 17,334,807</u>	<u>\$ 15,989,151</u>	<u>\$ 15,078,291</u>	<u>\$ 14,319,731</u>	<u>\$ 13,881,454</u>	<u>\$ 14,127,675</u>	<u>\$ 14,776,792</u>	<u>\$ 14,838,395</u>	<u>\$ 13,798,040</u>
Net (Expense) Revenue:										
Governmental Activities	\$ (1,838,413)	\$ (8,990,424)	\$ (8,165,087)	\$ (7,351,176)	\$ (6,902,148)	\$ (5,866,957)	\$ (6,021,224)	\$ (5,780,016)	\$ (7,108,772)	\$ (6,916,701)
Business-Type Activities	1,773,916	558,020	1,406,954	1,830,593	581,862	(188,516)	(432,451)	(333,054)	(239,885)	61,262
Total Primary Government Net Expense	<u>\$ (64,497)</u>	<u>\$ (8,432,404)</u>	<u>\$ (6,758,133)</u>	<u>\$ (5,520,583)</u>	<u>\$ (6,320,286)</u>	<u>\$ (6,055,473)</u>	<u>\$ (6,453,675)</u>	<u>\$ (6,113,070)</u>	<u>\$ (7,348,657)</u>	<u>\$ (6,855,439)</u>

continued

Note: The significant decrease in security of persons and property expenses in 2019 was due to changes in retiree health benefits provided by the Ohio Police and Fire Retirement System.

CITY OF HARRISON, OHIO

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	\$ 1,305,394	\$ 1,316,151	\$ 1,437,545	\$ 1,167,283	\$ 1,115,096	\$ 1,102,619	\$ 1,074,061	\$ 1,133,971	\$ 1,177,650	\$ 1,114,994
Fire Improvements	2,032,608	1,954,284	1,509,284	1,860,716	1,199,571	1,165,037	1,130,567	1,141,133	1,174,922	1,151,918
Police Pension	73,174	70,192	62,616	63,551	60,017	58,693	57,150	57,978	62,067	58,466
Recreation	33,940	18,600	34,040	30,763	40,683	28,100	19,200	19,600	6,541	18,318
Capital Projects	113,528	108,263	113,042	106,419	95,691	97,283	70,016	92,683	60,951	62,672
Municipal Income Taxes levied for:										
General Purposes	3,996,737	3,790,538	4,607,002	3,911,371	3,361,317	3,967,772	3,138,686	3,212,378	2,956,342	2,927,295
Payment in Lieu of Taxes	640,440	591,814	555,166	552,565	524,329	454,961	462,470	453,214	436,412	259,559
Grants and Entitlements not Restricted to										
Specific Programs	619,151	548,653	518,899	552,432	486,881	483,551	498,626	479,451	719,408	903,534
Investment Earnings	21,029	16,544	23,092	13,572	16,145	16,071	21,841	28,313	34,474	56,698
Miscellaneous	180,127	137,183	81,197	46,742	93,647	92,860	76,036	171,181	74,513	99,419
Transfers	113,044	158,544	58,652	59,544	(242,062)	28,468	28,469	28,469	28,469	-
Total Governmental Activities	<u>9,129,172</u>	<u>8,710,766</u>	<u>9,000,535</u>	<u>8,364,958</u>	<u>6,751,315</u>	<u>7,495,415</u>	<u>6,577,122</u>	<u>6,818,371</u>	<u>6,731,749</u>	<u>6,652,873</u>
Business-Type Activities:										
Investment Earnings	36,383	128,214	11,469	1,680	545	611	820	948	1,882	2,233
Miscellaneous	25,516	50,388	5,461	5,709	14,427	1,812	2,209	5,947	137,820	19,172
Transfers	(113,044)	(158,544)	(58,652)	(59,544)	242,062	(28,468)	(28,469)	(28,469)	(28,469)	-
Total Business-Type Activities	<u>(51,145)</u>	<u>20,058</u>	<u>(41,722)</u>	<u>(52,155)</u>	<u>257,034</u>	<u>(26,045)</u>	<u>(25,440)</u>	<u>(21,574)</u>	<u>111,233</u>	<u>21,405</u>
Total Primary Government	<u>\$ 9,078,027</u>	<u>\$ 8,730,824</u>	<u>\$ 8,958,813</u>	<u>\$ 8,312,803</u>	<u>\$ 7,008,349</u>	<u>\$ 7,469,370</u>	<u>\$ 6,551,682</u>	<u>\$ 6,796,797</u>	<u>\$ 6,842,982</u>	<u>\$ 6,674,278</u>
Changes in Net Position:										
Governmental Activities	\$ 7,290,759	\$ (279,658)	\$ 835,448	\$ 1,013,782	\$ (150,833)	\$ 1,628,458	\$ 555,898	\$ 1,038,355	\$ (377,023)	\$ (263,828)
Business-Type Activities	1,722,771	578,078	1,365,232	1,778,438	838,896	(214,561)	(457,891)	(354,628)	(128,652)	82,667
Total Primary Government	<u>\$ 9,013,530</u>	<u>\$ 298,420</u>	<u>\$ 2,200,680</u>	<u>\$ 2,792,220</u>	<u>\$ 688,063</u>	<u>\$ 1,413,897</u>	<u>\$ 98,007</u>	<u>\$ 683,727</u>	<u>\$ (505,675)</u>	<u>\$ (181,161)</u>

Source: City financial records

CITY OF HARRISON, OHIO

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,219
Unreserved	-	-	-	-	-	-	-	-	-	973,409
Nonspendable	116,045	44,487	60,986	60,760	63,946	81,661	159,782	44,307	61,155	-
Committed (1)	585,896	371,074	-	-	-	-	-	-	-	-
Assigned	152,242	223,719	273,248	419,894	46,812	64,667	393,296	562,112	256,401	-
Unassigned	926,040	499,313	591,708	992,701	961,561	740,820	-	73,663	560,025	-
Total General Fund	\$ 1,780,223	\$ 1,138,593	\$ 925,942	\$ 1,473,355	\$ 1,072,319	\$ 887,148	\$ 553,078	\$ 680,082	\$ 877,581	\$ 1,080,628
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,219
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	787,787
Debt Service Funds	-	-	-	-	-	-	-	-	-	410,733
Capital Projects Funds	-	-	-	-	-	-	-	-	-	723,045
Nonspendable	130,371	47,328	47,329	48,154	60,786	26,291	25,621	27,702	38,999	-
Restricted	1,357,772	1,085,675	1,111,713	991,843	970,914	680,849	608,767	675,513	1,039,070	-
Committed	404,899	313,486	287,191	532,218	571,918	-	-	70,850	-	-
Assigned	438,139	440,549	385,239	385,239	386,352	386,152	386,152	386,152	386,152	-
Unassigned	(135,708)	(84,666)	(153,987)	(272,058)	(260,746)	(1,666,725)	(1,325,608)	(1,558,573)	(544,843)	-
Total All Other Governmental Funds	\$ 2,195,473	\$ 1,802,372	\$ 1,677,485	\$ 1,685,396	\$ 1,729,224	\$ (573,433)	\$ (305,068)	\$ (398,356)	\$ 919,378	\$ 2,197,784

Source: City financial records

Note: 2011 was the first year the City implemented GASB 54; the City elected not to apply the standard prospectively

(1) During 2018, the City established a severance reserve fund that was included with the General Fund in accordance with GASB 54

CITY OF HARRISON, OHIO

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 7,803,314	\$ 7,336,145	\$ 7,230,730	\$ 6,994,998	\$ 6,219,556	\$ 6,042,919	\$ 5,516,444	\$ 5,566,501	\$ 5,349,136	\$ 5,310,372
Payment in Lieu of Taxes	645,935	597,294	567,551	529,205	524,329	476,964	454,547	452,863	441,506	240,736
Intergovernmental	2,272,002	2,012,936	2,022,215	2,036,260	1,215,071	1,679,228	2,658,581	1,589,536	1,891,845	1,736,023
Charges for Services	869,699	892,647	865,545	830,136	826,214	769,224	864,869	881,137	747,078	968,302
Fines, Costs and Forfeitures	169,536	156,219	169,846	134,233	124,043	152,163	131,101	197,051	196,021	229,666
Licenses, Permits and Inspections	490,376	321,405	387,526	300,487	347,373	298,993	308,476	213,233	223,341	177,223
Interest	21,029	16,544	23,092	13,572	16,145	16,071	21,841	28,313	34,474	58,205
Contributions	44,202	43,870	73,804	40,140	33,349	26,105	33,608	47,270	50,749	6,783
Other	84,383	48,920	139,295	64,116	100,970	46,681	32,820	337,962	152,887	127,934
Total Revenues	12,400,476	11,425,980	11,479,604	10,943,147	9,407,050	9,508,348	10,022,287	9,313,866	9,087,037	8,855,244
Expenditures										
Current:										
Security of persons and property	7,018,126	6,941,187	7,058,507	6,104,526	5,544,849	5,665,366	5,872,990	6,024,562	5,917,133	5,652,619
Public health services	234,216	265,972	218,369	227,640	248,339	237,289	238,774	306,401	292,932	338,848
Leisure time activities	206,374	201,729	202,694	198,776	174,456	177,236	189,075	200,297	220,659	251,512
Community and economic development	357,155	320,798	369,238	276,425	47,212	43,646	33,680	100,612	124,383	134,578
Transportation	809,344	708,316	758,751	656,406	609,815	613,396	608,994	632,330	677,233	780,692
General government	1,215,011	920,919	1,264,057	809,508	881,903	779,533	717,760	1,125,019	1,311,725	1,209,228
Capital outlay	1,200,554	1,051,118	2,832,334	1,675,841	871,545	1,234,142	1,434,327	2,448,443	1,971,979	785,017
Debt Service:										
Principal Retirement	863,911	834,342	1,180,402	857,834	1,872,291	743,128	733,287	627,520	573,628	518,871
Interest and Fiscal Charges	163,271	183,180	169,970	206,631	249,673	232,916	255,585	247,899	252,270	265,646
Issuance Costs	31,004	-	-	-	87,804	-	-	-	-	-
Total Expenditures	12,098,966	11,427,561	14,054,322	11,013,587	10,587,887	9,726,652	10,084,472	11,713,083	11,341,942	9,937,011
Excess of Revenues Over (Under) Expenditures	301,510	(1,581)	(2,574,718)	(70,440)	(1,180,837)	(218,304)	(62,185)	(2,399,217)	(2,254,905)	(1,081,767)
Other Financing Sources (Uses)										
Bond Issuance	1,425,000	-	-	-	3,185,000	-	-	-	-	-
Premium on Bond Issue	-	-	-	-	71,281	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	(1,393,996)	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	309,400	-	-	-	-	-	-	-
Inception of Capital Lease	141,513	-	1,207,409	-	606,917	24,651	-	503,048	226,798	325,430
Loan Issuance	338,948	180,575	443,933	368,104	47,529	317,712	-	352,467	518,185	65,051
Transfers In	2,223,107	2,382,671	2,676,334	1,503,903	1,984,579	2,504,385	2,476,008	2,334,505	1,719,732	2,115,734
Transfers Out	(2,110,063)	(2,224,127)	(2,617,682)	(1,444,359)	(2,226,641)	(2,475,917)	(2,447,539)	(2,306,036)	(1,691,263)	(2,115,734)
Total Other Financing Sources (Uses)	624,509	339,119	2,019,394	427,648	3,668,665	370,831	28,469	883,984	773,452	390,481
Net Change in Fund Balances	\$ 926,019	\$ 337,538	\$ (555,324)	\$ 357,208	\$ 2,487,828	\$ 152,527	\$ (33,716)	\$ (1,515,233)	\$ (1,481,453)	\$ (691,286)
Debt Service as a Percentage of Noncapital Expenditures	9.36%	9.71%	11.76%	11.24%	21.57%	11.46%	11.45%	9.39%	8.57%	8.47%

Source: City financial records

CITY OF HARRISON, OHIO

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

Tax Year	Real Property		Public Utility Property		Tangible Personal Property (a)		Total		Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2019	\$ 276,726,870	\$ 790,648,200	\$ 8,150,250	\$ 8,150,250	\$ -	\$ -	\$ 284,877,120	\$ 798,798,450	16.90%
2018	263,700,030	753,428,657	7,749,760	7,749,760	-	-	271,449,790	761,178,417	16.90%
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	16.90%
2014	216,762,780	619,322,229	6,397,520	6,397,520	-	-	223,160,300	625,719,749	14.50%
2013	214,369,500	612,484,286	5,952,950	5,952,950	-	-	220,322,450	618,437,236	14.50%
2012	211,208,850	603,453,857	5,433,520	5,433,520	-	-	216,642,370	608,887,377	14.50%
2011	212,591,880	607,405,371	5,275,410	5,275,410	-	-	217,867,290	612,680,781	14.50%
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	14.50%

Source: Hamilton County Auditor's Office

Note: Tax collections are one year in arrears (i.e. Tax Year 2019, Collection Year 2020)

- (1) This amount is calculated based on the following percentages
 Real property is assessed at thirty-five percent of actual value
 Public utility is assessed at one hundred percent of actual value
 Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property

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

CITY OF HARRISON, OHIO

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

Tax Year	City Levy			Township Levy	School Levy	County Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Police Pension	Fire							
2019	7.20%	0.30%	9.40%	1.87%	48.16%	21.14%	2.70%	1.03%	2.00%	93.80%
2018	7.20%	0.30%	9.40%	0.06%	48.32%	21.14%	2.70%	1.03%	2.00%	92.15%
2017	7.20%	0.30%	9.40%	0.06%	48.67%	19.16%	2.70%	1.03%	1.00%	89.52%
2016	7.20%	0.30%	9.40%	0.06%	44.18%	18.85%	2.70%	1.03%	1.00%	84.72%
2015	7.20%	0.30%	9.40%	0.06%	44.18%	18.85%	2.70%	1.03%	1.00%	84.72%
2014	5.70%	0.30%	8.50%	0.06%	44.18%	18.85%	2.70%	1.03%	1.00%	82.32%
2013	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	2.70%	1.03%	1.00%	82.50%
2012	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	2.70%	1.03%	1.00%	82.50%
2011	5.70%	0.30%	8.50%	0.06%	44.18%	19.03%	2.70%	1.03%	1.00%	82.50%
2010	5.70%	0.30%	8.50%	0.06%	44.68%	19.45%	2.70%	1.03%	1.00%	83.42%

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
CURRENT AND NINE YEARS AGO (1)*

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Gregel-Gam Harrison I LLC	\$ 3,049,780	1	1.07%
10700 New Haven LLC	888,820	2	0.31%
Gregel-Gam Harrison II LLC & Richmark Harrison Invest	849,760	3	0.30%
Archbishop of Cincinnati	804,190	4	0.28%
Westhaven Development LLC	327,670	5	0.12%
NVR Inc	323,760	6	0.11%
Ford Roger Lee	298,810	7	0.10%
Progress Way III LLC	248,830	8	0.09%
Progress Way LLC c/o Hawkstone Associates	236,030	9	0.08%
Welsh Development Co Inc	230,720	10	0.08%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	\$ 7,258,370		2.54%
Total City Real Estate and Tangible Personal Property Valuation	\$ 284,877,120		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Hubert North America	\$ 5,736,080	1	2.45%
Duke Energy Ohio Inc	4,715,550	2	2.02%
Kroger Limited Partnership	3,390,760	3	1.45%
Toebeen Ltd	3,003,350	4	1.28%
Indian Footprint	2,543,910	5	1.09%
Wurster Erlene Tr	2,391,670	6	1.02%
Maas Enterprises Ltd	2,138,650	7	0.91%
BRE/US Industrial	2,063,170	8	0.88%
Broad Properties LLC	1,681,420	9	0.72%
Mercy Health Partners Property Mgmt	1,519,870	10	0.65%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	\$ 29,184,430		12.47%
Total City Real Estate and Tangible Personal Property Valuation	\$ 233,926,090		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*REAL AND PUBLIC UTILITY 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
2019	\$ 3,759,545	\$ 3,621,598	96.33%	\$ 46,864	\$ 3,668,462	97.58%
2018	3,366,286	3,118,641	92.64%	49,465	3,168,106	94.11%
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%

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 from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2019	1.00%	\$ 4,146,431	\$ 2,900,228	69.95%	\$ 585,614	14.12%	\$ 660,589	15.93%
2018	1.00%	3,888,526	2,789,112	71.73%	497,860	12.80%	601,554	15.47%
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%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	OPWC Loans	ODOT Loan	Capital Leases	General Obligation Bonds	Revenue Bonds
2019	\$ 1,730,648	\$ 2,598,110	\$ -	\$ 1,086,040	\$ 4,263,684	\$ 10,170,091
2018	3,624,539	2,423,542	-	1,199,058	4,351,619	11,165,391
2017	4,061,311	2,376,797	-	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

continued

CITY OF HARRISON, OHIO

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

Year	Business-Type Activities			(a) Total Primary Government	(c) Per Capita Personal Income	Percentage of Personal Income	(b) Population	Per Capita
	Capital Leases	OPWC Loans	OWDA Loans					
2019	\$ 27,216	\$ 938,252	\$ 2,943,732	\$ 23,757,773	N/A	N/A	11,896	\$ 1,997
2018	42,628	1,051,590	3,265,200	27,123,567	54,176	4%	11,608	\$ 2,337
2017	39,503	1,164,928	3,576,107	29,336,797	51,536	5%	11,300	2,596
2016	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

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

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information
- (b) United States Bureau of Census
- (c) See Schedule "Demographic and Economic Statistics - Last Ten Years" for personal income.

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Bonded Debt (3)</u>	<u>Ratio of General Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Bonded Debt Per Capital</u>
2019	11,896	\$ 798,798,450	\$ 5,994,332	0.75%	\$ 504
2018	11,608	761,178,417	7,976,158	1.05%	687
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

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, 2019*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
Direct - City of Harrison			
General Obligation Bonds	\$ 1,730,648	100.00%	\$ 1,730,648
OPWC Loans	2,598,110	100.00%	2,598,110
Capital Leases	<u>1,086,040</u>	100.00%	<u>1,086,040</u>
Total Direct Debt	<u>5,414,798</u>		<u>5,414,798</u>
Overlapping			
Hamilton County	120,015,000	1.40%	1,680,210
Southwest Local School District	<u>78,605,000</u>	41.95%	<u>32,974,798</u>
Total Overlapping Debt	<u>198,620,000</u>		<u>34,655,008</u>
Total Direct and Overlapping Debt	<u>\$ 204,034,798</u>		<u>\$ 40,069,806</u>

Source: Ohio Municipal Advisory Council

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

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed Value	\$ 284,877,120	\$ 271,449,790	\$ 260,692,200	\$ 240,119,980	\$ 230,963,610	\$ 223,160,300	\$ 220,322,450	\$ 216,642,370	\$ 217,867,290	\$ 233,926,090
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	29,912,098	28,502,228	27,372,681	25,212,598	68,004,877	65,700,574	64,935,910	63,933,175	64,331,482	69,265,614
Total Indebtedness	<u>7,350,000</u>	<u>7,750,000</u>	<u>8,350,000</u>	<u>8,940,000</u>	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>
Debt Within 10.5% Limitation	<u>7,350,000</u>	<u>7,750,000</u>	<u>8,350,000</u>	<u>8,940,000</u>	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>
Overall Legal Debt Margin Within 10.5% Limitation	<u>\$ 22,562,098</u>	<u>\$ 20,752,228</u>	<u>\$ 19,022,681</u>	<u>\$ 16,272,598</u>	<u>\$ 58,494,877</u>	<u>\$ 57,590,574</u>	<u>\$ 56,380,910</u>	<u>\$ 54,948,175</u>	<u>\$ 54,936,482</u>	<u>\$ 59,500,614</u>
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 15,668,242	\$ 14,929,738	\$ 14,338,071	\$ 13,206,599	\$ 35,621,602	\$ 34,414,586	\$ 34,014,048	\$ 33,488,806	\$ 33,697,443	\$ 36,281,988
Indebtedness Authorized by Council	<u>7,350,000</u>	<u>7,750,000</u>	<u>8,350,000</u>	<u>8,940,000</u>	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>
Debt Within 5.5% Limitation	<u>7,350,000</u>	<u>7,750,000</u>	<u>8,350,000</u>	<u>8,940,000</u>	<u>9,510,000</u>	<u>8,110,000</u>	<u>8,555,000</u>	<u>8,985,000</u>	<u>9,395,000</u>	<u>9,765,000</u>
Unvoted Legal Debt Margin Within 5.5% Limitation	<u>\$ 8,318,242</u>	<u>\$ 7,179,738</u>	<u>\$ 5,988,071</u>	<u>\$ 4,266,599</u>	<u>\$ 26,111,602</u>	<u>\$ 26,304,586</u>	<u>\$ 25,459,048</u>	<u>\$ 24,503,806</u>	<u>\$ 24,302,443</u>	<u>\$ 26,516,988</u>

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage (3)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2019	\$ 4,398,887	\$ 1,627,459	\$ 2,771,428	\$ 980,000	\$ 327,981	\$ 1,307,981	2.12
2018	3,883,311	1,682,941	2,200,370	940,000	365,581	1,305,581	1.69
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

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

(3) The required coverage ratio is 1.10.

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (2)</u>		
				<u>Hamilton County</u>	<u>Ohio</u>	<u>United States</u>
2019	11,896	N/A	4,009	3.8%	4.1%	3.7%
2018	11,608	54,176	3,875	4.1%	4.6%	3.9%
2017	11,300	51,536	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%

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

Sources:

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

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

Employer	2019			2010		
	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%	400-450	3	3.84%
Kroger Limited Partnership	500-550	2	5.38%	450-500	1	4.21%
Southwest Local School District	300-350	3	3.33%	400-450	2	3.96%
Hubert North America	200-250	4	2.31%	350-400	4	3.38%
Cincinnati Test Systems	200-250	5	2.31%			
F&M Mafco Inc.	200-250	6	2.31%	150-200	7	1.77%
Wayne Scott Fetzer Company	200-250	7	2.31%	300-350	5	2.82%
City of Harrison, Ohio	100-150	8	1.28%	100-150	8	1.28%
Campbell Hausfeld	50-100	9	0.77%	100-150	10	1.18%
Crown Plastics	50-100	10	0.77%			
Shawneespring Health Care Center				250-300	6	2.53%
MII Inc.				150-200	9	1.24%
Total	<u>2,300-2,800</u>		<u>26.15%</u>	<u>2,650-3,150</u>		<u>26.21%</u>
Total City Employment	<u>9,500-10,000</u>			<u>11,000-11,500</u>		

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	2	2	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	-	-	-	-	-
Other	9	9	8	6	6	6	3	3	3	3
Public Safety										
Police	25	20	25	22	21	22	21	23	23	23
Fire	51	46	36	36	39	42	30	31	31	31
Health and Welfare										
Senior Center	4	4	4	3	3	3	3	3	3	3
Transportation										
Streets	8	8	8	7	6	7	7	7	7	7
Community Environment										
Planning	3	3	-	-	-	-	-	-	-	-
Building/Zoning	5	5	1	1	2	2	2	2	2	2
Leisure Time Activity										
Parks Administration	1	1	2	1	1	1	1	1	1	1
Community Center	2	2	2	2	2	2	1	1	1	1
Utility Services										
Water	6	6	5	5	4	5	5	5	5	5
Sewer	6	6	7	7	9	7	7	7	7	7
Total	129	119	108	100	103	106	89	92	92	92

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Positions Filled	3	10	0	2	-	5	3	3	3	6
Building Permits Issued	178	220	177	215	210	219	240	213	237	316
Building Inspections Performed	486	588	620	938	-	779	n/a	884	929	1,026
Ordinances & Resolutions	76	77	76	44	33	28	24	28	77	47
Public Safety										
Police:										
Physical Arrests	1,241	1,219	1,050	853	911	960	1,016	1,126	1,216	965
Offense Reports	1,255	1,242	1,072	1,001	1,018	1,063	1,060	1,001	1,040	1,012
Traffic Citations	3,544	2,792	2,745	1,858	1,987	1,551	1,668	1,853	1,877	1,714
Fire:										
Emergency Responses	1,755	1,846	1,636	1,647	1,799	1,784	1,885	1,974	2,128	2,073
Fire Responses	408	427	425	557	484	613	575	565	608	625
Inspections conducted	479	647	612	419	594	680	669	804	775	783
Leisure Time Activities										
Senior Center Attendance	7,659	7,172	6,969	7,686	7,400	6,768	7,000	8,400	5,174	8,113
Senior Center Membership	201	186	185	208	241	185	185	185	160	275
Transportation										
Street Resurfacing (miles)	1.1	4.0	0.2	1.1	0.5	-	0.2	1.5	1.5	1.0
Tons of salt used	813	362	511	313	389	276	333	736	554	250
Water										
New Connections	17	51	52	62	61	100	88	31	23	13
Water Main Breaks	15	9	8	9	3	14	11	6	5	18

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	5	5	5	5	5	5	5	5	5	5
Park Acreage	69.5	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	42	42	44	44	44	44	44	44	44
Water										
Water Mains (miles)	37	40	40	40	40	40	40	40	40	40
Sewer										
Sanitary Sewers (miles)	27	34	34	34	34	34	34	34	34	34

Source: City of Harrison Finance Director Office

OHIO AUDITOR OF STATE KEITH FABER



CITY OF HARRISON

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/3/2021

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Phone: 614-466-4514 or 800-282-0370

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