

**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

SUPPLEMENTAL REPORT

DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Members of Council
City of Harrison

We have reviewed the Independent Auditor's Report of the City of Harrison, Hamilton County, prepared by Trimble, Julian & Grube, Inc. for the audit period January 1, 2003 through December 31, 2003. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 30, 2004

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**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

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TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of Council and Mayor
City of Harrison
112 N. Walnut Street
Harrison, Ohio 45030

We have audited the general purpose financial statements of the City of Harrison, Hamilton County, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. As described in Note 3, the City has restated retained earnings within the enterprise fund type due to an appraisal of its fixed assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City’s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2003-COH-001 and 2003-COH-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated June 23, 2004.

Members of Council and Mayor
City of Harrison

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 23, 2004.

This report is intended for the information of the Council and management of the City of Harrison and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
June 23, 2004

**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

1. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2003-COH-001

Ohio Revised Code Section 5705.39 in part requires that the appropriations from each fund should not exceed estimated resources.

It was noted during the audit that for the year ended December 31, 2003, that total appropriations exceeded estimated resources in the following funds:

<u>Fund Type/Fund</u>	<u>Excess</u>
<u>Special Revenue Fund Types:</u>	
Street Maintenance and Repair	\$ 28,076
Community Center	824
 <u>Capital Projects Fund Type:</u>	
Capital Improvement	929,287
 <u>Enterprise Fund Types:</u>	
Sewer	2,340,027
Storm Water	7,600

With appropriations exceeding estimated resources, the City is appropriating monies that are not in the City's depository or in the process of collection that were certified to the County Auditor. This may result in a fund deficit.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the City should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.

**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

1. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2003-COH-002

Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

It was noted during the audit that in the year ended December 31, 2003, the City had expenditures in excess of appropriations in the following line items:

<u>Fund Type/Fund/Function/Department/Line Item</u>	<u>Excess</u>
<u>General Fund:</u>	
General Government/Income Tax/Personal Services	\$ 175
General Government/Council/Personal Services	1,807
General Government/Finance/Personal Services	9,430
General Government/Law Director/Personal Services	3,248
General Government/Elections/Other	62,688
Security of Persons and Property/Street Lighting/Other	5,127
Security of Persons and Property/Civil Defense/Contratual Services	609
Community Environment/Building Department/Personal Services	1,251
Community Environment/Building Department/Operations/Maintenance	20,805
Community Environment/Zoning Department/Personal Services	841
Leisure Time Activity/Parks and Recreation/Capital Improvements	102
Other Financing Uses/Operating Transfers Out	314,425
<u>Special Revenue Fund Types:</u>	
<u>Fire Memorial:</u>	
Security of Persons and Property/Other	1,677
<u>Fire Improvement:</u>	
Security of Persons and Property/Operations and Maintenance	85,163
<u>Police Pension:</u>	
Security of Persons and Property/Other	5,525
<u>Senior Center:</u>	
Public Health and Welfare/Personal Services	7,334
<u>Drug Law Enforcement:</u>	
Capital Outlay/Capital Improvements	268

**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

1. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2003-COH-002

<u>Fund Type/Fund/Function/Department/Line Item</u>	<u>Excess</u>
<u>Capital Projects Fund Type:</u>	
Street/Safety Construction:	
Capital Outlay/Capital Improvements	\$ 9,755
 <u>Enterprise Fund Types:</u>	
Sewer:	
Operating Expenses/Operations/Maintenance	69,764
Operating Expenses/Other	2,109
Operating Transfers Out	333,771
Water:	
Operating Transfers Out	125,000
Storm Water:	
Operating Transfers Out	33,600

With expenditures exceeding appropriations, the City is expending monies that have not been appropriated and approved by Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the City comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**CITY OF HARRISON
HAMILTON COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-COH-001	Ohio Revised Code Section 5705.39 in part requires that the appropriations from each fund should not exceed estimated resources.	No	The City is attempting to amend its resources with the County on a more frequent basis.
2002-COH-002	Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.	No	The City is attempting to modify its appropriations more often.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

CITY OF HARRISON, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2003

PREPARED BY
FINANCE DIRECTOR'S OFFICE
JAMES W. SATZGER, FINANCE DIRECTOR

112 N. WALNUT STREET

HARRISON, OHIO 45030

INTRODUCTORY SECTION

CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

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City of Harrison

112 N. Walnut Street • Harrison, Ohio 45030 • 513-367-3730

June 23, 2004

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio ("City") for the year ended December 31, 2003. This report is prepared in conformity with accounting principals generally accepted in the United States of America (GAAP) as set forth by the Government Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section, contains a table of contents, this letter of transmittal, a list of elected and appointed City officials, an organizational chart of the City government, and the City's 2002 Certificate of Achievement for Excellence in Financial Reporting. The Financial section is comprised of the independent auditor's report, the general purpose financial statements (GPFS) and the combining and individual fund and account group financial statements and schedules. The Statistical section provides various financial, economic, and demographic data about the City, generally on a multi-year basis.

REPORTING ENTITY

The City is the only governmental unit in the reporting entity; it has no component units. In determining what constitutes the City's reporting entity, criteria established by GASB Statement No. 14, "The Financial Reporting Entity", were used. The City is not financially accountable for any potential component units. Hamilton County, Harrison Township and the Southwest Ohio School District are separate governmental jurisdictions that overlap the City's boundaries. These entities are not included in the City's financial reports. The City's reporting entity is further described in Note 2 A of the GPFS.

The City provides the full range of municipal services including police and fire protection, parks, recreation, public works (highways, street, and waste collection), health and social services, culture, public improvement, planning and zoning, general administrative, water and sewer services.

The City covers approximately four square miles and is located in southwest Ohio, approximately 20 miles northwest of Cincinnati along Interstate 74.

The City Finance Director serves as the chief fiscal officer for the City. As chief fiscal officer, the Finance Director ensures that funds are appropriated, are available for payment or in the process of collection. The Finance Director is also responsible for maintaining a permanent record of all financial matters, deposit and investing of City funds, establishing the City's accounting system, and conducting internal auditing.

ECONOMIC CONDITIONS AND OUTLOOK

The City benefits from its location in southwestern Hamilton County in that the community and its residents have easy access to and benefit from employment, educational, recreational, medical, and cultural facilities afforded by the Greater Cincinnati Metropolitan area.

In recent years, the City has gained new housing subdivisions with homes ranging in value from \$125,000 to \$300,000. The new subdivisions will provide approximately 900 new homes.

MAJOR INITIATIVES

During 2003, construction continued on the upgrading of the existing Wastewater Treatment Plant. Construction of the Wastewater Treatment Plant began in April of 2002. Completion of the plant is anticipated in June of 2004.

Planning is underway to widen the New Haven Road bridge over Interstate 74 to six lanes and to widen New Haven Road from Harrison Avenue to Caroline Trace Road, a project of approximately one mile. The project is in a rapidly growing business area of the City as well as the primary access to/from Interstate 74. The project is estimated to cost over \$10,000,000. Grant money is in place and will be supplemented with local funds.

Main Street Harrison, Inc.

Main Street Harrison, Inc. is a non-profit organization that was first organized in 1991 to promote and revitalize downtown Harrison. Its mission statement is both optimistic and realistic in its content. It seeks to create an atmosphere in downtown Harrison that attracts and encourages new business development, promotes a renewed sense of community pride, and provides a healthy environment for people to live, work, shop, conduct business, invest, and recreate. The organization's activities are ongoing.

Beautification

The City continues a clean-up and beautification program, which includes motorized street sweeping, landscaping of public buildings, and the strategic placement of waste receptacles.

Department Focus: Public Services - Wastewater

In an effort to continue the City's commitment to providing quality public services, the City's Wastewater Treatment Plant (WWTP) is currently undergoing an expansion. Construction, which began in April of 2002, is currently underway to expand the WWTP to treat an average flow of 2.75 million gallons of wastewater per day. This expansion will allow the City to handle the wastewater generated by the current residential, commercial and industrial wastewater customers, while also allowing for the future growth of the City. The WWTP has undergone several previous expansions, the latest of which was in 1990.

The City's wastewater collection system consists of approximately 30 miles of gravity sewer and 6,000 feet of force main. The collection system is designed to convey wastewater flows as much as possible by utilizing the natural contours of the ground. Where this is not possible due to hills and valleys, pump stations and force mains are utilized to transfer the wastewater to a point where gravity flow can again be utilized. The gravity sewers transfer the City's wastewater flows to the WWTP for treatment.

The current WWTP expansion includes a new influent pump station, screening and degritting facilities, a new oxidation ditch, a new final settling tank, an ultraviolet disinfection tank, rehabilitation of the Activated Sludge Control Building, construction of a new Digested Sludge Control Building and sludge digestion tanks, a new belt filter press building and a dried sludge storage pad.

The WWTP treats wastewater using an extended aeration process. After the expansion, the WWTP will use the same method. Upon reaching the WWTP, the wastewater is pumped to a higher elevation and then goes through screening and grit removal processes, which removes large and inorganic material from the wastewater. Next, the wastewater enters a grease removal tank, which removes grease and other floatable material from the wastewater. Following this, the wastewater enters three oxidation ditches, where the wastewater is aerated and mixed with recycled biological organisms to break down the organic material in the wastewater. After this step, the wastewater is sent to three final settling tanks. These tanks are very quiescent, allowing the broken-down organic matter to clump together and settle to the bottom of the final settling tank. The settled solids are removed from the bottom of the tank as the clear effluent flows over weirs and on to the last step of treatment, ultraviolet disinfection. In the ultraviolet disinfection tank, the treated wastewater is exposed to intense ultraviolet light to inactivate any bacteria or viruses. This is done to reduce the impact of the wastewater on the receiving stream. After disinfection, the treated effluent flows through a pipe where it is discharged into the Whitewater River. The solids collected from the wastewater are stored and aerated in digesters, where they are broken down even further. After this treatment the solids are dried using a belt filter press, which squeezes the water out of the solids. After drying, the solids are placed on the sludge storage pad. Once a significant volume of dried solids has accumulated, the solids are loaded on trucks and taken away, typically for land application.

FINANCIAL INFORMATION

Basis of Accounting

The City accounting system is organized on a fund basis. Each fund or account group is a distinct, self-balancing accounting entity. Although the City maintains its day-to-day accounting records on a basis other than GAAP, for the year ended December 31, 2003, the City prepared its CAFR on a modified accrual basis of accounting for the governmental and agency funds, and on an accrual basis of accounting for the proprietary funds in accordance with GAAP. The modified accrual basis of accounting recognizes revenue when measurable and available and expenditures when goods or services are received. The accrual basis of accounting recognizes revenue when measurable and available and expenditures when incurred. The basis of accounting for the various funds and account groups is fully described in Note 2 C of the GPFS.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control designed to ensure that the assets of the City are protected from loss, theft, or misuse to ensure that adequate accounting data is compiled to allow for the preparation of GPFS in conformity with GAAP. Management believes that the City's internal control provides reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed. The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the expected benefit. An important element of the City's internal control is the ongoing program to promote control consciousness throughout the City. Management's commitment to this program is emphasized through adherence to cash handling procedures prescribed by the Auditor of State and a well qualified financial staff.

Budgetary Control

An operating budget is adopted each fiscal year for the general fund, special revenue funds, debt service funds, capital projects funds and enterprise funds. For each budgeted expenditure classification, the level of budgetary control is at the object level within each department (i.e., personal service, operations/maintenance, debt service, capital improvements and other). All revisions made outside of the legal level of budgetary control may only be made by ordinance of City Council. Encumbrances do not lapse at year-end and are included as expenditures in the current year budget (Non-GAAP Budgetary Basis).

Virtually all of the general services of the City have been financed with resources from the general fund and special revenue funds. General fund revenues include property taxes, the City income tax, and other revenues provided by the citizens of this community. The special revenue funds used for general services include property taxes for fire services and intergovernmental revenues for street construction, maintenance and repair.

General Government Functions

The following schedule presents a summary of revenue by source for the year ended December 31, 2003, for the general fund. Also, presented are the amounts and percentages of revenue by source as well as the increases and decreases from December 31, 2002.

<u>Revenue by Source</u>	2003 <u>Amount</u>	Percent <u>of Total</u>	2002 <u>Amount</u>	Percent <u>of Total</u>	Increase <u>(Decrease)</u>
Taxes	\$ 3,577,272	82.83%	\$ 3,300,438	78.77%	\$ 276,834
Charges for services	5,440	0.13%	3,300	0.08%	2,140
Licenses, permits and fees	151,407	3.51%	128,198	3.06%	23,209
Fine and forfeitures	128,262	2.97%	172,016	4.11%	(43,754)
Intergovernmental	319,236	7.39%	375,547	8.96%	(56,311)
Investment income	28,956	0.66%	77,243	1.84%	(48,287)
Other	108,386	2.51%	133,289	3.18%	(24,903)
Total revenue	<u>\$ 4,318,959</u>	<u>100.00%</u>	<u>\$ 4,190,031</u>	<u>100.00%</u>	<u>\$ 128,928</u>

Taxes and intergovernmental revenues are the major components of the City's total revenue and represent \$3,896,508 or 90.22% and \$3,675,985 or 87.73% of fiscal 2003 and 2002 revenues, respectively. Taxes include real estate, personal property, hotel, and income tax. During 2003, income tax collections decreased by \$26,172 or 1.05% and real estate and personal property taxes increased \$303,006 or 37.35% from 2002. The increase in income tax revenue was caused by an improvement in the economic downturns that faced the nation in 2001 and 2002. Intergovernmental revenue consists primarily of State and Federal grants, motor vehicle license taxes, and other State shared revenues designed to assist the City with major undertakings for the benefit of the citizens of the City. Intergovernmental revenues decreased by \$56,311 or 14.99% from 2002 to 2003 due to a decrease in state and local government assistance funding. Licenses, permits and fees revenue increased primarily due to more building permits issued during 2003. The City is maintaining growth, more new building permits were issued in 2003 than in 2002. Fines and forfeitures revenue decreased primarily due to a slight decrease in Mayors Court fines. The decrease in investment income is attributable to rate cuts instituted by the Federal Reserve Bank. The City makes an effort to maximize earnings while maintaining safety in all investments. Other revenue decreased \$24,903 or 18.68% from 2002 to 2003.

The following schedule presents a summary of expenditures by function for the year ended December 31, 2003, for the general fund. Also, presented are the amounts and percentages of expenditures by function as well as increases and decreases from December 31, 2002.

<u>Expenditures by Function</u>	2003 <u>Amount</u>	Percent <u>of Total</u>	2002 <u>Amount</u>	Percent <u>of Total</u>	Increase <u>(Decrease)</u>
General government	\$ 938,940	32.82%	\$ 951,212	33.07%	\$ (12,272)
Security of persons and property	1,724,857	60.29%	1,635,538	56.86%	89,319
Public health and welfare	8,806	0.31%	-	0.00%	8,806
Community environment	7,233	0.25%	178,359	6.20%	(171,126)
Leisure time activity	47,502	1.66%	67,394	2.34%	(19,892)
Capital outlay	82,384	2.88%	-	0.00%	82,384
Debt service:					
Principal retirement	49,792	1.74%	39,444	1.37%	10,348
Interest and fiscal charges	1,399	0.05%	4,300	0.16%	(2,901)
Total expenditures	<u>\$ 2,860,913</u>	<u>100.00%</u>	<u>\$ 2,876,247</u>	<u>100.00%</u>	<u>\$ (15,334)</u>

General government and security of persons and property expenditures are the major components of the City's expenditures representing \$2,663,797 or 93.11% and \$2,586,750 or 89.93% of fiscal 2003 and 2002 expenditures, respectively. During 2003, general government expenditures decreased by \$12,272 or 1.29%. During 2003, security of persons and property increased by \$89,319 or 5.46%. Public health and welfare increased \$8,806 in 2003 over 2002, due to increased costs associated with the Board of Health. Community environment expenditures decreased \$171,126 or 95.94% due to decreased number of building and zoning inspections performed in 2003 compared to 2002. Leisure time activity expenditures decreased by 29.52% in 2003 from 2002 primarily from costs related to the City's summer programs and teen programs. The increase in capital outlay is attributable to the inception of a capital lease in 2003. Principal retirement increased \$10,348 due to payments made by the general fund in 2003 related to the City's capital lease obligations.

General Fund

General fund revenues under the modified accrual basis of accounting totaled \$4,318,959 during 2003. The largest sources of revenue to the general fund were taxes (both income taxes and real/personal property taxes) which amounted to \$3,577,272 or 82.83% of total revenue.

General fund expenditures under the modified accrual basis of accounting totaled \$2,860,913 during 2003. General government and security of persons and property functions accounted for \$938,940 or 32.82% and \$1,724,857 or 60.29% of general fund expenditures, respectively.

General fund other financing uses includes operating transfers out of \$1,959,317 to various funds.

General fund balance decreased \$418,887 from \$1,261,020 at December 31, 2002 and \$842,133 at December 31, 2003.

Special Revenue Funds

Revenues under the modified accrual basis of accounting for the special revenue funds totaled \$1,754,234 for 2003. Of this total, taxes and intergovernmental revenues represent \$1,003,076 or 57.18% and \$415,502 or 23.69%, of fiscal 2003 revenues, respectively. Tax revenues consist of real estate and personal property taxes. A majority of the tax revenue is used to fund the City's fire operations. Intergovernmental revenue consisted primarily of \$272,498 in shared license and gas, public utility taxes from the State of Ohio to be used in the repair of local roads and state highways located within the City. The remaining intergovernmental revenues are predominantly State and Federal grants for the security of persons and property and for the senior center.

Expenditures under the modified accrual basis of accounting for the special revenue funds totaled \$3,033,479 during 2003. Support of security of persons and property and transportation accounted for \$1,882,993 or 62.07% and \$459,111 or 15.13%, respectively, of the special revenue funds expenditures.

The special revenue funds received operating transfers in of \$1,378,687 and made operating transfers out of \$120,773.

The special revenue fund balance increased \$218,939 from \$879,226 at December 31, 2002 to \$1,098,165 at December 31, 2003.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and payment of, interest and principal on long-term obligations. The major source of revenue and other financing sources of the debt service funds are operating transfers in from the general fund. The debt service funds received operating transfers in of \$867,176 during 2003.

Capital Projects Funds

Revenues under the modified accrual basis of accounting for the capital projects funds totaled \$184,094 for 2003. The primary source of revenue for the capital projects funds is intergovernmental revenue, which represents \$100,000 or 54.32% of total capital projects revenue.

Expenditures under the modified accrual basis of accounting for the capital projects funds totaled \$626,500 for 2003. Capital outlay expenditures totaled 100% of total capital projects expenditures.

Enterprise Funds

The City operates and maintains a water supply and distribution system that serves approximately 3,500 customers in and around the City. The City's water supply is provided by wells and is treated at a plant that has a 2.3 million gallons per day (MGD) capacity. The distribution system is comprised of 40 miles of lines, ranging in size from ¾" to 14" in diameter. During 2003, the City continued major upgrades to the current system to increase the MGD capacity.

The City also operates and maintains a sanitary sewer collection and treatment system that serves approximately 3,500 customers in its service area. The collection system contains about 30 miles of lines, ranging in size from 4" to 24" in diameter. The current system was constructed in 1971 and received major upgrades in 1974 and 1990. The system is currently receiving major upgrades by the City.

The City's enterprise operations reported operating income and net loss of \$1,107,415 and \$(71,621), respectively, for the year ended December 31, 2003. Retained earnings for the enterprise funds decreased from \$8,017,543 at December 31, 2002 (restated) to \$7,945,922 at December 31, 2003. Total fund equity for the enterprise funds at December 31, 2003 was \$9,193,589 which includes \$1,247,667 in contributed capital.

Fiduciary Fund

Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent, for individuals, organizations or other funds. The City maintains one agency fund. At December 31, 2003, assets held in the agency fund totaled \$607.

General Fixed Assets

The general fixed assets of the City as of December 31, 2003 total \$10,138,254 and include all fixed assets of the City except those recorded in the proprietary funds. Such assets are accounted for at historical cost or estimated historical cost. Depreciation is not recognized on general fixed assets. Infrastructure is not reported in the general fixed asset account group.

Pension Plans

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The City's required contributions for pension obligations to the OP&F for the years ended December 31, 2003, 2002 and 2001 were \$380,952, \$360,611 and \$351,477, respectively.

All other full-time employees of the City participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The City's required contributions for pension obligations to PERS for the years ended December 31, 2003, 2002 and 2001 were \$160,495, \$174,763 and \$170,329, respectively.

These pension plans are further described in Note 16 and Note 17 of the GPFS.

Debt Administration

The City has general obligation bonds in the amount of \$2,980,000 outstanding at December 31, 2003 in the general long-term obligations account group. The proceeds of the bonds were used to provide long-term financing of various construction improvements related to roads and safety.

The City's other long-term debt obligations are reported in the enterprise funds. These include \$75,000 in general obligation bonds, \$18,950,000 in revenue bonds, \$338,919 in OPWC loans and \$1,790,545 in OWDA loans payable. These obligations are being repaid through enterprise operations and are intended to be self-supporting through those operations.

During fiscal 2003, the City issued \$18,750,000 in revenue bonds. The bond issue was used to refund the outstanding sewer-system mortgage revenue bonds, retire bond anticipation notes, and fund additional improvements, and will be retired from the Sewer enterprise fund.

The City's general obligation bonds are rated A2 by Moody's Investor Services.

Cash Management

The City Finance Director, as custodian of all City monies, is responsible for investing idle funds and directing the investment policies of the City. The City pools its cash for maximum investment efficiency and to simplify accountability.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. During 2003, investments were limited to STAR Ohio (State Treasurer's Investment Pool), U.S. government money market mutual funds, certificates of deposit, and federal agency securities. Total investment income for 2003 was \$144,194 as compared to \$454,159 for 2002.

Risk Management

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$17,000,000. General liability insurance provides for \$12,000,000 coverage per occurrence with \$12,000,000 aggregate coverage. The per occurrence deductible is \$1,000.

The City provides employees with medical insurance through United Health Care, dental insurance through Humana Insurance and accident and life insurance through Fortis. The City pays one hundred percent of the premiums. Worker's Compensation claims are covered through the City's participation in the State of Ohio's program. The City is a member of the Ohio Municipal Treasurer's Association Worker's Compensation Group. This group is composed of twenty cities and the City's rate is based on the entire group's accident history and administrative costs. The benefit of belonging to this group is a reduction in premiums paid to the Ohio Bureau of Worker's Compensation.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's GPFS as of and for the year ended December 31, 2003, by our independent auditor, Trimble, Julian & Grube, Inc. City management plans to continue to subject the GPFS to an annual independent audit as part of the preparation of a CAFR. The auditors' report on the GPFS and combining and individual fund statements and schedules are included in the financial section of this report. The annual audit serves to maintain and strengthen the City's accounting and budgetary controls. The auditors' report related specifically to internal controls and compliance with applicable laws and regulations is presented in a separate report which may be obtained from the City's Finance Department.

Use of the Report

The report is published to provide to the City Council, as well as to 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. It is also intended that this report serves 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; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that 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. Copies of this report are being placed for public inspection at the City's offices.

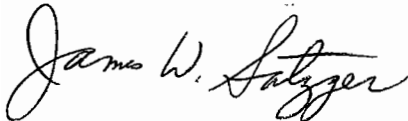
Submission to Certificate of Achievement Program

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 for its CAFR for the year ended December 31, 2002. This was the third year that the City has achieved this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

The preparation of the CAFR was accomplished by the efficient and dedicated services provided by the staff of the Finance Department. Each member of the Finance Department has our sincere appreciation for the assistance in the preparation of this report. We would also like to acknowledge Trimble, Julian & Grube, Inc. for technical assistance in preparing this report. Appreciation is also expressed to those in other City departments for their cooperation and assistance in matters pertaining to the affairs of the City. We hereby acknowledge and thank all that contributed their time and effort.

Respectfully,



James W. Satzger
Finance Director

CITY OF HARRISON, OHIO
ELECTED AND APPOINTED OFFICIALS

Elected Officials:

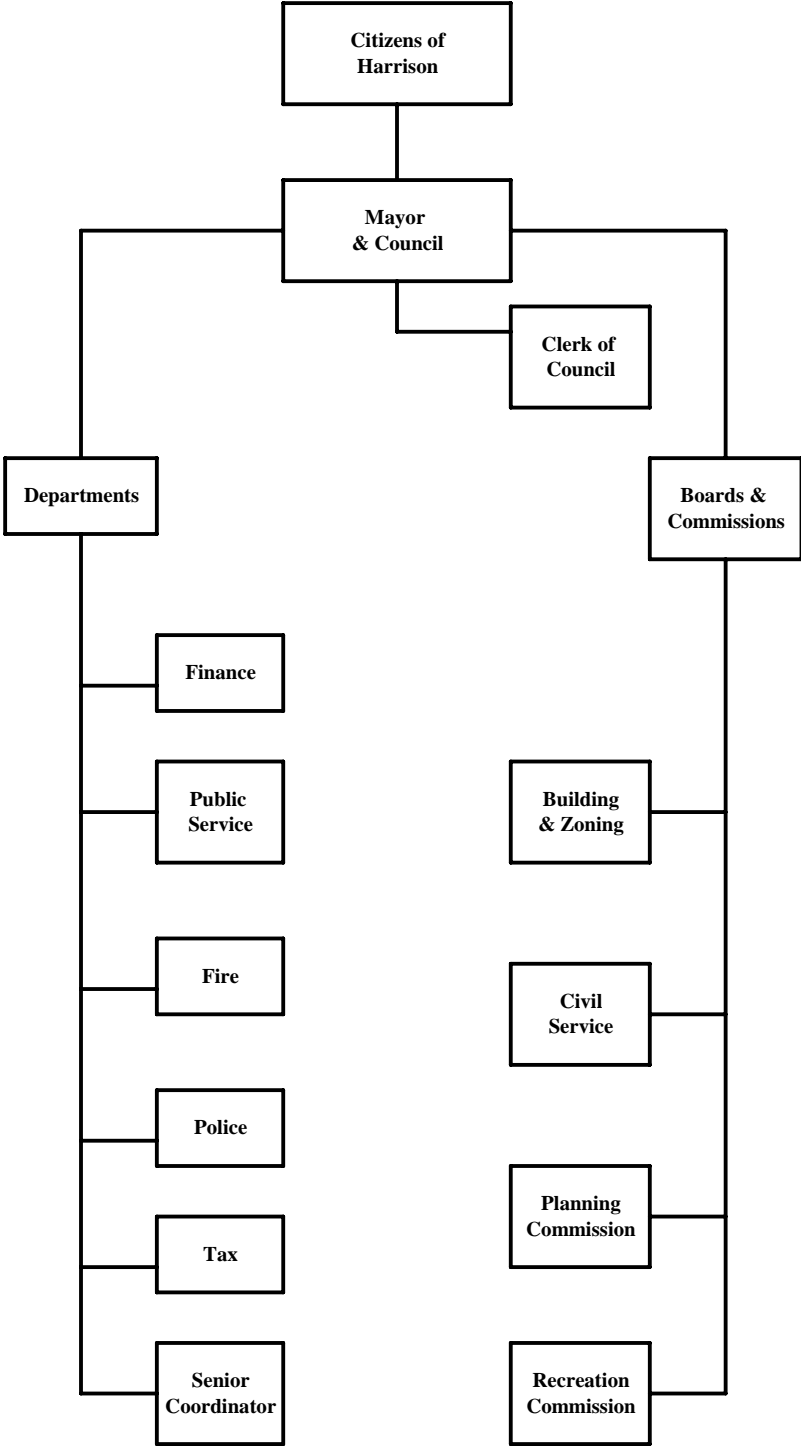
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Daniel J. Gieringer	December 31, 2003
Vice Mayor/Member of Council	James Robertson	December 31, 2003
Members of Council	William Neyer	December 31, 2005
	Ruth Glasscock	December 31, 2003
	Tony Burkard	December 31, 2005
	Randy Shank	December 31, 2005
	Walter Powers	December 31, 2003
	Deborah Acrad	December 31, 2005

Appointed Officials:

<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Finance Director	James W. Satzger	Pleasure of Mayor/Council
Clerk of Council	Carol Wiwi	Pleasure of Mayor/Council
City Law Director	William M. Deters II	Pleasure of Mayor/Council
Director of Public Services	James Leslie	Pleasure of Mayor/Council

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report

Members of Council and Mayor
City of Harrison
112 N. Walnut Street
Harrison, Ohio 45030

We have audited the accompanying general purpose financial statements of the City of Harrison, Hamilton County, (the “City”), as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the City’s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Harrison, Hamilton County, as of December 31, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City has restated its Enterprise Funds’ retained earnings at December 31, 2002 due to a valuation adjustment of its fixed assets as a result of an appraisal.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Trimble, Julian & Grube, Inc.
June 23, 2004

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF HARRISON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 550,030	\$ 1,272,597	\$ 857,214	\$ 875,897
Cash with fiscal agent	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	1,369,665	824,835	-	15,501
Accounts	18,506	110,016	-	-
Accrued interest	12,277	-	-	-
Advances to other funds.	57,347	-	-	-
Due from other governments	168,652	165,371	-	-
Due from other funds	31	-	-	-
Prepayments.	15,575	16,105	-	-
Bond issuance cost and other deferred charges.	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Property, plant and equipment (net of accumulated depreciation where applicable).	-	-	-	-
Other debits:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 2,192,083</u>	<u>\$ 2,388,924</u>	<u>\$ 857,214</u>	<u>\$ 891,398</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$ 7,837,210	\$ -	\$ -	\$ -	\$ 11,392,948
-	607	-	-	607
-	-	-	-	2,210,001
387,527	-	-	-	516,049
189	-	-	-	12,466
-	-	-	-	57,347
-	-	-	-	334,023
-	-	-	-	31
8,410	-	-	-	40,090
866,693	-	-	-	866,693
335,953	-	-	-	335,953
21,602,864	-	10,138,254	-	31,741,118
-	-	-	857,214	857,214
-	-	-	2,528,827	2,528,827
<u>\$ 31,038,846</u>	<u>\$ 607</u>	<u>\$ 10,138,254</u>	<u>\$ 3,386,041</u>	<u>\$ 50,893,367</u>

-- continued

CITY OF HARRISON, OHIO

COMBINED BALANCE SHEET (CONTINUED)
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Equity and Other Credits</u>				
Liabilities:				
Accounts payable	\$ 83,104	\$ 45,630	\$ -	\$ 87,112
Contracts payable	-	-	-	-
Accrued wages and benefits.	38,594	35,627	-	-
Compensated absences payable.	10,785	6,376	-	-
Advances from other funds	-	35,411	-	-
Deferred revenue	1,169,928	1,031,049	-	-
Due to other governments	47,539	136,635	-	-
Due to other funds	-	31	-	-
Accrued interest payable	-	-	-	-
OPWC loans payable	-	-	-	-
OWDA loans payable.	-	-	-	-
General obligation bonds payable	-	-	-	-
Mortgage revenue bonds payable.	-	-	-	-
Revenue bonds payable	-	-	-	-
Unamortized premiums and deferred charges	-	-	-	-
Capital lease obligations	-	-	-	-
Total liabilities	1,349,950	1,290,759	-	87,112
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved.	-	-	-	-
Fund balances:				
Reserved for encumbrances.	73,830	48,976	-	378,278
Reserved for prepayments	15,575	16,105	-	-
Reserved for advances	57,347	-	-	-
Reserved for debt service.	-	-	857,214	-
Unreserved - undesignated	695,381	1,033,084	-	426,008
Total equity and other credits	842,133	1,098,165	857,214	804,286
Total liabilities, equity and other credits	\$ 2,192,083	\$ 2,388,924	\$ 857,214	\$ 891,398

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$ 77,774	\$ -	\$ -	\$ -	\$ 293,620
144,942	-	-	-	144,942
9,419	-	-	-	83,640
27,615	-	-	161,861	206,637
21,936	-	-	-	57,347
-	-	-	-	2,200,977
14,902	607	-	-	199,683
-	-	-	-	31
151,103	-	-	-	151,103
338,919	-	-	-	338,919
1,790,545	-	-	-	1,790,545
75,000	-	-	2,980,000	3,055,000
200,000	-	-	-	200,000
18,750,000	-	-	-	18,750,000
243,102	-	-	-	243,102
-	-	-	244,180	244,180
<u>21,845,257</u>	<u>607</u>	<u>-</u>	<u>3,386,041</u>	<u>27,959,726</u>
-	-	10,138,254	-	10,138,254
1,247,667	-	-	-	1,247,667
335,953	-	-	-	335,953
7,609,969	-	-	-	7,609,969
-	-	-	-	501,084
-	-	-	-	31,680
-	-	-	-	57,347
-	-	-	-	857,214
-	-	-	-	2,154,473
<u>9,193,589</u>	<u>-</u>	<u>10,138,254</u>	<u>-</u>	<u>22,933,641</u>
<u>\$ 31,038,846</u>	<u>\$ 607</u>	<u>\$ 10,138,254</u>	<u>\$ 3,386,041</u>	<u>\$ 50,893,367</u>

CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Income taxes	\$ 2,463,095	\$ -	\$ -	\$ -	\$ 2,463,095
Property and other taxes	1,114,177	1,003,076	-	71,167	2,188,420
Charges for services	5,440	303,332	-	-	308,772
Licenses, permits and fees	151,407	1,065	-	-	152,472
Fines and forfeitures	128,262	-	-	-	128,262
Intergovernmental	319,236	415,502	-	100,000	834,738
Investment income	28,956	7,608	13,684	12,927	63,175
Other	108,386	23,651	-	-	132,037
Total revenues	4,318,959	1,754,234	13,684	184,094	6,270,971
Expenditures:					
Current operations:					
General government	938,940	-	-	-	938,940
Security of persons and property.	1,724,857	1,882,993	-	-	3,607,850
Public health and welfare	8,806	179,230	-	-	188,036
Transportation	-	459,111	-	-	459,111
Community environment	7,233	-	-	-	7,233
Leisure time activity	47,502	107,705	-	-	155,207
Capital outlay.	82,384	352,742	-	626,500	1,061,626
Debt service:					
Principal retirement	49,792	49,570	115,000	-	214,362
Interest and fiscal charges.	1,399	2,128	189,256	-	192,783
Total expenditures	2,860,913	3,033,479	304,256	626,500	6,825,148
Excess (deficiency) of revenues over (under) expenditures.	1,458,046	(1,279,245)	(290,572)	(442,406)	(554,177)
Other financing sources (uses):					
Operating transfers in	-	1,378,687	867,176	330,000	2,575,863
Operating transfers out	(1,959,317)	(120,773)	-	(50,000)	(2,130,090)
Proceeds from capital leases	82,384	240,270	-	-	322,654
Total other financing sources (uses)	(1,876,933)	1,498,184	867,176	280,000	768,427
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).	(418,887)	218,939	576,604	(162,406)	214,250
Fund balances, January 1.	1,261,020	879,226	280,610	966,692	3,387,548
Fund balances, December 31	\$ 842,133	\$ 1,098,165	\$ 857,214	\$ 804,286	\$ 3,601,798

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2003

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Income taxes	\$ 2,322,736	\$ 2,452,028	\$ 129,292	\$ -	\$ -	\$ -
Property and other taxes	1,055,428	1,114,177	58,749	922,199	1,004,776	82,577
Charges for services	4,165	4,397	232	270,015	274,264	4,249
Licenses, permits and fees	140,692	148,523	7,831	906	1,065	159
Fines and forfeitures.	132,991	140,394	7,403	-	-	-
Intergovernmental	317,950	335,648	17,698	393,187	418,175	24,988
Investment income	36,857	38,909	2,052	3,000	7,608	4,608
Other.	102,671	108,386	5,715	24,413	27,895	3,482
Total revenues	4,113,490	4,342,462	228,972	1,613,720	1,733,783	120,063
Expenditures:						
Current:						
General government	1,112,344	980,773	131,571	-	-	-
Security of persons and property.	1,988,200	1,821,833	166,367	1,916,913	1,976,802	(59,889)
Public health and welfare	18,103	17,609	494	305,486	180,522	124,964
Transportation	-	-	-	492,891	440,088	52,803
Community environment.	93,061	106,987	(13,926)	-	-	-
Leisure time activity.	76,031	49,117	26,914	197,658	121,874	75,784
Capital outlay	-	-	-	277,591	142,287	135,304
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges.	-	-	-	-	-	-
Total expenditures	3,287,739	2,976,319	311,420	3,190,539	2,861,573	328,966
Excess (deficiency) of revenues over (under) expenditures	825,751	1,366,143	540,392	(1,576,819)	(1,127,790)	449,029
Other financing sources (uses):						
Operating transfers in	-	-	-	1,367,130	1,378,687	11,557
Operating transfers out	(1,644,892)	(1,959,317)	(314,425)	(120,773)	(120,773)	-
Total other financing sources (uses).	(1,644,892)	(1,959,317)	(314,425)	1,246,357	1,257,914	11,557
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses). . .	(819,141)	(593,174)	225,967	(330,462)	130,124	460,586
Fund balance (deficit), January 1	905,397	905,397	-	980,522	980,522	-
Prior year encumbrances appropriated	121,694	121,694	-	68,766	68,766	-
Fund balance, December 31.	\$ 207,950	\$ 433,917	\$ 225,967	\$ 718,826	\$ 1,179,412	\$ 460,586

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Debt Service			Capital Projects			Total (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,322,736	\$ 2,452,028	\$ 129,292
-	-	-	9,532	66,678	57,146	1,987,159	2,185,631	198,472
-	-	-	-	-	-	274,180	278,661	4,481
-	-	-	-	-	-	141,598	149,588	7,990
-	-	-	-	-	-	132,991	140,394	7,403
-	-	-	14,295	100,000	85,705	725,432	853,823	128,391
-	13,684	13,684	1,000	12,927	11,927	40,857	73,128	32,271
-	-	-	-	-	-	127,084	136,281	9,197
-	13,684	13,684	24,827	179,605	154,778	5,752,037	6,269,534	517,497
-	-	-	-	-	-	1,112,344	980,773	131,571
-	-	-	-	-	-	3,905,113	3,798,635	106,478
-	-	-	-	-	-	323,589	198,131	125,458
-	-	-	-	-	-	492,891	440,088	52,803
-	-	-	-	-	-	93,061	106,987	(13,926)
-	-	-	-	-	-	273,689	170,991	102,698
-	-	-	1,547,292	1,121,177	426,115	1,824,883	1,263,464	561,419
927,630	563,555	364,075	-	-	-	927,630	563,555	364,075
623,619	378,862	244,757	-	-	-	623,619	378,862	244,757
1,551,249	942,417	608,832	1,547,292	1,121,177	426,115	9,576,819	7,901,486	1,675,333
(1,551,249)	(928,733)	622,516	(1,522,465)	(941,572)	580,893	(3,824,782)	(1,631,952)	2,192,830
1,507,124	1,505,337	(1,787)	47,173	330,000	282,827	2,921,427	3,214,024	292,597
-	-	-	(50,000)	(50,000)	-	(1,815,665)	(2,130,090)	(314,425)
1,507,124	1,505,337	(1,787)	(2,827)	280,000	282,827	1,105,762	1,083,934	(21,828)
(44,125)	576,604	620,729	(1,525,292)	(661,572)	863,720	(2,719,020)	(548,018)	2,171,002
236,485	236,485	-	(7,113)	(7,113)	-	2,115,291	2,115,291	-
44,125	44,125	-	1,079,192	1,079,192	-	1,313,777	1,313,777	-
\$ 236,485	\$ 857,214	\$ 620,729	\$ (453,213)	\$ 410,507	\$ 863,720	\$ 710,048	\$ 2,881,050	\$ 2,171,002

CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type
	Enterprise
Operating revenues:	
Charges for services	\$ 3,111,015
Other	9,991
	<hr/>
Total operating revenues	3,121,006
	<hr/>
Operating expenses:	
Personal services	555,774
Contract services	562,797
Materials and supplies	264,570
Depreciation	321,024
Utilities	306,894
Other	2,532
	<hr/>
Total operating expenses	2,013,591
	<hr/>
Operating income	1,107,415
	<hr/>
Nonoperating revenues (expenses):	
Interest expense and fiscal charges	(822,661)
Investment earnings	81,019
Intergovernmental revenue	8,379
	<hr/>
Total nonoperating revenues (expenses)	(733,263)
	<hr/>
Net income before operating transfers	374,152
Operating transfers in	50,000
Operating transfers out	(495,773)
	<hr/>
Net loss	(71,621)
Retained earnings (restated), January 1	8,017,543
	<hr/>
Retained earnings, December 31	7,945,922
Contributed capital, December 31	1,247,667
	<hr/>
Total fund equity, December 31	\$ 9,193,589
	<hr/> <hr/>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HARRISON, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$ 3,089,860
Cash received from other operations	9,991
Cash payments for personal services	(551,763)
Cash payments for contract services	(492,724)
Cash payments for materials and supplies	(267,838)
Cash payments for utilities.	(289,844)
Cash payments for other expenses	(2,532)
Net cash provided in operating activities.	1,495,150
Cash flows from noncapital financing activities:	
financing activities:	
Cash received from operating grants.	8,379
Transfers in from other funds	569,433
Transfers out to other funds	(1,015,206)
Net cash used by noncapital financing activities.	(437,394)
Cash flows from capital and related financing activities:	
financing activities:	
Acquisition of capital assets	(6,275,469)
Proceeds of loans.	88,675
Proceeds of bonds.	18,750,000
Premium on note issuance	244,734
Note issuance costs.	(770,773)
Payment to refunded escrow agent.	(2,961,736)
Principal retirement	(10,293,414)
Interest and fiscal charges paid.	(720,759)
Net cash used in capital and related financing activities	(1,938,742)
Cash flows from investing activities:	
Interest received	100,430
Net cash provided by investing activities	100,430
Net decrease in cash and cash equivalents	(780,556)
Cash and cash equivalents at January 1.	8,953,719
Cash and cash equivalents at December 31	\$ 8,173,163
Reconciliation of operating income to net cash provided by operating activities:	
Operating income.	\$ 1,107,415
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	321,024
Changes in assets and liabilities:	
(Increase) in accounts receivable.	(21,155)
(Increase) in prepayments	(754)
Increase in accounts payable	41,693
Decrease in accrued wages and benefits.	(61)
Increase in compensated absences payable.	4,265
Increase in contracts payable.	42,916
Decrease in due to other governments.	(193)
Net cash provided by operating activities	\$ 1,495,150

At December 31, 2002, the Water fund purchased \$660 in capital assets on account.
At December 31, 2003, the Sewer fund purchased \$93,124 in capital assets on account.
At December 31, 2003, the Sewer fund purchased \$434,406 in capital assets on account.

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - DESCRIPTION OF THE ENTITY

The City of Harrison, Ohio (the "City"), is a charter city and operates under the Mayor-Council form of government. The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Harrison, this includes police and fire protection, emergency medical services, parks, recreation, planning, zoning, street maintenance, the Mayor's Court, the Harrison Community Center and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Reporting Entity

The City's reporting entity has been defined according to GASB Statement No. 14, "The Financial Reporting Entity". For financial reporting purposes, the City's GPFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's GPFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units. The City is a member of two insurance purchasing pools which are described in Note 15.

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"). The Court's operations are not legally separate from the City. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying GPFS.

B. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of fund or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. The various funds are summarized by type in the GPFS.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

GOVERNMENTAL FUNDS

The governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types.

General Fund - This fund accounts for the general operating revenues and expenditures of the City not recorded elsewhere.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - These funds are used to account for revenues received and used to pay principal and interest on debt reported to the City's general long-term obligations account group.

Capital Projects Funds - These funds are used to account for the acquisition or construction of major capital assets other than those financed by proprietary funds.

PROPRIETARY FUNDS

The proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following is the City's proprietary fund type:

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUND TYPE

This fund type is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

Agency Fund - These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The City maintains one agency fund which is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those accounted for in the enterprise funds. General fixed assets include land, buildings, improvements other than buildings and machinery and equipment owned by the City.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary funds.

C. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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 net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental and agency funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the reporting of expenses and expenditures.

REVENUES - EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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 or the year when use is first permitted, matching requirements, in which the City must provide local resources 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fines and forfeitures, licenses and permits, and fees for services.

DEFERRED REVENUE

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue.

EXPENSES/EXPENDITURES

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

D. Budgetary Data

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 appropriation ordinance are subject to amendment throughout the year.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the combined object level within each department. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted several supplemental appropriations during 2003.

Tax Budget

By July 15, the Mayor submits an annual tax budget for the following fiscal 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 20th of each year, for the period January 1 to December 31, of the following year.

Estimated Resources

The City Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal 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 annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications. Supplemental appropriations were legally enacted by Council during the year.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year-end are reported as expenditures in the budgetary basis statements included in the GPFS. Encumbered funds accrued at year-end are not reported as a reservation of fund balance.

Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

E. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary 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 Cash Equivalents" on the combined balance sheet.

During 2003, investments were limited to STAR Ohio, federal agency securities, U. S. Government money market mutual funds and certificates of deposit.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2003.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During fiscal 2003, interest revenue credited to the general fund amounted to \$28,956 which includes \$18,931 assigned from other City funds.

The City has a segregated bank account for the Mayor's Court which is held separate from the City's central bank account. This depository account is presented on the combined balance sheet as "Cash with Fiscal Agent" since they are not required to be deposited into the City treasury.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

An analysis of the City's investment accounts at year-end is provided in Note 4.

F. Fixed Assets and Depreciation

1. *General Fixed Assets Account Group*

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year in the general fixed assets account group. The City follows a policy of not capitalizing infrastructure, which is defined as assets that are immovable and of value only to the City, (i.e., roads, bridges, etc.) No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized. The City has established a capitalization criteria of \$300.

General fixed asset values were initially determined at December 31, 1990 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. *Enterprise Funds*

Property, plant, and equipment reflected in the enterprise funds are stated at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year. Contributed fixed assets are recorded at their fair market value as of the date donated. The City has established a capitalization criteria of \$300. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Machinery and equipment	5-20
Buildings	50
Improvements	50-65

The City also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on tax exempt debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned, on the proceeds of such debt.

G. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave and compensatory time to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave and compensatory time is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

The total liability for vacation leave, compensatory time and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

Accumulated vacation leave, compensatory time and sick leave of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave benefits for employees meeting the above requirements who are paid from proprietary funds are recorded as an expense when earned and the related liability is reported within the fund.

H. Long-Term Obligations

Long-term obligations for general obligation bonds, mortgage revenue bonds, Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, vested sick and vacation leave, capital leases and any other claims or judgments that are expected to be paid from the governmental funds are shown in the general long-term obligations account group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

I. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. The most significant may include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in or of expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to changes for goods and services rendered, are reflected as "due to/from other funds."
4. Short-term interfund loans and accrued operating transfers are reflected as "interfund loans receivable/payable".
5. Long-term interfund loans that will not be repaid within the next year are termed "advances". They are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The City had long-term advances receivable and payable at December 31, 2003.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

An analysis of interfund transactions is presented in Note 5.

J. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports amounts representing encumbrances outstanding, prepayments, advances made to other funds, and amount available for debt service as reservations of fund balance in the governmental funds.

K. Contributions of Capital

Contributed capital represents donations by developers and grants restricted for capital construction. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those proprietary fund type assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. In accordance with GASB Statement No. 33, capital contributions are recorded as revenue and a component of retained earnings at year-end. There were no capital contributions received by the enterprise funds in 2003. Contributed capital in the enterprise funds at December 31, 2003 is \$1,247,667.

L. Prepayments

Prepayments for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

M. Estimates

The preparation of GPFS in conformity with GAAP 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. Restricted Assets

Certain cash and cash equivalents are classified as restricted cash on the balance sheet because these funds are being held by a trustee as designated by the bond indenture.

O. Total Columns on General Purpose Financial Statements

Total columns on the GPFS are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustment

During the year the City had an outside appraisal on its fixed assets. The effect on retained earnings as previously reported at January 1, 2003, is as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>	<u>Sanitation</u>	<u>Total Enterprise Funds</u>
Retained earnings					
as previously reported	\$ 3,631,262	\$ 3,468,777	\$ 27,893	\$ 164,611	\$ 7,292,543
Change due to appraisal	<u>325,493</u>	<u>399,507</u>	<u>-</u>	<u>-</u>	<u>725,000</u>
Restated fund balance/retained earnings at January 1, 2003	<u>\$ 3,956,755</u>	<u>\$ 3,868,284</u>	<u>\$ 27,893</u>	<u>\$ 164,611</u>	<u>\$ 8,017,543</u>

B. Compliance

The following funds had appropriations in excess of estimated resources contrary to Section 5705.39, Ohio Revised Code:

<u>Fund Type/Fund</u>	<u>Excess</u>
<u>Special Revenue Fund Type:</u>	
Street Maintenance and Repair	\$ 28,076
Community Center	824
<u>Capital Projects Fund Type:</u>	
Capital Improvement	929,287
<u>Enterprise Fund Type:</u>	
Sewer	2,340,027
Storm Water	7,600

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

The following funds had expenditures in excess of appropriations contrary to Section 5705.41 (B), Ohio Revised Code:

<u>Fund Type/Fund/Function/Department/Line Item</u>	<u>Excess</u>
<u>General Fund:</u>	
General Government/Income Tax/Personal Services	\$ 175
General Government/Council/Personal Services	1,807
General Government/Finance/Personal Services	9,430
General Government/Law Director/Personal Services	3,248
General Government/Elections/Other	62,688
Security of Persons and Property/Street Lighting/Other	5,127
Security of Persons and Property/Civil Defense/Contratual Services	609
Community Environment/Building Department/Personal Services	1,251
Community Environment/Building Department/Operations/Maintenance	20,805
Community Environment/Zoning Department/Personal Services	841
Leisure Time Activity/Parks and Recreation/Capital Improvements	102
Other Financing Uses/Operating Transfers Out	314,425
<u>Special Revenue Fund Type:</u>	
Fire Memorial:	
Security of Persons and Property/Other	1,677
Fire Improvement:	
Security of Persons and Property/Operations and Maintenance	85,163
Police Pension:	
Security of Persons and Property/Other	5,525
Senior Center:	
Public Health and Welfare/Personal Services	7,334
Drug Law Enforcement:	
Capital Outlay/Capital Improvements	268
<u>Capital Projects Fund Type:</u>	
Street/Safety Construction:	
Capital Outlay/Capital Improvements	9,755
<u>Enterprise Fund Type:</u>	
Sewer:	
Operating Expenses/Operations/Maintenance	69,764
Operating Expenses/Other	2,109
Operating Transfers Out	333,771
Water:	
Operating Transfers Out	125,000
Storm Water:	
Operating Transfers Out	33,600

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

Monies held by the City are classified by State statute 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 the City has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be 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 in interim monies. Interim monies are those monies 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:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim moneys;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio; and
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest, or coupons.
3. Obligations of the City.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Cash on Hand: At year-end, the City had \$525 in undeposited cash on hand which is included on the Balance Sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits: At December 31, 2003, the carrying amount of the City's deposits, which includes cash with fiscal agent and nonnegotiable certificates of deposit, was \$4,233,005 and the bank balance was \$4,274,929. Of the bank balance:

1. \$804,481 was covered by federal deposit insurance; and
2. \$3,470,448 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments: The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name. STAR Ohio (an investment pool operated by the Ohio State Treasurer) and U.S. government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

The following is a listing of investments, by category, as of December 31, 2003:

	Category 3	Fair Value
Federal agency securities	<u>\$6,246,602</u>	\$ 6,246,602
U. S. Government money market mutual funds		377,819
Investment in STAR Ohio		<u>871,557</u>
Total investments		<u>\$ 7,495,978</u>

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

	Cash and Cash Equivalents/Deposits	Investments
Per GASB Statement No. 9	\$ 11,729,508	\$ -
Investments of the cash management pool:		
Investment in STAR Ohio	(871,557)	871,557
U.S. Government money market mutual funds	(377,819)	377,819
Federal agency securities	(6,246,602)	6,246,602
Cash on hand	<u>(525)</u>	<u>-</u>
Per GASB Statement No. 3	<u>\$ 4,233,005</u>	<u>\$ 7,495,978</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the City's operating transfers for 2003:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ <u> -</u>	\$ <u>1,959,317</u>
<u>Special Revenue Funds</u>		
Street	122,503	-
Fire Improvement	768,885	120,773
Community Center	115,710	-
Fire Capital Reserve	75,000	-
Senior Fund	79,360	-
Police Pension	200,000	-
Recreational tax receipts	<u>17,229</u>	<u> -</u>
Total Special Revenue Funds	<u>1,378,687</u>	<u>120,773</u>
<u>Debt Service Fund</u>		
Debt Service	<u>867,176</u>	<u> -</u>
<u>Capital Projects Funds</u>		
Capital improvements	330,000	-
Street/safety construction	<u> -</u>	<u>50,000</u>
Total Capital Projects Funds	<u>330,000</u>	<u>50,000</u>
<u>Enterprise Funds</u>		
Storm Water	50,000	-
Sewer	-	345,223
Water	<u> -</u>	<u>150,550</u>
Total Enterprise Funds	<u>50,000</u>	<u>495,773</u>
Total	<u>\$ 2,625,863</u>	<u>\$ 2,625,863</u>

The City's transfers were in compliance with Ohio Revised Code 5705.14, 5705.15, and 5705.16.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** At December 31, 2003, the Federal Adoption Seizures special revenue fund had negative cash balance. This fund overdraft has been reported as a fund liability.

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 31	\$ -
<u>Special Revenue Fund</u>		
Federal Adoption Seizures	-	31
Total	\$ 31	\$ 31

- C.** The City had the following long-term advances outstanding at December 31, 2003:

	<u>Advances To</u> <u>Other Funds</u>	<u>Advances From</u> <u>Other Funds</u>
General Fund	\$ 57,347	\$ -
<u>Special Revenue Funds</u>		
Fire Memorial	-	15,000
State Highway Improvements	-	20,411
Total Special Revenue Funds	-	35,411
<u>Enterprise Funds</u>		
Water	-	12,960
Sewer	-	8,976
Total Enterprise Funds	-	21,936
Total	\$ 57,347	\$ 57,347

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. The Hamilton County Auditor reappraises real property every six years with a triennial update. The last update was completed in the tax year 1996. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate applied to real property for the fiscal year ended December 31, 2003 was \$13.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$13.00 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$13.00 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback reductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2003 was \$13.00 per \$1,000 of assessed valuation. The assessed valuation upon which 2003 taxes were collected is as follows:

Residential/agricultural real property	\$ 95,553,620
Commercial/industrial/public utility real property	52,153,750
Tangible/public utility personal property	<u>24,201,460</u>
Total assessed value	<u>\$ 171,908,830</u>

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their share of the taxes collected.

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2003. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2004 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue".

NOTE 7 - LOCAL INCOME TAX

The City levies a tax of one percent on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax revenue is reported to the extent that it was earned by year-end, measurable, and available at December 31.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2003, consisted of income taxes, real estate and other taxes, accounts (billings for user charged services), amounts due from other funds, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the combined balance sheet. Receivables have been recorded to the extent eligibility requirements have been met by year-end and the amounts are measurable.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 8 - RECEIVABLES - (Continued)

A summary of the items of receivables follows:

<u>Fund Type/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Income taxes	\$ 486,818
Real and other taxes	882,847
Accounts	18,506
Accrued interest	12,227
Advances to other funds	57,347
Due from other governments	168,652
Due from other funds	31
<u>Special Revenue Funds</u>	
Real and other taxes	824,835
Accounts receivable	110,016
Due from other governments	165,371
<u>Capital Projects Fund</u>	
Real and other taxes	15,501
<u>Enterprise Funds</u>	
Accounts	387,527
Accrued interest	189

NOTE 9 - FIXED ASSETS

A. Enterprise Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2003, follows:

Land	\$ 485,420
Land improvements	32,386
Buildings	4,814,913
Machinery and equipment	1,499,195
Infrastructure	6,762,080
Construction in progress	12,193,736
Accumulated depreciation	<u>(4,184,866)</u>
Total net fixed assets	<u>\$ 21,602,864</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 9 - FIXED ASSETS - (Continued)

B. General Fixed Assets

The general fixed assets account group has been restated as of January 1, 2003 due to an appraisal of the City's fixed assets. The appraisal had the following effect on the balances previously reported in the general fixed asset account group:

	Balance at <u>12/31/02</u>	<u>Adjustment</u>	Restated Balance at <u>12/31/02</u>
Land	\$ 849,190	\$2,152,731	\$ 3,001,921
Land improvements	30,934	769,779	800,713
Buildings and improvements	1,970,620	1,937,309	3,907,929
Furniture and equipment	1,439,239	(505,387)	933,852
Vehicles	<u>1,319,534</u>	<u>-</u>	<u>1,319,534</u>
Total	<u>\$ 5,609,517</u>	<u>\$4,354,432</u>	<u>\$ 9,963,949</u>

A summary of the changes in the general fixed assets account group during the fiscal year follows:

<u>Asset Category</u>	<u>Balance</u> <u>01/01/03</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/03</u>
Land	\$ 3,001,921	\$ -	\$ -	\$ 3,001,921
Land improvements	800,713	-	-	800,713
Buildings and improvements	3,907,929	-	-	3,907,929
Furniture and equipment	933,852	158,195	(20,817)	1,071,230
Vehicles	<u>1,319,534</u>	<u>197,788</u>	<u>(160,861)</u>	<u>1,356,461</u>
Total	<u>\$ 9,963,949</u>	<u>\$ 355,983</u>	<u>\$ (181,678)</u>	<u>\$ 10,138,254</u>

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2003, the City entered into a lease for police vehicles and a fire truck. In prior years, the City entered into capitalized leases for the acquisition of police cruisers. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease 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 combined GPFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group in the amount of \$385,404. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2003 totaled \$49,792 in the general fund and \$49,570 in the special revenue funds.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

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, 2003:

<u>Year Ending December 31,</u>	<u>Amount</u>
2004	\$ 80,602
2005	80,602
2006	51,698
2007	<u>51,699</u>
Total	264,601
Less: amount representing interest	<u>(20,421)</u>
Present value of net minimum lease payments	<u>\$ 244,180</u>

NOTE 11 - VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group. Vacation and sick leave earned by proprietary fund type employees is expensed when earned.

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2003, vested benefits for sick leave for governmental fund type employees totaled \$159,399, vested benefits for vacation leave totaled \$1,639 and vested benefits for comp time totaled \$823 (these amounts are reported net of payments made using current available resources which are presented as fund liabilities). For proprietary fund types, vested benefits for vacation totaled \$4,783 and sick leave totaled \$22,832. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 12 - LONG-TERM OBLIGATIONS

A. General Long-Term Obligations

The City's general long-term obligations at year-end consist of the following:

	<u>Balance at</u> <u>01/01/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/03</u>
<u>General Long-Term Obligations</u>				
Compensated absences payable	\$ 137,442	\$ 24,419	\$ -	\$ 161,861
Capital leases	20,888	322,654	(99,362)	244,180
General obligation bonds	<u>3,095,000</u>	<u>-</u>	<u>(115,000)</u>	<u>2,980,000</u>
Total general long-term obligations	<u>\$ 3,253,330</u>	<u>\$347,073</u>	<u>\$ (214,362)</u>	<u>\$3,386,041</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences: Sick leave and vacation benefits are presented net of actual increases and decreases because of the practicality of determining these values. Compensated absences reported in the “compensated absences payable” account will be paid from the fund from which the employee’s salaries are paid.

General Obligation Bonds: On June 1, 2000, the City issued \$3,360,000 in general obligation bonds. The proceeds of these bonds will be used to provide long term financing of various construction improvements related to roads and safety in the City. These bonds have annual interest rates ranging from 4.850% to 5.950% and mature in fiscal year 2020.

The following is a summary of the City’s future annual debt service requirements to maturity for the general obligation bonds:

<u>Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 120,000	\$ 166,923	\$ 286,923
2005	130,000	160,803	290,803
2006	135,000	154,108	289,108
2007	140,000	147,088	287,088
2008	150,000	139,738	289,738
2009-2013	875,000	568,870	1,443,870
2014-2018	1,155,000	292,273	1,447,273
2019-2020	<u>275,000</u>	<u>16,363</u>	<u>291,363</u>
Total	<u>\$2,980,000</u>	<u>\$1,646,166</u>	<u>\$4,626,166</u>

B. Defeased Debt

The City defeased Water Mortgage Revenue Bonds dated May 16, 1963, May 15, 1970, and May 17, 1974, in the amounts of \$259,000, \$100,000, and \$125,000, respectively. In fiscal year 2003, the City refunded a portion of the mortgage revenue bonds (See Note 12.C).

At the time of the defeasance, funds were deposited with the City’s trustee, JP Morgan (formally the PNC Bank), for the Water and Wastewater Issues. The principal and interest on the investments in these escrow funds are used solely to pay the principal and interest requirements on the mortgage revenue bonds as they come due. As of December 31, 2003, there was \$335,953 on deposit with JP Morgan to pay principal and interest requirements of the defeased debt.

As the money on deposit with the trustee is adequate to service the defeased debt, the City is not required to service any portion of this debt directly. Accordingly, the mortgage revenue debt is not included in the long-term obligations schedule or in the water fund balance sheet at December 31, 2003. Similarly, as no obligation is recorded, neither are the funds held on deposit with the trustee, which will be used to service that obligation.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

C. Enterprise Fund Obligations

The City had the following general obligation bonds and long-term loans payable outstanding at year-end related to enterprise fund operations:

	<u>Interest</u>	<u>Balance at</u>			<u>Balance at</u>
	<u>Rate</u>	<u>1/1/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/03</u>
<u>General Obligation Bonds</u>					
Water System Improvements - 1995	5.40%	\$ 115,000	\$ -	\$ (40,000)	\$ 75,000
<u>Revenue Bonds</u>					
Revenue Improvement and Refundings - 2003	4.75%	\$ -	\$ 18,750,000	\$ -	\$ 18,750,000
<u>Mortgage Revenue Bonds</u>					
Water System Improvements - 1992	3.5-6.0%	\$ 290,000	\$ -	\$ (90,000)	\$ 200,000
Sewer System Improvements - 1993	2.85-5.4%	2,860,000	-	(2,860,000)	-
Total mortgage revenue bonds		\$ 3,150,000	\$ 18,750,000	\$ (2,950,000)	\$ 18,950,000
<u>OPWC Loans</u>					
OPWC Loan - Transmission Lines	3.00%	\$ 140,522	\$ -	\$ (32,125)	\$ 108,397
OPWC Loan - Reservoir	3.00%	272,648	-	(42,126)	230,522
Total OPWC loans		\$ 413,170	\$ -	\$ (74,251)	\$ 338,919
<u>OWDA Loans</u>					
OWDA Loan - Water Treatment Plant	3.49%	\$ 963,458	\$ 88,675	\$ (41,068)	\$ 1,011,065
OWDA Loan - Wellfield and Transmission Mains	3.64%	827,575	-	(48,095)	779,480
Total OWDA loans		\$ 1,791,033	\$ 88,675	\$ (89,163)	\$ 1,790,545
Total enterprise fund obligations		\$ 5,469,203	\$ 18,838,675	\$ (3,153,414)	\$ 21,154,464

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

The general obligation bonds, mortgage revenue bonds and real estate revenue bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

On September 15, 2003, the City issued \$18,750,000 in wastewater system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes which matured on December 20, 2003, and refunding bonds of \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds (principal \$2,860,000; interest rate 4.6%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the balance sheet. The principal balance of the refunded wastewater system mortgage revenue bonds at December 31, 2003, was \$2,700,000.

The 2003 sewer system improvements refunding issue is comprised of current interest bonds, par value \$2,305,000, with an annual interest rate ranging from 2.00% - 4.125%. The reacquisition price exceeded the net carrying amount of the old debt by \$101,736. This difference, reported in the accompanying financial statements, is being charged to interest expense through the year 2015 using the straight-line method. This current refunding was undertaken to reduce total debt service payments over the next 10 years by 6.74% and resulted in an economic gain of \$155,372.

Improvements to the City's water treatment facilities were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2003, the City has two loans outstanding through the OPWC. The loans are payable in semi-annual installments of principal and interest.

During 2001, the City entered into two debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund Water Treatment Plant Improvements and the Wellfield and Transmission Mains project. The semi-annual payments due to the OWDA are payable from sewer and water revenues. The loan agreements function similar to a line-of credit agreement. At December 31, 2003, the City had outstanding borrowings of \$1,790,545. The total permissible borrowings under the financing agreements at December 31, 2003 for the Water Treatment Plant Improvements and the Wellfield and Transmission Mains were \$1,124,260 and \$1,311,524, respectively. As of December 31, 2003, the future annual debt service principal and interest payments for the loans were unavailable because monies related to the projects are still being disbursed and the loans are not finalized.

The following is a summary of the City's future annual debt service principal and interest requirements for enterprise fund obligations:

Year Ended	General Obligation Bonds			Mortgage Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2004	\$ 40,000	\$ 4,010	\$ 44,010	\$ 95,000	\$ 11,905	\$ 106,905
2005	35,000	1,890	36,890	105,000	6,300	111,300
Total	\$ 75,000	\$ 5,900	\$ 80,900	\$ 200,000	\$ 18,205	\$ 218,205

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	OPWC Loans		
	Principal	Interest	Total
2004	\$ 67,990	\$ 10,090	\$ 78,080
2005	70,235	7,853	78,088
2006	71,971	5,738	77,709
2007	74,547	3,556	78,103
2008	<u>54,176</u>	<u>1,309</u>	<u>55,485</u>
Total	<u>\$ 338,919</u>	<u>\$ 28,546</u>	<u>\$ 367,465</u>

Year Ended	2003 Revenue Improvement Refunding Bond		
	Principal	Interest	Total
2004	\$ 160,000	\$ 941,466	\$ 1,101,466
2005	170,000	831,598	1,001,598
2006	220,000	828,197	1,048,197
2007	220,000	823,798	1,043,798
2008	425,000	818,737	1,243,737
2009-2013	2,810,000	3,859,260	6,669,260
2014-2018	3,615,000	3,250,121	6,865,121
2019-2023	5,050,000	2,244,625	7,294,625
2024-2028	<u>6,080,000</u>	<u>893,000</u>	<u>6,973,000</u>
Total	<u>\$ 18,750,000</u>	<u>\$14,490,802</u>	<u>\$ 33,240,802</u>

NOTE 13 - BOND ANTICIPATION NOTES

The City had \$10,000,000 in bond anticipation notes outstanding at December 31, 2002. Proceeds of the 2003 bond issue, which were received in the Sewer enterprise fund, were used to retire the notes. The following is a summary of the bond anticipation note activity during 2003:

	Interest Rate	Maturity Date	Balance Outstanding 01/01/03	2003 Issues	2003 Principal Retirement	Balance Outstanding 12/31/03
<u>Sewer Fund</u>						
Sewer System						
Improvements	2.48%	12/20/03	<u>\$10,000,000</u>	<u>\$ -</u>	<u>\$ (10,000,000)</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers for sewer operations, water operations, water/sewer deposits and sanitation services. Segment information for the year ended December 31, 2003, is as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Deposit</u>		<u>Storm Water</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Sanitation</u>	<u>Fund</u>	<u>Total</u>
Operating revenues	\$ 1,580,353	\$ 1,258,218	\$ 2,391	\$ 280,044	\$ -	\$ 3,121,006
Operating expenses						
before depreciation	744,766	626,658	270	287,271	33,602	1,692,567
Depreciation expense	173,380	147,644	-	-	-	321,024
Operating income	662,207	483,916	2,121	(7,227)	(33,602)	1,107,415
Net income/(loss)	(367,793)	276,501	2,121	1,152	16,398	(71,621)
Operating transfers in	-	-	-	-	50,000	50,000
Operating transfer out	(345,223)	(150,550)	-	-	-	(495,773)
Additions to property,						
plant and equipment	5,911,742	22,445	-	-	-	5,934,187
Net working capital	6,719,048	1,169,570	30,014	165,763	16,398	8,100,793
Total assets	24,680,120	6,106,497	30,014	199,157	23,058	31,038,846
Bonds and other long						
term liabilities payable						
from operating revenues	20,013,143	1,406,359	-	-	-	21,419,502
Total liabilities	20,334,151	1,471,052	-	33,394	6,660	21,845,257
Contributed capital	757,007	490,660	-	-	-	1,247,667
Total equity	4,345,969	4,635,445	30,014	165,763	16,398	9,193,589
Encumbrances outstanding						
December 31, 2003	723,848	90,565	-	37,802	14,258	866,473

NOTE 15 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2003, the City was insured through Arthur J. Gallagher & Co. All coverage's were underwritten by Coregis Insurance Co. The City maintains a Management Committee of department directors and Loss Control Guidelines are followed.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

NOTE 15 - RISK MANAGEMENT - (Continued)

B. Employee Health Insurance

During 2003, the City provided employees health insurance through United Health Care for medical insurance; Humana Insurance for dental insurance; and Fortis for accident and life insurance. The broker for the City of Harrison is Sherrill D. Morgan Agency. Since the City's group has less than 100 subscribers, no experience data is provided.

The premiums for health, dental and accident and life insurance are paid monthly with the City paying one hundred percent of the cost.

C. Workers' Compensation

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City is a member of the Ohio Municipal Treasurers' Association Workers' Compensation Group. This group is composed of twenty cities and the City's rate is based on the entire group's accident history and administrative costs. The benefit of belonging to this group is a reduction in premiums paid to the Ohio Bureau of Workers' Compensation. The administrator of the "pool" is Acordia of Northeast Ohio.

There has been no significant reduction in insurance coverage's from coverage's in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance converge in any of the past three fiscal years.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

All City full-time employees, other than uniformed employees, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system created by the State of Ohio. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2003 was 8.5% for employees other than law enforcement and public safety. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The employer contribution rate for employees other than law enforcement and public safety division was 13.55% of covered payroll and 8.55% was the portion used to fund pension obligations for 2003. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll and 11.70% was the portion used to fund pension obligations for 2003. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$160,495, \$174,763, and \$170,329, respectively; 91.33% has been contributed for 2003 and 100% has been contributed for 2002 and 2001. The unpaid contribution of \$13,914 represents 2003, and is recorded as a liability within the respective funds.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The City's contributions to OP&F for the years ended December 31, 2003, 2002, and 2001 were \$380,952, \$360,611, and \$351,477, respectively; 75.17% has been contributed for 2003 and 100% for the years 2002 and 2001. \$94,574, representing the unpaid contributions for 2003, is recorded as a liability within the respective funds.

NOTE 17 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

OPERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate for local government employers was 13.55% of covered payroll and 5.00% was the portion that was used to fund health care. For both the public safety and law enforcement divisions the 2003 employer rate was 16.70% of covered payroll and 5.00% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The City's contribution actually made to fund postemployment benefits was \$59,223.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. OPEB's are advance funded on an actuarially determined basis.

As of December 31, 2002 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively at December 31, 2002 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2002 (the latest information available) was 402,041.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

In December 2002, the OPERS Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS, December 31, 2003, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses.

The number of participants eligible to receive health care benefits as of December 31, 2002 (the latest information available), is 13,527 for police officers and 10,396 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers and firefighters were \$87,294 and \$52,025, respectively. OP&F's total health care expense for the year ending December 31, 2002 (the latest information available), was \$141.028 million, which was net of member contributions of \$12.623 million.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

The City's budgetary process is based upon accounting for transactions on a cash basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and the expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the City reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis is as follows:

	EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$(593,174)	\$130,124	\$ 576,604	\$ (661,572)
Adjustments:				
Net adjustment for revenue accruals	(23,503)	20,451	-	4,489
Net adjustment for expenditure accruals	(738)	(265,060)	638,161	29,287
Net adjustment for other financing sources/ (uses) accruals	82,384	240,270	(638,161)	-
Encumbrances	<u>116,144</u>	<u>93,154</u>	<u>-</u>	<u>465,390</u>
GAAP basis	<u><u>\$(418,887)</u></u>	<u><u>\$218,939</u></u>	<u><u>\$ 576,604</u></u>	<u><u>\$ (162,406)</u></u>

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2003.

B. Litigation

There are lawsuits pending against the City. In the opinion of the City's management, any potential liability would not have a material effect on the financial statements.

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF HARRISON, OHIO

GENERAL FUND

The general fund is used to account for all financial resources of the City except as required to be accounted for in another fund. The major revenue sources are municipal income taxes, property taxes, investment earnings and state and local government receipts. It is the operating fund of the City.

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Income taxes	\$ 2,322,736	\$ 2,452,028	\$ 129,292
Property and other taxes	1,055,428	1,114,177	58,749
Charges for service	4,165	4,397	232
Licenses, permits and fees	140,692	148,523	7,831
Fines and forfeitures	132,991	140,394	7,403
Intergovernmental	317,950	335,648	17,698
Investment income	36,857	38,909	2,052
Other	102,671	108,386	5,715
Total revenues.	<u>4,113,490</u>	<u>4,342,462</u>	<u>228,972</u>
Expenditures:			
Current:			
General government:			
Planning commission			
Personal services	5,822	3,537	2,285
Operations/maintenance	1,250	37	1,213
Total planning commission.	<u>7,072</u>	<u>3,574</u>	<u>3,498</u>
Income tax			
Personal services	101,219	101,394	(175)
Operations/maintenance	34,120	27,407	6,713
Capital improvements.	8,989	7,771	1,218
Other	130,420	71,249	59,171
Total income tax	<u>274,748</u>	<u>207,821</u>	<u>66,927</u>
Mayor			
Personal services	32,840	29,575	3,265
Operations/maintenance	18,406	5,182	13,224
Capital improvements.	500	40	460
Total mayor.	<u>51,746</u>	<u>34,797</u>	<u>16,949</u>
Council			
Personal services	58,680	60,487	(1,807)
Operations/maintenance	48,414	28,887	19,527
Capital improvements.	500	-	500
Total council	<u>107,594</u>	<u>89,374</u>	<u>18,220</u>
Finance			
Personal services	116,755	126,185	(9,430)
Operations/maintenance	219,537	173,446	46,091
Capital improvements.	4,000	-	4,000
Total finance	<u>340,292</u>	<u>299,631</u>	<u>40,661</u>

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CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Custodian			
Personal services	\$ 43,959	\$ 42,330	\$ 1,629
Operations/maintenance	150	-	150
Total custodian	<u>44,109</u>	<u>42,330</u>	<u>1,779</u>
Civil service			
Personal services	5,023	4,059	964
Operations/maintenance	4,238	2,527	1,711
Total civil service.	<u>9,261</u>	<u>6,586</u>	<u>2,675</u>
Law director			
Personal services	42,663	45,911	(3,248)
Operations / Maintenance	78,382	68,882	9,500
Total law director.	<u>121,045</u>	<u>114,793</u>	<u>6,252</u>
Magistrate			
Personal services	65,908	63,003	2,905
Operations/maintenance	5,045	3,640	1,405
Capital improvements.	12,500	12,136	364
Total magistrate.	<u>83,453</u>	<u>78,779</u>	<u>4,674</u>
Administration coordinator			
Personal services	62,171	36,041	26,130
Operations/maintenance	7,693	2,199	5,494
Total administration coordinator	<u>69,864</u>	<u>38,240</u>	<u>31,624</u>
Elections			
Other	2,160	64,848	(62,688)
Total elections	<u>2,160</u>	<u>64,848</u>	<u>(62,688)</u>
Storm sewers and drainage			
Other	1,000	-	1,000
Total storm sewers and drainage	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total general government.	<u>1,112,344</u>	<u>980,773</u>	<u>131,571</u>
Security of persons and property:			
Law enforcement			
Personal services	1,493,011	1,440,397	52,614
Operations/maintenance	357,090	264,882	92,208
Capital improvements.	81,733	54,452	27,281
Total law enforcement	<u>1,931,834</u>	<u>1,759,731</u>	<u>172,103</u>

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CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Street lighting			
Other	\$ 56,366	\$ 61,493	\$ (5,127)
Total street lighting	<u>56,366</u>	<u>61,493</u>	<u>(5,127)</u>
Civil defense			
Contractual services	<u>-</u>	609	(609)
Total civil defense.	<u>-</u>	<u>609</u>	<u>(609)</u>
Total security of persons and property	<u>1,988,200</u>	<u>1,821,833</u>	<u>166,367</u>
Public health and welfare:			
Board of health			
Other	<u>18,103</u>	<u>17,609</u>	494
Total board of health	<u>18,103</u>	<u>17,609</u>	494
Total public health and welfare	<u>18,103</u>	<u>17,609</u>	494
Community environment:			
Building department			
Personal services	64,461	65,712	(1,251)
Operations/maintenance	6,945	27,750	(20,805)
Total building department	<u>71,406</u>	<u>93,462</u>	<u>(22,056)</u>
Zoning department			
Personal services	11,752	12,593	(841)
Operations/maintenance	1,703	932	771
Total zoning department	<u>13,455</u>	<u>13,525</u>	<u>(70)</u>
Environmental expenses:			
Other	<u>8,200</u>	-	8,200
Total environmental expenses	<u>8,200</u>	-	8,200
Total community environment.	<u>93,061</u>	<u>106,987</u>	<u>(13,926)</u>
Leisure time activity:			
Parks and recreation			
Personal services	18,231	16,387	1,844
Operations/maintenance	49,800	24,628	25,172
Capital improvements.	8,000	8,102	(102)
Total parks and recreation	<u>76,031</u>	<u>49,117</u>	<u>26,914</u>
Total leisure time activity	<u>76,031</u>	<u>49,117</u>	<u>26,914</u>
Total expenditures	<u>3,287,739</u>	<u>2,976,319</u>	<u>311,420</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>825,751</u>	<u>1,366,143</u>	<u>540,392</u>

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CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Other financing uses:			
Operating transfers out	\$ (1,644,892)	\$ (1,959,317)	\$ (314,425)
Total other financing uses	<u>(1,644,892)</u>	<u>(1,959,317)</u>	<u>(314,425)</u>
 Excess (deficiency) of revenues over (under) expenditures and other financing uses	 (819,141)	 (593,174)	 225,967
 Fund balance, January 1	 905,397	 905,397	 -
Prior year encumbrances appropriated .	121,694	121,694	-
Fund balance, December 31.	<u>\$ 207,950</u>	<u>\$ 433,917</u>	<u>\$ 225,967</u>

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CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Street Maintenance and Repair

To account for revenues generated from license and gasoline taxes to be used on local roads within the City.

State Highway Improvements

To account for revenues generated from license and gasoline taxes to be used on State highways located within the City.

Fire Memorial

To account for donations received by the fire department. These monies may be used at the discretion of the fire chief.

Fire Improvement

To account for voted levies, property taxes, and contracts that relate to the operation of the fire department.

Police Pension

To account for property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

Enforcement and Education

To account 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 Fund

To account for a grant received to make repairs at the wastewater treatment plant.

Police Memorial

To account for donations received by the police department. These monies may be used at the discretion of the police chief.

Senior Fund

To account 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

To account for the funds received from the Council on Aging of Southwestern Ohio.

Community Center

To account for the transfers in from the general fund and funds received from Harrison Township to finance the maintenance and operation of the Community Center.

CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS (Continued)

Fire Capital Reserve

To account for transfers from the fire department fund to be used for capital improvement purchases.

Drug Law Enforcement Trust

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

Law Enforcement Trust

To account for monies received from the Federal Law Enforcement agencies designated for law enforcement purposes under Ohio Revised Code.

Federal Adoption Seizure

To account for revenues received from seizures of Federal drug cases. These funds may be used at the discretion of the police chief.

Recreation Tax Receipts

To account for tax revenues received from developers to be used for parks and recreations.

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Assets:			
Equity in pooled cash and cash equivalents.	\$ 119,288	\$ 60,128	\$ 18,255
Receivables (net of allowances of uncollectibles):			
Taxes.	-	-	-
Accounts.	-	-	-
Due from other governments	123,007	5,114	-
Prepayments.	4,157	-	-
Total assets.	<u>\$ 246,452</u>	<u>\$ 65,242</u>	<u>\$ 18,255</u>
Liabilities:			
Accounts payable.	\$ 1,067	\$ -	\$ -
Accrued wages and benefits	4,638	-	-
Compensated absences payable	1,530	-	-
Advances from other funds.	-	20,411	15,000
Deferred revenue.	85,358	2,658	-
Due to other governments	7,833	-	-
Due to other funds	-	-	-
Total liabilities.	<u>100,426</u>	<u>23,069</u>	<u>15,000</u>
Fund equity:			
Reserved for encumbrances.	12,527	-	263
Reserved for prepayments	4,157	-	-
Unreserved:			
Undesignated.	129,342	42,173	2,992
Total fund equity	<u>146,026</u>	<u>42,173</u>	<u>3,255</u>
Total liabilities and fund equity.	<u>\$ 246,452</u>	<u>\$ 65,242</u>	<u>\$ 18,255</u>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$ 160,241	\$ 199,658	\$ 13,008	\$ 1,218	\$ 277
778,368	46,467	-	-	-
33,500	-	-	-	-
35,000	2,250	-	-	-
8,147	-	-	-	-
<u>\$ 1,015,256</u>	<u>\$ 248,375</u>	<u>\$ 13,008</u>	<u>\$ 1,218</u>	<u>\$ 277</u>
\$ 34,870	\$ -	\$ -	\$ -	\$ -
27,605	-	-	-	-
3,591	-	-	-	-
-	-	-	-	-
846,868	48,717	-	-	-
72,028	51,167	-	-	-
-	-	-	-	-
<u>984,962</u>	<u>99,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
24,262	-	3	-	-
8,147	-	-	-	-
(2,115)	148,491	13,005	1,218	277
<u>30,294</u>	<u>148,491</u>	<u>13,008</u>	<u>1,218</u>	<u>277</u>
<u>\$ 1,015,256</u>	<u>\$ 248,375</u>	<u>\$ 13,008</u>	<u>\$ 1,218</u>	<u>\$ 277</u>

-- Continued

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2003**

	<u>Senior Fund</u>	<u>Passport Account</u>	<u>Community Center</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 93,473	\$ 45,144	\$ 106,703
Receivables (net of allowances of uncollectibles):			
Taxes.	-	-	-
Accounts.	-	-	-
Due from other governments	-	-	-
Prepayments.	370	-	3,431
Total assets.	<u>\$ 93,843</u>	<u>\$ 45,144</u>	<u>\$ 110,134</u>
Liabilities:			
Accounts payable.	\$ 7,253	\$ -	\$ 1,940
Accrued wages and benefits	1,878	-	1,506
Compensated absences payable	1,156	-	99
Advances from other funds.	-	-	-
Deferred revenue.	-	-	-
Due to other governments	3,418	-	2,189
Due to other funds	-	-	-
Total liabilities.	<u>13,705</u>	<u>-</u>	<u>5,734</u>
Fund equity:			
Reserved for encumbrances.	-	-	11,907
Reserved for prepayments	370	-	3,431
Unreserved:			
Undesignated.	79,768	45,144	89,062
Total fund equity	<u>80,138</u>	<u>45,144</u>	<u>104,400</u>
Total liabilities and fund equity.	<u>\$ 93,843</u>	<u>\$ 45,144</u>	<u>\$ 110,134</u>

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Recreational Tax Receipts
\$ 320,865	\$ 9,336	\$ 4,274	\$ -	\$ 120,729
-	-	-	-	-
76,516	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 397,381</u>	<u>\$ 9,336</u>	<u>\$ 4,274</u>	<u>\$ -</u>	<u>\$ 120,729</u>
\$ -	\$ 500	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
47,448	-	-	-	-
-	-	-	-	-
-	-	-	31	-
<u>47,448</u>	<u>500</u>	<u>-</u>	<u>31</u>	<u>-</u>
-	14	-	-	-
-	-	-	-	-
349,933	8,822	4,274	(31)	120,729
<u>349,933</u>	<u>8,836</u>	<u>4,274</u>	<u>(31)</u>	<u>120,729</u>
<u>\$ 397,381</u>	<u>\$ 9,336</u>	<u>\$ 4,274</u>	<u>\$ -</u>	<u>\$ 120,729</u>

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CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2003

	Total
Assets:	
Equity in pooled cash and cash equivalents.	\$ 1,272,597
Receivables (net of allowances of uncollectibles):	
Taxes.	824,835
Accounts.	110,016
Due from other governments	165,371
Prepayments.	16,105
	Total assets.
	\$ 2,388,924
Liabilities:	
Accounts payable.	\$ 45,630
Accrued wages and benefits	35,627
Compensated absences payable	6,376
Advances from other funds.	35,411
Deferred revenue.	1,031,049
Due to other governments	136,635
Due to other funds	31
	Total liabilities.
	1,290,759
Fund equity:	
Reserved for encumbrances.	48,976
Reserved for prepayments	16,105
Unreserved:	
Undesignated.	1,033,084
	Total fund equity
	1,098,165
Total liabilities and fund equity.	\$ 2,388,924

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CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Revenues:			
Property and other taxes	\$ 59,109	\$ -	\$ -
Charges for services	-	-	-
Licenses, permits and fees	1,065	-	-
Intergovernmental	252,229	20,269	-
Investment income	-	-	-
Other	11,445	-	5,303
	<hr/>	<hr/>	<hr/>
Total revenues	323,848	20,269	5,303
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of persons and property.	-	-	2,785
Public health and welfare	-	-	-
Transportation	458,683	428	-
Leisure time activity	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	458,683	428	2,785
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(134,835)	19,841	2,518
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Operating transfers in	122,503	-	-
Operating transfers out	-	-	-
Proceeds from capital leases	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	122,503	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	(12,332)	19,841	2,518
	<hr/>	<hr/>	<hr/>
Fund balances, January 1.	158,358	22,332	737
	<hr/>	<hr/>	<hr/>
Fund balances, December 31.	\$ 146,026	\$ 42,173	\$ 3,255
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$ 843,170	\$ 51,097	\$ -	\$ -	\$ -
243,917	-	-	-	-
-	-	-	-	-
66,956	4,500	1,012	-	-
-	-	-	-	-
3,008	-	-	-	-
<u>1,157,051</u>	<u>55,597</u>	<u>1,012</u>	<u>-</u>	<u>-</u>
1,657,220	222,839	149	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
100,097	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,757,317</u>	<u>222,839</u>	<u>149</u>	<u>-</u>	<u>-</u>
(600,266)	(167,242)	863	-	-
768,885	200,000	-	-	-
(120,773)	-	-	-	-
-	-	-	-	-
<u>648,112</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
47,846	32,758	863	-	-
(17,552)	115,733	12,145	1,218	277
<u>\$ 30,294</u>	<u>\$ 148,491</u>	<u>\$ 13,008</u>	<u>\$ 1,218</u>	<u>\$ 277</u>

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CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Senior Fund</u>	<u>Passport Account</u>	<u>Community Center</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services	12,313	-	18,034
Licenses, permits and fees	-	-	-
Intergovernmental	56,317	8,903	-
Investment income	-	-	-
Other	2,192	-	1,703
	<hr/>	<hr/>	<hr/>
Total revenues	70,822	8,903	19,737
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of persons and property.	-	-	-
Public health and welfare	179,230	-	-
Transportation	-	-	-
Leisure time activity	-	-	107,705
Capital outlay.	-	-	10,424
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	179,230	-	118,129
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(108,408)	8,903	(98,392)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Operating transfers in	79,360	-	115,710
Operating transfers out	-	-	-
Proceeds from capital leases	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	79,360	-	115,710
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	(29,048)	8,903	17,318
	<hr/>	<hr/>	<hr/>
Fund balances, January 1.	109,186	36,241	87,082
	<hr/>	<hr/>	<hr/>
Fund balances, December 31.	\$ 80,138	\$ 45,144	\$ 104,400
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Recreational Tax Receipts
\$ -	\$ -	\$ -	\$ -	\$ 49,700
29,068	-	-	-	-
-	-	-	-	-
-	5,316	-	-	-
7,608	-	-	-	-
-	-	-	-	-
<u>36,676</u>	<u>5,316</u>	<u>-</u>	<u>-</u>	<u>49,700</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
240,270	1,901	-	50	-
49,570	-	-	-	-
2,128	-	-	-	-
<u>291,968</u>	<u>1,901</u>	<u>-</u>	<u>50</u>	<u>-</u>
(255,292)	3,415	-	(50)	49,700
75,000	-	-	-	17,229
-	-	-	-	-
<u>240,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>315,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,229</u>
59,978	3,415	-	(50)	66,929
<u>289,955</u>	<u>5,421</u>	<u>4,274</u>	<u>19</u>	<u>53,800</u>
<u>\$ 349,933</u>	<u>\$ 8,836</u>	<u>\$ 4,274</u>	<u>\$ (31)</u>	<u>\$ 120,729</u>

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CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Total
Revenues:	
Property and other taxes	\$ 1,003,076
Charges for services	303,332
Licenses, permits and fees	1,065
Intergovernmental	415,502
Investment income	7,608
Other	23,651
	1,754,234
Total revenues	1,754,234
Expenditures:	
Current:	
Security of persons and property.	1,882,993
Public health and welfare	179,230
Transportation	459,111
Leisure time activity	107,705
Capital outlay.	352,742
Debt service:	
Principal retirement	49,570
Interest and fiscal charges	2,128
	3,033,479
Total expenditures	3,033,479
Excess (deficiency) of revenues over (under) expenditures	(1,279,245)
Other financing sources (uses):	
Operating transfers in	1,378,687
Operating transfers out	(120,773)
Proceeds from capital leases	240,270
	1,498,184
Total other financing sources (uses)	1,498,184
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	218,939
Fund balances, January 1.	879,226
Fund balances, December 31.	\$ 1,098,165

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$ 50,309	\$ 59,109	\$ 8,800
Licenses, permits and fees	906	1,065	159
Intergovernmental	206,941	243,141	36,200
Other	9,741	11,445	1,704
Total revenues	<u>267,897</u>	<u>314,760</u>	<u>46,863</u>
Expenditures:			
Current:			
Transportation			
Personal services.	312,591	291,294	21,297
Operations/maintenance	178,375	148,366	30,009
Capital outlay			
Capital improvements	49,000	31,638	17,362
Total expenditures	<u>539,966</u>	<u>471,298</u>	<u>68,668</u>
Excess (deficiency) of revenues over (under) expenditures.	(272,069)	(156,538)	115,531
Other financing sources:			
Operating transfers in	104,264	122,503	18,239
Total other financing sources	<u>104,264</u>	<u>122,503</u>	<u>18,239</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(167,805)	(34,035)	133,770
Fund balance, January 1	131,713	131,713	-
Prior year encumbrances appropriated .	8,016	8,016	-
Fund balance, December 31.	<u>\$ (28,076)</u>	<u>\$ 105,694</u>	<u>\$ 133,770</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 16,000	\$ 19,108	\$ 3,108
Total revenues	<u>16,000</u>	<u>19,108</u>	<u>3,108</u>
Expenditures:			
Current:			
Transportation			
Operations/maintenance	1,925	428	1,497
Total expenditures	<u>1,925</u>	<u>428</u>	<u>1,497</u>
Excess (deficiency) of revenues over (under) expenditures.	14,075	18,680	4,605
Fund balance, January 1	41,423	41,423	-
Prior year encumbrances appropriated .	25	25	-
Fund balance, December 31.	<u>\$ 55,523</u>	<u>\$ 60,128</u>	<u>\$ 4,605</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	\$ 3,000	\$ 5,303	\$ 2,303
Total revenues	<u>3,000</u>	<u>5,303</u>	<u>2,303</u>
Expenditures:			
Current:			
Security of persons and property			
Other	3,355	5,032	(1,677)
Total expenditures	<u>3,355</u>	<u>5,032</u>	<u>(1,677)</u>
Excess (deficiency) of revenues over (under) expenditures.	(355)	271	626
Fund balance, January 1	15,366	15,366	-
Prior year encumbrances appropriated .	2,355	2,355	-
Fund balance, December 31.	<u>\$ 17,366</u>	<u>\$ 17,992</u>	<u>\$ 626</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE IMPROVEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$ 794,773	\$ 843,170	\$ 48,397
Charges for service	229,916	243,917	14,001
Intergovernmental	68,109	72,257	4,148
Other	6,836	7,252	416
Total revenues	<u>1,099,634</u>	<u>1,166,596</u>	<u>66,962</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services.	1,378,995	1,353,600	25,395
Operations/maintenance	312,650	397,813	(85,163)
Capital outlay			
Capital improvements	80,935	41,956	38,979
Total expenditures	<u>1,772,580</u>	<u>1,793,369</u>	<u>(20,789)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(672,946)</u>	<u>(626,773)</u>	<u>46,173</u>
Other financing sources (uses):			
Operating transfers in	724,751	768,885	44,134
Operating transfers out	<u>(120,773)</u>	<u>(120,773)</u>	<u>-</u>
Total other financing sources (uses)	<u>603,978</u>	<u>648,112</u>	<u>44,134</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>(68,968)</u>	21,339	90,307
Fund balance, January 1	37,379	37,379	-
Prior year encumbrances appropriated .	<u>42,391</u>	<u>42,391</u>	<u>-</u>
Fund balance, December 31.	<u>\$ 10,802</u>	<u>\$ 101,109</u>	<u>\$ 90,307</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE PENSION

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$ 54,648	\$ 51,097	\$ (3,551)
Intergovernmental	4,813	4,500	(313)
Total revenues	<u>59,461</u>	<u>55,597</u>	<u>(3,864)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services.	220,160	214,680	5,480
Other	-	5,525	(5,525)
Total expenditures	<u>220,160</u>	<u>220,205</u>	<u>(45)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(160,699)</u>	<u>(164,608)</u>	<u>(3,909)</u>
Other financing sources:			
Operating transfers in	213,899	200,000	(13,899)
Total other financing sources	<u>213,899</u>	<u>200,000</u>	<u>(13,899)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses.	53,200	35,392	(17,808)
Fund balance, January 1	164,266	164,266	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 217,466</u>	<u>\$ 199,658</u>	<u>\$ (17,808)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 2,200	\$ 1,012	\$ (1,188)
Total revenues	<u>2,200</u>	<u>1,012</u>	<u>(1,188)</u>
Expenditures:			
Current:			
Security of persons and property			
Other	<u>1,703</u>	<u>152</u>	<u>1,551</u>
Total expenditures	<u>1,703</u>	<u>152</u>	<u>1,551</u>
Excess (deficiency) of revenues over (under) expenditures.	497	860	363
Fund balance, January 1	12,142	12,142	-
Prior year encumbrances appropriated .	3	3	-
Fund balance, December 31.	<u>\$ 12,642</u>	<u>\$ 13,005</u>	<u>\$ 363</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FEMA FUND

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Fund balance, January 1	\$ 1,218	\$ 1,218	\$ -
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 1,218</u>	<u>\$ 1,218</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE MEMORIAL

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 50	\$ -	\$ (50)
Total revenues	<u>50</u>	<u>-</u>	<u>(50)</u>
Expenditures:			
Current:			
Security of persons and property			
Other	50	-	50
Total security of persons and property . .	<u>50</u>	<u>-</u>	<u>50</u>
Total expenditures	<u>50</u>	<u>-</u>	<u>50</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	-	-	-
Fund balance, January 1	277	277	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 277</u>	<u>\$ 277</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SENIOR FUND

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for service	\$ 15,380	\$ 12,313	\$ (3,067)
Intergovernmental	76,024	60,864	(15,160)
Other	2,738	2,192	(546)
Total revenues	<u>94,142</u>	<u>75,369</u>	<u>(18,773)</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services.	138,718	146,052	(7,334)
Operations/maintenance	152,108	33,131	118,977
Capital improvements	2,660	1,339	1,321
Total expenditures	<u>293,486</u>	<u>180,522</u>	<u>112,964</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(199,344)</u>	<u>(105,153)</u>	<u>94,191</u>
Other financing sources:			
Operating transfers in	99,127	79,360	(19,767)
Total other financing sources	<u>99,127</u>	<u>79,360</u>	<u>(19,767)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(100,217)	(25,793)	74,424
Fund balance, January 1	108,938	108,938	-
Prior year encumbrances appropriated	4,527	4,527	-
Fund balance, December 31.	<u>\$ 13,248</u>	<u>\$ 87,672</u>	<u>\$ 74,424</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PASSPORT ACCOUNT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for service	\$ 2,500	\$ -	\$ (2,500)
Intergovernmental	10,000	11,977	1,977
Total revenues	<u>12,500</u>	<u>11,977</u>	<u>(523)</u>
Expenditures:			
Current:			
Public health and welfare			
Operations/maintenance	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total expenditures	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Excess (deficiency) of revenues over (under) expenditures.	500	11,977	11,477
Fund balance, January 1	33,167	33,167	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u><u>\$ 33,667</u></u>	<u><u>\$ 45,144</u></u>	<u><u>\$ 11,477</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for service	\$ 22,219	\$ 18,034	\$ (4,185)
Other	2,098	1,703	(395)
Total revenues	<u>24,317</u>	<u>19,737</u>	<u>(4,580)</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	98,362	66,843	31,519
Operations/maintenance.	99,296	55,031	44,265
Capital outlay			
Capital improvements	<u>63,456</u>	<u>14,132</u>	<u>49,324</u>
Total expenditures	<u>261,114</u>	<u>136,006</u>	<u>125,108</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(236,797)</u>	<u>(116,269)</u>	<u>120,528</u>
Other financing sources:			
Operating transfers in	<u>142,558</u>	<u>115,710</u>	<u>(26,848)</u>
Total other financing sources	<u>142,558</u>	<u>115,710</u>	<u>(26,848)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(94,239)	(559)	93,680
Fund balance, January 1	83,011	83,011	-
Prior year encumbrances appropriated .	10,404	10,404	-
Fund balance, December 31.	<u>\$ (824)</u>	<u>\$ 92,856</u>	<u>\$ 93,680</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL RESERVE
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Investment income	\$ 3,000	\$ 7,608	\$ 4,608
Total revenues	<u>3,000</u>	<u>7,608</u>	<u>4,608</u>
Expenditures:			
Capital outlay			
Capital improvements	<u>76,605</u>	<u>51,698</u>	<u>24,907</u>
Total expenditures	<u>76,605</u>	<u>51,698</u>	<u>24,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,605)</u>	<u>(44,090)</u>	<u>29,515</u>
Other financing sources:			
Operating transfers in	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total other financing sources	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	1,395	30,910	29,515
Fund balance, January 1	289,955	289,955	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 291,350</u>	<u>\$ 320,865</u>	<u>\$ 29,515</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 9,000	\$ 5,316	\$ (3,684)
Total revenues	<u>9,000</u>	<u>5,316</u>	<u>(3,684)</u>
Expenditures:			
Capital outlay			
Capital improvements	<u>2,545</u>	<u>2,813</u>	<u>(268)</u>
Total expenditures	<u>2,545</u>	<u>2,813</u>	<u>(268)</u>
Excess (deficiency) of revenues over (under) expenditures.	6,455	2,503	(3,952)
Fund balance, January 1	5,274	5,274	-
Prior year encumbrances appropriated .	<u>1,045</u>	<u>1,045</u>	<u>-</u>
Fund balance, December 31.	<u>\$ 12,774</u>	<u>\$ 8,822</u>	<u>\$ (3,952)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Fund balance, January 1	\$ 4,274	\$ 4,274	\$ -
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 4,274</u>	<u>\$ 4,274</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL ADOPTION SEIZURE
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 50	\$ -	\$ (50)
Total revenues	<u>50</u>	<u>-</u>	<u>(50)</u>
Expenditures:			
Capital outlay			
Capital improvements	<u>50</u>	<u>50</u>	<u>-</u>
Total expenditures	<u>50</u>	<u>50</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	-	(50)	(50)
Fund balance, January 1	19	19	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 19</u>	<u>\$ (31)</u>	<u>\$ (50)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATIONAL TAX RECEIPTS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$ 22,469	\$ 51,400	\$ 28,931
Total revenues	<u>22,469</u>	<u>51,400</u>	<u>28,931</u>
Expenditures:			
Capital outlay			
Capital improvements	5,000	-	5,000
Total capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>17,469</u>	<u>51,400</u>	<u>33,931</u>
Other financing sources:			
Operating transfers in	7,531	17,229	9,698
Total other financing sources	<u>7,531</u>	<u>17,229</u>	<u>9,698</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	25,000	68,629	43,629
Fund balance, January 1	52,100	52,100	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 77,100</u>	<u>\$ 120,729</u>	<u>\$ 43,629</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$ 922,199	\$ 1,004,776	\$ 82,577
Charges for service	270,015	274,264	4,249
Licenses, permits and fees	906	1,065	159
Intergovernmental	393,187	418,175	24,988
Investment income	3,000	7,608	4,608
Other	24,413	27,895	3,482
Total revenues	1,613,720	1,733,783	120,063
Expenditures:			
Current:			
Security of persons and property			
Personal services.	1,599,155	1,568,280	30,875
Operations/maintenance	312,650	397,813	(85,163)
Other	5,108	10,709	(5,601)
Total security of persons and property.	1,916,913	1,976,802	(59,889)
Public health and welfare			
Personal services.	138,718	146,052	(7,334)
Operations/maintenance	164,108	33,131	130,977
Capital improvements	2,660	1,339	1,321
Total public health and welfare	305,486	180,522	124,964
Transportation			
Personal services.	312,591	291,294	21,297
Operations/maintenance	180,300	148,794	31,506
Total transportation	492,891	440,088	52,803
Leisure time activity			
Personal services.	98,362	66,843	31,519
Operations/maintenance	99,296	55,031	44,265
Total leisure time activity	197,658	121,874	75,784
Capital outlay			
Capital improvements	277,591	142,287	135,304
Total capital outlay	277,591	142,287	135,304
Total expenditures	3,190,539	2,861,573	328,966

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CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over (under) expenditures.	\$ (1,576,819)	\$ (1,127,790)	\$ 449,029
Other financing sources (uses):			
Operating transfers in	1,367,130	1,378,687	11,557
Operating transfers out	<u>(120,773)</u>	<u>(120,773)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,246,357</u>	<u>1,257,914</u>	<u>11,557</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(330,462)	130,124	460,586
Fund balances, January 1	980,522	980,522	-
Prior year encumbrances appropriated.	68,766	68,766	-
Fund balances, December 31.	<u>\$ 718,826</u>	<u>\$ 1,179,412</u>	<u>\$ 460,586</u>

CITY OF HARRISON, OHIO

DEBT SERVICE FUNDS

The debt service funds are established to account for the accumulation of resources for the payment of debt.

Debt Service

To account for transfers in from the sewer, water and sanitation enterprise funds for the retirement of principal and interest on general obligation bonds, real estate bonds, mortgage revenue bonds, and OWDA loans.

Special Assessment

To account for special assessments for sidewalks, water and sewer.

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 2003**

	Debt Service	Special Assessment	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 837,599	\$ 19,615	\$ 857,214
Total assets.	\$ 837,599	\$ 19,615	\$ 857,214
Fund equity:			
Unreserved:			
Undesignated.	837,599	19,615	857,214
Total fund equity	837,599	19,615	857,214
Total liabilities and fund equity.	\$ 837,599	\$ 19,615	\$ 857,214

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total</u>
Revenues:			
Investment income	\$ 13,684	\$ -	\$ 13,684
Total revenues	<u>13,684</u>	<u>-</u>	<u>13,684</u>
Expenditures:			
Debt service:			
Principal retirement	115,000	-	115,000
Interest and fiscal charges	<u>189,256</u>	<u>-</u>	<u>189,256</u>
Total expenditures	<u>304,256</u>	<u>-</u>	<u>304,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(290,572)</u>	<u>-</u>	<u>(290,572)</u>
Other financing sources (uses):			
Operating transfers in	<u>867,176</u>	<u>-</u>	<u>867,176</u>
Total other financing sources (uses)	<u>867,176</u>	<u>-</u>	<u>867,176</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	576,604	-	576,604
Fund balances, January 1	<u>260,995</u>	<u>19,615</u>	<u>280,610</u>
Fund balances, December 31.	<u>\$ 837,599</u>	<u>\$ 19,615</u>	<u>\$ 857,214</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

DEBT SERVICE

FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment income	\$ -	\$ 13,684	\$ 13,684
Total revenues	<u>-</u>	<u>13,684</u>	<u>13,684</u>
Expenditures:			
Debt service:			
Principal retirement	927,630	563,555	364,075
Interest and fiscal charges	<u>623,619</u>	<u>378,862</u>	<u>244,757</u>
Total expenditures	<u>1,551,249</u>	<u>942,417</u>	<u>608,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,551,249)</u>	<u>(928,733)</u>	<u>622,516</u>
Other financing sources:			
Operating transfers in	<u>1,507,124</u>	<u>1,505,337</u>	<u>(1,787)</u>
Total other financing sources	<u>1,507,124</u>	<u>1,505,337</u>	<u>(1,787)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(44,125)	576,604	620,729
Fund balance, January 1	216,870	216,870	-
Prior year encumbrances appropriated .	44,125	44,125	-
Fund balance, December 31.	<u>\$ 216,870</u>	<u>\$ 837,599</u>	<u>\$ 620,729</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Fund balance, January 1	\$ 19,615	\$ 19,615	\$ -
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 19,615</u>	<u>\$ 19,615</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Investment income	\$ -	\$ 13,684	\$ 13,684
Total revenues	<u>-</u>	<u>13,684</u>	<u>13,684</u>
Expenditures:			
Debt service:			
Principal retirement	927,630	563,555	364,075
Interest and fiscal charges	<u>623,619</u>	<u>378,862</u>	<u>244,757</u>
Total expenditures	<u>1,551,249</u>	<u>942,417</u>	<u>608,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,551,249)</u>	<u>(928,733)</u>	<u>622,516</u>
Other financing sources:			
Operating transfers in	<u>1,507,124</u>	<u>1,505,337</u>	<u>(1,787)</u>
Total other financing sources	<u>1,507,124</u>	<u>1,505,337</u>	<u>(1,787)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(44,125)	576,604	620,729
Fund balances, January 1	236,485	236,485	-
Prior year encumbrances appropriated .	44,125	44,125	-
Fund balances, December 31.	<u>\$ 236,485</u>	<u>\$ 857,214</u>	<u>\$ 620,729</u>

CITY OF HARRISON, OHIO

CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for the acquisition and construction of major capital facilities other than those

Capital Improvements

To account for property and other tax income and transfers from other funds for the various improvements within the City.

Street/Safety Construction

To account for the proceeds from the sale of bonds to be used for various street improvements.

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2003

	<u>Capital Improvement</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 383,148	\$ 492,749	\$ 875,897
Receivables (net of allowances of uncollectibles):			
Taxes.	15,501	-	15,501
Total assets.	<u>\$ 398,649</u>	<u>\$ 492,749</u>	<u>\$ 891,398</u>
Liabilities:			
Accounts payable.	\$ 87,112	\$ -	\$ 87,112
Total liabilities.	<u>87,112</u>	<u>-</u>	<u>87,112</u>
Fund equity:			
Reserved for encumbrances.	363,775	14,503	378,278
Unreserved:			
Undesignated.	<u>(52,238)</u>	<u>478,246</u>	<u>426,008</u>
Total fund equity	<u>311,537</u>	<u>492,749</u>	<u>804,286</u>
Total liabilities and fund equity.	<u>\$ 398,649</u>	<u>\$ 492,749</u>	<u>\$ 891,398</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Capital Improvement</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Revenues:			
Property and other taxes	\$ 71,167	\$ -	\$ 71,167
Intergovernmental	100,000	-	100,000
Investment income	-	12,927	12,927
Total revenues	<u>171,167</u>	<u>12,927</u>	<u>184,094</u>
Expenditures:			
Capital outlay.	<u>611,248</u>	<u>15,252</u>	<u>626,500</u>
Total expenditures	<u>611,248</u>	<u>15,252</u>	<u>626,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(440,081)</u>	<u>(2,325)</u>	<u>(442,406)</u>
Other financing sources (uses):			
Operating transfers in	330,000	-	330,000
Operating transfers out	-	(50,000)	(50,000)
Total other financing sources (uses)	<u>330,000</u>	<u>(50,000)</u>	<u>280,000</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(110,081)	(52,325)	(162,406)
Fund balances, January 1.	<u>421,618</u>	<u>545,074</u>	<u>966,692</u>
Fund balances, December 31	<u>\$ 311,537</u>	<u>\$ 492,749</u>	<u>\$ 804,286</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$ 9,532	\$ 66,678	\$ 57,146
Intergovernmental	14,295	100,000	85,705
Total revenues	<u>23,827</u>	<u>166,678</u>	<u>142,851</u>
Expenditures:			
Capital outlay			
Capital improvements	1,527,292	1,091,422	435,870
Total expenditures	<u>1,527,292</u>	<u>1,091,422</u>	<u>435,870</u>
Excess (deficiency) of revenues over (under) expenditures.	(1,503,465)	(924,744)	578,721
Other financing sources:			
Operating transfers in	47,173	330,000	282,827
Total other financing sources	<u>47,173</u>	<u>330,000</u>	<u>282,827</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses.	(1,456,292)	(594,744)	861,548
Fund balance (deficit), January 1	(552,187)	(552,187)	-
Prior year encumbrances appropriated .	1,079,192	1,079,192	-
Fund balance (deficit), December 31 . . .	<u>\$ (929,287)</u>	<u>\$ (67,739)</u>	<u>\$ 861,548</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/SAFETY CONSTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Investment income	\$ 1,000	\$ 12,927	\$ 11,927
Total revenues	<u>1,000</u>	<u>12,927</u>	<u>11,927</u>
Expenditures:			
Capital outlay			
Capital improvements	<u>20,000</u>	<u>29,755</u>	<u>(9,755)</u>
Total expenditures	<u>20,000</u>	<u>29,755</u>	<u>(9,755)</u>
Excess (deficiency) of revenues over (under) expenditures.	(19,000)	(16,828)	2,172
Other financing uses:			
Operating transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(69,000)	(66,828)	2,172
Fund balance, January 1	545,074	545,074	-
Prior year encumbrances appropriated .	-	-	-
Fund balance, December 31.	<u>\$ 476,074</u>	<u>\$ 478,246</u>	<u>\$ 2,172</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$ 9,532	\$ 66,678	\$ 57,146
Intergovernmental	14,295	100,000	85,705
Investment income	1,000	12,927	11,927
Total revenues	24,827	179,605	154,778
Expenditures:			
Capital outlay			
Capital improvements	1,547,292	1,121,177	426,115
Total expenditures	1,547,292	1,121,177	426,115
Excess (deficiency) of revenues over (under) expenditures.	(1,522,465)	(941,572)	580,893
Other financing sources (uses):			
Operating transfers in	47,173	330,000	282,827
Operating transfers out	(50,000)	(50,000)	-
Total other financing sources (uses)	(2,827)	280,000	282,827
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(1,525,292)	(661,572)	863,720
Fund balances (deficit), January 1	(7,113)	(7,113)	-
Prior year encumbrances appropriated	1,079,192	1,079,192	-
Fund balances, December 31.	\$ (453,213)	\$ 410,507	\$ 863,720

CITY OF HARRISON, OHIO

ENTERPRISE FUNDS

The enterprise funds are used to account for the City's sewer, water and sanitation operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods and services on a continuing basis be recovered primarily through user charges. Following is a description of the City's enterprise funds:

Sewer Fund

To account for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

Water Fund

To account for the operations of providing water services to customers and to maintain the local water system of the City.

Water/Sewer Deposits

To account for deposits from utility services which the City applies and/or refunds upon termination of service.

Sanitation Fund

To account for the sanitation services provided to the residential and commercial users of the City.

Storm Water Fund

To account for the storm water services provided to the residential and commercial users of the City.

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
 DECEMBER 31, 2003

	<u>Sewer</u>	<u>Water</u>	<u>Water/ Sewer Deposits</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Total</u>
Assets:						
Equity in pooled cash and cash equivalents.	\$ 6,537,605	\$ 1,090,977	\$ 30,014	\$ 155,556	\$ 23,058	\$ 7,837,210
Receivables (net of allowances of uncollectibles):						
Accounts.	204,242	139,684	-	43,601	-	387,527
Accrued interest	189	-	-	-	-	189
Prepayments.	4,808	3,602	-	-	-	8,410
Bond issuance cost and other deferred charges. . .	866,693	-	-	-	-	866,693
Restricted assets:						
Equity in pooled cash and cash equivalents	-	335,953	-	-	-	335,953
Property, plant and equipment (net of accumulated depreciation where applicable)	17,066,583	4,536,281	-	-	-	21,602,864
Total assets.	\$ 24,680,120	\$ 6,106,497	\$ 30,014	\$ 199,157	\$ 23,058	\$ 31,038,846
Liabilities:						
Accounts payable.	\$ 4,936	\$ 32,784	\$ -	\$ 33,394	\$ 6,660	\$ 77,774
Contracts payable.	142,383	2,559	-	-	-	144,942
Accrued wages and benefits	5,834	3,585	-	-	-	9,419
Compensated absences payable	12,168	15,447	-	-	-	27,615
Advances from other funds.	8,976	12,960	-	-	-	21,936
Due to other governments	9,081	5,821	-	-	-	14,902
Accrued interest payable	146,606	4,497	-	-	-	151,103
OPWC loans payable.	-	338,919	-	-	-	338,919
OWDA loans payable	1,011,065	779,480	-	-	-	1,790,545
General obligation bonds payable	-	75,000	-	-	-	75,000
Mortgage revenue bonds payable	-	200,000	-	-	-	200,000
Revenue bonds payable	18,750,000	-	-	-	-	18,750,000
Unamortized premiums and deferred charges.	243,102	-	-	-	-	243,102
Total liabilities.	20,334,151	1,471,052	-	33,394	6,660	21,845,257
Fund equity:						
Contributed capital.	757,007	490,660	-	-	-	1,247,667
Retained earnings:						
Reserved	-	335,953	-	-	-	335,953
Unreserved	3,588,962	3,808,832	30,014	165,763	16,398	7,609,969
Total fund equity	4,345,969	4,635,445	30,014	165,763	16,398	9,193,589
Total liabilities and fund equity.	\$ 24,680,120	\$ 6,106,497	\$ 30,014	\$ 199,157	\$ 23,058	\$ 31,038,846

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Sewer</u>	<u>Water</u>	<u>Water/ Sewer Deposits</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 1,574,897	\$ 1,253,683	\$ 2,391	\$ 280,044	\$ -	\$ 3,111,015
Other	5,456	4,535	-	-	-	9,991
Total operating revenues	<u>1,580,353</u>	<u>1,258,218</u>	<u>2,391</u>	<u>280,044</u>	<u>-</u>	<u>3,121,006</u>
Operating expenses:						
Personal services	317,802	237,972	-	-	-	555,774
Contract services	182,414	118,646	-	253,877	7,860	562,797
Materials and supplies	38,224	200,604	-	-	25,742	264,570
Depreciation	173,380	147,644	-	-	-	321,024
Utilities	204,850	68,650	-	33,394	-	306,894
Other	1,476	786	270	-	-	2,532
Total operating expenses	<u>918,146</u>	<u>774,302</u>	<u>270</u>	<u>287,271</u>	<u>33,602</u>	<u>2,013,591</u>
Operating income (loss)	<u>662,207</u>	<u>483,916</u>	<u>2,121</u>	<u>(7,227)</u>	<u>(33,602)</u>	<u>1,107,415</u>
Nonoperating revenues (expenses):						
Interest and fiscal charges	(745,696)	(76,965)	-	-	-	(822,661)
Investment earnings	60,919	20,100	-	-	-	81,019
Intergovernmental	-	-	-	8,379	-	8,379
Total nonoperating revenues (expenses)	<u>(684,777)</u>	<u>(56,865)</u>	<u>-</u>	<u>8,379</u>	<u>-</u>	<u>(733,263)</u>
Net income (loss) before operating transfers	<u>(22,570)</u>	<u>427,051</u>	<u>2,121</u>	<u>1,152</u>	<u>(33,602)</u>	<u>374,152</u>
Operating transfers in	-	-	-	-	50,000	50,000
Operating transfers out	(345,223)	(150,550)	-	-	-	(495,773)
Net income (loss)	<u>(367,793)</u>	<u>276,501</u>	<u>2,121</u>	<u>1,152</u>	<u>16,398</u>	<u>(71,621)</u>
Retained earnings (restated), January 1	<u>3,956,755</u>	<u>3,868,284</u>	<u>27,893</u>	<u>164,611</u>	<u>-</u>	<u>8,017,543</u>
Retained earnings, December 31	<u>3,588,962</u>	<u>4,144,785</u>	<u>30,014</u>	<u>165,763</u>	<u>16,398</u>	<u>7,945,922</u>
Contributed capital, December 31	<u>757,007</u>	<u>490,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,247,667</u>
Total fund equity, December 31	<u>\$ 4,345,969</u>	<u>\$ 4,635,445</u>	<u>\$ 30,014</u>	<u>\$ 165,763</u>	<u>\$ 16,398</u>	<u>\$ 9,193,589</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 125,548	\$ 1,551,168	\$ 1,425,620
Other	442	5,456	5,014
Total operating revenues	<u>125,990</u>	<u>1,556,624</u>	<u>1,430,634</u>
Operating expenses:			
Personal services.	391,743	337,349	54,394
Operations/maintenance	383,755	453,519	(69,764)
Capital improvements	9,108,106	1,824,746	7,283,360
Other operating expenses	-	2,109	(2,109)
Total operating expenses	<u>9,883,604</u>	<u>2,617,723</u>	<u>7,265,881</u>
Operating loss	<u>(9,757,614)</u>	<u>(1,061,099)</u>	<u>8,696,515</u>
Nonoperating revenues (expenses):			
Principal retirement.	(17,977,829)	(16,532,224)	1,445,605
Investment earnings.	1,788	160,183	158,395
Proceeds of loans	7,177	88,675	81,498
Proceeds of bonds	20,000,000	17,647,782	(2,352,218)
Bond issuance costs	(593,800)	(505,858)	87,942
Total nonoperating revenues (expenses)	<u>1,437,336</u>	<u>858,558</u>	<u>(578,778)</u>
Net loss before operating transfers	<u>(8,320,278)</u>	<u>(202,541)</u>	<u>8,117,737</u>
Operating transfers in	31,924	394,433	362,509
Operating transfers out.	<u>(720,135)</u>	<u>(1,053,906)</u>	<u>(333,771)</u>
Net loss	<u>(9,008,489)</u>	<u>(862,014)</u>	<u>8,146,475</u>
Retained earnings, January 1.	1,864,455	1,864,455	-
Prior year encumbrances appropriated	4,804,007	4,804,007	-
Retained earnings, December 31.	<u>\$ (2,340,027)</u>	<u>\$ 5,806,448</u>	<u>\$ 8,146,475</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 1,281,110	\$ 1,256,519	\$ (24,591)
Other	4,623	4,535	(88)
Total operating revenues.	<u>1,285,733</u>	<u>1,261,054</u>	<u>(24,679)</u>
Operating expenses:			
Personal services.	263,234	233,922	29,312
Operations/maintenance	414,976	288,148	126,828
Capital improvements	1,183,157	202,536	980,621
Total operating expenses	<u>1,861,367</u>	<u>724,606</u>	<u>1,136,761</u>
Operating income (loss).	<u>(575,634)</u>	<u>536,448</u>	<u>1,112,082</u>
Nonoperating revenues:			
Investment earnings.	25,520	25,030	(490)
Total nonoperating revenues.	<u>25,520</u>	<u>25,030</u>	<u>(490)</u>
Net income (loss) before operating transfers.	<u>(550,114)</u>	<u>561,478</u>	<u>1,111,592</u>
Operating transfers in	127,447	125,000	(2,447)
Operating transfers out.	<u>(474,461)</u>	<u>(599,461)</u>	<u>(125,000)</u>
Net income / (loss)	<u>(897,128)</u>	<u>87,017</u>	<u>984,145</u>
Retained earnings (accumulated deficit).			
January 1	(68,144)	(68,144)	-
Prior year encumbrances appropriated	981,539	981,539	-
Retained earnings			
December 31.	<u>\$ 16,267</u>	<u>\$ 1,000,412</u>	<u>\$ 984,145</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER/SEWER DEPOSITS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 1,000	\$ 2,391	\$ 1,391
Total operating revenues.	<u>1,000</u>	<u>2,391</u>	<u>1,391</u>
Operating expenses:			
Other operating expenses	1,000	270	730
Total operating expenses	<u>1,000</u>	<u>270</u>	<u>730</u>
Net income.	-	2,121	2,121
Retained earnings, January 1.	27,893	27,893	-
Retained earnings, December 31.	<u>\$ 27,893</u>	<u>\$ 30,014</u>	<u>\$ 2,121</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 300,000	\$ 279,781	\$ (20,219)
Total operating revenues	<u>300,000</u>	<u>279,781</u>	<u>(20,219)</u>
Operating expenses:			
Other operating expenses.	323,489	291,679	31,810
Total operating expenses	<u>323,489</u>	<u>291,679</u>	<u>31,810</u>
Operating loss	<u>(23,489)</u>	<u>(11,898)</u>	<u>11,591</u>
Nonoperating revenues:			
Intergovernmental	9,600	8,379	(1,221)
Total nonoperating revenues	<u>9,600</u>	<u>8,379</u>	<u>(1,221)</u>
Net income loss	(13,889)	(3,519)	10,370
Retained earnings, January 1	118,384	118,384	-
Prior year encumbrances appropriated	2,889	2,889	-
Retained earnings, December 31.	<u>\$ 107,384</u>	<u>\$ 117,754</u>	<u>\$ 10,370</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating expenses:			
Operations/maintenance	\$ 7,600	\$ 41,200	\$ (33,600)
Total operating expenses	<u>7,600</u>	<u>41,200</u>	<u>(33,600)</u>
Operating loss	<u>(7,600)</u>	<u>(41,200)</u>	<u>(33,600)</u>
Other financing uses:			
Operating transfers in	-	50,000	50,000
Total other financing uses	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net income (loss).	(7,600)	8,800	16,400
Retained earnings, December 31.	<u>\$ (7,600)</u>	<u>\$ 8,800</u>	<u>\$ 16,400</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 1,707,658	\$ 3,089,859	\$ 1,382,201
Other	5,065	9,991	4,926
Total operating revenues	<u>1,712,723</u>	<u>3,099,850</u>	<u>1,387,127</u>
Operating expenses:			
Personal services.	654,977	571,271	83,706
Operations/maintenance	806,331	782,867	23,464
Capital improvements	10,291,263	2,027,282	8,263,981
Other operating expenses	324,489	294,058	30,431
Total operating expenses	<u>12,077,060</u>	<u>3,675,478</u>	<u>8,401,582</u>
Operating loss	<u>(10,364,337)</u>	<u>(575,628)</u>	<u>9,788,709</u>
Nonoperating revenues (expenses):			
Principal retirement.	(17,977,829)	(16,532,224)	1,445,605
Intergovernmental.	9,600	8,379	(1,221)
Investment earnings.	27,308	185,213	157,905
Proceeds of loans	7,177	88,675	81,498
Proceeds of notes	20,000,000	17,647,782	(2,352,218)
Note issuance costs	(593,800)	(505,858)	87,942
Total nonoperating revenues (expenses)	<u>1,472,456</u>	<u>891,967</u>	<u>(580,489)</u>
Net income (loss) before operating transfers.	<u>(8,891,881)</u>	<u>316,339</u>	<u>9,208,220</u>
Operating transfers in	159,371	569,433	410,062
Operating transfers out.	<u>(1,194,596)</u>	<u>(1,653,367)</u>	<u>(458,771)</u>
Net loss	<u>(9,927,106)</u>	<u>(767,595)</u>	<u>9,159,511</u>
Retained earnings, January 1.	1,942,588	1,942,588	-
Prior year encumbrances appropriated	5,788,435	5,788,435	-
Retained earnings, December 31	<u><u>\$ (2,196,083)</u></u>	<u><u>\$ 6,963,428</u></u>	<u><u>\$ 9,159,511</u></u>

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Total</u>
Cash flows from operating activities:						
Cash received from customers	\$ 1,551,169	\$ 1,256,519	\$ 2,391	\$ 279,781	\$ -	\$ 3,089,860
Cash received from other operations	5,456	4,535	-	-	-	9,991
Cash payments for personal services	(319,885)	(231,878)	-	-	-	(551,763)
Cash payments for contract services	(140,687)	(96,960)	-	(253,877)	(1,200)	(492,724)
Cash payments for materials and supplies	(40,154)	(201,942)	-	-	(25,742)	(267,838)
Cash payments for utilities	(218,071)	(71,773)	-	-	-	(289,844)
Cash payments for other operating expenses	(1,476)	(786)	(270)	-	-	(2,532)
 Net cash provided by (used in) operating activities	 836,352	 657,715	 2,121	 25,904	 (26,942)	 1,495,150
Cash flows from noncapital financing activities:						
Cash received from grants	-	-	-	8,379	-	8,379
Transfers in from other funds	394,433	125,000	-	-	50,000	569,433
Transfers out to other funds	(739,656)	(275,550)	-	-	-	(1,015,206)
 Net cash provided by (used in) noncapital financing activities	 (345,223)	 (150,550)	 -	 8,379	 50,000	 (437,394)
Cash flows from capital and related financing activities:						
Acquisition capital assets	(6,253,024)	(22,445)	-	-	-	(6,275,469)
Proceeds of loans	88,675	-	-	-	-	88,675
Proceeds of bonds	18,750,000	-	-	-	-	18,750,000
Premium on note issuance	244,734	-	-	-	-	244,734
Bond issuance costs	(770,773)	-	-	-	-	(770,773)
Payment to refunded escrow agent	(2,961,736)	-	-	-	-	(2,961,736)
Principal retirement	(10,041,068)	(252,346)	-	-	-	(10,293,414)
Interest and fiscal charges	(640,937)	(79,822)	-	-	-	(720,759)
 Net cash provided by (used in) capital and related financing activities	 (1,584,129)	 (354,613)	 -	 -	 -	 (1,938,742)
Cash flows from investing activities:						
Interest received	80,330	20,100	-	-	-	100,430
 Net cash provided by investing activities	 80,330	 20,100	 -	 -	 -	 100,430
 Net increase (decrease) in cash and cash equivalents	 (1,012,670)	 172,652	 2,121	 34,283	 23,058	 (780,556)
 Cash and cash equivalents, January 1	 7,550,275	 1,254,278	 27,893	 121,273	 -	 8,953,719
 Cash and cash equivalents, December 31	 <u>\$ 6,537,605</u>	 <u>\$ 1,426,930</u>	 <u>\$ 30,014</u>	 <u>\$ 155,556</u>	 <u>\$ 23,058</u>	 <u>\$ 8,173,163</u>

Continued

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss).	\$ 662,207	\$ 483,916	\$ 2,121	\$ (7,227)	\$ (33,602)	\$ 1,107,415
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation	173,380	147,644	-	-	-	321,024
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable.	(23,728)	2,836	-	(263)	-	(21,155)
(Increase) decrease in prepayments.	(408)	(346)	-	-	-	(754)
Increase (decrease) in accounts payable	(22,275)	23,914	-	33,394	6,660	41,693
Increase (decrease) in accrued wages and benefits.	(2)	(59)	-	-	-	(61)
Increase (decrease) in compensated absences payable	(1,999)	6,264	-	-	-	4,265
Increase (decrease) in contracts payable	49,259	(6,343)	-	-	-	42,916
Increase (decrease) in due to other governments.	(82)	(111)	-	-	-	(193)
Net cash provided by (used in) operating activities	<u>\$ 836,352</u>	<u>\$ 657,715</u>	<u>\$ 2,121</u>	<u>\$ 25,904</u>	<u>\$ (26,942)</u>	<u>\$ 1,495,150</u>

Noncash investing, capital and financing activities:

At December 31, 2001, the Water fund purchased \$20,666 in capital assets on account. At December 31, 2002, the Water fund purchased \$660 in capital assets on account. At December 31, 2003 the Sewer fund purchased \$93,124 and \$434,406 in capital assets on account

CITY OF HARRISON, OHIO

FIDUCIARY FUND

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

Agency Fund

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following is the City's agency fund:

Mayors Court

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

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
 DECEMBER 31, 2003

	<u>Balance 12/31/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/03</u>
Mayors Court				
Assets:				
Cash with fiscal agent.	\$ 750	\$ 607	\$ 750	\$ 607
Receivables (net of allowances of uncollectibles):				
Accounts.	<u>12,132</u>	<u>-</u>	<u>12,132</u>	<u>-</u>
Total assets.	<u>\$ 12,882</u>	<u>\$ 607</u>	<u>\$ 12,882</u>	<u>\$ 607</u>
Liabilities:				
Due to other governments	\$ 750	\$ 607	\$ 750	\$ 607
Due to other funds	<u>12,132</u>	<u>-</u>	<u>12,132</u>	<u>-</u>
Total liabilities.	<u>\$ 12,882</u>	<u>\$ 607</u>	<u>\$ 12,882</u>	<u>\$ 607</u>

CITY OF HARRISON, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for all general fixed assets of the City, other than those accounted for in the proprietary funds.

CITY OF HARRISON, OHIO

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
DECEMBER 31, 2003

Function	Land					Total
	Land	Improvements	Buildings	Equipment	Vehicles	
General government	\$ 437,586	\$ 296,186	\$ 572,212	\$ 171,856	\$ -	\$ 1,477,840
Security of persons and property	1,444,731	104,256	1,777,827	493,404	1,059,007	4,879,225
Transportation.	687,387	104,085	985,678	294,478	249,854	2,321,482
Community environment	393,906	296,186	572,212	68,017	-	1,330,321
Leisure time activities.	38,311	-	-	43,475	47,600	129,386
Total General Fixed Assets	<u>\$ 3,001,921</u>	<u>\$ 800,713</u>	<u>\$ 3,907,929</u>	<u>\$ 1,071,230</u>	<u>\$ 1,356,461</u>	<u>\$ 10,138,254</u>

CITY OF HARRISON, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2003

Function	(Restated) Balance 1/1/2002	Additions	Deletions	Balance 12/31/2002
General government	\$ 1,455,210	\$ 22,630	\$ -	\$ 1,477,840
Security of persons and property	4,776,553	263,533	160,861	4,879,225
Transportation.	2,272,479	69,820	20,817	2,321,482
Community environment	1,330,321	-	-	1,330,321
Leisure time activities.	129,386	-	-	129,386
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 9,963,949</u>	<u>\$ 355,983</u>	<u>\$ 181,678</u>	<u>\$ 10,138,254</u>

CITY OF HARRISON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2003

<u>General Fixed Assets</u>	
Land	\$ 3,001,921
Land Improvements	800,713
Buildings and Improvements.	3,907,929
Equipment	1,071,230
Vehicles	1,356,461
Total General Fixed Assets.	<u>\$ 10,138,254</u>
<u>Investment in General Fixed Assets</u>	
General Fund Revenues.	\$ 2,869,126
Special Revenue Funds Revenues	2,305,439
Capital Projects Funds Revenues.	<u>4,963,689</u>
Total Investment in General Fixed Assets	<u>\$ 10,138,254</u>

STATISTICAL SECTION

CITY OF HARRISON, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Year	General Government	Security of Persons and Property	Public Health and Welfare	Community Environment
1994	\$ 374,645	\$ 1,102,537	\$ 4,628	\$ 23,072
1995	367,063	1,123,092	6,849	24,305
1996	445,082	1,207,681	6,898	32,632
1997	445,336	1,297,914	6,921	28,939
1998	525,531	1,476,275	7,115	32,159
1999	729,475	1,416,129	13,367	39,146
2000	723,126	1,651,000	1,884	33,325
2001	692,000	1,625,515	8,238	38,205
2002	951,212	1,635,538	-	178,359
2003	938,940	1,724,857	8,806	7,233

Source: City of Harrison, Finance Director's office.

Leisure Time Activity	Capital Outlay	Debt Service:		Total Expenditures
		Principal Retirement	Interest and Fiscal Charges	
\$ 26,821	\$ 30,848	\$ -	\$ -	\$ 1,562,551
23,495	69,948	-	-	1,614,752
31,488	51,350	172,367	-	1,947,498
30,911	125,347	-	-	1,935,368
16,649	69,197	-	-	2,126,926
36,940	41,340	14,768	-	2,291,165
49,894	59,721	514,272	1,954	3,035,176
54,516	62,750	54,440	4,073	2,539,737
67,394	-	39,444	4,300	2,876,247
47,502	82,384	49,792	1,399	2,860,913

CITY OF HARRISON, OHIO

**GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Year	Taxes	Charges for Services	Licenses, Permits and Fees	Fines and Forfeitures
1994	\$ 1,999,631	\$ 4,325	\$ 54,756	\$ 166,746
1995	2,178,809	25,774	34,232	254,499
1996	2,340,232	28,698	21,683	217,738
1997	2,230,575	3,458	62,754	252,347
1998	2,538,990	1,302	54,629	185,022
1999	3,238,722	870	108,160	255,767
2000	3,315,699	3,415	93,255	218,627
2001	2,989,745	2,225	87,843	170,242
2002	3,300,438	3,300	128,198	172,016
2003	3,577,272	5,440	151,407	128,262

Source: City of Harrison, Finance Director's office.

<u>Intergovernmental</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total Revenues</u>
\$ 263,025	\$ 24,360	\$ 21,056	\$ 2,533,899
270,283	116,229	-	2,879,826
325,068	83,772	24,982	3,042,173
359,209	109,026	20,993	3,038,362
433,611	62,992	28,141	3,304,687
330,179	124,553	19,096	4,077,347
372,437	142,433	81,012	4,226,878
495,190	159,134	70,717	3,975,096
375,547	77,243	133,289	4,190,031
319,236	28,956	108,386	4,318,959

CITY OF HARRISON, OHIO

ASSESSSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Real Property (a)		Personal Property		Public Utilities	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$ 78,586,090	\$ 224,531,686	\$ 15,306,560	\$ 61,226,240	\$ 5,590,920	\$ 5,590,920
1995	79,290,640	226,544,686	16,025,720	64,102,880	5,545,160	5,545,160
1996	81,559,740	233,027,829	16,373,160	65,492,640	5,544,310	5,544,310
1997	89,700,940	256,288,400	19,386,320	77,545,280	5,691,670	5,691,670
1998	94,563,970	270,182,771	20,429,050	81,716,200	5,506,680	5,506,680
1999	96,460,940	275,602,686	21,931,100	87,724,400	7,652,880	7,652,880
2000	116,704,100	333,440,286	21,931,100	87,724,400	7,853,370	7,853,370
2001	122,626,630	350,361,800	19,360,790	77,443,160	4,872,000	4,872,000
2002	140,281,390	400,803,971	22,233,920	88,935,680	3,644,230	3,644,230
2003	147,707,370	422,021,057	20,489,080	81,956,320	3,712,380	3,712,380

Source: Hamilton County Auditor's office.

(a) Includes non-operational railroad property, real property and mineral rights.

Total		Ratio of	
Assessed	Estimated	Assessed to	
Value	Actual Value	Actual Value	
\$ 99,483,570	\$ 291,348,846		34.15%
100,861,520	296,192,726		34.05%
103,477,210	304,064,779		34.03%
114,778,930	339,525,350		33.81%
120,499,700	357,405,651		33.72%
126,044,920	370,979,966		33.98%
146,488,570	429,018,056		34.15%
146,859,420	432,676,960		33.94%
166,159,540	493,383,881		33.68%
171,908,830	507,689,757		33.86%

CITY OF HARRISON, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY TAXES
LAST TEN FISCAL YEARS

Year	Current Taxes Levied	Current Taxes Collected	Percent of Current Taxes Collected	Prior Year Collections	Total Collections	Percent of Total Taxes Collected
1994	N/A	N/A	N/A	N/A	N/A	N/A
1995	\$ 1,274,389	\$ 1,221,475	95.85%	\$ 30,164	\$ 1,251,639	98.21%
1996	1,303,478	1,247,405	95.70%	39,301	1,286,706	98.71%
1997	1,416,615	1,348,295	95.18%	28,517	1,376,812	97.19%
1998	1,494,324	1,437,362	96.19%	51,036	1,488,398	99.60%
1999	1,626,587	1,588,290	97.65%	126,673	1,714,963	105.43%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%
2002	1,843,626	1,640,099	88.96%	98,331	1,738,430	94.29%
2003	1,968,254	1,765,554	89.70%	82,181	1,847,735	93.88%

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

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Fiscal Year	Township Levy	City of Harrison Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Hamilton County Park District Levy	Total
1993 for 1994	0.06	13.00	45.13	18.33	N/A	2.70	-	79.22
1994 for 1995	0.06	13.00	45.13	18.30	N/A	2.70	-	79.19
1995 for 1996	0.06	13.00	45.13	18.30	1.25	2.70	-	80.44
1996 for 1997	0.06	13.00	44.77	19.44	1.25	2.70	-	81.22
1997 for 1998	0.06	13.00	44.74	19.01	1.25	2.70	-	80.76
1998 for 1999	0.06	13.00	48.22	19.54	1.25	2.70	-	84.77
1999 for 2000	0.06	13.00	48.22	20.83	1.25	2.70	-	86.06
2000 for 2001	0.06	13.00	47.88	19.92	1.25	2.70	-	84.81
2001 for 2002	0.06	13.00	47.75	21.47	1.25	2.70	-	86.23
2002 for 2003	0.06	13.00	47.25	20.48	1.25	2.70	1.03	85.77

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Estimated Population (a)</u>	<u>Assessed Valuation (b)</u>	<u>Gross Bonded Debt</u>	<u>Less: Debt Service Fund Equity</u>	<u>Less: Debt Payable from Enterprise Revenues (c)</u>
1994	8,749	\$ 99,483,570	\$ 4,815,000	\$ 71,200	\$ 4,715,000
1995	8,974	100,861,520	5,080,000	50,000	5,030,000
1996	9,176	103,477,210	4,795,000	(d)	4,795,000
1997	9,393	114,778,930	4,560,000	(d)	4,560,000
1998	9,566	120,499,400	4,594,000	(d)	4,594,000
1999	9,750	126,044,920	4,273,000	(d)	4,273,000
2000	9,835	146,488,570	7,247,000	85,350	3,937,000
2001	9,865	146,859,420	6,811,000	45,551	3,606,000
2002	9,885	166,159,540	6,360,000	280,610	3,265,000
2003	9,885	171,909,830	22,005,000	857,214	19,025,000

Sources:

(a) United States Bureau of Census.

(b) Hamilton County Auditor's office.

(c) These amounts include general obligation bonds, mortgage revenue bonds and real estate revenue bonds that are being repaid through enterprise revenues.

(d) In years 1996 - 1999 the City had no general obligation debt. All debt was repaid through enterprise operations.

Net Bonded Debt	Ratio of Debt to Assessed Value	Net Bonded Debt Per Capita
\$ 28,800	0.03%	3.29
-	0.00%	0.00
(d)	0.00%	0.00
(d)	0.00%	0.00
(d)	0.00%	0.00
(d)	0.00%	0.00
3,224,650	2.20%	327.87
3,159,449	2.15%	320.27
2,814,390	1.69%	284.71
2,122,786	1.23%	214.75

CITY OF HARRISON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN (a)
DECEMBER 31, 2003

	<u>Total Debt Limit (b)</u>	<u>Total Unvoted Debt Limit (c)</u>
Assessed valuation of the City	\$ 171,909,830	\$ 171,909,830
Legal debt margin:		
Debt limitation	18,050,532	9,455,041
Debt applicable to limitation:		
Total bonded debt	22,005,000	22,005,000
Exemptions:		
Debt supported by enterprise fund operations	<u>(19,025,000)</u>	<u>(19,025,000)</u>
Total debt applicable to limitation	<u>2,980,000</u>	<u>2,980,000</u>
Total legal debt margin (debt limitation minus total debt applicable to limitation)	<u>\$ 15,070,532</u>	<u>\$ 6,475,041</u>

Source: City of Harrison, Finance Director's office.

(a) Computation of legal debt margin based on Section 133, the Uniform Bond Act of the Ohio Revised Code.

(b) The total debt limitation is 10.5% of the assessed valuation.

(c) The unvoted debt limitation is 5.5% of the assessed valuation.

CITY OF HARRISON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
DECEMBER 31, 2003

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding (a)</u>	<u>Percentage Applicable To the City (b)</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Harrison	\$ 2,980,000	100.00%	\$ 2,980,000
Total Direct			<u>2,980,000</u>
Overlapping:			
Southwest Ohio School District	20,849,992	37.66%	7,852,107
Harrison Township	-	62.54%	-
Hamilton County	155,395,000	0.81%	1,258,700
Total Overlapping			<u>9,110,807</u>
Grand Total Direct and Overlapping			<u><u>\$ 12,090,807</u></u>

Source: Fiscal Officers of Various Subdivisions.

(a) Excludes general obligation bonds reported in the enterprise funds.

(b) Percentages determined by dividing the assessed valuation of the political subdivision located within the City by the total assessed value of the subdivision.

CITY OF HARRISON, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1994	\$ 50,000	\$ 7,875	\$ 57,875	\$ 1,562,551	3.70%
1995	50,000	6,145	56,145	1,614,752	3.48%
1996	-	-	-	1,947,498	0.00%
1997	-	-	-	1,935,368	0.00%
1998	-	-	-	2,126,926	0.00%
1999	-	-	-	2,291,165	0.00%
2000	50,000	162,407	212,407	3,035,176	7.00%
2001	105,000	183,374	288,374	2,539,737	11.35%
2002	110,000	178,230	288,230	2,876,247	10.02%
2003	115,000	189,256	304,256	2,860,913	10.63%

Source: City of Harrison, Finance Director's office.

Note: In years 1996 - 1999 the City had no general obligation debt. All debt was repaid through enterprise operations.

CITY OF HARRISON, OHIO

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 1,938,251	\$ 1,081,384	\$ 856,867	\$ 140,000	\$ 234,176	\$ 374,176	2.29
1995	1,900,449	1,033,441	867,008	150,000	229,633	379,633	2.28
1996	2,069,589	1,075,614	993,975	160,000	224,315	384,315	2.59
1997	2,160,504	1,016,104	1,144,400	165,000	218,253	383,253	2.99
1998	2,205,913	1,260,035	945,878	180,000	211,453	391,453	2.42
1999	2,349,550	1,100,051	1,249,499	261,000	203,584	464,584	2.69
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66
2002	3,059,797	1,621,015	1,438,782	301,000	190,426	491,426	2.93
2003	3,210,404	1,692,567	1,517,837	405,157	263,112	668,269	2.27

Source: City of Harrison, Finance Director's office.

(a) Includes both operating and nonoperating revenues (i.e. investment earnings, intergovernmental grants and other non-operating revenues) of the enterprise funds.

(b) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Estimated Population (a)	Per Capita Income (b)	School Enrollment (c)	Unemployment Rate (b)
1994	8,749	\$25,459	4,026	4.80%
1995	8,974	26,849	4,106	4.00%
1996	9,176	28,221	4,109	4.10%
1997	9,393	29,640	4,176	3.60%
1998	9,566	32,084	4,059	3.40%
1999	9,750	32,962	4,086	3.00%
2000	9,835	34,359	4,082	2.90%
2001	9,865	35,453	4,037	3.20%
2002	9,885	N/A	4,000	5.00%
2003	9,885	N/A	3,965	4.70%

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

Sources:

(a) United States Bureau of Census.

(b) Ohio Department of Development, Office of Strategic Research 1993-1997. Bureau of Economic Analysis 1998-2002.

(c) Southwest Local School District.

CITY OF HARRISON, OHIO

PROPERTY VALUE, AND CONSTRUCTION
LAST TEN FISCAL YEARS

Year	Property Value (a)			Number of Permits (b)		
	Commercial	Residential	Total	Single Family	Total	Estimated Cost
1994	\$ 83,683,800	\$ 140,847,886	\$ 224,531,686	11	105	\$ 1,557,534
1995	84,671,000	141,873,686	226,544,686	20	118	1,865,491
1996	89,274,600	143,753,229	233,027,829	11	106	1,546,167
1997	89,898,314	166,390,086	256,288,400	4	114	975,393
1998	102,966,110	167,216,661	270,182,771	8	101	1,285,207
1999	105,031,629	170,571,057	275,602,686	45	150	5,660,334
2000	127,037,600	206,402,686	333,440,286	28	141	5,289,474
2001	135,154,600	215,207,200	350,361,800	26	119	4,043,591
2002	145,899,514	254,904,457	400,803,971	NA	NA	NA
2003	149,010,714	273,010,343	422,021,057	NA	NA	NA

"NA" indicates that the information was not available.

Sources:

(a) Hamilton County Auditor's office. Represents estimated actual value of real property.

(b) City of Harrison Building Department.

CITY OF HARRISON, OHIO

PRINCIPAL TAXPAYERS
 REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
 DECEMBER 31, 2003

<u>Taxpayer</u>	<u>Tax Valuation Real & Personal Property</u>	<u>Percent of Total Assessed Valuation</u>
Hyper Shoppes, Inc.	\$ 3,042,550	1.77%
I F P LLC	3,042,080	1.77%
JTM Provisions Co. Inc.	2,811,290	1.65%
CINERGY	2,424,080	1.42%
Wurster, Erlene	2,404,360	1.40%
F & M MAFCO Inc.	2,088,380	1.21%
MMII Inc.	1,913,120	1.11%
SCI Ltd. Partnership IV	1,859,310	1.08%
Campbell Hausfeld Scott Fetzer Co.	1,678,690	0.98%
Mercy Health Plaza	1,412,400	0.82%
All others	<u>149,233,570</u>	<u>86.81%</u>
Total Taxable Valuation	<u>\$ 171,909,830</u>	<u>100.00%</u>

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2003

Government and History:

Harrison was first settled in 1804 and incorporated in 1850. The City operates as a Charter municipality subject to the general laws of the State, which are applicable to all municipalities in the State. In addition the City may exercise all powers of local self-government under the Ohio Constitution to the extent that it does not conflict with applicable general laws of the State.

The legislative authority of the City is vested in a seven member Council. The Mayor is the Chief executive and administrative

Population:	Estimate 12/31/2003	Census 1990	Census 1980	Census 1970	Census 1960
Harrison - City	9,885	7,520	5,855	4,408	3,878
Hamilton - County	823,472	866,228	876,224	925,944	864,151
Metropolitan Area	2,050,175	1,452,645	1,401,491	1,387,207	1,268,479

Area:

Harrison	4 sq. miles
Hamilton County.	413 sq. miles
Metropolitan Area	3,343 sq. miles

Geographically, the City of Harrison is located in Southwestern Ohio near the junction of Ohio, Indiana and Kentucky along Interstate 74. Harrison is centrally located relative to the thirty-three major U.S. distribution centers. Within 600 miles of Harrison reside 54% of the nation's population, 53% of the nation's purchasing power, 54% of the nation's manufacturing establishments and 57% of the nation's value added by manufacturing.

2003 City Data:

Miles of Streets	40
Miles of Sewer Mains.	25
Miles of Water Mains.	26
Number of Water Customer Accounts	2,902
Number of Sewer Customer Accounts	2,405
Acres of Parks and Recreation Land	98
Number of Recreation Facilities	4
Gross General Bonded Debt	\$ 22,005,000
Gross Debt per Capita (9,885 est population 12-31-03)	2,226.10
 Number of Municipal Employees, including part-time.	 153

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 17, 2004**