

CITY OF HARRISON, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

Year ended December 31, 2010



Dave Yost • Auditor of State

Honorable Mayor and City Council
City of Harrison
300 George Street
Harrison, Ohio 45030

We have reviewed the *Independent Auditors' Report* of the City of Harrison, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 16, 2011

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council
City of Harrison, Ohio:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated June 23, 2011.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, the Ohio Auditor of State and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 23, 2011

**CITY OF HARRISON, OHIO
Schedule of Findings and Responses
Year Ended December 31, 2010**

Finding 2010-1 – Utilities Department

During the course of our audit, we identified several conditions within the City's Utilities Department that indicated a need for improved internal controls and management oversight over operations. Inadequate controls and monitoring could lead to errors in financial reporting or misappropriation of funds. To improve internal controls of the Utilities Department, we recommend the City address the following conditions:

- **Segregation of Duties** – During our review of accounting policies and procedures, we noted that the City receives cash payments for utilities, utility permits, and meters. For such sales, the Utility Billing Clerk performs all functions of delivering the meter or permit to the customer, recording the sale and payment, and collecting the payment. The Utility Billing clerk is also responsible for setting up new customers in the billing system. Ideally, these duties would be segregated. We recommend the City segregate these duties to enhance internal controls within the Utilities Department.
- **Contractor Deposits** – During our review of accounting policies and procedures, we noted that Contractor deposits are not being deposited into the bank. The contractor deposits are kept in a file drawer in the Utilities Department. This practice increases the risk of misappropriation of funds. The City should implement formal procedures related to the timely deposit of contractor deposits, tracking of those deposits and returns of deposits should be made through the City's cash disbursement procedures.
- **Software access** – In reviewing software access, it was noted that several individuals within the Utilities department had access to the utilities billing software. Access to the utilities software should be assigned based on job function as determined by management.
- **Tap permits** – The City does not have formal procedures to track tap permits which could lead to the misappropriation of funds. The Utility Billing Clerk processes the payments but no review is performed to ensure that all work related to new taps was properly paid for prior to the work being performed. We recommend the City implement formal procedures related to the tracking and processing of tap permits.
- **Management Oversight** – During our discussions with management, we noted that the department head does not currently review financials reports other than reviewing a monthly budgeted line item report. Due to limited staffing in the utility billing and collection process, we believe management should be more proactive in reviewing billing reports, collection reports, adjustment reports, deposit reports as well as permits and meter information. Thus, we would recommend the City adopt procedures to provide increased management monitoring of the utilities department.

Management response: *Management concurs with the finding.*

**CITY OF HARRISON, OHIO
Schedule of Prior Audit Findings
Year Ended December 31, 2010**

Finding 2009-1 – Utilities Department

During the course of our audit, we identified several conditions within the City's Utilities Department that indicated a need for improved internal controls and management oversight over operations. Inadequate controls and monitoring could lead to errors in financial reporting or misappropriation of funds.

Status: Certain elements of the finding were addressed by the City in 2010 but others were not and those have been repeated as Finding 2010-1.

Finding 2009-2 – Disbursements Exceeded Appropriations

Ohio Revised Code Section 5705.41(B), requires that no subdivision or taxing unit is to expend money unless it has been appropriated. As part of our testing, we reviewed the City's compliance with this requirement as of December 31, 2009 and throughout the year. We noted the Fire Improvement Fund, and three nonmajor governmental funds had expenditures and encumbrances which exceeded appropriations as of December 31, 2009.

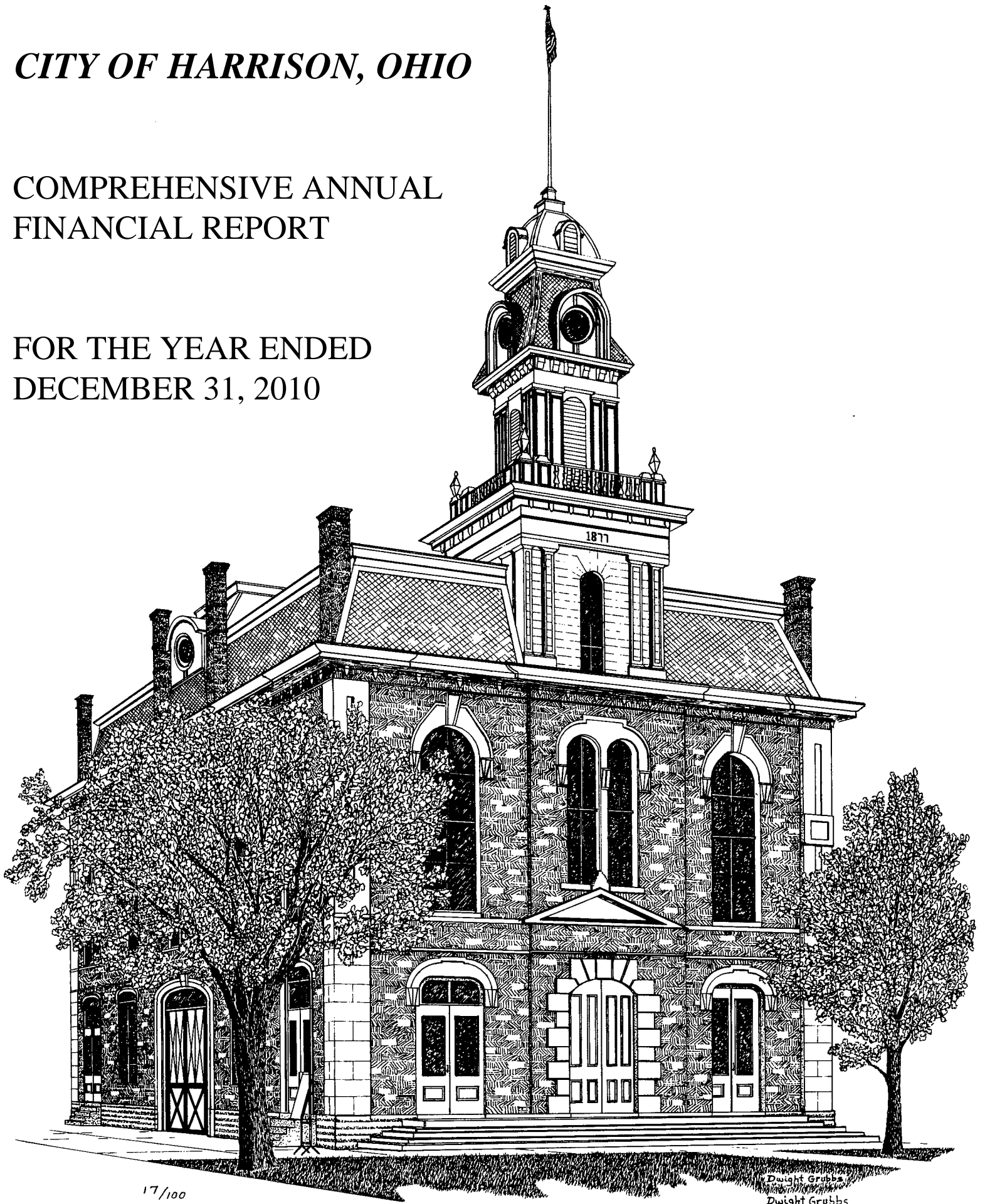
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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010



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Dwight Grubbs

HARRISON TOWN HALL
1877 ◊ 1957

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**INTRODUCTORY
SECTION**

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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Issued by:
Finance Department

Angelina Burton
Finance Director

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CITY OF HARRISON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2010

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June 27, 2011

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

Ladies and Gentlemen:

Presented is the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City). This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2010, developed to detail the status of the City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

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

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

Ohio law requires independent audits to be performed on all financial operations of the City, either by the Auditor of State or, if permitted by the Auditor of State, an independent public accounting firm. Clark, Schaefer Hackett performed the audit for the year ended December 31, 2010. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

THE REPORTING ENTITY

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

THE CITY OF HARRISON

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

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

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

The City employs 81 full-time employees and 31 part-time employees. The United Steelworkers (USW), the Fraternal Order of Police (FOP) and the Harrison Professional Firefighters IAFF represent non-exempt employees, depending on department. Each contract is for a period of 3 years, with staggered renewals, resulting in annual negotiations between the City and at least one union.

ECONOMIC CONDITION AND OUTLOOK

The City of Harrison has seen an unprecedented population growth of 32% during the last decade. Harrison's growth may be attributed, at least in part, to the City's location along Interstate 74. I-74 connects the City of Cincinnati to Indianapolis, Indiana, and Harrison is Ohio's western gateway along that route. The City is accessible from two full highway interchanges, and with such easy access to the interstate, greater Cincinnati International Airport and downtown Cincinnati, residents and businesses can take advantage of all the region has to offer.

Despite the still depressed economy, the City saw \$6.5 million in business investment in 2010, and approximately 70 new jobs. Some of the businesses included 3-S Inc., Domino's Pizza, Cincinnati Tan, Remke/Biggs and Monk's Kitchen. Grants and incentives, secured by the City, encouraged a number of these projects. Growth in residential development is expected to increase into 2011 and beyond, due to continued interest by private property owners to annex into the City due to the upgraded utility services.

In 2010, Duke Energy selected Harrison for its Site Readiness Pilot Program. This competitive program seeks to identify potential development sites and draw new companies or corporate expansions to counties the utility serves. As part of the program, Duke invested more than \$20,000 for site selection consultant McCallum Sweeney Consulting (MSC) to evaluate the location. Duke is also offering a \$5,000 matching grant to begin implementing MSC's recommendations to improve sites.

The City's Historic Downtown District continues to be a focus for redevelopment. The area is a viable destination for retail, restaurants and services. The first annual Farmer's Market held in the downtown district during the 2010 season is continuing for 2011, with added vendors and increased shoppers expected.

MAJOR INITIATIVES

The City is committed to providing its residents and businesses with reliable infrastructure and dependable utility services. Infrastructure investments and improvements will continue into 2011.

West Road, a frequently traveled through road, is scheduled for resurfacing in 2011. Hamilton County is funding 45% of this project, which also includes sidewalks and bike-trails. Improvements to another major route, Carolina Trace, will continue in 2011, with the portion between New Haven and West Roads resurfaced, and sidewalks and bike-trails constructed. Harrison Avenue improvements also continue, with sidewalks slated from New Haven Road to the Kroger Marketplace, and resurfacing from Jefferson Avenue to New Haven. Residential street improvements for 2011 include the resurfacing of Country View and Country Trace.

The City's water lines will be expanded 1,200 feet along New Haven Road, made possible by a revolving OWDA loan.

The City's wastewater upgrades continue into 2011. Phase I of the Dry Fork Wastewater Expansion Project, which included 4,000 linear feet of sewer lines and a 5 MGD pumping station, was completed in 2010. Phase II of this project will be completed in 2011, with an additional 8,100 linear feet of 24" trunk sewer lines. Funding for the project was secured by a \$5.5M bond issue in 2010.

The City's improved wastewater infrastructure will allow the City to assume newly replaced sewer lines along State Street from neighboring Dearborn County, Indiana.

The completion of an extensive Water and Wastewater Master Plan for the City, acknowledges Harrison's commitment to providing trustworthy utility services.

LONG-TERM FINANCIAL PLANNING

In keeping with the City's commitment to excellent service to our citizens, the City is improving efficiencies and using public funds wisely.

A 5-year water and wastewater rate step-increase began in 2008, due to the City's need to improve utility facilities and infrastructure. A rate study completed in 2010 indicated the rates are sufficient to cover utility operations and debt obligations. Due to proper project management and the current economic state, 2011 improvements are expected to come in under budget, allowing the City to plan additional upgrades without further financing.

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

Historically, capital improvements outside the public utility scope are seeded with General fund transfers, made possible by income tax revenues. Income tax revenue collections should continue to increase, due to residential growth and business development. The City collects a bedroom tax for recreation capital expenses, with a dollar-for-dollar match by the General fund. The City has discussed various recreational projects and improvements, though no projects or financing are planned at this time.

Equipment and vehicle replacements are routinely financed through local institutions, for a maximum of 5 years depending on rotation schedule, and are included in a department's annual budget submission. In 2011, the City will finance the purchase of 50 sets of fire turnout gear, payable over 5 years, and the replacement of 2 police cruisers and a police utility vehicle, payable over 3 years.

The City voluntarily sought Performance Audit services through the Auditor of State's office, in addition to enacting other efficiency measures, such as a citywide purchasing policy and the use of purchasing cooperatives. The implementations of a fund balance policy as well as a capital improvement policy are planned.

The City is mindful of proposed cuts to local government funding at the State level. State funding represents less than 6% of the City's annual General fund revenues. Though State funding cuts will be noticeable, the City does not anticipate any change in services or planned projects.

USE OF THE REPORT

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

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harrison for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. This was the 11th consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,



Angelina Burton
Finance Director

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, 2009

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

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

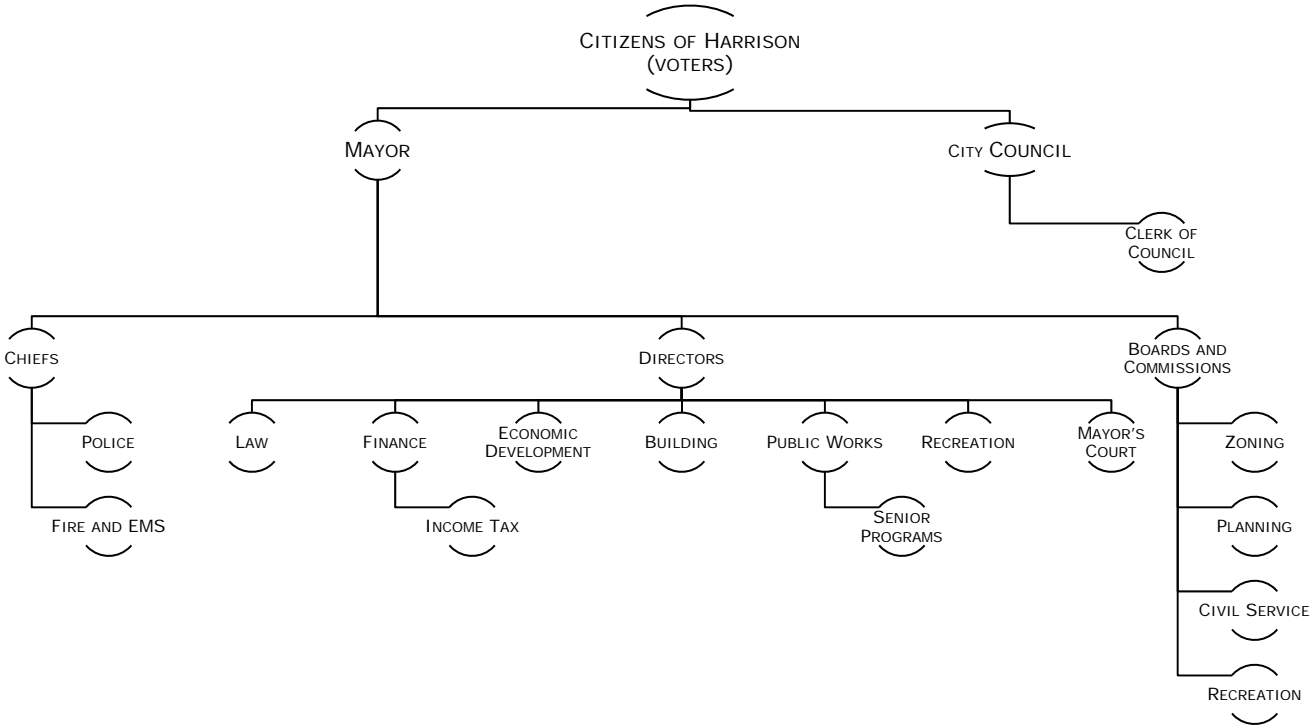
Mayor.....JOEL F. MCGUIRE
Council MemberDEBORAH ACRA
Council Member TONY BURKART
Council Member MATT HIATT
Council MemberJUDY KERCHEVAL
Council Member WILLIAM NEYER
Council Member JAMES ROBERTSON
Council Member RANDY SHANK

APPOINTED OFFICIALS.....

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

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Harrison, Ohio:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons for the General Fund and Fire Improvement Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harrison, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 23, 2011

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

The discussion and analysis of the City of Harrison, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2010 are as follows:

- Total net assets decreased by \$188,602 which represents approximately 1% of the net assets at the beginning of 2010. A decrease of \$271,269 was reported in governmental activities and an increase of \$82,667 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2010 decreased by \$65,436 from those reported one year prior due primarily to the decrease in cash from expenses being higher than revenues. Long-term liabilities of the governmental activities decreased by approximately \$217,000 due to the repayment of scheduled debt service requirements.
- Overall, the net assets of the City's business-type activities increased by \$82,667. Long-term liabilities of the business-type activities increased by approximately \$4.9 million due primarily to the issuance of general obligation sewer bonds that were used to retire outstanding notes for sewer improvements. The ending unrestricted net assets of all business-type activities funds was \$5,932,440 at December 31, 2010.
- The \$973,409 unreserved, undesignated ending fund balance reported in the General Fund represents 27% of the total expenditures reported in the General Fund for 2010.
- On a budgetary basis, the General Fund realized a decrease in fund balance of \$295,252, which includes encumbrances of \$21,642. Ending budgetary fund balance at December 31, 2010 was approximately 12% of the General Fund's annual expenditures.

Using this Annual Financial Report

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

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

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Assets provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets exceeded liabilities by a total of \$24.5 million at December 31, 2010.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Table 1 provides a summary of the City's net assets for 2010 compared to 2009:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 7,827,005	8,011,766	7,865,878	8,583,929	15,692,883	16,595,695
Capital assets	14,696,794	14,577,469	36,114,301	35,473,076	50,811,095	50,050,545
Total assets	<u>22,523,799</u>	<u>22,589,235</u>	<u>43,980,179</u>	<u>44,057,005</u>	<u>66,503,978</u>	<u>66,646,240</u>
Long-term liabilities	7,182,714	7,399,282	30,679,285	25,750,163	37,861,999	33,149,445
Other liabilities	<u>3,704,241</u>	<u>3,281,840</u>	<u>412,700</u>	<u>5,501,315</u>	<u>4,116,941</u>	<u>8,783,155</u>
	<u>10,886,955</u>	<u>10,681,122</u>	<u>31,091,985</u>	<u>31,251,478</u>	<u>41,978,940</u>	<u>41,932,600</u>
Net assets:						
Invested in capital assets, net of related debt	8,613,002	8,700,582	6,955,754	8,017,742	15,568,756	16,718,324
Restricted	2,125,501	2,308,118	-	-	2,125,501	2,308,118
Unrestricted	<u>898,341</u>	<u>899,413</u>	<u>5,932,440</u>	<u>4,787,785</u>	<u>6,830,781</u>	<u>5,687,198</u>
Total net assets	\$ <u>11,636,844</u>	<u>11,908,113</u>	<u>12,888,194</u>	<u>12,805,527</u>	<u>24,525,038</u>	<u>24,713,640</u>

As displayed in Table 1, total net assets of the City decreased by \$188,602 from 2009 to 2010. This was due primarily to the decrease in cash in both the governmental and business-type activities. During 2010, the City's total revenues increased by approximately 5% while total expenses decreased 11%. The increase in revenues was the result of increased growth within the City which caused an increase in income tax collections and property taxes. There was also an increase in water and sewer collections due to a rate increase. Expenses were held down through conservative spending and although these revenues were not sufficient to cover all expenses, the change in net assets at December 31, 2010 was significantly improved over the change in net assets at December 31, 2009.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 76% of total assets. Capital assets include land, construction in progress, land improvements, building and improvements, equipment, vehicles and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$2,125,501 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$6,830,781 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Table 2 shows the changes in the governmental and business-type net assets for the year ended December 31, 2010 compared with the prior year.

Table 2
Changes in Net Assets

	Governmental Activities		Business- Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program revenues:						
Charges for services	\$ 1,399,559	1,055,322	4,657,694	4,223,836	6,057,253	5,279,158
Operating grants and contributions	877,907	896,275	-	8,047	877,907	904,322
Capital grants and contributions	-	265,063	-	-	-	265,063
Total program revenues	2,277,466	2,216,660	4,657,694	4,231,883	6,935,160	6,448,543
General revenues:						
Income taxes	2,927,295	2,322,063	-	-	2,927,295	2,322,063
Property and other taxes	2,665,927	2,860,771	-	-	2,665,927	2,860,771
Grants and contributions not restricted to specific programs	903,534	1,013,554	-	-	903,534	1,013,554
Investment earnings	56,698	67,215	2,233	125,410	58,931	192,625
Miscellaneous	99,419	151,696	19,172	13,472	118,591	165,168
Total general revenues	6,652,873	6,415,299	21,405	138,882	6,674,278	6,554,181
Total revenues	8,930,339	8,631,959	4,679,099	4,370,765	13,609,438	13,002,724
Expenses:						
Security of persons and property	5,841,459	6,743,223	-	-	5,841,459	6,743,223
Public health services	339,855	400,154	-	-	339,855	400,154
Leisure time activities	315,334	369,208	-	-	315,334	369,208
Community and economic development	138,115	150,035	-	-	138,115	150,035
Transportation	971,886	889,189	-	-	971,886	889,189
General government	1,299,480	1,526,678	-	-	1,299,480	1,526,678
Interest on long-term debt	295,479	230,125	-	-	295,479	230,125
Water	-	-	1,387,114	1,826,364	1,387,114	1,826,364
Sewer	-	-	2,653,586	2,931,737	2,653,586	2,931,737
Storm water	-	-	129,183	50,123	129,183	50,123
Water/wastewater deposit	-	-	423,451	1,824	423,451	1,824
Sanitation	-	-	3,098	434,487	3,098	434,487
Total expenses	9,201,608	10,308,612	4,596,432	5,244,535	13,798,040	15,553,147
Change in net assets	\$ (271,269)	(1,676,653)	82,667	(873,770)	(188,602)	(2,550,423)

As noted in the table above, the City's municipal income tax revenue reported for 2010 was approximately \$600,000 more and charges for services was approximately \$778,000 more than that reported for 2009. The City has experienced growth in both residential areas and business. This has resulted in more income and property taxes being collected. Charges for services increased in the water and sewer funds due to the third year of a five year rate increase plan. In governmental activities charges for services were increased primarily due to an increase in collections of EMS charges. The decrease in expenses is mostly the result of management's efforts to control costs.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Governmental Activities

Table 3 shows the percentage of total expenses each functional area comprises, the net cost of each functional area and the percentage of each functional area expenses financed with general revenue for 2010.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2010	2009	2010	2009	2010	2009
Security of persons and property	\$ 5,841,459	6,743,223	921,454	935,882	4,920,005	5,807,341
Public health services	339,855	400,154	153,267	229,171	186,588	170,983
Leisure time activities	315,334	369,208	175,470	74,981	139,864	294,227
Community and economic development	138,115	150,035	47,195	152,332	90,920	(2,297)
Transportation	971,886	889,189	592,144	727,215	379,742	161,974
General government	1,299,480	1,526,678	387,936	97,079	911,544	1,429,599
Interest on long-term debt	295,479	230,125	-	-	295,479	230,125
Total cost of services	\$ <u>9,201,608</u>	<u>10,308,612</u>	<u>2,277,466</u>	<u>2,216,660</u>	<u>6,924,142</u>	<u>8,091,952</u>

As indicated by Table 3, the City is spending the majority of its resources (88 percent) on security of persons and property, transportation and general government activities. While the operation of the police department is 63 percent of total program expenses, revenues generated by the department cover only 16 percent of functional expenses. This means that general revenues collected by the City, principally municipal income taxes and property taxes, must cover the remaining 84 percent of those departmental expenses. General government functions, principally legislation and administration, comprise 14 percent of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately 30 percent of the general government functional expenses while the remaining 70 percent comes from general revenue sources. Operating grants received from the State of Ohio provided funding for approximately 61 percent of the expenses incurred in the transportation function.

Business-Type Activities

The City's business-type activities include water, sewer, storm water, sanitation and water/wastewater deposit enterprise funds.

Overall, the City's business-type activities generated \$4,657,694 in program revenue during 2010, while program expenses were \$4,596,432, which generated an increase in net assets of \$82,667. This is primarily due to an increase in water and sewer rates coupled with less operating expenses during 2010.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$8.9 million, expenditures of \$9.9 million, and net other financing sources of approximately \$390,000. During 2010, total fund balance of the governmental funds decreased by \$691,286 to an ending total fund balance of \$3.3 million at year end. While capital assets are included in the statement of net assets, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

The City's General Fund realized a decrease of \$430,623 in fund balance during 2010. The General Fund is the primary fund that finances government services to citizens. A decrease in expenditures over 2009 due to conservative spending helped lessen the decrease, but revenues were not sufficient to cover expenditures and operating transfers to other funds. The City continues to work toward maintaining a healthy General Fund balance in an attempt to provide stability in years in which revenues cannot support spending levels. At December 31, 2010 the ending unreserved and undesignated fund balance of the General Fund was \$973,409 or 27 percent of the total General Fund expenditures reported for 2010.

The City's other major fund; the Fire Improvement Fund reported a net change in fund balances of \$332,728. The increase in the Fire Improvement Fund was due to an operating transfer from the General Fund. Proceeds from a capital lease and the related expenditure were also recorded for the purchase of two emergency medic units. The City issued short-term renewal notes for operations in the amount of \$400,000. This created a deficit unreserved fund balance of \$151,700 at December 31, 2010. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed not when accrual occur. All other governmental fund balances decreased by \$593,391 during 2010.

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

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the budgets of each department within the General Fund and other funds, and then adopts the budget. The legal level of budgetary control is at the object level. During 2010, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, the Finance Director may make small line item adjustments within the budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

No changes were made to the General Fund's budgeted revenues during 2010. Budgeted expenditures increased slightly by \$2,441.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures came in \$167,664 less than the \$3.9 million included in the final budget for 2010.

Budgetary fund balance at December 31, 2010 was \$434,816 compared to the \$470,144 anticipated in the final 2010 budget.

Capital Assets

At the end of fiscal year 2010, the City had a total of \$67.9 million invested in capital assets less accumulated depreciation of \$17.1 million resulting in total capital assets, net of accumulated depreciation of \$50.8 million.

The City continued its efforts to upgrade its capital assets during 2010. The City acquired two emergency medic units through a lease-purchase, as well as increased construction in progress for the Dry Fork Run Sewer Project in the amount of \$1.8 million. \$6.2 million of construction in progress was completed and transferred to infrastructure during 2010.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Table 4 shows 2010 balances compared to those of 2009:

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 3,015,891	3,015,891	485,420	485,420	3,501,311	3,501,311
Construction in progress	220,133	2,199,554	3,542,688	5,608,710	3,762,821	7,808,264
Land improvements	128,248	162,911	-	-	128,248	162,911
Buildings and improvements	2,306,776	2,383,536	7,239,092	7,438,563	9,545,868	9,822,099
Equipment	299,907	349,525	3,735,014	4,194,346	4,034,921	4,543,871
Vehicles	1,207,188	1,113,702	100,919	119,994	1,308,107	1,233,696
Infrastructure	7,518,651	5,352,350	21,011,168	17,626,043	28,529,819	22,978,393
Totals	\$ <u>14,696,794</u>	<u>14,577,469</u>	<u>36,114,301</u>	<u>35,473,076</u>	<u>50,811,095</u>	<u>50,050,545</u>

Accumulated depreciation of \$4.6 million and \$12.5 million is reported in the governmental activities and business-type activities respectively. Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

Debt Administration

At December 31, 2010, the City had a total of \$36.8 million of long-term debt obligations compared with \$32.2 million reported at December 31, 2009. Table 5 shows outstanding debt obligations of the City at December 31, 2010 compared with 2009:

TABLE 5
Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 3,905,000	4,085,000	5,860,000	390,000	9,765,000	4,475,000
Capital Leases	1,260,466	1,169,821	15,183	29,509	1,275,649	1,199,330
OPWC Loans	921,275	894,080	1,958,297	2,071,635	2,879,572	2,965,715
ODOT Loans	401,713	467,943	-	-	401,713	467,943
OWDA Loans	-	-	5,956,905	5,996,693	5,956,905	5,996,693
Revenue Bonds	-	-	16,520,000	17,070,000	16,520,000	17,070,000
Total	\$ <u>6,488,454</u>	<u>6,616,844</u>	<u>30,310,385</u>	<u>25,557,837</u>	<u>36,798,839</u>	<u>32,174,681</u>

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)

Of the City's general obligation bonds outstanding at December 31, 2010, \$3.9 million are accounted for within the governmental activities and the remaining \$5.9 million are reported in the Sewer Fund. Revenue bonds are recorded in the Sewer Fund and are paid with charges for services of that fund.

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

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

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department at City of Harrison, Ohio, 300 George Street, Harrison, Ohio 43030.

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CITY OF HARRISON, OHIO

Statement of Net Assets

December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 3,335,457	4,750,654	8,086,111
Cash in segregated accounts	10,408	-	10,408
Receivables:			
Property and other taxes	2,512,487	-	2,512,487
Payment in lieu of taxes	258,323	-	258,323
Income taxes	656,865		656,865
Accounts	69,847	429,392	499,239
Intergovernmental	486,543	-	486,543
Prepaid items	78,270	17,776	96,046
Materials and supplies inventory	22,573	86,493	109,066
Internal balances	311,936	(311,936)	-
Deferred charges	84,296	710,034	794,330
Restricted cash and investments with fiscal agent	-	2,183,465	2,183,465
Non-depreciable capital assets	3,236,024	4,028,108	7,264,132
Depreciable capital assets, net	11,460,770	32,086,193	43,546,963
Total assets	<u>22,523,799</u>	<u>43,980,179</u>	<u>66,503,978</u>
Liabilities			
Accounts payable	278,434	128,383	406,817
Accrued salaries	79,689	10,234	89,923
Intergovernmental payable	279,948	11,640	291,588
Unearned revenue	2,604,843	-	2,604,843
Accrued interest payable	61,327	262,443	323,770
Notes payable	400,000	-	400,000
Long-term liabilities:			
Due within one year	592,297	1,224,863	1,817,160
Due in more than one year	6,590,417	29,454,422	36,044,839
Total liabilities	<u>10,886,955</u>	<u>31,091,985</u>	<u>41,978,940</u>
Net Assets			
Invested in capital assets, net of related debt	8,613,002	6,955,754	15,568,756
Restricted for:			
Capital projects	463,089	-	463,089
Debt service	349,409	-	349,409
Streets and Highways	618,134	-	618,134
Recreation	441,070	-	441,070
Other purposes	253,799	-	253,799
Unrestricted	898,341	5,932,440	6,830,781
Total net assets	<u>\$ 11,636,844</u>	<u>12,888,194</u>	<u>24,525,038</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Activities

Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Security of persons and property	\$ 5,841,459	893,571	27,883	(4,920,005)	-	(4,920,005)
Public health services	339,855	25,858	127,409	(186,588)	-	(186,588)
Leisure time activities	315,334	71,358	104,112	(139,864)	-	(139,864)
Community and economic development	138,115	47,195	-	(90,920)	-	(90,920)
Transportation	971,886	-	592,144	(379,742)	-	(379,742)
General government	1,299,480	361,577	26,359	(911,544)	-	(911,544)
Interest on long-term debt	295,479	-	-	(295,479)	-	(295,479)
Total governmental activities	<u>9,201,608</u>	<u>1,399,559</u>	<u>877,907</u>	<u>(6,924,142)</u>	<u>-</u>	<u>(6,924,142)</u>
Business-type activities:						
Water	1,387,114	1,288,614	-	-	(98,500)	(98,500)
Sewer	2,653,586	2,833,348	-	-	179,762	179,762
Other business-type activities:						
Storm Water	129,183	105,247	-	-	(23,936)	(23,936)
Water/Wastewater deposit	3,098	5,578	-	-	2,480	2,480
Sanitation	423,451	424,907	-	-	1,456	1,456
Total business-type activities	<u>4,596,432</u>	<u>4,657,694</u>	<u>-</u>	<u>-</u>	<u>61,262</u>	<u>61,262</u>
Total	\$ <u>13,798,040</u>	<u>6,057,253</u>	<u>877,907</u>	<u>(6,924,142)</u>	<u>61,262</u>	<u>(6,862,880)</u>
General revenues:						
Income taxes levied for:						
General purposes				2,927,295	-	2,927,295
Property taxes levied for:						
General purposes				1,114,994	-	1,114,994
Fire improvements				1,151,918	-	1,151,918
Police pension				58,466	-	58,466
Recreation				18,318	-	18,318
Capital projects				62,672	-	62,672
Payments in lieu of taxes				259,559	-	259,559
Grants and contributions not restricted to specific programs						
				903,534	-	903,534
Investment earnings				56,698	2,233	58,931
Miscellaneous				99,419	19,172	118,591
Total general revenues				<u>6,652,873</u>	<u>21,405</u>	<u>6,674,278</u>
Change in net assets				(271,269)	82,667	(188,602)
Net assets beginning of year				<u>11,908,113</u>	<u>12,805,527</u>	<u>24,713,640</u>
Net assets end of year				<u>11,636,844</u>	<u>12,888,194</u>	<u>24,525,038</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Balance Sheet

Governmental Funds

December 31, 2010

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and investments	\$ 348,096	385,675	2,601,686	3,335,457
Cash in segregated accounts	-	-	10,408	10,408
Receivables:				
Property and other taxes	1,217,713	1,214,480	80,294	2,512,487
Payment in lieu of taxes	-	-	258,323	258,323
Income taxes	656,865	-	-	656,865
Accounts	27,621	40,224	2,002	69,847
Intergovernmental	207,974	61,298	217,271	486,543
Interfund receivable	290,000	-	-	290,000
Prepaid items	33,631	26,161	18,478	78,270
Materials and supplies inventory	9,237	-	13,336	22,573
Advances to other funds	57,347	-	-	57,347
	<u>2,848,484</u>	<u>1,727,838</u>	<u>3,201,798</u>	<u>7,778,120</u>
Total assets				
	<u>2,848,484</u>	<u>1,727,838</u>	<u>3,201,798</u>	<u>7,778,120</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	14,638	22,122	241,674	278,434
Accrued salaries	35,310	35,672	8,707	79,689
Intergovernmental payable	39,522	145,966	94,460	279,948
Advances from other funds	-	-	35,411	35,411
Notes payable	-	400,000	-	400,000
Deferred revenue	1,678,386	1,275,778	472,062	3,426,226
Total liabilities	<u>1,767,856</u>	<u>1,879,538</u>	<u>852,314</u>	<u>4,499,708</u>
Fund balances:				
Reserved for:				
Encumbrances	7,004	104,789	113,455	225,248
Advance	57,347	-	-	57,347
Prepays	33,631	26,161	18,478	78,270
Inventory	9,237	-	13,336	22,573
Unreserved, reported in:				
General Fund	973,409	-	-	973,409
Special Revenue Funds	-	(282,650)	1,070,437	787,787
Debt Service Fund	-	-	410,733	410,733
Capital Projects Funds	-	-	723,045	723,045
Total fund balances (deficit)	<u>1,080,628</u>	<u>(151,700)</u>	<u>2,349,484</u>	<u>3,278,412</u>
Total liabilities and fund equity	\$ <u>2,848,484</u>	<u>1,727,838</u>	<u>3,201,798</u>	<u>7,778,120</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010

Total governmental fund balances \$ 3,278,412

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 14,696,794

Other long-term assets are not available to pay for current-period
 expenditures and therefore are deferred in the funds:

Property and other taxes	149,774	
Intergovernmental and other receivables	365,241	
Income taxes	306,368	
Total	821,383	

Unamortized bond issuance costs are not recognized in the funds. 84,296

In the statement of net assets, interest is accrued on outstanding bonds
 and loan, whereas in governmental funds, interest is accrued when due. (61,327)

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

Bonds payable	(3,989,296)	
ODOT loan payable	(401,713)	
OPWC loan payable	(921,275)	
Capital lease payable	(1,260,466)	
Compensated absences payable	(609,964)	
		(7,182,714)

Net assets of governmental activities \$ 11,636,844

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2010

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other taxes	\$ 1,112,413	1,130,716	139,321	2,382,450
Income taxes	2,927,922	-	-	2,927,922
Payment in lieu of taxes	-	-	240,736	240,736
Intergovernmental	796,346	176,853	762,824	1,736,023
Charges for services	-	871,086	97,216	968,302
Fines, costs and forfeitures	229,666	-	-	229,666
Licenses, permits and inspections	177,223	-	-	177,223
Interest	57,932	273	-	58,205
Contributions	525	40	6,218	6,783
Other	39,206	10,927	77,801	127,934
Total revenues	<u>5,341,233</u>	<u>2,189,895</u>	<u>1,324,116</u>	<u>8,855,244</u>
Expenditures:				
Current:				
Security of persons and property	2,299,923	2,992,142	360,554	5,652,619
Public health services	12,562	-	326,286	338,848
Leisure time activities	55,160	-	196,352	251,512
Community and economic development	134,578	-	-	134,578
Transportation	-	-	780,692	780,692
General government	1,097,472	-	111,756	1,209,228
Capital outlay	3,153	335,289	446,575	785,017
Debt Service:				
Principal retirement	49,507	166,666	302,698	518,871
Interest and fiscal charges	3,767	60,357	201,522	265,646
Total expenditures	<u>3,656,122</u>	<u>3,554,454</u>	<u>2,726,435</u>	<u>9,937,011</u>
Excess of revenues over (under) expenditures	<u>1,685,111</u>	<u>(1,364,559)</u>	<u>(1,402,319)</u>	<u>(1,081,767)</u>
Other financing sources (uses):				
Transfers in	-	1,371,857	743,877	2,115,734
Transfers out	(2,115,734)	-	-	(2,115,734)
Proceeds of OPWC loan	-	-	65,051	65,051
Inception of capital lease	-	325,430	-	325,430
Total other financing sources (uses)	<u>(2,115,734)</u>	<u>1,697,287</u>	<u>808,928</u>	<u>390,481</u>
Net change in fund balances	(430,623)	332,728	(593,391)	(691,286)
Fund balance, beginning of year	<u>1,511,251</u>	<u>(484,428)</u>	<u>2,942,875</u>	<u>3,969,698</u>
Fund balance, end of year	\$ <u>1,080,628</u>	<u>(151,700)</u>	<u>2,349,484</u>	<u>3,278,412</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2010

Net change in fund balances - total governmental funds \$ (691,286)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital outlay	670,926
Depreciation expense	(502,538)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are deferred. 102,158

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

Compensated absences	99,977
Interest on long-term debt	(1,846)
Amortization of deferred amount on refunding	(37,414)
Amortization of issuance costs	(16,188)
Amortization of bond premiums	25,615

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

In the current year, these amounts consisted of general obligation bonds, ODOT and OPWC loans and capital leases. 518,871

The inception of a capital lease is recorded as an other financing source in the governmental funds, but as an asset and liability on the statement of net assets. (325,430)

The proceeds of an OPWC loan are recorded as an other financing source in the governmental funds, but is an increase of the liability on the statement of net assets. (65,051)

A loss on the trade-in of capital assets is recognized as an expense in the statement of activities but is not reported in governmental funds. (49,063)

Change in net assets of governmental activities \$ (271,269)

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Property and other taxes	\$ 1,375,414	1,375,414	1,429,723	54,309
Income taxes	3,226,000	3,226,000	2,903,314	(322,686)
Intergovernmental	476,990	476,990	487,057	10,067
Charges for services	191,882	191,882	190,213	(1,669)
Fines, costs and forfeitures	155,100	155,100	208,279	53,179
Licenses, permits and inspections	196,350	196,350	78,986	(117,364)
Interest	45,000	45,000	61,635	16,635
Other	17,710	17,710	37,247	19,537
Total revenues	<u>5,684,446</u>	<u>5,684,446</u>	<u>5,396,454</u>	<u>(287,992)</u>
Expenditures:				
Current:				
General government	1,166,879	1,153,652	1,110,447	43,205
Security of persons and property	2,456,945	2,472,551	2,369,868	102,683
Public health services	12,500	12,562	12,562	-
Community and economic development	155,096	155,096	137,427	17,669
Leisure time activity	59,707	59,707	55,600	4,107
Total expenditures	<u>3,851,127</u>	<u>3,853,568</u>	<u>3,685,904</u>	<u>167,664</u>
Excess of revenues over expenditures	<u>1,833,319</u>	<u>1,830,878</u>	<u>1,710,550</u>	<u>(120,328)</u>
Other financing sources (uses):				
Transfers out	<u>(2,090,802)</u>	<u>(2,090,802)</u>	<u>(2,005,802)</u>	<u>85,000</u>
Total other financing sources (uses)	<u>(2,090,802)</u>	<u>(2,090,802)</u>	<u>(2,005,802)</u>	<u>85,000</u>
Net change in fund balance	(257,483)	(259,924)	(295,252)	(35,328)
Fund balance, beginning of year	690,725	690,725	690,725	
Prior year encumbrances appropriated	39,343	39,343	39,343	
Fund balance, end of year	\$ <u>472,585</u>	<u>470,144</u>	<u>434,816</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund
 Balances - Budget and Actual - Budget (Non-GAAP) Basis
 Fire Improvement Fund
 Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	\$ 1,151,664	1,151,664	1,127,335	(24,329)
Intergovernmental	248,221	248,221	180,233	(67,988)
Charges for services	714,993	714,993	848,182	133,189
Interest	8,000	8,000	273	(7,727)
Other	3,200	3,200	10,968	7,768
Total revenues	<u>2,126,078</u>	<u>2,126,078</u>	<u>2,166,991</u>	<u>40,913</u>
Expenditures:				
Current:				
Security of persons and property				
Fire Department				
Personal services	2,856,448	2,856,448	2,795,682	60,766
Operations/maintenance	631,487	631,487	599,453	32,034
Total security of persons and property	<u>3,487,935</u>	<u>3,487,935</u>	<u>3,395,135</u>	<u>92,800</u>
Capital outlay				
Capital improvements	10,000	10,000	9,859	141
Total capital outlay	<u>10,000</u>	<u>10,000</u>	<u>9,859</u>	<u>141</u>
Total expenditures	<u>3,497,935</u>	<u>3,497,935</u>	<u>3,404,994</u>	<u>92,941</u>
Excess of revenues over expenditures	<u>(1,371,857)</u>	<u>(1,371,857)</u>	<u>(1,238,003)</u>	<u>133,854</u>
Other financing source:				
Transfers in	<u>1,371,857</u>	<u>1,371,857</u>	<u>1,371,857</u>	<u>-</u>
Total other financing sources (uses)	<u>1,371,857</u>	<u>1,371,857</u>	<u>1,371,857</u>	<u>-</u>
Net change in fund balance	-	-	133,854	133,854
Fund balance, beginning of year	<u>124,910</u>	<u>124,910</u>	<u>124,910</u>	
Fund balance, end of year	<u>\$ 124,910</u>	<u>124,910</u>	<u>258,764</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Net Assets
 Proprietary Funds
 December 31, 2010

Business-type Activities - Enterprise Funds

	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 1,801,717	2,603,286	345,651	4,750,654
Receivables:				
Accounts	110,178	280,395	38,819	429,392
Prepaid items	6,073	11,703	-	17,776
Materials and supplies inventory	82,960	3,533	-	86,493
Total current assets	2,000,928	2,898,917	384,470	5,284,315
Noncurrent assets:				
Deferred charges	-	710,034	-	710,034
Restricted assets:				
Cash and investments with fiscal agent	-	2,183,465	-	2,183,465
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	3,547,248	-	4,028,108
Depreciable capital assets, net	14,455,474	15,522,855	2,107,864	32,086,193
Total non-current assets	14,936,334	21,980,780	2,107,864	39,024,978
Total assets	16,937,262	24,879,697	2,492,334	44,309,293
Liabilities				
Current liabilities:				
Accounts payable	11,644	79,497	37,242	128,383
Accrued salaries	4,939	5,295	-	10,234
Intergovernmental payable	4,510	7,130	-	11,640
Accrued interest payable	112,117	150,326	-	262,443
Compensated absences payable	13,008	4,713	-	17,721
Interfund payable	-	-	290,000	290,000
Advances from other funds	12,960	8,976	17,178	39,114
Capital lease payable, current portion of	7,591	7,592	-	15,183
Revenue bonds payable, current portion of	-	570,000	-	570,000
General obligation bonds payable, current portion of	-	165,000	-	165,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	343,621	-	-	343,621
Total current liabilities	510,390	1,090,837	365,450	1,966,677
Long-term liabilities:				
Revenue bonds payable, net of current portion	-	16,057,691	-	16,057,691
General obligation bonds payable, net of current portion	-	5,851,792	-	5,851,792
OPWC loans payable, net of current portion	-	1,476,934	368,025	1,844,959
OWDA loans payable, net of current portion	5,613,284	-	-	5,613,284
Compensated absences payable, net of current portion	44,995	41,701	-	86,696
Total long-term liabilities	5,658,279	23,428,118	368,025	29,454,422
Total liabilities	6,168,669	24,518,955	733,475	31,421,099
Net Assets				
Invested in capital assets, net of related debt	8,971,838	(3,734,893)	1,718,809	6,955,754
Unrestricted	1,796,755	4,095,635	40,050	5,932,440
Total net assets	\$ 10,768,593	360,742	1,758,859	12,888,194

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Non-major</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 1,288,614	2,833,348	535,732	4,657,694
Other	<u>18,326</u>	<u>-</u>	<u>846</u>	<u>19,172</u>
Total operating revenues	<u>1,306,940</u>	<u>2,833,348</u>	<u>536,578</u>	<u>4,676,866</u>
Operating expenses:				
Personnel services	431,739	490,333	-	922,072
Contractual services	219,129	405,115	506,021	1,130,265
Supplies and materials	105,940	155,117	-	261,057
Other	11,789	46,023	3,098	60,910
Depreciation	<u>390,532</u>	<u>721,632</u>	<u>46,613</u>	<u>1,158,777</u>
Total operating expenses	<u>1,159,129</u>	<u>1,818,220</u>	<u>555,732</u>	<u>3,533,081</u>
Operating income (loss)	147,811	1,015,128	(19,154)	1,143,785
Non-operating revenues (expenses):				
Interest revenue	140	2,093	-	2,233
Interest expense and fiscal charges	<u>(227,985)</u>	<u>(835,366)</u>	<u>-</u>	<u>(1,063,351)</u>
Total non-operating revenues (expenses)	<u>(227,845)</u>	<u>(833,273)</u>	<u>-</u>	<u>(1,061,118)</u>
Change in net assets	(80,034)	181,855	(19,154)	82,667
Net assets, beginning of year	<u>10,848,627</u>	<u>178,887</u>	<u>1,778,013</u>	<u>12,805,527</u>
Net assets, end of year	\$ <u>10,768,593</u>	<u>360,742</u>	<u>1,758,859</u>	<u>12,888,194</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Non-major</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 1,269,707	2,749,511	540,497	4,559,715
Cash payments for employee services and benefits	(439,026)	(471,592)	-	(910,618)
Cash payments to suppliers for goods and services	(361,355)	(647,717)	(502,040)	(1,511,112)
Cash payments for other operating expenses	(11,789)	(46,023)	(3,098)	(60,910)
Cash received from other operating revenue	10,314	-	846	11,160
Net cash provided by operating activities	<u>467,851</u>	<u>1,584,179</u>	<u>36,205</u>	<u>2,088,235</u>
Cash flows from noncapital financing activities:				
Return advances to other funds	-	-	(80,000)	(80,000)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(362,451)	(1,437,551)	-	(1,800,002)
Issuance of bonds	-	5,490,000	-	5,490,000
Premium on issuance of bonds	-	156,792	-	156,792
Bond issuance costs	-	(146,792)	-	(146,792)
Principal retirement	(342,229)	(5,669,471)	(21,030)	(6,032,730)
Interest paid	(233,671)	(800,232)	-	(1,033,903)
OWDA loan	295,278	-	-	295,278
Net cash used by capital and related financing activities	<u>(643,073)</u>	<u>(2,407,254)</u>	<u>(21,030)</u>	<u>(3,071,357)</u>
Cash flows from investing activities:				
Interest	140	2,093	-	2,233
Net change	(175,082)	(820,982)	(64,825)	(1,060,889)
Cash and pooled investments beginning of year	<u>1,976,799</u>	<u>5,607,733</u>	<u>410,476</u>	<u>7,995,008</u>
Cash and pooled investments end of year	<u>1,801,717</u>	<u>4,786,751</u>	<u>345,651</u>	<u>6,934,119</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	147,811	1,015,128	(19,154)	1,143,785
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	390,532	721,632	46,613	1,158,777
Changes in assets and liabilities:				
Receivables	(18,857)	(83,837)	4,765	(97,929)
Prepaid items	532	(1,741)	-	(1,209)
Materials and supplies inventory	(48,671)	(32)	-	(48,703)
Accounts payable	4,061	(79,972)	4,081	(71,830)
Accrued salaries	306	272	-	578
Intergovernmental payable	(11,739)	(9,306)	(100)	(21,145)
Compensated absences payable	3,876	22,035	-	25,911
Net cash provided by operating activities	<u>\$ 467,851</u>	<u>1,584,179</u>	<u>36,205</u>	<u>2,088,235</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2010

Assets

Cash in segregated accounts	\$	<u>45,227</u>
Total assets		<u><u>45,227</u></u>

Liabilities

Intergovernmental payable		<u>45,227</u>
Total liabilities	\$	<u><u>45,227</u></u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Harrison are prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City follows Financial Accounting Standards Board (FASB) standards of accounting and financial reporting issued on or before November 30, 1989 in its government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict GASB guidance. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent FASB guidance. The significant accounting policies used in the preparation of these financial statements are summarized below.

A. Reporting Entity

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

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

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

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

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District

In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received \$45,412 in revenues through the JEDD in 2010.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

B. Basis of Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

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

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

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

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

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.

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

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

Revenues – Exchange and Non-Exchange Transactions

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

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

Unearned Revenue/Deferred Revenue

Deferred revenues arise when potential revenue does not meet both the measurable and available criteria recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
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D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During 2010, investments were limited to STAR Ohio, federal agency securities, U.S. Government money market mutual funds, negotiable certificates of deposit and non-negotiable 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 non-negotiable certificates of deposit, are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2010. 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, 2010.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2010, interest revenue credited to the general fund amounted to \$57,932 which includes \$55,279 assigned from other funds.

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

At year end, the City had \$2,183,465 held by a trustee as designated by bond indenture. This amount is reported as "restricted cash and investments with fiscal agent" in the financial statements.

An analysis of the City's deposits and investments at year end is provided in Note 4.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

F. Supplies Inventory

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

G. Capital Assets

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

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

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

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

H. Restricted Assets

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

I. Accrued Liabilities and Long-Term Obligations

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

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

J. Interfund Balances

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

K. Deferred Charges

Bond issuance costs are deferred and amortized over the terms of the bonds using the straight-line method.

L. Compensated Absences

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

M. Reservations of Fund Balances

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure, or the portion of fund balance that is legally segregated for specific future use. Fund balances have been reserved for encumbrances, inventory, prepaids and advances.

N. Accounting Estimates

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

O. Grants and Other Intergovernmental Revenues

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

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when the limitations imposed on their use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2010, none of the City's net assets were restricted by enabling legislation.

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

Q. Budgetary Process

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted supplemental appropriations during 2010.

Tax Budget

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

Estimated Resources

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

Appropriations

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

Encumbrances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

Lapsing of Appropriations

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

NOTE 2 – FUND DEFICITS

At December 31, 2010, the following deficit fund balances were reported:

<u>Fund</u>	<u>Deficit</u>
Fire Improvement	\$ 151,700
Fire Memorial	\$ 3,413
Police Pension	\$ 23,032

These fund deficits resulted from the accrued but unpaid liabilities that are not payable from current period revenue and do not exist on a budget basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Advances in and advances out are operating transactions (budget basis) rather than as a reservation of fund balance (GAAP basis).

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
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The adjustments necessary to convert the results of operations for the year ended December 31, 2010, on the GAAP basis to the budget basis are as follows:

		General Fund	Fire Improvement
Net change in fund balance - <i>GAAP Basis</i>	\$	(430,623)	332,728
Net adjustment for revenue accruals		55,221	(22,904)
Net adjustment for expenditure accruals		(8,140)	276,371
Encumbrances		(21,642)	(126,911)
Other sources (uses)		109,932	(325,430)
Net change in fund balance - <i>Budget Basis</i>	\$	(295,252)	133,854

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

At December 31, 2010, the carrying amount of all City deposits was \$4,014,990. \$3,045,264 of the City's bank balance of \$4,352,685 was exposed to custodial risk as discussed above, while \$1,307,421 was covered by FDIC.

Investments: The City's investments at December 31, 2010 are summarized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	
		<u>6 months or less</u>	<u>7 to 12 months</u>
Federal Home Loan Bank Notes	\$ 1,474,419	1,149,792	324,627
US Treasuries	599,702	399,956	199,746
Negotiable CD's	428,000	250,000	178,000
STAR Ohio	249,681	249,681	-
Money Market	<u>3,558,419</u>	<u>3,558,419</u>	<u>-</u>
	<u>\$ 6,310,221</u>	<u>5,607,848</u>	<u>702,373</u>

Credit Risk: The City's investments in Federal Home Loan Bank Notes and U.S. Treasury funds were rated AAA by Standard & Poor's and Aaa by Moody's. The City's investment in STAR Ohio and the money markets have an AAAM credit rating. The City's investment policy limits its investments to those authorized by State statute.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments in federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in the State statute that prohibits payments for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Federal Home Loan Bank Notes	\$ 1,474,419	23.0%
US Treasuries	599,702	10.0%
Negotiable CD's	428,000	7.0%
STAR Ohio	249,681	4.0%
Money Market	<u>3,558,419</u>	<u>56.0%</u>
	<u>\$ 6,310,221</u>	<u>100.0%</u>

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

NOTE 5 - PROPERTY TAXES

Property taxes include all amounts levied against all real and utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value 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. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

House Bill No. 66 was signed into law on June 30, 2005 and phases out the tax on tangible personal property of general businesses, telephone and telecommunication companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of the delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2010, was \$13.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property Assessed Valuation	\$	228,938,580
Public Utility Real Property Assessed Valuation		4,854,870
Tangible Personal Property		<u>132,640</u>
Total Assessed Valuation	\$	<u>233,926,090</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 6 - INCOME TAX

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

NOTE 7 – INTERFUND ACTIVITY

Interfund activity as reported in the fund financial statements includes transfers, advances to/from funds and interfund receivable/payable. The following represent the transfers during 2010:

		<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$	-	2,115,734
Fire Improvement		1,371,857	-
Other governmental funds		<u>743,877</u>	<u>-</u>
	\$	<u><u>2,115,734</u></u>	<u><u>2,115,734</u></u>

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

The following represent the outstanding advances to/from other funds as of December 31, 2010:

		<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$	57,347	-
Other governmental funds		-	35,411
Sewer		17,178	8,976
Water		-	12,960
Other enterprise funds		<u>-</u>	<u>17,178</u>
	\$	<u><u>74,525</u></u>	<u><u>74,525</u></u>

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

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An interfund receivable/payable is reported in the General Fund and Storm Water Fund, respectively for \$290,000. This loan is expected to be repaid in the next year.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,015,891	-	-	3,015,891
Construction in progress	<u>2,199,554</u>	<u>323,496</u>	<u>(2,302,917)</u>	<u>220,133</u>
Total capital assets not being depreciated	<u>5,215,445</u>	<u>323,496</u>	<u>(2,302,917)</u>	<u>3,236,024</u>
<i>Capital assets being depreciated:</i>				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,946,240	-	-	3,946,240
Furniture and equipment	748,146	-	-	748,146
Vehicles	2,368,873	347,430	(190,652)	2,525,651
Infrastructure	<u>5,714,945</u>	<u>2,302,917</u>	<u>-</u>	<u>8,017,862</u>
Total capital assets being depreciated	<u>13,583,021</u>	<u>2,650,347</u>	<u>(190,652)</u>	<u>16,042,716</u>
Less accumulated depreciation:				
Land improvements	(641,906)	(34,663)	-	(676,569)
Buildings and improvements	(1,562,704)	(76,760)	-	(1,639,464)
Furniture and equipment	(398,621)	(49,618)	-	(448,239)
Vehicles	(1,255,171)	(204,881)	141,589	(1,318,463)
Infrastructure	<u>(362,595)</u>	<u>(136,616)</u>	<u>-</u>	<u>(499,211)</u>
Total accumulated depreciation	<u>(4,220,997)</u>	<u>(502,538)</u>	<u>141,589</u>	<u>(4,581,946)</u>
Total capital assets being depreciated, net	<u>9,362,024</u>	<u>2,147,809</u>	<u>(49,063)</u>	<u>11,460,770</u>
Capital assets, net	\$ <u>14,577,469</u>	<u>2,471,305</u>	<u>(2,351,980)</u>	<u>14,696,794</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 651
Security of persons and property	253,534
Public health services	4,638
Transportation	189,154
Leisure time activities	<u>54,561</u>
Total depreciation expense	\$ <u>502,538</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 485,420	-	-	485,420
Construction in progress	5,608,710	1,800,002	(3,866,024)	3,542,688
Total capital assets not being depreciated	<u>6,094,130</u>	<u>1,800,002</u>	<u>(3,866,024)</u>	<u>4,028,108</u>
<i>Capital assets being depreciated:</i>				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,030,905	-	-	10,030,905
Furniture and equipment	7,509,567	-	-	7,509,567
Vehicles	374,784	-	-	374,784
Infrastructure	22,816,962	3,866,024	-	26,682,986
Total capital assets being depreciated	<u>40,756,692</u>	<u>3,866,024</u>	<u>-</u>	<u>44,622,716</u>
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(2,592,342)	(199,471)	-	(2,791,813)
Furniture and equipment	(3,315,221)	(459,332)	-	(3,774,553)
Vehicles	(254,790)	(19,075)	-	(273,865)
Infrastructure	(5,190,919)	(480,899)	-	(5,671,818)
Total accumulated depreciation	<u>(11,377,746)</u>	<u>(1,158,777)</u>	<u>-</u>	<u>(12,536,523)</u>
Total capital assets being depreciated, net	<u>29,378,946</u>	<u>2,707,247</u>	<u>-</u>	<u>32,086,193</u>
Capital assets, net	\$ <u>35,473,076</u>	<u>4,507,249</u>	<u>(3,866,024)</u>	<u>36,114,301</u>

Depreciation expense was charged to segments as follows:

<u>Major enterprise funds</u>	
Water	\$ 390,532
Sewer	721,632
<u>Nonmajor enterprise fund</u>	
Storm water	<u>46,613</u>
Total depreciation expense	\$ <u>1,158,777</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 9 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City contributes to the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans: The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year); and the Combined Plan a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, and survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits including post-employment health care coverage. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans discussed above. Separate divisions for law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.0% of their annual salary for members in state and local classifications. Public safety and law enforcement members contributed at a rate of 10.5% and 11.1%, respectively. The City was required to contribute 14.00% of covered payroll for employees and 17.87% for employees engaged in law enforcement and public safety. The City's contribution rate for pension benefits for 2010 was 8.5% from January 1 through February 28, 2010 and 9% from March 1 through December 31, 2010. The City's required contributions for pension obligations for the years ended December 31, 2010, 2009, and 2008 were \$163,720, \$145,682 and \$118,476, respectively; 100% has been contributed for all three years.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. 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 the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary while the City is required to contribute 19.5% and 24%, respectively for police officers and firefighters. For 2010 the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to the Fund for the years ended December 31, 2010, 2009, and 2008 were \$453,283, \$464,665 and \$359,716, respectively; 71% has been contributed for 2010 and 100% for 2009 and 2008.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 10 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.87%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions for 2010, 2009 and 2008 which were used to fund post-employment benefits were \$93,337, \$104,347 and \$118,476, respectively; 100% has been contributed for all three years.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006-2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase in January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual contributions for 2010, 2009 and 2008 that were used to fund post-employment benefits were \$207,191, \$208,491 and \$166,118, respectively; 71% has been contributed for 2010 and 100% for 2009 and 2008.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 11 – OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$52,629 at December 31, 2010.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the varying rates. Sick leave is cumulative without limit. In the event of death or separation, an employee is paid for a percentage of their accumulated sick leave up to a maximum. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$661,752 at December 31, 2010.

NOTE 12 - RISK MANAGEMENT

Risk Pool Membership

The City belongs to the Ohio Government Risk Management Plan (the “Plan”), an unincorporated nonprofit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 510 Ohio governments (“Members”). Pursuant to Section 2744.081, of the Ohio Revised Code, the Plan is a separate legal entity.

The Plan provides property, liability, errors and omissions, law enforcement, automobile, excessive liability, crime, surety and bond, inland marine and other coverage, modified for each Member’s needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member’s deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 5% portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5% or \$25,000 of casualty losses and the lesser of 5% or \$50,000 of property losses. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool’s audited financial statements conform to accounting principles generally accepted in the United States of America and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets	\$ 12,036,541	\$ 11,176,186
Liabilities	<u>(4,845,056)</u>	<u>(4,852,485)</u>
Members' Equity	<u>\$ 7,191,485</u>	<u>\$ 6,323,701</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

You can read the complete audited financial statements for the Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

Health Insurance

During 2010, the City provided employees insurance for medical through Humana Insurance, dental through Assurant and life through Hartford. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to \$797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

Workers' Compensation

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

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

NOTE 13 - LONG-TERM LIABILITIES

The following is a summary of changes during 2010 and balances for governmental activities' long-term liabilities of the City as of December 31, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
<u>General Obligation Bonds</u>					
2000 Road and safety bonds	\$ 165,000	\$ -	\$ (165,000)	\$ -	\$ -
2005 Road and safety refunding bonds	2,110,000	-	(15,000)	2,095,000	195,000
Less deferred amount on refunding	(37,414)	-	37,414	-	-
Add premium on issuance	22,595	-	(22,595)	-	-
2009 Various purpose - Harrison Ave bike trail	1,150,000	-	-	1,150,000	5,000
2009 Various purpose - sidewalks	660,000	-	-	660,000	5,000
Add premium on issuance	87,316	-	(3,020)	84,296	-
<u>OPWC loans</u>					
2006 Jefferson Avenue project	389,756	-	(23,622)	366,134	23,622
2009 Kater Street improvements	504,324	65,051	(14,234)	555,141	28,469
<u>ODOT loan</u>					
2006 New Haven bridge	467,943	-	(66,230)	401,713	68,232
<u>Other long-term obligations</u>					
Capital leases	1,169,821	325,430	(234,785)	1,260,466	219,688
Compensated absences	709,941	89,844	(189,821)	609,964	47,286
Total governmental activities long-term obligations	\$ 7,399,282	\$ 480,325	\$ (696,893)	\$ 7,182,714	\$ 592,297

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

General Obligation Bonds

On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 3.0% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the callable portion (\$1,985,000) of the Series 2000 various purpose general obligation bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the refunded bonds at December 31, 2010 was \$1,985,000.

General Obligation Various Purpose Improvement Bonds

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

OPWC Loans

The City's Jefferson Avenue project and Kater Street improvements project were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2010, the City has two loans outstanding through the OPWC payable from governmental activities. The Jefferson Avenue project loan is interest free and payable in semi-annual installments that began in 2006 and will mature in 2026. The Kater Street improvements project was completed in 2010 and is also interest free and payable in semi-annual payments with the first payments made in 2010 and final maturity in 2030.

ODOT Loan

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

Compensated Absences

Compensated absences for governmental activities will be paid from the following funds: general fund, street maintenance fund (a nonmajor governmental fund), fire improvement fund, community center fund (a nonmajor governmental fund) and the senior center fund (a nonmajor governmental fund).

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

Governmental Activities							
Year Ending December 31,	Various Purpose Bonds		Refunding Series - 2005		ODOT Loan		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2011	\$ 10,000	\$ 82,712	\$ 195,000	\$ 94,313	\$ 68,232	\$ 11,543	\$ 52,091
2012	45,000	82,513	200,000	85,050	70,294	9,481	52,090
2013	50,000	81,612	210,000	75,550	72,418	7,357	52,090
2014	50,000	80,612	220,000	65,575	74,608	5,168	52,091
2015	50,000	79,362	230,000	55,125	76,863	2,913	52,090
2016-2020	280,000	371,850	1,040,000	167,750	39,298	598	260,452
2021-2025	335,000	312,101	-	-	-	-	260,452
2026-2030	435,000	216,037	-	-	-	-	139,919
2031-2035	340,000	106,576	-	-	-	-	-
2036-2038	215,000	22,838	-	-	-	-	-
Total	\$ 1,810,000	\$ 1,436,213	\$ 2,095,000	\$ 543,363	\$ 401,713	\$ 37,060	\$ 921,275

The following is a summary of changes during 2010 and balances for business-type activities' long-term liabilities of the City as of December 31, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
<i>General Obligation Bonds</i>					
2005 Sanitary Sewer Improvements	\$ 390,000	\$ -	\$ (20,000)	\$ 370,000	\$ 20,000
2010 Sanitary Sewer Improvements	-	5,490,000	-	5,490,000	145,000
Add premium on issuance	-	156,792	-	156,792	-
<i>Revenue bond</i>					
2003 Revenue improvement and refundings	17,070,000	-	(550,000)	16,520,000	570,000
Add premium on issuance	190,461	-	(10,198)	180,263	-
Deferred amount on refunding	(76,641)	-	4,069	(72,572)	-
<i>OPWC loans</i>					
State Street/Campbell Road sewer	1,661,550	-	(92,308)	1,569,242	92,308
Etta, Lellan and Joyce Avenue improvement	410,085	-	(21,030)	389,055	21,030
<i>OWDA loans</i>					
Water treatment plant	757,939	-	(51,425)	706,514	52,776
New Biddinger Rd./Caroline Trace Rd. water mains	1,654,532	-	(76,775)	1,577,757	78,414
Wellfield/transmission water mains	481,587	-	(60,803)	420,784	62,468
Water main improvements	1,609,964	38,839	(58,756)	1,590,047	60,364
New Haven/Baughman Rd. water main improvement	100,965	22,627	(29,997)	93,595	30,719
Elevated water storage tank	1,391,706	233,812	(57,310)	1,568,208	58,880
<i>Other long-term obligations</i>					
Capital leases	29,509	-	(14,326)	15,183	15,183
Compensated absences	78,506	55,917	(30,006)	104,417	17,721
Total business-type activities long-term obligations	\$ 25,750,163	\$ 5,997,987	\$ (1,068,865)	\$ 30,679,285	\$ 1,224,863

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

General Obligation Bonds

On August 11, 2005, the City issued \$510,000 in general obligation bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 3.0% to 4.125% per annum and mature in various installments through December 1, 2024.

On December 9, 2010, the City issued \$5,490,000 in general obligation sewer system improvement bonds for the purpose of retiring outstanding notes that were used to finance various improvements to the wastewater system. Serial bonds of \$1,600,000 range in interest rates of 1.0% to 2.25% and mature in 2020. Term bonds of \$3,890,000 range in interest rates of 3.75% to 5.25% and mature at varying times from 2022 to 2035.

Revenue bonds

On September 15, 2003, the City issued \$18,750,000 in wastewater system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes and \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the financial statements. The principal balance of the refunded wastewater system mortgage revenue bonds at December 31, 2010 was \$1,070,000.

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 2.0% to 4.125%. The general obligation bonds and mortgage 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 the limitations of Ohio law.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$18,750,000 in Series 2003 sewer system revenue improvement and refunding bonds. Proceeds of the sewer system revenue improvement and refunding bonds were used for sewer improvements and to refund the outstanding balance of previously issued Series 1993 sewer general obligation improvement notes. The Series 2003 sewer revenue improvement and refunding bonds are payable solely from sewer customer net revenues and are payable through 2028. Annual principal and interest remaining to be paid on the bonds is \$25,166,606. Principal and interest paid for the current year and total customer net revenues were \$1,342,925 and \$1,748,815, respectively.

OPWC Loans

Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvement were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2010, the City has two loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal and interest. The amounts due to the OPWC are payable solely from water and sewer revenues.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2010, the City has outstanding borrowings of \$5,956,905. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The projects financed through OWDA loans are not closed out as of December 31, 2010. Future annual debt service principal and interest requirements for these loans are not available.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

Compensated Absences

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

Principal and interest requirements to retire the City's outstanding obligations at December 31, 2010 were:

Year Ending December 31,	Business-Type Activities					
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	
	Principal	Interest	Principal	Interest	Principal	
2011	\$ 165,000	\$ 244,051	\$ 570,000	\$ 774,500	\$ 113,338	
2012	165,000	246,832	590,000	753,980	113,338	
2013	170,000	242,983	615,000	730,380	113,338	
2014	175,000	239,033	635,000	705,780	113,339	
2015	180,000	234,982	665,000	680,380	113,339	
2016-2020	985,000	1,094,050	4,315,000	2,919,312	566,692	
2021-2025	1,130,000	907,669	5,315,000	1,714,387	566,691	
2026-2030	1,260,000	633,412	3,815,000	367,887	258,222	
2031-2035	1,630,000	265,125	-	-	-	
Total	\$ 5,860,000	\$ 4,108,137	\$ 16,520,000	\$ 8,646,606	\$ 1,958,297	

NOTE 14 – SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Interest Rate	Balance 12/31/2009	Increase	Decrease	Balance 12/31/2010
<u>Governmental Activities:</u>							
Tax anticipation note	12/10/2009	12/9/2010	3.25%	\$ 445,000	\$ -	\$ (445,000)	\$ -
Tax anticipation note	12/9/2010	12/8/2011	2.60%	-	400,000	-	400,000
Total				\$ 445,000	\$ 400,000	\$ (445,000)	\$ 400,000
<u>Business-Type Activities:</u>							
Sewer bond anticipation note				\$ 5,000,000	\$ -	\$ (5,000,000)	\$ -

On December 9, 2010, the City retired \$445,000 in tax anticipation note and reissued a \$400,000 note in anticipation of taxes from the fire improvement levy for providing ambulance, paramedic and emergency medical services. The note bears an interest rate of 2.6% and will mature on December 8, 2011.

The sewer bond anticipation note outstanding at December 31, 2009 in the amount of \$5,000,000 was retired on December 9, 2010 with the issuance of general obligation sewer bonds.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 15 – CAPITAL LEASES

In 2010, the City entered into a capitalized lease agreement for the acquisition of two new ambulance vehicles. In prior years, the City has entered into several capitalized leases for assets including police vehicles, street sweeper, paramedic vehicle, fire trucks, staff vehicles and various equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases,” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. For enterprise funds, fund capital assets acquired by capital lease and the related liability and interest expense have been reported in the sewer fund and the water fund.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net assets in the amount of \$1,997,549 for the governmental funds and \$71,873 for the enterprise funds.

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, 2010.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2011	\$ 277,705	\$ 16,091
2012	178,423	-
2013	178,423	-
2014	171,975	-
2015	149,816	-
2016-2020	441,637	-
2021-2025	<u>176,654</u>	<u>-</u>
Total	\$ 1,574,633	\$ 16,091
Less: amount representing interest	<u>(314,167)</u>	<u>(908)</u>
Present value of net minimum lease payments	<u>\$ 1,260,466</u>	<u>\$ 15,183</u>

NOTE 16 - CONTRACTUAL COMMITMENTS

The City has active projects as of December 31, 2010 for items such as improvements to sewer and water systems, street improvements, architectural and design contracts among others. The City has expended approximately \$904,000 on these active projects with remaining commitments of approximately \$2,046,000.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2010

NOTE 17 – CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		From Final Budget
Revenues:				
Property and other taxes	\$ 1,375,414	1,375,414	1,429,723	54,309
Income taxes	3,226,000	3,226,000	2,903,314	(322,686)
Intergovernmental	476,990	476,990	487,057	10,067
Charges for services	191,882	191,882	190,213	(1,669)
Fines, costs and forfeitures	155,100	155,100	208,279	53,179
Licenses, permits and inspections	196,350	196,350	78,986	(117,364)
Interest	45,000	45,000	61,635	16,635
Other	17,710	17,710	37,247	19,537
Total revenues	5,684,446	5,684,446	5,396,454	(287,992)
Expenditures:				
Current:				
General government				
Planning commission				
Personal Services	9,091	4,091	3,481	610
Operations/maintenance	1,800	1,800	155	1,645
Total planning commission	10,891	5,891	3,636	2,255
Income tax				
Personal services	69,761	64,761	61,729	3,032
Operations/maintenance	181,025	185,873	184,011	1,862
Capital improvements	1,000	1,000	1,000	-
Total income tax	251,786	251,634	246,740	4,894
Mayor				
Personal services	40,282	35,282	34,076	1,206
Operations/maintenance	1,850	2,200	1,508	692
Total mayor	42,132	37,482	35,584	1,898
Council				
Personal services	74,646	69,646	66,596	3,050
Operations/maintenance	19,245	19,245	19,034	211
Capital improvements	200	200	-	200
Total council	94,091	89,091	85,630	3,461
Economic development				
Personal services	115,694	111,351	108,489	2,862
Operations/maintenance	75,700	92,385	75,902	16,483
Capital improvements	1,000	1,000	761	239
Total economic development	192,394	204,736	185,152	19,584
Finance				
Personal services	167,400	162,400	157,445	4,955
Operations/maintenance	126,550	125,632	122,918	2,714
Capital improvements	500	500	500	-
Total finance	294,450	288,532	280,863	7,669
Custodian				
Personal services	54,062	49,062	48,993	69
Operations/maintenance	800	800	394	406
Total custodian	54,862	49,862	49,387	475

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Civil service				
Personal services	\$ 4,245	4,245	3,717	528
Operations/maintenance	<u>5,230</u>	<u>5,230</u>	<u>4,881</u>	<u>349</u>
Total civil service	<u>9,475</u>	<u>9,475</u>	<u>8,598</u>	<u>877</u>
Law director				
Personal services	58,672	53,795	53,795	-
Operations/maintenance	<u>60,650</u>	<u>60,650</u>	<u>60,650</u>	<u>-</u>
Total law director	<u>119,322</u>	<u>114,445</u>	<u>114,445</u>	<u>-</u>
Magistrate				
Personal services	74,453	74,817	74,817	-
Operations/maintenance	8,950	8,226	8,208	18
Capital improvements	-	<u>2,388</u>	<u>2,388</u>	<u>-</u>
Total magistrate	<u>83,403</u>	<u>85,431</u>	<u>85,413</u>	<u>18</u>
Administration coordinator				
Personal services	<u>12,073</u>	<u>12,073</u>	<u>9,999</u>	<u>2,074</u>
Elections				
Operations/maintenance	<u>2,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total general government	<u>1,166,879</u>	<u>1,153,652</u>	<u>1,110,447</u>	<u>43,205</u>
Security of persons and property				
Law enforcement				
Personal services	2,060,938	2,057,338	1,969,206	88,132
Operations/maintenance	314,762	335,912	323,980	11,932
Capital improvements	<u>1,245</u>	<u>1,245</u>	<u>1,177</u>	<u>68</u>
Total law enforcement	<u>2,376,945</u>	<u>2,394,495</u>	<u>2,294,363</u>	<u>100,132</u>
Street lighting				
Operations/maintenance	<u>80,000</u>	<u>78,056</u>	<u>75,505</u>	<u>2,551</u>
Total security of persons and property	<u>2,456,945</u>	<u>2,472,551</u>	<u>2,369,868</u>	<u>102,683</u>
Public health and welfare				
Board of health				
Operations/maintenance	<u>12,500</u>	<u>12,562</u>	<u>12,562</u>	<u>-</u>
Total public health services	<u>12,500</u>	<u>12,562</u>	<u>12,562</u>	<u>-</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Community and economic development				
Building department				
Personal services	\$ 30,000	30,000	26,277	3,723
Operations/maintenance	116,000	116,000	106,778	9,222
Total building department	146,000	146,000	133,055	12,945
Zoning department				
Personal services	4,096	4,096	3,127	969
Operations/maintenance	5,000	5,000	1,245	3,755
Total zoning department	9,096	9,096	4,372	4,724
Total community and economic development	155,096	155,096	137,427	17,669
Leisure time activity				
Parks and recreation				
Personal services	16,257	16,257	14,738	1,519
Operations/maintenance	40,950	40,950	40,862	88
Capital improvements	2,500	2,500	-	2,500
Total parks and recreation	59,707	59,707	55,600	4,107
Total leisure time activity	59,707	59,707	55,600	4,107
Total expenditures	3,851,127	3,853,568	3,685,904	167,664
Excess of revenues over expenditures	1,833,319	1,830,878	1,710,550	(120,328)
Other financing sources (uses):				
Transfers out	(2,090,802)	(2,090,802)	(2,005,802)	85,000
Total other financing sources (uses)	(2,090,802)	(2,090,802)	(2,005,802)	85,000
Net change in fund balance	(257,483)	(259,924)	(295,252)	(35,328)
Fund balance, beginning of year	690,725	690,725	690,725	
Prior year encumbrances appropriated	39,343	39,343	39,343	
Fund balance, end of year	\$ 472,585	470,144	434,816	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Community Center

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

Fire Capital Reserve

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

Senior Center

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

Passport Account

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

Police Pension

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

Drug Law Enforcement

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

Law Enforcement Trust

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

**NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

SPECIAL REVENUE FUNDS (Continued)

Enforcement and Education

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

FEMA

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

Police Memorial

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

Recreation Tax Receipts

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

Recreation Activity Receipts

This fund accounts for the charges for services for recreational activities in the City.

DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS

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

Capital Improvement

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

Home Depot TIF

This fund accounts for the Home Depot tax increment financing.

Harrison Avenue TIF

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

Street and Safety Construction

This fund accounts for the construction of various street improvements.

CITY OF HARRISON, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,192,809	410,733	998,144	2,601,686
Cash in segregated accounts	10,408	-	-	10,408
Receivables:				
Property and other taxes	73,260	-	7,034	80,294
Payment in lieu of taxes	-	-	258,323	258,323
Accounts	2,002	-	-	2,002
Intergovernmental	217,271	-	-	217,271
Prepaid items	18,478	-	-	18,478
Materials and supplies inventory	13,336	-	-	13,336
Total assets	<u>1,527,564</u>	<u>410,733</u>	<u>1,263,501</u>	<u>3,201,798</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	41,541	-	200,133	241,674
Accrued salaries	8,707	-	-	8,707
Intergovernmental payable	94,460	-	-	94,460
Advances from other funds	35,411	-	-	35,411
Deferred revenue	213,739	-	258,323	472,062
Total liabilities	<u>393,858</u>	<u>-</u>	<u>458,456</u>	<u>852,314</u>
 Fund balances:				
Reserved for:				
Encumbrances	31,455	-	82,000	113,455
Prepays	18,478	-	-	18,478
Inventory	13,336	-	-	13,336
Unreserved	1,070,437	410,733	723,045	2,204,215
Total fund balances	<u>1,133,706</u>	<u>410,733</u>	<u>805,045</u>	<u>2,349,484</u>
Total liabilities and fund equity	<u>\$ 1,527,564</u>	<u>410,733</u>	<u>1,263,501</u>	<u>3,201,798</u>

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center
Assets:						
Equity in pooled cash and investments	\$ 383,852	63,937	11,587	20,911	35,919	116,320
Cash in segregated accounts	-	-	-	-	-	10,408
Receivables:						
Property and other taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	2,002
Intergovernmental	198,218	15,566	-	-	-	-
Prepaid items	10,641	-	-	5,765	-	1,771
Materials and supplies inventory	13,336	-	-	-	-	-
Total assets	<u>606,047</u>	<u>79,503</u>	<u>11,587</u>	<u>26,676</u>	<u>35,919</u>	<u>130,501</u>
Liabilities and Fund Equity:						
Liabilities:						
Accounts payable	2,830	32,288	-	4,366	-	1,390
Accrued salaries	5,730	-	-	846	-	2,131
Intergovernmental payable	6,157	-	-	1,257	-	1,912
Advances from other funds	-	20,411	15,000	-	-	-
Deferred revenue	135,262	10,889	-	-	-	-
Total liabilities	<u>149,979</u>	<u>63,588</u>	<u>15,000</u>	<u>6,469</u>	<u>-</u>	<u>5,433</u>
Fund Balances:						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Prepays	10,641	-	-	5,765	-	1,771
Inventory	13,336	-	-	-	-	-
Unreserved	432,091	15,915	(3,413)	14,442	35,919	123,297
Total fund balances	<u>456,068</u>	<u>15,915</u>	<u>(3,413)</u>	<u>20,207</u>	<u>35,919</u>	<u>125,068</u>
Total liabilities and fund equity	<u>\$ 606,047</u>	<u>79,503</u>	<u>11,587</u>	<u>26,676</u>	<u>35,919</u>	<u>130,501</u>

Passport Account	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts	Recreation Activity Receipts	TOTAL
34,503	61,506	19,708	7,194	1,468	3,766	227	404,754	27,157	\$ 1,192,809
-	-	-	-	-	-	-	-	-	10,408
-	64,101	-	-	-	-	-	9,159	-	73,260
-	-	-	-	-	-	-	-	-	2,002
-	3,487	-	-	-	-	-	-	-	217,271
301	-	-	-	-	-	-	-	-	18,478
-	-	-	-	-	-	-	-	-	13,336
<u>34,804</u>	<u>129,094</u>	<u>19,708</u>	<u>7,194</u>	<u>1,468</u>	<u>3,766</u>	<u>227</u>	<u>413,913</u>	<u>27,157</u>	<u>1,527,564</u>
667	-	-	-	-	-	-	-	-	41,541
-	-	-	-	-	-	-	-	-	8,707
596	84,538	-	-	-	-	-	-	-	94,460
-	-	-	-	-	-	-	-	-	35,411
-	67,588	-	-	-	-	-	-	-	213,739
<u>1,263</u>	<u>152,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,858</u>
-	31,455	-	-	-	-	-	-	-	31,455
301	-	-	-	-	-	-	-	-	18,478
-	-	-	-	-	-	-	-	-	13,336
<u>33,240</u>	<u>(54,487)</u>	<u>19,708</u>	<u>7,194</u>	<u>1,468</u>	<u>3,766</u>	<u>227</u>	<u>413,913</u>	<u>27,157</u>	<u>1,070,437</u>
<u>33,541</u>	<u>(23,032)</u>	<u>19,708</u>	<u>7,194</u>	<u>1,468</u>	<u>3,766</u>	<u>227</u>	<u>413,913</u>	<u>27,157</u>	<u>1,133,706</u>
<u>34,804</u>	<u>129,094</u>	<u>19,708</u>	<u>7,194</u>	<u>1,468</u>	<u>3,766</u>	<u>227</u>	<u>413,913</u>	<u>27,157</u>	<u>\$ 1,527,564</u>

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Debt Service Fund
 December 31, 2010

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
Assets:			
Equity in pooled cash and investments	\$ <u>391,118</u>	<u>19,615</u>	<u>410,733</u>
Total assets	<u>391,118</u>	<u>19,615</u>	<u>410,733</u>
Fund Equity:			
Fund Balances:			
Unreserved	<u>391,118</u>	<u>19,615</u>	<u>410,733</u>
Total fund equity	<u>391,118</u>	<u>19,615</u>	<u>410,733</u>
Total liabilities and fund equity	\$ <u>391,118</u>	<u>19,615</u>	<u>410,733</u>

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	<u>Capital Improvements</u>	<u>Home Depot TIF</u>	<u>Harrison Avenue TIF</u>	<u>TOTAL</u>
Assets:				
Equity in pooled cash and investments	\$ 759,339	105,092	133,713	998,144
Receivables:				
Property and other taxes	7,034	-	-	7,034
Payment in lieu of taxes	<u>-</u>	<u>258,323</u>	<u>-</u>	<u>258,323</u>
Total assets	<u>766,373</u>	<u>363,415</u>	<u>133,713</u>	<u>1,263,501</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	200,133	-	-	200,133
Deferred revenue	<u>-</u>	<u>258,323</u>	<u>-</u>	<u>258,323</u>
Total liabilities	<u>200,133</u>	<u>258,323</u>	<u>-</u>	<u>458,456</u>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	82,000	-	-	82,000
Unreserved	<u>484,240</u>	<u>105,092</u>	<u>133,713</u>	<u>723,045</u>
Total fund equity	<u>566,240</u>	<u>105,092</u>	<u>133,713</u>	<u>805,045</u>
Total liabilities and fund equity	<u>\$ 766,373</u>	<u>363,415</u>	<u>133,713</u>	<u>1,263,501</u>

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CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 76,649	-	62,672	139,321
Payments in lieu of taxes	-	-	240,736	240,736
Intergovernmental	762,824	-	-	762,824
Charges for services	97,216	-	-	97,216
Contributions	6,218	-	-	6,218
Other	77,232	-	569	77,801
Total revenues	<u>1,020,139</u>	<u>-</u>	<u>303,977</u>	<u>1,324,116</u>
Expenditures:				
Current:				
Security of persons and property	360,554	-	-	360,554
Public health services	326,286	-	-	326,286
Leisure time activity	196,352	-	-	196,352
Transportation	780,692	-	-	780,692
General government	-	-	111,756	111,756
Capital outlay	10,801	-	435,774	446,575
Debt service:				
Principal retirement	18,612	217,856	66,230	302,698
Interest and fiscal charges	3,547	103,785	94,190	201,522
Total expenditures	<u>1,696,844</u>	<u>321,641</u>	<u>707,950</u>	<u>2,726,435</u>
Excess of revenues over (under) expenditures	<u>(676,705)</u>	<u>(321,641)</u>	<u>(403,973)</u>	<u>(1,402,319)</u>
Other financing sources (uses):				
Transfers in	215,000	338,300	190,577	743,877
Proceeds of OPWC loan	-	-	65,051	65,051
Total other financing sources (uses)	<u>215,000</u>	<u>338,300</u>	<u>255,628</u>	<u>808,928</u>
Net change in fund balance	(461,705)	16,659	(148,345)	(593,391)
Fund balance at beginning of year	<u>1,595,411</u>	<u>394,074</u>	<u>953,390</u>	<u>2,942,875</u>
Fund balance at end of year	<u>\$ 1,133,706</u>	<u>410,733</u>	<u>805,045</u>	<u>2,349,484</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended December 31, 2010

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center
Revenues:						
Property and other taxes	\$ -	-	-	-	-	-
Intergovernmental	467,160	31,659	-	-	-	229,053
Charges for services	-	-	-	59,023	-	17,731
Contributions	-	-	6,218	-	-	-
Other	74,574	-	-	846	-	1,812
Total revenues	<u>541,734</u>	<u>31,659</u>	<u>6,218</u>	<u>59,869</u>	<u>-</u>	<u>248,596</u>
Expenditures:						
Current:						
Security of persons and property	-	-	20,816	-	-	-
Public health services	-	-	-	-	-	284,620
Leisure time activity	-	-	-	196,352	-	-
Transportation	630,734	149,958	-	-	-	-
Capital outlay	2,016	-	-	259	-	-
Debt service						
Principal retirement	18,612	-	-	-	-	-
Interest and fiscal charges	3,547	-	-	-	-	-
Total expenditures	<u>654,909</u>	<u>149,958</u>	<u>20,816</u>	<u>196,611</u>	<u>-</u>	<u>284,620</u>
Excess of revenues over (under) expenditures	<u>(113,175)</u>	<u>(118,299)</u>	<u>(14,598)</u>	<u>(136,742)</u>	<u>-</u>	<u>(36,024)</u>
Other financing sources (uses)						
Transfers in	-	-	-	30,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(113,175)	(118,299)	(14,598)	(106,742)	-	(36,024)
Fund balance at beginning of year	569,243	134,214	11,185	126,949	35,919	161,092
Fund balance at end of year	<u>\$ 456,068</u>	<u>15,915</u>	<u>(3,413)</u>	<u>20,207</u>	<u>35,919</u>	<u>125,068</u>

Passport Account	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts	Recreation Activity Receipts	TOTAL
-	58,331	-	-	-	-	-	18,318	-	\$ 76,649
2,468	9,568	18,289	4,196	431	-	-	-	-	762,824
8,127	-	-	-	-	-	-	-	12,335	97,216
-	-	-	-	-	-	-	-	-	6,218
-	-	-	-	-	-	-	-	-	77,232
<u>10,595</u>	<u>67,899</u>	<u>18,289</u>	<u>4,196</u>	<u>431</u>	<u>-</u>	<u>-</u>	<u>18,318</u>	<u>12,335</u>	<u>1,020,139</u>
-	322,337	11,840	4,992	569	-	-	-	-	360,554
41,666	-	-	-	-	-	-	-	-	326,286
-	-	-	-	-	-	-	-	-	196,352
-	-	-	-	-	-	-	-	-	780,692
-	-	-	-	-	-	-	-	8,526	10,801
-	-	-	-	-	-	-	-	-	18,612
-	-	-	-	-	-	-	-	-	3,547
<u>41,666</u>	<u>322,337</u>	<u>11,840</u>	<u>4,992</u>	<u>569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,526</u>	<u>1,696,844</u>
<u>(31,071)</u>	<u>(254,438)</u>	<u>6,449</u>	<u>(796)</u>	<u>(138)</u>	<u>-</u>	<u>-</u>	<u>18,318</u>	<u>3,809</u>	<u>(676,705)</u>
-	185,000	-	-	-	-	-	-	-	215,000
-	185,000	-	-	-	-	-	-	-	215,000
(31,071)	(69,438)	6,449	(796)	(138)	-	-	18,318	3,809	(461,705)
<u>64,612</u>	<u>46,406</u>	<u>13,259</u>	<u>7,990</u>	<u>1,606</u>	<u>3,766</u>	<u>227</u>	<u>395,595</u>	<u>23,348</u>	<u>1,595,411</u>
<u>33,541</u>	<u>(23,032)</u>	<u>19,708</u>	<u>7,194</u>	<u>1,468</u>	<u>3,766</u>	<u>227</u>	<u>413,913</u>	<u>27,157</u>	<u>1,133,706</u>

CITY OF HARRISON, OHIO
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Debt Service Fund
 Year Ended December 31, 2010

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
Expenditures:			
Debt Service:			
Principal retirement	\$ 217,856	-	217,856
Interest and fiscal charges	<u>103,785</u>	<u>-</u>	<u>103,785</u>
Total expenditures	<u>321,641</u>	<u>-</u>	<u>321,641</u>
Excess of revenues over (under) expenditures	<u>(321,641)</u>	<u>-</u>	<u>(321,641)</u>
Other financing sources			
Transfers in	<u>338,300</u>	<u>-</u>	<u>338,300</u>
Total other financing sources	<u>338,300</u>	<u>-</u>	<u>338,300</u>
Net change in fund balances	16,659	-	16,659
Fund balance at beginning of year	<u>374,459</u>	<u>19,615</u>	<u>394,074</u>
Fund balance at end of year	<u>\$ 391,118</u>	<u>19,615</u>	<u>410,733</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance

Nonmajor Capital Projects Funds

Year Ended December 31, 2010

	Capital Improvements	Home Depot TIF	Harrison Avenue TIF	Street and Safety Construction	TOTAL
Revenues:					
Property and other taxes	\$ 62,672	-	-	-	62,672
Payment in lieu of taxes	-	240,736	-	-	240,736
Other	-	-	569	-	569
Total revenues	<u>62,672</u>	<u>240,736</u>	<u>569</u>	-	<u>303,977</u>
Expenditures:					
Current:					
General government	-	111,756	-	-	111,756
Capital outlay	416,464	-	19,310	-	435,774
Debt service					
Principal retirement	-	66,230	-	-	66,230
Interest and fiscal charges	-	13,545	80,645	-	94,190
Total expenditures	<u>416,464</u>	<u>191,531</u>	<u>99,955</u>	-	<u>707,950</u>
Excess of revenues over (under) expenditures	<u>(353,792)</u>	<u>49,205</u>	<u>(99,386)</u>	-	<u>(403,973)</u>
Other financing sources					
Transfers in			80,645	109,932	190,577
Proceeds of OPWC loan	<u>65,051</u>	-	-	-	<u>65,051</u>
Total other financing sources	<u>65,051</u>	-	<u>80,645</u>	<u>109,932</u>	<u>255,628</u>
Net change in fund balance	(288,741)	49,205	(18,741)	109,932	(148,345)
Fund balance at beginning of year	<u>854,981</u>	<u>55,887</u>	<u>152,454</u>	<u>(109,932)</u>	<u>953,390</u>
Fund balance at end of year	<u>\$ 566,240</u>	<u>105,092</u>	<u>133,713</u>	<u>-</u>	<u>805,045</u>

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Street Maintenance and Repair
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 401,800	401,800	465,103	63,303
Other	9,422	9,422	74,589	65,167
Total revenues	<u>411,222</u>	<u>411,222</u>	<u>539,692</u>	<u>128,470</u>
Expenditures:				
Current:				
Transportation				
Personal services	520,929	520,929	500,811	20,118
Operations/maintenance	<u>170,110</u>	<u>170,110</u>	<u>161,335</u>	<u>8,775</u>
Total transportation	<u>691,039</u>	<u>691,039</u>	<u>662,146</u>	<u>28,893</u>
Capital outlay				
Capital improvements	<u>2,016</u>	<u>2,016</u>	<u>2,016</u>	<u>-</u>
Total capital outlay	<u>2,016</u>	<u>2,016</u>	<u>2,016</u>	<u>-</u>
Total expenditures	<u>693,055</u>	<u>693,055</u>	<u>664,162</u>	<u>28,893</u>
Excess of revenues over (under) expenditures	<u>(281,833)</u>	<u>(281,833)</u>	<u>(124,470)</u>	<u>157,363</u>
Other financing sources:				
Transfers in	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(251,833)	(281,833)	(124,470)	157,363
Fund balance, beginning of year	503,901	503,901	503,901	
Prior year encumbrances appropriated	<u>4,186</u>	<u>4,186</u>	<u>4,186</u>	
Fund balance, end of year	\$ <u>256,254</u>	<u>226,254</u>	<u>383,617</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
State Highway Improvements
Year Ended December 31, 2010

	Budgeted Amounts			Variance From Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 31,000	31,000	31,922	922
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>31,922</u>	<u>922</u>
Expenditures:				
Current:				
Transportation				
Operations/maintenance	<u>125,000</u>	<u>125,000</u>	<u>117,670</u>	<u>7,330</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>117,670</u>	<u>7,330</u>
Net change in fund balance	(94,000)	(94,000)	(85,748)	8,252
Fund balance, beginning of year	129,685	129,685	129,685	
Prior year encumbrances appropriated	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Fund balance, end of year	\$ <u>55,685</u>	<u>55,685</u>	<u>63,937</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Fire Memorial
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Contributions	\$ <u>5,000</u>	<u>5,000</u>	<u>6,218</u>	<u>1,218</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,218</u>	<u>1,218</u>
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance	<u>26,000</u>	<u>26,000</u>	<u>21,187</u>	<u>4,813</u>
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>21,187</u>	<u>4,813</u>
Net change in fund balance	(21,000)	(21,000)	(14,969)	6,031
Fund balance, beginning of year	<u>26,556</u>	<u>26,556</u>	<u>26,556</u>	
Fund balance, end of year	\$ <u><u>5,556</u></u>	<u><u>5,556</u></u>	<u><u>11,587</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Community Center
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 90,000	90,000	59,024	(30,976)
Other	460	460	845	385
Total revenues	<u>90,460</u>	<u>90,460</u>	<u>59,869</u>	<u>(30,591)</u>
Expenditures:				
Current:				
Leisure time activity				
Personal services	120,025	120,025	112,601	7,424
Operations/maintenance	<u>91,100</u>	<u>91,100</u>	<u>85,314</u>	<u>5,786</u>
Total leisure time activity	<u>211,125</u>	<u>211,125</u>	<u>197,915</u>	<u>13,210</u>
Capital outlay				
Capital improvements	<u>2,000</u>	<u>2,000</u>	<u>259</u>	<u>1,741</u>
Total capital outlay	<u>2,000</u>	<u>2,000</u>	<u>259</u>	<u>1,741</u>
Total expenditures	<u>213,125</u>	<u>213,125</u>	<u>198,174</u>	<u>14,951</u>
Excess of revenues over (under) expenditures	<u>(122,665)</u>	<u>(122,665)</u>	<u>(138,305)</u>	<u>(15,640)</u>
Other financing sources:				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	(92,665)	(92,665)	(108,305)	(15,640)
Fund balance, beginning of year	<u>129,216</u>	<u>129,216</u>	<u>129,216</u>	
Fund balance, end of year	\$ <u><u>36,551</u></u>	\$ <u><u>36,551</u></u>	\$ <u><u>20,911</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Fire Capital Reserve
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance	<u>35,919</u>	<u>35,919</u>	-	<u>35,919</u>
Total expenditures	<u>35,919</u>	<u>35,919</u>	-	<u>35,919</u>
Net change in fund balance	(35,919)	(35,919)	-	35,919
Fund balance, beginning of year	<u>35,919</u>	<u>35,919</u>	<u>35,919</u>	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>35,919</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Senior Center
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		From Final Budget
Revenues:				
Charges for services	\$ 18,000	18,000	17,731	(269)
Intergovernmental	78,000	78,000	102,110	24,110
Other	109,554	109,554	125,723	16,169
Total revenues	<u>205,554</u>	<u>205,554</u>	<u>245,564</u>	<u>40,010</u>
Expenditures:				
Current:				
Public health services				
Personal services	191,722	191,722	178,422	13,300
Operations/maintenance	124,235	124,235	108,412	15,823
Total public health services	<u>315,957</u>	<u>315,957</u>	<u>286,834</u>	<u>29,123</u>
Capital outlay				
Capital improvements	1,000	1,000	-	1,000
Total capital outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>316,957</u>	<u>316,957</u>	<u>286,834</u>	<u>13,300</u>
Excess of revenues over (under) expenditures	<u>(111,403)</u>	<u>(111,403)</u>	<u>(41,270)</u>	<u>70,133</u>
Other financing sources:				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance	(71,403)	(71,403)	(41,270)	30,133
Fund balance, beginning of year	<u>157,590</u>	<u>157,590</u>	<u>157,590</u>	
Fund balance, end of year	\$ <u>86,187</u>	<u>86,187</u>	<u>116,320</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Passport Account
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for services	\$ 13,000	13,000	8,127	(4,873)
Intergovernmental	7,800	7,800	2,468	(5,332)
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>10,595</u>	<u>(10,205)</u>
Expenditures:				
Current:				
Public health services				
Personal services	9,500	13,500	7,924	5,576
Operations/maintenance	<u>40,500</u>	<u>36,406</u>	<u>36,406</u>	<u>-</u>
Total public health services	<u>50,000</u>	<u>49,906</u>	<u>44,330</u>	<u>5,576</u>
Capital outlay				
Capital improvements	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total capital outlay	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>58,000</u>	<u>57,906</u>	<u>44,330</u>	<u>13,576</u>
Net change in fund balance	(37,200)	(37,106)	(33,735)	3,371
Fund balance, beginning of year	<u>68,238</u>	<u>68,238</u>	<u>68,238</u>	
Fund balance, end of year	\$ <u>31,038</u>	<u>31,132</u>	<u>34,503</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Police Pension
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		From Final Budget
Revenues:				
Property and other taxes	\$ 60,311	60,311	58,332	(1,979)
Intergovernmental	12,685	12,685	9,567	3,118
Total revenues	<u>72,996</u>	<u>72,996</u>	<u>67,899</u>	<u>1,139</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	<u>349,000</u>	<u>349,000</u>	<u>317,437</u>	<u>31,563</u>
Total expenditures	<u>349,000</u>	<u>349,000</u>	<u>317,437</u>	<u>31,563</u>
Excess of revenues over (under) expenditures	<u>(276,004)</u>	<u>(276,004)</u>	<u>(249,538)</u>	<u>(26,466)</u>
Other financing sources:				
Transfers in	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Net change in fund balance	(91,004)	(91,004)	(64,538)	26,466
Fund balance, beginning of year	<u>126,044</u>	<u>126,044</u>	<u>126,044</u>	
Fund balance, end of year	\$ <u><u>35,040</u></u>	\$ <u><u>35,040</u></u>	\$ <u><u>61,506</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Drug Law Enforcement
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 10,000	10,000	18,300	8,300
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>18,300</u>	<u>8,300</u>
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance	<u>10,000</u>	<u>11,841</u>	<u>11,841</u>	<u>-</u>
Total expenditures	<u>10,000</u>	<u>11,841</u>	<u>11,841</u>	<u>-</u>
Net change in fund balance	-	(1,841)	6,459	8,300
Fund balance, beginning of year	<u>13,249</u>	<u>13,249</u>	<u>13,249</u>	
Fund balance, end of year	\$ <u><u>13,249</u></u>	<u><u>11,408</u></u>	<u><u>19,708</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Law Enforcement Trust
Year Ended December 31, 2010

	Budgeted Amounts			Variance From Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ 5,000	5,000	4,556	(444)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,556</u>	<u>(444)</u>
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance	5,000	5,000	4,992	8
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,992</u>	<u>8</u>
Net change in fund balance	-	-	(436)	(436)
Fund balance, beginning of year	<u>7,630</u>	<u>7,630</u>	<u>7,630</u>	
Fund balance, end of year	\$ <u><u>7,630</u></u>	<u><u>7,630</u></u>	<u><u>7,194</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Enforcement and Education
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 1,000	1,000	476	(524)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>476</u>	<u>(524)</u>
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance	<u>1,000</u>	<u>1,000</u>	<u>569</u>	<u>431</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>569</u>	<u>431</u>
Net change in fund balance	-	-	(93)	(93)
Fund balance, beginning of year	<u>1,561</u>	<u>1,561</u>	<u>1,561</u>	
Fund balance, end of year	\$ <u><u>1,561</u></u>	<u><u>1,561</u></u>	<u><u>1,468</u></u>	

CITY OF HARRISON, OHIO

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

Year Ended December 31, 2010

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

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Police Memorial
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Fund balance, beginning of year	<u>227</u>	<u>227</u>	<u>227</u>	
Fund balance, end of year	\$ <u>227</u>	<u>227</u>	<u>227</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Tax Receipts
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Property and other taxes	\$ 15,000	15,000	9,159	(5,841)
Other	15,000	15,000	-	(15,000)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>9,159</u>	<u>(20,841)</u>
Expenditures:				
Capital outlay				
Capital improvements	<u>5,000</u>	<u>5,000</u>	-	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	-	5,000
Net change in fund balance	25,000	25,000	9,159	(15,841)
Fund balance, beginning of year	<u>395,595</u>	<u>395,595</u>	<u>395,595</u>	
Fund balance, end of year	\$ <u><u>420,595</u></u>	<u><u>420,595</u></u>	<u><u>404,754</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Activity Receipts
Year Ended December 31, 2010

	Budgeted Amounts			Variance From Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services	\$ 10,000	10,000	12,335	2,335
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>12,335</u>	<u>2,335</u>
Expenditures:				
Capital outlay				
Capital improvements	<u>10,000</u>	<u>10,000</u>	<u>8,526</u>	<u>1,474</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>8,526</u>	<u>1,474</u>
Net change in fund balance	-	-	3,809	3,809
Fund balance, beginning of year	<u>23,348</u>	<u>23,348</u>	<u>23,348</u>	
Fund balance, end of year	\$ <u><u>23,348</u></u>	<u><u>23,348</u></u>	<u><u>27,157</u></u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Debt Service Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Expenditures:				
Debt service:				
Principal	\$ 242,336	242,336	217,856	24,480
Interest and fiscal charges	121,846	121,846	103,785	18,061
Total expenditures	<u>364,182</u>	<u>364,182</u>	<u>321,641</u>	<u>42,541</u>
Other financing sources (uses):				
Transfers in	<u>338,300</u>	<u>338,300</u>	<u>338,300</u>	<u>-</u>
Total other financing sources	<u>338,300</u>	<u>338,300</u>	<u>338,300</u>	<u>-</u>
Net change in fund balance	(25,882)	(25,882)	16,659	42,541
Fund balance, beginning of year	<u>374,459</u>	<u>374,459</u>	<u>374,459</u>	
Fund balance, end of year	\$ <u><u>348,577</u></u>	<u><u>348,577</u></u>	<u><u>391,118</u></u>	

CITY OF HARRISON, OHIO

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

Special Assessment

Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Fund balance, beginning of year	<u>19,615</u>	<u>19,615</u>	<u>19,615</u>	
Fund balance, end of year	<u>\$ 19,615</u>	<u>19,615</u>	<u>19,615</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Capital Improvement Fund
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Property and other taxes	\$ 63,000	63,000	55,638	(7,362)
Intergovernmental	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Total revenues	<u>188,000</u>	<u>188,000</u>	<u>55,638</u>	<u>(132,362)</u>
Expenditures:				
Capital outlay				
Capital improvements	<u>373,656</u>	<u>403,103</u>	<u>233,280</u>	<u>169,823</u>
Total capital outlay	<u>373,656</u>	<u>403,103</u>	<u>233,280</u>	<u>169,823</u>
Total expenditures	<u>373,656</u>	<u>403,103</u>	<u>233,280</u>	<u>169,823</u>
Net change in fund balance	(185,656)	(215,103)	(177,642)	37,461
Fund balance, beginning of year	708,325	708,325	708,325	
Prior year encumbrances appropriated	<u>146,656</u>	<u>146,656</u>	<u>146,656</u>	
Fund balance, end of year	\$ <u>669,325</u>	<u>639,878</u>	<u>677,339</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Home Depot TIF
Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Payments in lieu of taxes	\$ 200,000	200,000	240,736	40,736
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>240,736</u>	<u>40,736</u>
Expenditures:				
General government				
Operations/maintenance	<u>120,866</u>	<u>111,930</u>	<u>111,756</u>	<u>174</u>
Total general government	<u>120,866</u>	<u>111,930</u>	<u>111,756</u>	<u>174</u>
Capital outlay				
Capital improvements	<u>8,936</u>	<u>8,936</u>	<u>8,936</u>	<u>-</u>
Total capital outlay	<u>8,936</u>	<u>8,936</u>	<u>8,936</u>	<u>-</u>
Debt Service				
Principal retirement	<u>64,301</u>	<u>64,301</u>	<u>64,301</u>	<u>-</u>
Interest and fiscal charges	<u>15,769</u>	<u>15,769</u>	<u>15,474</u>	<u>295</u>
Total debt service	<u>80,070</u>	<u>80,070</u>	<u>79,775</u>	<u>295</u>
Total expenditures	<u>209,872</u>	<u>200,936</u>	<u>200,467</u>	<u>469</u>
Net change in fund balance	(9,872)	(936)	40,269	41,205
Fund balance, beginning of year	55,887	55,887	55,887	
Prior year encumbrances appropriated	<u>8,936</u>	<u>8,936</u>	<u>8,936</u>	
Fund balance, end of year	\$ <u>54,951</u>	<u>63,887</u>	<u>105,092</u>	

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

Harrison Avenue TIF

Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Other	\$ -	-	569	569
Total revenues	<u>-</u>	<u>-</u>	<u>569</u>	<u>569</u>
Expenditures:				
Capital outlay				
Capital improvements	<u>140,485</u>	<u>140,485</u>	<u>19,310</u>	<u>121,175</u>
Total capital outlay	<u>140,485</u>	<u>140,485</u>	<u>19,310</u>	<u>121,175</u>
Debt Service				
Interest and fiscal charges	<u>80,645</u>	<u>80,645</u>	<u>80,645</u>	<u>-</u>
Total debt service	<u>80,645</u>	<u>80,645</u>	<u>80,645</u>	<u>-</u>
Total expenditures	<u>221,130</u>	<u>221,130</u>	<u>99,955</u>	<u>121,175</u>
Excess of revenues over (under) expenditures	<u>(221,130)</u>	<u>(221,130)</u>	<u>(99,386)</u>	<u>121,744</u>
Other financing sources:				
Transfers in	<u>80,645</u>	<u>80,645</u>	<u>80,645</u>	<u>-</u>
Total other financing sources	<u>80,645</u>	<u>80,645</u>	<u>80,645</u>	<u>-</u>
Net change in fund balance	(140,485)	(140,485)	(18,741)	121,744
Fund balance, beginning of year	11,969	11,969	11,969	
Prior year encumbrances appropriated	<u>140,485</u>	<u>140,485</u>	<u>140,485</u>	
Fund balance, end of year	\$ <u>11,969</u>	<u>11,969</u>	<u>133,713</u>	

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Street and Safety Construction
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 795,000	795,000	-	(795,000)
Total revenues	<u>795,000</u>	<u>795,000</u>	<u>-</u>	<u>(795,000)</u>
Expenditures:				
Capital outlay				
Capital improvements	795,000	795,000	-	795,000
Total expenditures	<u>795,000</u>	<u>795,000</u>	<u>-</u>	<u>795,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	109,932	(109,932)
Net change in fund balance	-	-	109,932	109,932
Fund balance, beginning of year	(109,932)	(109,932)	(109,932)	
Fund balance, end of year	\$ <u>(109,932)</u>	<u>(109,932)</u>	<u>-</u>	

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

To account for the financing of goods and services provided by one department to other departments within the City.

Storm Water

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

Water/Wastewater Deposits

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

Sanitation

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

CITY OF HARRISON, OHIO

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

December 31, 2010

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 74,722	67,656	203,273	345,651
Receivables:				
Accounts	<u>-</u>	<u>-</u>	<u>38,819</u>	<u>38,819</u>
Total current assets	<u>74,722</u>	<u>67,656</u>	<u>242,092</u>	<u>384,470</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	<u>2,107,864</u>	<u>-</u>	<u>-</u>	<u>2,107,864</u>
Total assets	<u>2,182,586</u>	<u>67,656</u>	<u>242,092</u>	<u>2,492,334</u>
Liabilities and Fund Equity:				
Liabilities:				
Current liabilities:				
Accounts payable	216	-	37,026	37,242
Interfund payable	290,000	-	-	290,000
Advances from other funds	17,178	-	-	17,178
OPWC loan payable, current portion of	<u>21,030</u>	<u>-</u>	<u>-</u>	<u>21,030</u>
Total current liabilities	<u>328,424</u>	<u>-</u>	<u>37,026</u>	<u>365,450</u>
Long-term liabilities:				
OPWC loan payable, net of current portion	<u>368,025</u>	<u>-</u>	<u>-</u>	<u>368,025</u>
Total long-term liabilities	<u>368,025</u>	<u>-</u>	<u>-</u>	<u>368,025</u>
Total liabilities	<u>696,449</u>	<u>-</u>	<u>37,026</u>	<u>733,475</u>
Net assets:				
Invested in capital assets, net of related debt	1,718,809	-	-	1,718,809
Unrestricted (deficit)	<u>(232,672)</u>	<u>67,656</u>	<u>205,066</u>	<u>40,050</u>
Total net assets	<u>\$ 1,486,137</u>	<u>67,656</u>	<u>205,066</u>	<u>1,758,859</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Nonmajor Enterprise Funds
Year Ended December 31, 2010

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 105,247	5,578	424,907	535,732
Other	-	-	846	846
Total operating revenues	<u>105,247</u>	<u>5,578</u>	<u>425,753</u>	<u>536,578</u>
Operating expenses:				
Contractual services	82,570	-	423,451	506,021
Other	-	3,098	-	3,098
Depreciation	<u>46,613</u>	-	-	46,613
Total operating expenses	<u>129,183</u>	<u>3,098</u>	<u>423,451</u>	<u>555,732</u>
Operating income (loss)	(23,936)	2,480	2,302	(19,154)
Net assets, beginning of year	<u>1,510,073</u>	<u>65,176</u>	<u>202,764</u>	<u>1,778,013</u>
Net assets, end of year	<u>\$ 1,486,137</u>	<u>67,656</u>	<u>205,066</u>	<u>1,758,859</u>

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2010

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
Cash flows from operating activities:				
Cash received from customers	\$ 114,769	5,578	420,150	540,497
Cash payments to suppliers for goods and services	(82,454)	-	(419,586)	(502,040)
Cash payments for other operating expenses	-	(3,098)	-	(3,098)
Cash received from other operating revenue	-	-	846	846
Net cash provided by operating activities	<u>32,315</u>	<u>2,480</u>	<u>1,410</u>	<u>36,205</u>
Cash flows from noncapital financing activities:				
Return advances to other funds	<u>(80,000)</u>	-	-	<u>(80,000)</u>
Cash flows from capital and related financing activities:				
Principal retirement	<u>(21,030)</u>	-	-	<u>(21,030)</u>
Net cash used by capital and related financing activities	<u>(21,030)</u>	-	-	<u>(21,030)</u>
Net change	(68,715)	2,480	1,410	(64,825)
Cash and pooled investments beginning of year	<u>143,437</u>	<u>65,176</u>	<u>201,863</u>	<u>410,476</u>
Cash and pooled investments end of year	<u><u>74,722</u></u>	<u><u>67,656</u></u>	<u><u>203,273</u></u>	<u><u>345,651</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(23,936)	2,480	2,302	(19,154)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	9,522	-	(4,757)	4,765
Accounts payable	216	-	3,865	4,081
Due to other governments	(100)	-	-	(100)
Net cash provided by operating activities	<u>\$ 32,315</u>	<u>2,480</u>	<u>1,410</u>	<u>36,205</u>

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

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

Mayor's Court

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

Joint Economic Development District

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

CITY OF HARRISON, OHIO
 Combining Statement of Assets and Liabilities
 Agency Funds
 Year Ended December 31, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Mayor's Court				
Assets:				
Cash in segregated accounts	\$ 15,622	322,589	292,984	45,227
	<u>15,622</u>	<u>322,589</u>	<u>292,984</u>	<u>45,227</u>
Liabilities:				
Intergovernmental payable	<u>15,622</u>	<u>322,589</u>	<u>292,984</u>	<u>45,227</u>
<hr/>				
Joint Economic Development District				
Assets:				
Equity in pooled cash and investments	<u>-</u>	<u>86,441</u>	<u>86,441</u>	<u>-</u>
Liabilities:				
Due to others	<u>-</u>	<u>86,441</u>	<u>86,441</u>	<u>-</u>
<hr/>				
TOTAL				
Assets:				
Cash in segregated accounts	15,622	322,589	292,984	45,227
Equity in pooled cash and investments	<u>-</u>	<u>86,441</u>	<u>86,441</u>	<u>-</u>
	<u>15,622</u>	<u>409,030</u>	<u>379,425</u>	<u>45,227</u>
Liabilities:				
Intergovernmental payable	15,622	322,589	292,984	45,227
Due to others	<u>-</u>	<u>86,441</u>	<u>86,441</u>	<u>-</u>
	<u>\$ 15,622</u>	<u>409,030</u>	<u>379,425</u>	<u>45,227</u>

**STATISTICAL
SECTION**

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STATISTICAL SECTION

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

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules can be found on pages 98 to 102.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, income and property taxes. These schedules can be found on pages 103 to 107.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future. These schedules can be found on pages 108 to 113.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules can be found on pages 114 and 115.

Operating Information

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services proved and activities performed. These schedules can be found on pages 116 to 118.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information begin with that fiscal year.

CITY OF HARRISON, OHIO

*NET ASSETS BY COMPONENT
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	2010	2009	2008	2007	2006	2005	2004
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 8,613,002	\$ 8,700,582	\$ 8,188,666	\$ 7,218,367	\$ 6,208,120	\$ 6,305,598	\$ 4,996,494
Restricted:							
Capital Projects	463,089	246,153	802,220	833,089	1,147,150	430,814	3,107,785
Debt Service	349,409	381,877	607,608	879,953	1,097,636	1,087,694	1,164,296
Streets and Highways	618,134	807,072	779,370	547,732	438,369	354,940	231,962
Recreation	441,070	293,901	194,023	104,032	89,697	236,584	65,182
Other Purposes	253,799	579,115	769,187	973,782	837,138	1,022,544	890,100
Unrestricted	898,341	899,413	2,243,692	2,131,089	1,398,851	1,345,503	994,418
Total Governmental Activities Net Assets	11,636,844	11,908,113	13,584,766	12,688,044	11,216,961	10,783,677	11,450,237
Business Type - Activities							
Invested in Capital Assets, Net of Related Debt	6,955,754	8,017,742	8,208,988	8,203,170	8,244,568	6,593,538	5,162,716
Unrestricted	5,932,440	4,787,785	5,470,309	5,948,419	5,673,936	6,994,902	6,771,185
Total Business-Type Activities Net Assets	12,888,194	12,805,527	13,679,297	14,151,589	13,918,504	13,588,440	11,933,901
Primary Government							
Invested in Capital Assets, Net of Related Debt	15,568,756	16,718,324	16,397,654	15,421,537	14,452,688	12,899,136	10,159,210
Restricted	2,125,501	2,308,118	3,152,408	3,338,588	3,609,990	3,132,576	5,459,325
Unrestricted	6,830,781	5,687,198	7,714,001	8,079,508	7,072,787	8,340,405	7,765,603
Total Primary Government Net Assets	\$ 24,525,038	\$ 24,713,640	\$ 27,264,063	\$ 26,839,633	\$ 25,135,465	\$ 24,372,117	\$ 23,384,138

Source: City financial records

Note: 2004 was the first year the City implemented GASB 34, so comparative information before that date is not available.

CITY OF HARRISON, OHIO

*CHANGES IN NET ASSETS
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	2010	2009	2008	2007	2006	2005	2004
Program Revenues							
Governmental Activities:							
Charges for Services:							
Security of Persons and Property:	\$ 893,571	\$ 698,301	\$ 595,500	\$ 594,535	\$ 554,805	\$ 563,405	\$ 594,816
Public Health Services	25,858	35,097	157,651	161,182	99,866	129,583	19,644
Leisure Time Activities	71,358	72,138	68,899	112,069	-	63,520	39,640
Community and Economic Development	47,195	152,332	86,114	161,103	178,519	192,412	93,660
Transportation	-	375	120	480	-	120	390
General Government	361,577	97,079	91,539	88,502	83,194	84,939	71,765
Operating Grants and Contributions	877,907	896,275	756,604	462,771	483,100	547,153	611,410
Capital Grants and Contributions	-	265,063	528,547	436,179	243,409	273,327	841,885
Total Governmental Activities Program Revenues	<u>2,277,466</u>	<u>2,216,660</u>	<u>2,284,974</u>	<u>2,016,821</u>	<u>1,642,893</u>	<u>1,854,459</u>	<u>2,273,210</u>
Business-Type Activities:							
Charges for Services:							
Water	1,288,614	1,224,384	1,317,775	1,431,917	1,406,498	1,431,799	1,314,098
Sewer	2,833,348	2,433,320	2,251,507	2,179,071	2,146,156	2,103,560	1,787,499
Storm Water	105,247	179,977	94,862	27,146	-	-	-
Water/Wastewater Deposits	5,578	8,916	4,660	8,055	10,221	5,805	2,531
Sanitation	424,907	377,239	365,055	375,069	387,944	334,833	295,695
Operating Grants and Contributions	-	8,047	58,837	8,377	3,566	-	-
Capital Grants and Contributions	-	-	185,022	-	-	-	748,957
Total Business-Type Activities Program Revenues	<u>4,657,694</u>	<u>4,231,883</u>	<u>4,277,718</u>	<u>4,029,635</u>	<u>3,954,385</u>	<u>3,875,997</u>	<u>4,148,780</u>
Total Primary Government	<u>\$ 6,935,160</u>	<u>\$ 6,448,543</u>	<u>\$ 6,562,692</u>	<u>\$ 6,046,456</u>	<u>\$ 5,597,278</u>	<u>\$ 5,730,456</u>	<u>\$ 6,421,990</u>
Expenses:							
Governmental Activities:							
Security of Persons and Property:	\$ 5,841,459	\$ 6,743,223	\$ 4,965,899	\$ 4,683,372	\$ 4,536,986	\$ 4,572,970	\$ 4,128,525
Public Health Services	339,855	400,154	313,537	281,603	264,800	302,458	242,285
Leisure Time Activities	315,334	369,208	332,381	308,959	304,242	225,342	244,658
Community and Economic Development	138,115	150,035	110,453	125,886	108,382	103,838	95,444
Transportation	971,886	889,189	738,160	685,405	629,650	564,912	640,357
General Government	1,299,480	1,526,678	1,011,755	839,493	1,138,392	884,336	1,030,510
Interest and Fiscal Charges	295,479	230,125	214,254	108,342	195,440	187,483	175,737
Total Governmental Activities Expenses	<u>9,201,608</u>	<u>10,308,612</u>	<u>7,686,439</u>	<u>7,033,060</u>	<u>7,177,892</u>	<u>6,841,339</u>	<u>6,557,516</u>
Business-Type Activities:							
Water	1,387,114	1,826,364	1,117,172	941,915	1,069,343	1,124,409	974,473
Sewer	2,653,586	2,931,737	2,776,374	2,551,359	2,511,568	2,561,278	2,077,687
Storm Water	129,183	50,123	617,408	38,301	39,663	24,211	404
Water/Wastewater Deposits	3,098	1,824	848	959	774	529	92
Sanitation	423,451	434,487	355,800	384,917	376,338	317,682	268,014
Total Business-Type Activities Expenses	<u>4,596,432</u>	<u>5,244,535</u>	<u>4,867,602</u>	<u>3,917,451</u>	<u>3,997,686</u>	<u>4,028,109</u>	<u>3,320,670</u>
Total Primary Government	<u>\$ 13,798,040</u>	<u>\$ 15,553,147</u>	<u>\$ 12,554,041</u>	<u>\$ 10,950,511</u>	<u>\$ 11,175,578</u>	<u>\$ 10,869,448</u>	<u>\$ 9,878,186</u>
Net (Expense) Revenue:							
Governmental Activities	\$ (6,924,142)	\$ (8,091,952)	\$ (5,401,465)	\$ (5,016,239)	\$ (5,534,999)	\$ (4,986,880)	\$ (4,284,306)
Business-Type Activities	61,262	(1,012,652)	(589,884)	112,184	(43,301)	(152,112)	828,110
Total Primary Government Net Expense	<u>\$ (6,862,880)</u>	<u>\$ (9,104,604)</u>	<u>\$ (5,991,349)</u>	<u>\$ (4,904,055)</u>	<u>\$ (5,578,300)</u>	<u>\$ (5,138,992)</u>	<u>\$ (3,456,196)</u>

CITY OF HARRISON, OHIO

*CHANGES IN NET ASSETS (CONTINUED)
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes:							
Property Taxes Levied For:							
General Purposes	\$ 1,114,994	\$ 1,257,994	\$ 1,175,925	\$ 1,182,350	\$ 1,154,940	\$ 1,105,350	\$ 966,908
Fire Improvements	1,151,918	739,772	857,520	915,426	902,383	896,472	844,740
Police Pension	58,466	54,489	60,085	58,283	65,937	61,785	51,934
Recreation	18,318	14,800	8,500	32,400	34,300	42,489	44,900
Capital Projects	62,672	255,008	244,635	233,431	210,660	199,490	194,815
Municipal Income Taxes levied for							
General Purposes	2,927,295	2,860,771	3,034,376	2,951,057	2,794,284	2,586,428	2,635,151
Payment in Lieu of Taxes	259,559	-	-	-	-	-	-
Grants and Entitlements not Restricted to							
Specific Programs	903,534	1,013,554	575,158	655,461	478,657	680,472	518,308
Investment Earnings	56,698	67,215	201,017	321,019	217,467	161,035	47,149
Miscellaneous	99,419	151,696	60,817	107,742	100,066	250,567	104,679
Transfers	-	-	80,154	30,153	9,589	(1,663,768)	2,459,261
Total Governmental Activities	<u>6,652,873</u>	<u>6,415,299</u>	<u>6,298,187</u>	<u>6,487,322</u>	<u>5,968,283</u>	<u>4,320,320</u>	<u>7,867,845</u>
Business-Type Activities:							
Investment Earnings	2,233	13,472	187,861	140,535	136,586	90,501	54,368
Miscellaneous	19,172	125,410	9,885	10,519	246,368	52,382	28,717
Transfers	-	-	(80,154)	(30,153)	(9,589)	1,663,768	(2,459,261)
Total Business-Type Activities	<u>21,405</u>	<u>138,882</u>	<u>117,592</u>	<u>120,901</u>	<u>373,365</u>	<u>1,806,651</u>	<u>(2,376,176)</u>
Total Primary Government	<u>\$ 6,674,278</u>	<u>\$ 6,554,181</u>	<u>\$ 6,415,779</u>	<u>\$ 6,608,223</u>	<u>\$ 6,341,648</u>	<u>\$ 6,126,971</u>	<u>\$ 5,491,669</u>
Changes in Net Assets:							
Governmental Activities	\$ (271,269)	\$ (1,676,653)	\$ 896,722	\$ 1,471,083	\$ 433,284	\$ (666,560)	\$ 3,583,539
Business-Type Activities	82,667	(873,770)	(472,292)	233,085	330,064	1,654,539	(1,548,066)
Total Primary Government	<u>\$ (188,602)</u>	<u>\$ (2,550,423)</u>	<u>\$ 424,430</u>	<u>\$ 1,704,168</u>	<u>\$ 763,348</u>	<u>\$ 987,979</u>	<u>\$ 2,035,473</u>

Source: City financial records

Note: 2004 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available

CITY OF HARRISON, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Fund:										
Reserved	\$ 107,219	\$ 138,909	\$ 94,110	\$ 89,890	\$ 74,089	\$ 249,579	\$ 226,613	\$ 146,752	\$ 70,127	\$ 140,341
Unreserved	<u>973,409</u>	<u>1,372,342</u>	<u>1,937,901</u>	<u>1,787,588</u>	<u>1,171,804</u>	<u>738,136</u>	<u>462,452</u>	<u>695,381</u>	<u>1,190,893</u>	<u>1,320,777</u>
Total General Fund	<u>\$ 1,080,628</u>	<u>\$ 1,511,251</u>	<u>\$ 2,032,011</u>	<u>\$ 1,877,478</u>	<u>\$ 1,245,893</u>	<u>\$ 987,715</u>	<u>\$ 689,065</u>	<u>\$ 842,133</u>	<u>\$ 1,261,020</u>	<u>\$ 1,461,118</u>
All Other Governmental Funds:										
Reserved	\$ 276,219	\$ 350,647	\$ 77,949	\$ 66,766	\$ 23,728	\$ 1,623,732	\$ 755,549	\$ 1,300,573	\$ 1,298,780	\$ 1,373,589
Unreserved (deficit), reported in:										
Special Revenue Funds	787,787	1,047,477	1,458,594	1,402,143	1,280,852	1,337,329	934,137	1,033,084	823,849	616,100
Debt Service Funds	410,733	394,074	620,316	923,848	1,108,321	1,098,117	1,176,283	-	-	-
Capital Projects Funds	<u>723,045</u>	<u>666,249</u>	<u>787,220</u>	<u>818,482</u>	<u>1,147,150</u>	<u>(1,020,609)</u>	<u>2,499,405</u>	<u>426,008</u>	<u>3,899</u>	<u>(163,598)</u>
Total All Other Governmental Funds	<u>\$ 2,197,784</u>	<u>\$ 2,458,447</u>	<u>\$ 2,944,079</u>	<u>\$ 3,211,239</u>	<u>\$ 3,560,051</u>	<u>\$ 3,038,569</u>	<u>\$ 5,365,374</u>	<u>\$ 2,759,665</u>	<u>\$ 2,126,528</u>	<u>\$ 1,826,091</u>

Source: City financial records

CITY OF HARRISON, OHIO

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Taxes	\$ 5,310,372	\$ 5,183,896	\$ 5,375,433	\$ 5,299,259	\$ 5,194,401	\$ 4,895,233	\$ 4,656,975	\$ 4,651,515	\$ 4,286,217	\$ 3,786,457
Payment in Lieu of Taxes	240,736	-	-	-	-	-	-	-	-	-
Intergovernmental	1,736,023	2,192,876	1,766,443	1,431,545	1,201,142	1,533,268	1,947,015	834,738	1,021,366	1,740,709
Charges for Services	968,302	692,342	697,907	750,671	499,626	562,232	439,505	308,772	227,028	169,161
Fines, Costs and Forfeitures	229,666	117,904	126,519	108,891	162,032	202,606	219,915	128,262	172,016	170,242
Licenses, Permits and Inspections	177,223	245,031	172,878	245,275	254,726	269,141	160,495	152,472	128,783	88,038
Interest	58,205	66,941	217,625	321,019	217,467	166,572	56,434	63,175	114,398	244,910
Contributions	6,783	17,680	40	-	-	-	-	-	-	-
Other	127,934	211,186	89,008	151,685	77,014	250,567	100,111	132,037	148,796	76,883
Total Revenues	8,855,244	8,727,856	8,445,853	8,308,345	7,606,408	7,879,619	7,580,450	6,270,971	6,098,604	6,276,400
Expenditures										
Current:										
Security of persons and property	5,652,619	5,601,881	4,725,957	4,507,623	4,271,258	4,203,191	3,938,018	3,607,850	3,377,001	3,286,121
Public health services	338,848	371,429	307,502	279,541	258,999	288,470	229,006	188,036	193,196	218,624
Leisure time activities	251,512	294,920	275,595	251,698	238,886	170,999	192,253	155,207	189,981	177,542
Community and economic development	134,578	143,679	109,590	124,646	104,374	100,599	94,084	7,233	178,359	38,205
Transportation	780,692	667,450	579,366	555,511	506,502	470,473	478,557	459,111	336,382	335,088
General government	1,209,228	1,435,916	1,002,167	836,722	1,011,017	867,722	1,028,792	938,940	951,212	692,000
Capital outlay	785,017	3,143,530	1,105,557	2,379,123	623,455	3,999,031	2,286,541	1,061,626	552,805	2,866,042
Debt Service:										
Principal Retirement	518,871	431,811	395,220	327,701	324,850	289,668	287,601	214,362	162,797	172,089
Interest and Fiscal Charges	265,646	195,695	185,481	37,416	160,022	188,312	176,118	192,783	183,082	188,704
Issuance Costs	-	87,316	2,493	-	-	71,824	-	-	-	-
Total Expenditures	9,937,011	12,373,627	8,688,928	9,299,981	7,499,363	10,650,289	8,710,970	6,825,148	6,124,815	7,974,415
Excess of Revenues Over (Under) Expenditures	(1,081,767)	(3,645,771)	(243,075)	(991,636)	107,045	(2,770,670)	(1,130,520)	(554,177)	(26,211)	(1,698,015)
Other Financing Sources (Uses)										
Bond Issuance	-	1,810,000	-	-	-	2,135,000	-	-	-	-
Premium on Bond Issue	-	87,316	-	-	-	123,247	-	-	-	-
Premium on Note Issue	-	-	3,281	-	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	(2,189,078)	-	-	-	-
Accrued Interest on Bond Issue	-	-	-	-	-	2,655	-	-	-	-
Inception of Capital Lease	325,430	237,739	47,013	1,244,256	68,856	-	346,484	322,654	-	62,750
Loan Issuance	65,051	504,324	-	-	564,170	476,673	-	-	-	-
Transfers In	2,115,734	2,007,615	1,754,524	1,615,721	1,654,093	1,842,926	4,836,898	2,575,863	1,897,272	1,575,057
Transfers Out	(2,115,734)	(2,007,615)	(1,674,370)	(1,585,568)	(1,614,504)	(1,648,908)	(1,617,413)	(2,130,090)	(1,753,759)	(1,614,857)
Total Other Financing Sources (Uses)	390,481	2,639,379	130,448	1,274,409	672,615	742,515	3,565,969	768,427	143,513	22,950
Net Change in Fund Balances	\$ (691,286)	\$ (1,006,392)	\$ (112,627)	\$ 282,773	\$ 779,660	\$ (2,028,155)	\$ 2,435,449	\$ 214,250	\$ 117,302	\$ (1,675,065)
Debt Service as a Percentage of Noncapital Expenditures	8.47%	7.51%	8.01%	5.38%	7.05%	8.27%	7.22%	7.06%	6.21%	7.06%

Source: City financial records

CITY OF HARRISON, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property (a)		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	35.46%
2009	223,533,270	638,666,486	4,314,400	4,314,400	250,870	1,337,973	228,098,540	644,318,859	35.40%
2008	220,529,210	630,083,457	3,986,460	3,986,460	5,421,080	28,912,427	229,936,750	674,941,724	34.07%
2007	211,870,220	605,343,486	3,858,280	3,858,280	11,914,930	63,546,293	227,643,430	684,322,899	33.27%
2006	202,509,130	578,597,514	4,117,220	4,117,220	16,313,010	46,608,600	222,939,360	629,323,334	35.43%
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600	215,347,130	629,803,030	34.19%
2004	160,124,090	457,497,400	4,591,770	4,591,770	20,541,290	82,165,160	185,257,150	544,254,330	34.04%
2003	147,707,370	422,021,057	3,712,380	3,712,380	20,489,080	81,956,320	171,908,830	507,689,757	33.86%
2002	140,281,390	400,803,971	3,644,230	3,644,230	22,233,920	88,935,680	166,159,540	493,383,881	33.68%
2001	122,626,630	350,361,800	4,872,000	4,872,000	19,360,790	77,443,160	146,859,420	432,676,960	33.94%

Source: Hamilton County Auditor's Office

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

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

CITY OF HARRISON, OHIO

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

Collection Year	Township Levy	City of Harrison Levy	School Levy	County Levy	Joint Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
2010	0.06	14.50	44.98	20.48	-	2.70	-	1.00	83.72
2009	0.06	13.00	45.14	20.63	1.25	2.70	1.00	1.00	83.78
2008	0.06	13.00	45.30	20.56	1.25	2.70	1.00	1.00	83.87
2007	0.06	13.00	45.30	20.18	1.25	2.70	1.00	1.00	83.49
2006	0.06	13.00	46.68	19.78	1.25	2.70	1.03	1.03	84.50
2005	0.06	13.00	47.08	20.03	1.25	2.70	1.03	1.03	85.15
2004	0.06	13.00	47.25	20.48	1.25	2.70	1.03	1.03	85.77
2003	0.06	13.00	47.25	20.48	1.25	2.70	1.03	1.03	85.77
2002	0.06	13.00	47.75	21.47	1.25	2.70	-	-	86.23
2001	0.06	13.00	47.88	19.92	1.25	2.70	-	-	84.81

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2010 AND DECEMBER 31, 2001*

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Hubert North America	\$ 5,736,080	1	2.50%
Duke Energy Ohio Inc	4,715,550	2	2.06%
Kroger Limited Partnership	3,390,760	3	1.48%
Toebben Ltd	3,003,350	4	1.31%
Indian Footprint	2,543,910	5	1.11%
Wurster Erlene Tr	2,391,670	6	1.04%
Maas Enterprises Ltd	2,138,650	7	0.93%
BRE/US Industrial	2,063,170	8	0.90%
Broad Properties LLC	1,681,420	9	0.73%
Mercy Health Partners Property Mgmt	1,519,870	10	0.66%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 29,184,430</u>		<u>12.72%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 229,071,220</u>		

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
CINERGY	\$ 3,843,400	1	2.71%
Hyper Shoppes Inc	2,797,210	2	1.97%
F&M Mafco, Inc.	2,709,300	3	1.91%
Wurster Erlene Tr	2,209,870	4	1.56%
MII Inc.	2,176,200	5	1.53%
Scott Fezter Co. - Campbell Hausfeld	2,039,900	6	1.44%
JTM Provisions Co. Inc.	1,798,450	7	1.27%
SCI Ltd. Partnership IV	1,750,470	8	1.23%
Indian Chestnut LLC	1,470,280	9	1.04%
Indian Footprint LTD	1,422,510	10	1.00%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 22,217,590</u>		<u>15.66%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 141,987,420</u>		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2010	2,782,684	2,565,609	92.20%	92,270	2,657,879	95.51%
2009	2,390,528	2,283,163	95.51%	104,583	2,387,746	99.88%
2008	2,289,118	2,183,719	95.40%	95,053	2,278,772	99.55%
2007	2,158,045	1,689,521	78.29%	44,064	1,733,585	80.33%
2006	1,977,533	1,904,381	96.30%	54,448	1,958,829	99.05%
2005	1,997,347	1,906,140	95.43%	58,022	1,964,162	98.34%
2004	1,871,491	1,819,037	97.20%	87,009	1,906,046	101.85%
2003	1,968,254	1,765,554	89.70%	82,181	1,847,735	93.88%
2002	1,843,626	1,640,099	88.96%	98,331	1,738,430	94.29%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%

Source: Hamilton County Auditor's Office

Note: County Auditor does not identify delinquent tax collections by levy year.

CITY OF HARRISON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2010	1.00%	2,948,726	2,096,429	71.10%	391,585	13.28%	460,714	15.62%
2009	1.00%	2,918,825	2,065,074	70.75%	333,367	11.42%	520,382	17.83%
2008	1.00%	3,057,959	2,121,702	69.38%	444,277	14.53%	491,980	16.09%
2007	1.00%	2,899,734	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,532	1,903,448	69.23%	330,223	12.01%	515,892	18.76%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%	489,707	18.62%
2004	1.00%	2,528,475	1,795,862	71.03%	299,820	11.86%	432,793	17.12%
2003	1.00%	2,452,028	1,812,200	73.91%	235,234	9.59%	73,715	3.01%
2002	1.00%	2,389,236	1,750,447	73.26%	252,783	10.58%	386,007	16.16%
2001	1.00%	2,459,847	1,789,347	72.74%	258,834	10.52%	411,666	16.74%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities					Business-Type Activities		
	General Obligation Bonds	OPWC Loans	ODOT Loan	Tax Anticipation Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Mortgage Revenue Bonds
2010	\$ 3,905,000	\$ 921,275	\$ 401,713	\$ 400,000	\$ 1,260,466	\$ 5,860,000	\$ 16,520,000	\$ -
2009	4,085,000	894,080	467,943	445,000	1,169,821	390,000	17,070,000	-
2008	2,445,000	413,378	532,230	450,000	1,105,984	410,000	17,555,000	-
2007	2,605,000	436,999	564,170	-	1,238,630	435,000	17,980,000	-
2006	2,745,000	448,810	564,170	-	170,264	460,000	18,200,000	-
2005	2,880,000	476,673	-	-	263,395	510,000	18,420,000	-
2004	2,860,000	-	-	-	423,063	35,000	18,590,000	105,000
2003	2,980,000	-	-	-	244,180	75,000	18,750,000	200,000
2002	3,095,000	-	-	-	20,888	115,000	-	3,150,000
2001	3,205,000	-	-	-	73,685	155,000	-	3,380,000

CITY OF HARRISON, OHIO

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

Year	Business-Type Activities					(a)	(c)	Percentage of Personal Income	(b) Population	Per Capita
	Real Estate Revenue Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	Total Primary Government	Per Capita Personal Income			
2010	\$ -	\$ -	\$ 15,183	\$ 1,958,297	\$ 5,956,905	\$ 37,198,839	N/A	N/A	9,897	\$ 3,759
2009	-	5,000,000	29,509	2,071,635	5,996,693	37,619,681	N/A	N/A	9,980	3,770
2008	-	5,000,000	43,027	2,199,085	3,078,609	33,232,313	N/A	N/A	9,980	3,330
2007	-	5,000,000	55,782	1,937,994	3,181,172	33,434,747	N/A	N/A	9,980	3,400
2006	-	-	-	1,764,056	1,919,103	26,271,403	N/A	N/A	9,950	2,640
2005	-	-	-	200,694	1,602,468	24,353,230	N/A	N/A	9,950	2,448
2004	-	-	-	270,929	1,698,171	23,982,163	N/A	N/A	9,885	2,426
2003	-	-	-	338,919	1,790,545	24,378,644	N/A	N/A	9,885	2,466
2002	-	10,000,000	-	413,170	1,791,033	18,585,091	35,416	0.19%	9,865	1,880
2001	71,000	5,000,000	-	477,230	666,585	13,028,500	34,900	0.27%	9,835	1,321

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

Sources:

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

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capital</u>
2010	9,987	\$ 659,672,512	\$ 26,285,000	3.98%	\$ 2,632
2009	9,980	657,262,059	21,545,000	3.28%	2,159
2008	9,980	674,941,724	20,410,000	3.02%	2,045
2007	9,980	684,322,899	21,020,000	3.07%	2,106
2006	9,950	682,285,114	21,405,000	3.14%	2,151
2005	9,950	629,803,030	21,810,000	3.46%	2,192
2004	9,885	544,254,330	21,590,000	3.97%	2,184
2003	9,885	507,689,757	22,005,000	4.33%	2,226
2002	9,885	493,383,881	6,360,000	1.29%	643
2001	9,865	432,676,960	6,811,000	1.57%	690

Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Hamilton County Auditor
- (3) These amounts include general obligation bonds, mortgage revenue bonds and real estate revenue bonds that are being repaid through enterprise revenues.

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2010*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Harrison			
General Obligation Bonds	\$ 3,905,000	100.00%	\$ 3,905,000
OPWC Loans	921,275	100.00%	921,275
ODOT Loan	401,713	100.00%	401,713
Tax Anticipation Notes	<u>400,000</u>	100.00%	<u>400,000</u>
Total Direct Debt	<u>5,627,988</u>		<u>5,627,988</u>
Overlapping			
Southwest Local School District	15,680,000	42.58%	6,676,544
Great Oaks Institute of Technology	19,200,000	1.16%	222,720
Hamilton County	<u>108,610,000</u>	1.10%	<u>1,194,710</u>
Total Overlapping Debt	<u>143,490,000</u>		<u>8,093,974</u>
Total Direct and Overlapping Debt	<u>\$ 149,117,988</u>		<u>\$ 13,721,962</u>

Sources: City of Harrison and each subdivision's financial records provided the debt outstanding.

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation which was obtained from the Hamilton County Auditor.

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Assessed Value	\$ 228,938,580	\$ 223,533,270	\$ 229,936,750	\$ 227,643,430	\$ 227,643,430	\$ 215,347,130	\$ 185,257,150	\$ 171,908,830	\$ 166,159,540	\$ 146,488,570
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	24,038,551	23,470,993	24,143,359	23,902,560	23,414,303	22,611,449	19,452,001	18,050,427	17,446,752	15,381,300
Total Gross Indebtedness	<u>26,285,000</u>	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>7,247,000</u>
Less: Debt Outside Limitations										
Debt Supported by Enterprise Fund Operations	<u>(22,380,000)</u>	<u>(17,460,000)</u>	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>	<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,937,000)</u>
Net Debt Within 10.5% Limitation	<u>3,905,000</u>	<u>4,085,000</u>	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>	<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,310,000</u>
Overall Legal Debt Margin Within 10.5% Limitation	<u>\$ 20,133,551</u>	<u>\$ 19,385,993</u>	<u>\$ 21,698,359</u>	<u>\$ 21,297,560</u>	<u>\$ 20,669,303</u>	<u>\$ 19,731,449</u>	<u>\$ 16,592,001</u>	<u>\$ 15,070,427</u>	<u>\$ 14,351,752</u>	<u>\$ 12,071,300</u>
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 12,591,622	\$ 12,294,330	\$ 12,646,521	\$ 12,520,389	\$ 12,264,635	\$ 11,844,092	\$ 10,189,143	\$ 9,454,986	\$ 9,138,775	\$ 8,077,268
Gross Indebtedness Authorized by Council	<u>26,285,000</u>	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>
Less: Debt Outside Limitations	<u>(22,380,000)</u>	<u>(17,460,000)</u>	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>	<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>
Net Debt Within 5.5% Limitation	<u>3,905,000</u>	<u>4,085,000</u>	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>	<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,205,000</u>
Unvoted Legal Debt Margin Within 5.5% Limitation	<u>\$ 8,686,622</u>	<u>\$ 8,209,330</u>	<u>\$ 10,201,521</u>	<u>\$ 9,915,389</u>	<u>\$ 9,519,635</u>	<u>\$ 8,964,092</u>	<u>\$ 7,329,143</u>	<u>\$ 6,474,986</u>	<u>\$ 6,043,775</u>	<u>\$ 4,872,268</u>

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*PLEDGED REVENUE BOND COVERAGE - ENTERPRISE
LAST TEN YEARS*

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2010	\$ 4,679,099	\$ 2,374,304	\$ 2,304,795	\$ 550,000	\$ 782,659	\$ 1,332,659	1.78
2009	4,370,765	2,388,525	1,982,240	485,000	807,475	1,292,475	1.53
2008	4,290,442	2,566,169	1,724,273	425,000	818,738	1,243,738	1.39
2007	4,180,689	2,891,423	1,289,266	220,000	823,798	1,043,798	1.24
2006	4,337,339	3,002,462	1,334,877	220,000	828,197	1,048,197	1.27
2005	4,018,880	3,085,424	933,456	275,000	837,898	1,112,898	0.84
2004	4,231,865	2,653,104	1,578,761	255,000	953,371	1,208,371	1.31
2003	3,210,404	1,692,567	1,517,837	405,157	263,112	668,269	2.27
2002	3,059,797	1,621,015	1,438,782	301,000	190,426	491,426	2.93
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (2)</u>		
				<u>Hamilton County</u>	<u>Ohio</u>	<u>United States</u>
2010	9,897	N/A	3,521	9.4%	10.1%	9.6%
2009	9,980	N/A	3,726	8.8%	10.1%	9.3%
2008	9,980	N/A	3,800	5.6%	6.6%	5.8%
2007	9,980	N/A	3,742	5.0%	5.6%	4.6%
2006	9,950	N/A	3,705	5.2%	5.5%	4.6%
2005	9,950	N/A	3,907	5.4%	5.9%	5.1%
2004	9,885	N/A	3,965	6.2%	6.2%	5.5%
2003	9,885	N/A	3,965	4.7%	6.2%	6.0%
2002	9,885	35,416	4,000	5.0%	5.7%	5.8%
2001	9,865	34,900	4,037	3.2%	4.4%	4.7%

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

Sources:

(1) U.S. Census Bureau

(2) Ohio Department of Job and Family Services, Office of Workforce Development, Bureau of Labor Market Information

(3) Southwest Local School District.

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

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kroger Limited Partnership	474	1	4.21%	342	5	2.89%
Southwest Local School District	445	2	3.96%	462	2	3.90%
J.T.M. Provisions Company Inc.	432	3	3.84%	453	3	3.82%
Hubert North America	380	4	3.38%	335	6	2.83%
Wayne/Scott Fetzer Company	317	5	2.82%	0	n/a	0.00%
Shawnee Spring Health Care Center	284	6	2.53%	0	n/a	0.00%
F&M Mafco Inc	199	7	1.77%	242	8	2.04%
City of Harrison	144	8	1.28%	135	9	1.14%
MII Inc.	140	9	1.24%	330	7	2.79%
Campbell Hausfeld/Scott Fetzer	133	10	1.18%	842	1	7.11%
Total	2,948		26.21%	3,141		26.51%
Total City Employment	11,246			11,847		

Source: CCA Division of Taxation and Ohio Job and Family Services, Office of Workforce Development

CITY OF HARRISON, OHIO

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Municipal Court Magistrate	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1
Finance	1	1	1	2	1	1	1	1	1	1
Law	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	1
Other	9	9	9	11	9	9	9	9	9	9
Public Safety										
Police	25	25	28	28	27	27	26	27	27	27
Fire	51	46	42	36	36	36	35	32	35	37
Health and Welfare										
Senior Center	4	4	4	4	4	4	4	4	4	4
Transportation										
Streets	8	8	6	6	6	6	6	6	7	6
Community Environment										
Planning	3	3	1	1	1	1	1	1	1	1
Building/Zoning	5	5	6	6	6	6	6	6	6	6
Leisure Time Activity										
Parks Administration	1	1	1	1	1	1	1	1	1	1
Community Center	2	2	-	3	1	1	1	1	1	1
Utility Services										
Water	6	6	6	6	6	6	5	5	6	6
Sewer	6	6	8	7	8	8	9	7	7	6
Total	129	124	120	119	114	114	112	108	113	113

Source: payroll records

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Positions Filled	-	-	-	-	-	-	7	10	4	3
Building Permits Issued	119	173	233	186	161	115	187	186	244	178
Building Inspections Performed	215	374	733	607	800	849	654	436	648	486
Ordinances & Resolutions	70	50	79	82	70	68	64	85	122	76
Public Safety										
Police:										
Physical Arrests	907	877	863	882	892	930	1,400	1,308	1,293	1,241
Offense Reports	1,560	1,423	1,384	1,365	1,381	1,381	1,420	1,267	1,196	1,255
Traffic Citations	477	458	436	414	402	410	1,732	1,762	1,711	3,544
Fire:										
Emergency Responses	1,249	1,351		1,271	1,453	1,522	1,628	1,641	1,663	1,755
Fire Responses	304	382		399	566	619	401	437	407	408
Inspections conducted	567	569		397	633	823	931	843	765	479
Leisure Time Activities										
Senior Center Attendance	8,059	8,347	8,377	8,162	9,045	8,950	8,200	7,997	8,873	7,659
Senior Center Membership	148	148	129	167	190	201	223	233	223	201
Transportation										
Street Resurfacing (miles)	0.5	-	-	2.0	-	1.0	2.6	1.1	1.1	1.1
Tons of salt used	N/A	N/A	1,117	824	805	386	990	936	690	813
Water										
New Connections	7	67	147	124	124	87	94	29	20	17
Water Main Breaks	9	8	9	7	8	10	12	15	8	15

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	3	4	4	4	4	4	4	4	5	5
Park Acreage	58.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	69.5	69.5
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball /Softball fields	3	3	3	3	3	3	3	3	3	3
Transportation										
Streets (Paved Miles)	40	40	40	40	40	40	40	40	40	40
Water										
Water Mains (miles)	27.5	27.8	31.1	31.1	31.1	33.1	35	35	37	37
Sewer										
Sanitary Sewers (miles)	25	25	25	25	25	25	25	25	27	27

Source: City of Harrison Finance Director Office



Dave Yost • Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 30, 2011