



Dave Yost • Auditor of State



CITY OF HARRISON  
HAMILTON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2013. As described in Note 2, the City adopted the provisions of Governmental Accounting Standards Board Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 26, 2013

# *City of Harrison, Ohio*



## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended December 31, 2012

**CITY OF HARRISON, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**Angelina Burton**  
**Finance Director**



CITY OF HARRISON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2012

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**INTRODUCTORY  
SECTION**

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Finance Department  
300 George Street  
Harrison, Ohio 45030  
513-367-3732  
513-202-8459 FAX

[www.harrisonohio.org](http://www.harrisonohio.org)

June 26, 2013

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, 2012, 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. The Auditor of State performed the audit for the year ended December 31, 2012. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

## **THE REPORTING ENTITY**

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of GASB Statements. 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 80 full-time employees and 42 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, though in 2011, each union agreed to an extension of their respective contract through at least 2014. The contract extensions reflected flat wage increases.

## **ECONOMIC CONDITION AND OUTLOOK**

Harrison has experienced a 32% increase in population in the last decade and, in 2012, was recognized as the fastest growing community in Hamilton County (in terms of residential units), largely due to the success of the Parks of Whitewater community. The City annexed over 700 acres in the past several years, bringing the total land area to approximately 5 square miles.

Concerning business recruitment and retention, 2012 was a year with major industrial projects. The Hubert Company installed a \$3 million dollar solar roof, one of Ohio's largest solar roof installations to date. JTM completed a \$17 million dollar facility expansion. Cincinnati West Airport embarked on a \$1 million dollar hangar project, doubling the hangar capacity at the airport. Finally, the City of Harrison attracted Cincinnati Test Systems to relocate within the municipality. This \$5 million dollar project will add about 150 new jobs to the Harrison community.

The Historic Harrison Farmers Market enjoyed its third season in 2012. The market location moved across the street to create a more walkable environment for vendors, patrons of the market and downtown business owners.

Because of the solid base of businesses in Harrison and interest from the business community, discussions regarding the formation of a Chamber of Commerce began. The core group of business leaders instrumental its creation will see this organization officially launch in 2013.

## **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 2013.

The construction of Progress Way was completed in the first half of 2013, the result of commercial growth within the City limits. The project was funded, in part, by Ohio Department of Development and Ohio Department of Transportation grant funds.

Residential street improvements for 2013 include the resurfacing of Whipporwill Drive; Elaine Drive, Brooks Lane, Grandview Street and Constance Place; and Lyness Avenue. These projects are financed through a combination of OPWC loans and grants, as well as the proceeds from a Bond Anticipation Note financed in October, 2012.

The installation of an oxidant misting FOG system at the wastewater influent pumping station was completed in 2012, in compliance with the EPA's finding that the City improve grease removal by December 31, 2012. The system controls odor and eliminates grease through the use of ozone technology.

A water rate study completed in 2012 resulted in an annual 5% rate increase for 2013 through 2018, as the City prepares for the financial impact of various upgrades to the water system infrastructure, including the replacement of manifolds and media in the filtration system in 2013.

## **LONG-TERM FINANCIAL PLANNING**

The City of Harrison has a responsibility to its citizens to properly account for public funds and to wisely manage finances, in order to ensure the continued delivery of City services. Real estate reevaluations resulted in decreased property tax settlements, affecting not only the General fund but the Fire/EMS fund, which relies on levy proceeds for operations.

The City's membership with the Regional Income Tax Agency (RITA) resulted in decreased income tax collection expenses (24%) and increased income tax collections (4%), for a net benefit of \$187,672. City administration continues to "think outside of the box" for additional operating measures to increase efficiencies and decrease expenses in order to insure the City's solvency and ability to provide public services.

The City incurred a 43% increase in health insurance premiums at the 2012 renewal, and expects a 10% increase for the 2013 renewal. Together with representatives from the three labor unions and exempt personnel, the City administration is working toward a more cost effective health care strategy.

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

Equipment and vehicle replacements are financed through local institutions, for a maximum of 5 years depending on rotation schedule, and are included in a department's annual budget submission. There are no scheduled vehicle replacements for 2013.



## **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, 2011. This was the 13<sup>th</sup> consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

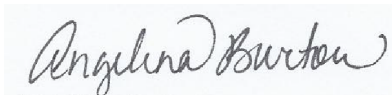
## **ACKNOWLEDGEMENTS**

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

I extend my sincere appreciation to Clark, Schaefer Hackett 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, 2011

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.



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

**CITY OF HARRISON, OHIO**

**CITY OFFICIALS**

**ELECTED OFFICIALS .....**

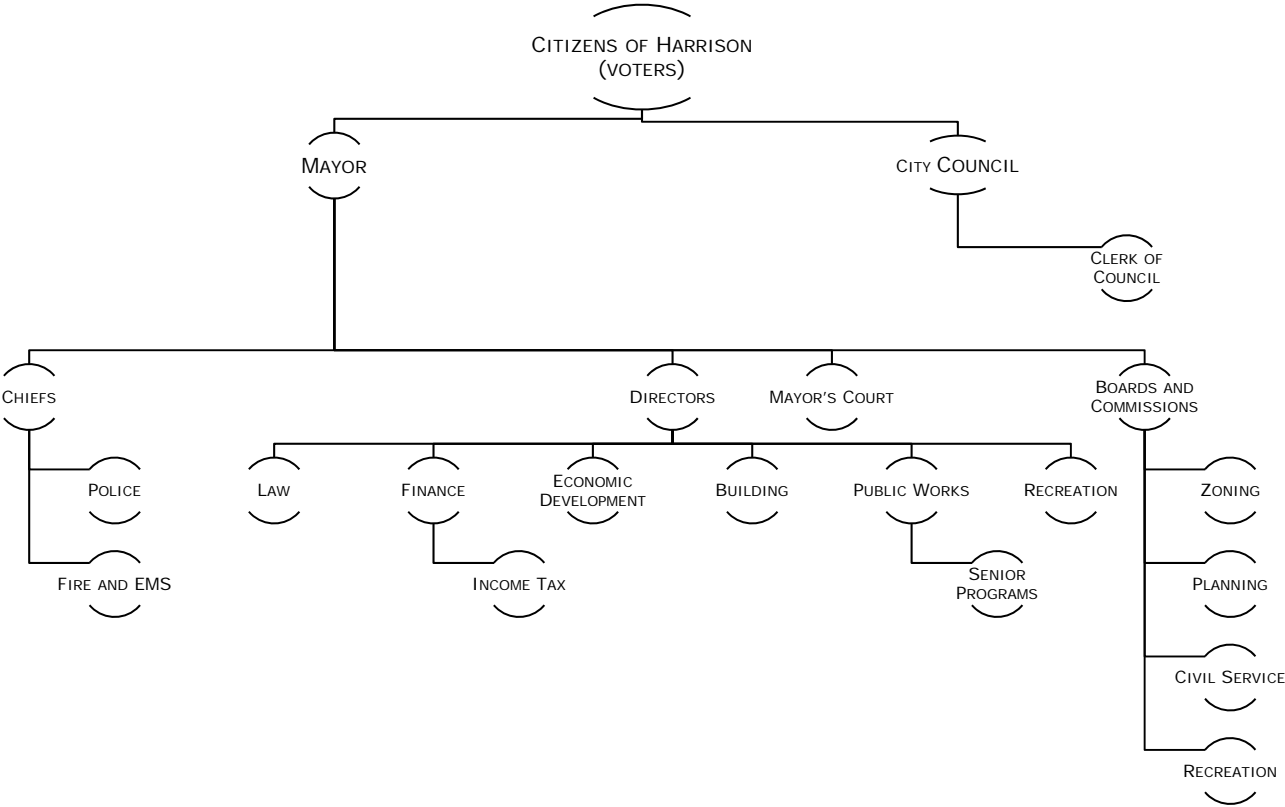
Mayor.....JOEL F. MCGUIRE  
Council Member .....DEBORAH ACRA  
Council Member ..... TONY BURKART  
Council Member ..... WILLIAM NEYER  
Council Member ..... JAMES ROBERTSON  
Council Member ..... RANDY SHANK  
Council Member ..... MARK LOUIS  
Council Member .....HANK MENNINGER

**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 Commissioner ..... ANGELINA BURTON  
Senior Program Coordinator ..... JILL FRENCH  
Recreation Coordinator..... JEAN WILSON  
Magistrate ..... ALEX TRIANTAFILOU  
Magistrate's Court Clerk ..... LISA PFAFFEL

# CITY OF HARRISON, OHIO

## ORGANIZATIONAL CHART



**FINANCIAL  
SECTION**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire Improvement funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, during the year ended December 31, 2012, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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



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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 26, 2013

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2012**  
*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, 2012. 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, 2012 include:

- The assets of the City exceeded its liabilities at the close of the most recent year by \$24,703,090.
- The City's total net position increased during the year by \$683,727, or 3%.
- Unrestricted net position was \$2,071,629.
- The City's total expenses were \$14,776,792, a decrease of \$61,603.
- Program revenues of \$8,663,722 reduced the net cost of the City's functions to be financed from the City's general revenues to \$6,113,070.
- The City's unassigned fund balance of the General Fund totaled \$73,663 at year end, or 2% of General Fund 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 Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregated view of the City's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

### **Reporting the City as a Whole**

#### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position 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 position and changes in net position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of its capital assets. In the Statement of Net Position and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

**CITY OF HARRISON, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2012**  
*Unaudited*

---

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

### **Reporting the City's Most Significant Funds**

#### *Fund Financial Statements*

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

#### Governmental Funds

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

#### Proprietary Funds

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

#### Fiduciary Funds

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

### **The City as a Whole**

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets exceeded liabilities by a total of \$24.7 million at December 31, 2012.

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Table 1 provides a summary of the City's net position for 2012 compared to 2011:

**Table 1**  
**Net Position**

|                                  | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                   | <u>Total</u>      |                   |
|----------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|-------------------|-------------------|
|                                  | <u>2012</u>                    | <u>2011</u>       | <u>2012</u>                     | <u>2011</u>       | <u>2012</u>       | <u>2011</u>       |
| Current and other assets         | \$ 8,162,215                   | 6,660,414         | 4,669,994                       | 5,586,746         | 12,832,209        | 12,247,160        |
| Capital assets                   | <u>17,715,453</u>              | <u>15,933,485</u> | <u>36,435,017</u>               | <u>37,247,888</u> | <u>54,150,470</u> | <u>53,181,373</u> |
| Total assets                     | <u>25,877,668</u>              | <u>22,593,899</u> | <u>41,105,011</u>               | <u>42,834,634</u> | <u>66,982,679</u> | <u>65,428,533</u> |
| Long-term liabilities            | 7,729,015                      | 7,460,109         | 28,412,617                      | 29,490,047        | 36,141,632        | 36,950,156        |
| Other liabilities                | <u>5,850,477</u>               | <u>3,873,969</u>  | <u>287,480</u>                  | <u>585,045</u>    | <u>6,137,957</u>  | <u>4,459,014</u>  |
|                                  | <u>13,579,492</u>              | <u>11,334,078</u> | <u>28,700,097</u>               | <u>30,075,092</u> | <u>42,279,589</u> | <u>41,409,170</u> |
| Net position:                    |                                |                   |                                 |                   |                   |                   |
| Net investment in capital assets | 10,827,649                     | 9,273,676         | 8,636,600                       | 8,547,117         | 19,464,249        | 17,820,793        |
| Restricted                       | 1,036,007                      | 1,457,239         | 2,131,205                       | 2,183,434         | 3,167,212         | 3,640,673         |
| Unrestricted                     | <u>434,520</u>                 | <u>528,906</u>    | <u>1,637,109</u>                | <u>2,028,991</u>  | <u>2,071,629</u>  | <u>2,557,897</u>  |
| Total net position               | \$ <u>12,298,176</u>           | <u>11,259,821</u> | <u>12,404,914</u>               | <u>12,759,542</u> | <u>24,703,090</u> | <u>24,019,363</u> |

As displayed in Table 1, total net position of the City increased by \$683,727 from 2011 to 2012. This was due primarily to the increases in intergovernmental receivables and capital assets. The City was the recipient of funding agreements with three State agencies to assist in funding various road improvement projects. To provide additional funding, the City issued bond anticipation notes during the year that led to the increase in other liabilities. These road improvement projects, along with the completion of other infrastructure projects and leasing of several vehicles for public safety and water operations, led to the increase in capital assets.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 81% of total assets. Capital assets include land, construction in progress, land improvements, building and improvements, equipment, vehicles and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2012 compared with the prior year.

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

|   | Governmental Activities |                  | Business-<br>Type Activities |                  | Total             |                   |
|---|-------------------------|------------------|------------------------------|------------------|-------------------|-------------------|
|   | 2012                    | 2011             | 2012                         | 2011             | 2012              | 2011              |
| Program revenues:   |                         |                  |                              |                  |                   |                   |
| Charges for services  | \$ 1,448,922            | 1,354,889        | 5,194,725                    | 4,965,396        | 6,643,647         | 6,320,285         |
| Operating grants and contributions                              | 706,475                 | 680,347          | -                            | -                | 706,475           | 680,347           |
| Capital grants and contributions                                | 1,313,600               | 489,106          | -                            | -                | 1,313,600         | 489,106           |
| Total program revenues  | <u>3,468,997</u>        | <u>2,524,342</u> | <u>5,194,725</u>             | <u>4,965,396</u> | <u>8,663,722</u>  | <u>7,489,738</u>  |
| General revenues:   |                         |                  |                              |                  |                   |                   |
| Income taxes  | 3,212,378               | 2,956,342        | -                            | -                | 3,212,378         | 2,956,342         |
| Property and other taxes  | 2,898,579               | 2,918,543        | -                            | -                | 2,898,579         | 2,918,543         |
| Grants and contributions not<br>restricted to specific programs | 479,451                 | 719,408          | -                            | -                | 479,451           | 719,408           |
| Investment earnings   | 28,313                  | 34,474           | 948                          | 1,882            | 29,261            | 36,356            |
| Miscellaneous   | 171,181                 | 74,513           | 5,947                        | 137,820          | 177,128           | 212,333           |
| Total general revenues  | <u>6,789,902</u>        | <u>6,703,280</u> | <u>6,895</u>                 | <u>139,702</u>   | <u>6,796,797</u>  | <u>6,842,982</u>  |
| Total revenues  | <u>10,258,899</u>       | <u>9,227,622</u> | <u>5,201,620</u>             | <u>5,105,098</u> | <u>15,460,519</u> | <u>14,332,720</u> |
| Expenses:   |                         |                  |                              |                  |                   |                   |
| Security of persons and property                                | 6,261,278               | 6,436,476        | -                            | -                | 6,261,278         | 6,436,476         |
| Public health services  | 316,702                 | 314,128          | -                            | -                | 316,702           | 314,128           |
| Leisure time activities   | 266,164                 | 303,402          | -                            | -                | 266,164           | 303,402           |
| Community and economic development                              | 104,288                 | 127,997          | -                            | -                | 104,288           | 127,997           |
| Transportation  | 919,283                 | 914,534          | -                            | -                | 919,283           | 914,534           |
| General government  | 1,138,495               | 1,291,876        | -                            | -                | 1,138,495         | 1,291,876         |
| Interest on long-term debt                                      | 242,803                 | 244,701          | -                            | -                | 242,803           | 244,701           |
| Water   | -                       | -                | 1,601,191                    | 1,565,943        | 1,601,191         | 1,565,943         |
| Sewer   | -                       | -                | 3,462,848                    | 3,075,709        | 3,462,848         | 3,075,709         |
| Storm water   | -                       | -                | 46,613                       | 114,987          | 46,613            | 114,987           |
| Water/wastewater deposit  | -                       | -                | 2,500                        | 2,240            | 2,500             | 2,240             |
| Sanitation  | -                       | -                | 414,627                      | 446,402          | 414,627           | 446,402           |
| Total expenses  | <u>9,249,013</u>        | <u>9,633,114</u> | <u>5,527,779</u>             | <u>5,205,281</u> | <u>14,776,792</u> | <u>14,838,395</u> |
| Transfers   | 28,469                  | 28,469           | (28,469)                     | (28,469)         | -                 | -                 |
| Change in net position  | \$ <u>1,038,355</u>     | <u>(377,023)</u> | <u>(354,628)</u>             | <u>(128,652)</u> | <u>683,727</u>    | <u>(505,675)</u>  |

*Governmental Activities*

Total governmental activities revenue increased by \$1,031,277, or 11%. The majority of this increase was experienced in capital grants and contributions where the City was able to secure funding from State agencies for infrastructures projects. Total governmental activities expenses decreased by \$384,101, or 4%. The decrease was attributable to lower repair and maintenance costs and outsourcing of income tax collections.

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Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services and operating and capital grants offsetting those services. The net cost of services identifies the cost of those services supported by income and property taxes revenues and unrestricted intergovernmental revenue.

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

|                                    | Total Cost<br>of Services<br><u>2012</u> | Net Cost<br>of Services<br><u>2012</u> | Total Cost<br>of Services<br><u>2011</u> | Net Cost<br>of Services<br><u>2011</u> |
|------------------------------------|--|--|--|--|
| Security of persons and property   | \$ 6,261,278                             | \$ 5,363,423                           | \$ 6,436,476                             | \$ 5,663,698                           |
| Public health services             | 316,702                                  | 122,438                                | 314,128                                  | 109,889                                |
| Leisure time activities            | 266,164                                  | 202,389                                | 303,402                                  | 224,730                                |
| Community and economic development | 104,288                                  | (672)                                  | 127,997                                  | 10,433                                 |
| Transportation                     | 919,283                                  | (903,711)                              | 914,534                                  | (51,982)                               |
| General government                 | 1,138,495                                | 753,346                                | 1,291,876                                | 907,303                                |
| Interest on long-term debt         | <u>242,803</u>                           | <u>242,803</u>                         | <u>244,701</u>                           | <u>244,701</u>                         |
| Total cost of services             | \$ <u>9,249,013</u>                      | \$ <u>5,780,016</u>                    | \$ <u>9,633,114</u>                      | \$ <u>7,108,772</u>                    |

It should be noted that 38% of the cost of services for governmental activities are derived from program revenues, including charges for services and operating and capital grants. As shown by the total net costs of \$5,780,016, the majority of the City's programs are funded by general revenues. A significant portion of the total general revenues consists of income and property taxes.

*Business-Type Activities*

The City's major business-type activities include water and sewer operations. The Water Fund had operating income of \$25,163, an increase of only \$21,660.

The Sewer Fund had operating income of \$1,064,382, a decrease of \$209,740. The decrease was attributable to increases in personnel costs, with an additional employee meeting criteria for accruing compensated absences, and depreciation expense, as the City began recognizing depreciation on recently completed sewer projects.

**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 \$9.3 million, expenditures of \$11.7 million, and net other financing sources of approximately \$884,000. During 2012, total fund balance of the governmental funds decreased by \$1.5 million to a total fund balance at year-end of \$281,726. While capital assets are included in the statement of net position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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The City's General Fund experienced a decrease in fund balance during 2012. The General Fund is the primary fund that finances government services to citizens. Expenditures decreased from 2011 by \$276,873, or 7%, partially attributable to the City's outsourcing the management of its income tax collections at the end of 2011, while revenues were insufficient to cover expenditures and transfers to other funds with lower property tax collections and local government funding. At December 31, 2012 the ending unassigned fund balance of the General Fund was \$73,663, or 2%, of the total General Fund expenditures reported for 2012.

The Fire Improvement Fund experienced a decrease in fund balance of \$16,950, or 4%, which was a smaller decrease in fund balance than it experienced in 2011 of \$280,150, due to receiving additional transfers.

The Home Depot TIF Fund experienced a decrease in fund balance of \$1,173,245 due to the initiation of several road improvement projects previous discussed. These projects are being financed with State grants and loans and a \$1,250,000 bond anticipation note issued during 2012.

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 2012, 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.

Actual revenues came in approximately \$150,000 lower than budgeted due to lower than expected income tax collections and fines, costs and forfeitures as the local economy was slow to recover.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures came in approximately \$141,000 less than the \$3.6 million included in the final budget for 2012.

Budgetary fund balance at December 31, 2012 was \$38,999 compared to the \$20,684 anticipated in the final 2012 budget, as the City was able to manage its expenditures as revenues came in lower than expected.

### **Capital Assets**

At the end of fiscal year 2012, the City had a total of \$74.3 million invested in capital assets less accumulated depreciation of \$20.1 million resulting in total capital assets, net of accumulated depreciation of \$54.2 million.

The City continued its efforts to upgrade its capital assets during 2012. The City acquired several vehicles through capital leases, as well as increased construction in progress for several infrastructure projects. Projects completed during 2012 include improvements to Harrison Avenue, West Road, and Carolina Trace and completion of water and sewer line upgrades and an oxidant misting system.

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Table 4 shows 2012 balances compared to those of 2011:

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

|                            | Governmental Activities |                   | Business-Type Activities |                   | Total             |                   |
|----------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                            | 2012                    | 2011              | 2012                     | 2011              | 2012              | 2011              |
| Land                       | \$ 3,015,891            | 3,015,891         | 485,420                  | 485,420           | 3,501,311         | 3,501,311         |
| Construction in progress   | 1,127,456               | 1,214,196         | 452,702                  | 513,010           | 1,580,158         | 1,727,206         |
| Land improvements          | 65,728                  | 94,310            | -                        | -                 | 65,728            | 94,310            |
| Buildings and improvements | 2,153,256               | 2,230,016         | 6,840,150                | 7,039,621         | 8,993,406         | 9,269,637         |
| Equipment                  | 245,405                 | 269,675           | 2,851,030                | 3,298,379         | 3,096,435         | 3,568,054         |
| Vehicles                   | 1,366,375               | 1,121,049         | 142,392                  | 85,618            | 1,508,767         | 1,206,667         |
| Infrastructure             | <u>9,741,342</u>        | <u>7,988,348</u>  | <u>25,663,323</u>        | <u>25,825,840</u> | <u>35,404,665</u> | <u>33,814,188</u> |
| Totals                     | \$ <u>17,715,453</u>    | <u>15,933,485</u> | <u>36,435,017</u>        | <u>37,247,888</u> | <u>54,150,470</u> | <u>53,181,373</u> |

Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

**Debt Administration**

At December 31, 2012, the City had a total of \$35.7 million of long-term debt obligations compared with \$35.8 million reported at December 31, 2011. Table 5 shows outstanding debt obligations of the City at December 31, 2012 compared with 2011:

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

|                          | Governmental Activities |                  | Business-Type Activities |                   | Total             |                   |
|--------------------------|-------------------------|------------------|--------------------------|-------------------|-------------------|-------------------|
|                          | 2012                    | 2011             | 2012                     | 2011              | 2012              | 2011              |
| General Obligation Bonds | \$ 3,455,000            | 3,700,000        | 5,530,000                | 5,695,000         | 8,985,000         | 9,395,000         |
| Capital Leases           | 1,499,017               | 1,238,958        | 70,676                   | -                 | 1,569,693         | 1,238,958         |
| OPWC Loans               | 1,670,599               | 1,387,370        | 1,731,621                | 1,844,959         | 3,402,220         | 3,232,329         |
| ODOT Loans               | 263,188                 | 333,481          | -                        | -                 | 263,188           | 333,481           |
| OWDA Loans               | -                       | -                | 5,288,295                | 5,631,096         | 5,288,295         | 5,631,096         |
| Revenue Bonds            | <u>-</u>                | <u>-</u>         | <u>16,150,000</u>        | <u>15,950,000</u> | <u>16,150,000</u> | <u>15,950,000</u> |
| Total                    | \$ <u>6,887,804</u>     | <u>6,659,809</u> | <u>28,770,592</u>        | <u>29,121,055</u> | <u>35,658,396</u> | <u>35,780,864</u> |



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Of the City's general obligation bonds outstanding at December 31, 2012, \$3.5 million are accounted for within the governmental activities and the remaining \$5.5 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.

The City issued \$16,550,000 in Sewer Revenue Refunding Bonds to refund the Series 2003 Sewer Revenue Improvement and Refunding Bonds during 2012 and save the City over \$1 million.

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 Note 13 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

**Contacting the City's Finance Department**

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

# **Basic Financial Statements**

# CITY OF HARRISON, OHIO

## Statement of Net Position

December 31, 2012

|   | Governmental<br>Activities | Business-Type<br>Activities | Total             |
|---|----------------------------|-----------------------------|-------------------|
| <b>Assets</b>                                     |                            |                             |                   |
| Equity in pooled cash and investments             | \$ 2,498,688               | 1,747,106                   | 4,245,794         |
| Cash in segregated accounts                       | 13,514                     | -                           | 13,514            |
| Receivables:                                      |                            |                             |                   |
| Property and other taxes                          | 2,384,840                  | -                           | 2,384,840         |
| Payment in lieu of taxes                          | 499,080                    | -                           | 499,080           |
| Income taxes                                      | 915,935                    |                             | 915,935           |
| Accounts  | 84,548                     | 395,648                     | 480,196           |
| Intergovernmental                                 | 1,460,756                  | -                           | 1,460,756         |
| Prepaid items                                     | 22,966                     | 17,500                      | 40,466            |
| Materials and supplies inventory                  | 13,632                     | 105,865                     | 119,497           |
| Internal balances                                 | 190,000                    | (190,000)                   | -                 |
| Deferred charges                                  | 78,256                     | 462,670                     | 540,926           |
| Restricted cash and investments with fiscal agent | -                          | 2,131,205                   | 2,131,205         |
| Non-depreciable capital assets                    | 4,143,347                  | 938,122                     | 5,081,469         |
| Depreciable capital assets, net                   | <u>13,572,106</u>          | <u>35,496,895</u>           | <u>49,069,001</u> |
| Total assets                                      | <u>25,877,668</u>          | <u>41,105,011</u>           | <u>66,982,679</u> |
| <b>Liabilities</b>                                |                            |                             |                   |
| Accounts payable                                  | 759,790                    | 40,682                      | 800,472           |
| Retainage payable                                 | 62,973                     | -                           | 62,973            |
| Accrued salaries                                  | 119,965                    | 18,445                      | 138,410           |
| Intergovernmental payable                         | 284,468                    | 18,648                      | 303,116           |
| Unearned revenue                                  | 2,739,619                  | -                           | 2,739,619         |
| Accrued interest payable                          | 48,662                     | 209,705                     | 258,367           |
| Notes payable                                     | 1,835,000                  | -                           | 1,835,000         |
| Long-term liabilities:                            |                            |                             |                   |
| Due within one year                               | 799,986                    | 1,471,940                   | 2,271,926         |
| Due in more than one year                         | <u>6,929,029</u>           | <u>26,940,677</u>           | <u>33,869,706</u> |
| Total liabilities                                 | <u>13,579,492</u>          | <u>28,700,097</u>           | <u>42,279,589</u> |
| <b>Net Position</b>                               |                            |                             |                   |
| Net investment in capital assets                  | 10,827,649                 | 8,636,600                   | 19,464,249        |
| Restricted for:                                   |                            |                             |                   |
| Capital projects                                  | 70,399                     | -                           | 70,399            |
| Debt service                                      | -                          | 2,131,205                   | 2,131,205         |
| Streets and Highways                              | 302,855                    | -                           | 302,855           |
| Recreation  | 490,505                    | -                           | 490,505           |
| Other purposes                                    | 172,248                    | -                           | 172,248           |
| Unrestricted                                      | <u>434,520</u>             | <u>1,637,109</u>            | <u>2,071,629</u>  |
| Total net position                                | <u>\$ 12,298,176</u>       | <u>12,404,914</u>           | <u>24,703,090</u> |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Statement of Activities

Year Ended December 31, 2012

|  | Expenses             | Program Revenues        |  |  | Net (Expense) Revenue<br>and Changes in Net Position |                             |                    |
|--|----------------------|-------------------------|--|--|--|-----------------------------|--------------------|
|  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total              |
| <b>Functions/Programs</b>                                    |                      |                         |  |  |  |                             |                    |
| Governmental activities:                                     |                      |                         |  |  |  |                             |                    |
| Security of persons and property                             | \$ 6,261,278         | 870,269                 | 27,586                                   | -                                      | (5,363,423)  | -                           | (5,363,423)        |
| Public health services                                       | 316,702              | 46,240                  | 148,024                                  | -                                      | (122,438)  | -                           | (122,438)          |
| Leisure time activities                                      | 266,164              | 58,076                  | 5,699                                    | -                                      | (202,389)  | -                           | (202,389)          |
| Community and economic development                           | 104,288              | 104,960                 | -  | -                                      | 672  | -                           | 672                |
| Transportation   | 919,283              | -                       | 509,394                                  | 1,313,600                              | 903,711  | -                           | 903,711            |
| General government   | 1,138,495            | 369,377                 | 15,772                                   | -                                      | (753,346)  | -                           | (753,346)          |
| Interest on long-term debt                                   | 242,803              | -                       | -  | -                                      | (242,803)  | -                           | (242,803)          |
| Total governmental activities                                | <u>9,249,013</u>     | <u>1,448,922</u>        | <u>706,475</u>                           | <u>1,313,600</u>                       | <u>(5,780,016)</u>                                   | <u>-</u>                    | <u>(5,780,016)</u> |
| Business-type activities:                                    |                      |                         |  |  |  |                             |                    |
| Water  | 1,601,191            | 1,415,656               | -  | -                                      | -  | (185,535)                   | (185,535)          |
| Sewer  | 3,462,848            | 3,207,159               | -  | -                                      | -  | (255,689)                   | (255,689)          |
| Other business-type activities:                              |                      |                         |  |  |  |                             |                    |
| Storm Water  | 46,613               | 111,424                 | -  | -                                      | -  | 64,811                      | 64,811             |
| Water/Wastewater deposit                                     | 2,500                | 7,126                   | -  | -                                      | -  | 4,626                       | 4,626              |
| Sanitation   | 414,627              | 453,360                 | -  | -                                      | -  | 38,733                      | 38,733             |
| Total business-type activities                               | <u>5,527,779</u>     | <u>5,194,725</u>        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>   | <u>(333,054)</u>            | <u>(333,054)</u>   |
| Total  | \$ <u>14,776,792</u> | <u>6,643,647</u>        | <u>706,475</u>                           | <u>1,313,600</u>                       | <u>(5,780,016)</u>                                   | <u>(333,054)</u>            | <u>(6,113,070)</u> |
| General revenues and transfers:                              |                      |                         |  |  |  |                             |                    |
| Income taxes levied for general purposes                     |                      |                         |  |  | \$ 3,212,378   | -                           | 3,212,378          |
| Property taxes levied for:                                   |                      |                         |  |  |  |                             |                    |
| General purposes   |                      |                         |  |  | 1,133,971  | -                           | 1,133,971          |
| Fire improvements  |                      |                         |  |  | 1,141,133  | -                           | 1,141,133          |
| Police pension   |                      |                         |  |  | 57,978   | -                           | 57,978             |
| Recreation   |                      |                         |  |  | 19,600   | -                           | 19,600             |
| Capital projects   |                      |                         |  |  | 92,683   | -                           | 92,683             |
| Payments in lieu of taxes                                    |                      |                         |  |  | 453,214  | -                           | 453,214            |
| Grants and contributions not restricted to specific programs |                      |                         |  |  | 479,451  | -                           | 479,451            |
| Investment earnings  |                      |                         |  |  | 28,313   | 948                         | 29,261             |
| Miscellaneous  |                      |                         |  |  | 171,181  | 5,947                       | 177,128            |
| Transfers  |                      |                         |  |  | 28,469   | (28,469)                    | -                  |
| Total general revenues and transfers                         |                      |                         |  |  | <u>6,818,371</u>                                     | <u>(21,574)</u>             | <u>6,796,797</u>   |
| Change in net position                                       |                      |                         |  |  | 1,038,355  | (354,628)                   | 683,727            |
| Net position beginning of year                               |                      |                         |  |  | 11,259,821   | 12,759,542                  | 24,019,363         |
| Net position end of year                                     | \$                   |                         |  |  | <u>12,298,176</u>                                    | <u>12,404,914</u>           | <u>24,703,090</u>  |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Balance Sheet

Governmental Funds

December 31, 2012

|                                       | <u>General</u>      | <u>Fire<br/>Improvement</u> | <u>Home<br/>Depot<br/>TIF</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------------|---------------------|-----------------------------|-------------------------------|--|---|
| <b>Assets</b>                         |                     |                             |                               |  |   |
| Equity in pooled cash and investments | \$ 86,776           | 10,816                      | 1,024,347                     | 1,376,749                                  | 2,498,688                               |
| Cash in segregated accounts           | -                   | -                           | -                             | 13,514                                     | 13,514                                  |
| Receivables:                          |                     |                             |                               |  |   |
| Property and other taxes              | 1,132,447           | 1,176,643                   | -                             | 75,750                                     | 2,384,840                               |
| Payment in lieu of taxes              | -                   | -                           | 254,080                       | 245,000                                    | 499,080                                 |
| Income taxes                          | 915,935             | -                           | -                             | -  | 915,935                                 |
| Accounts                              | 42,519              | 38,863                      | -                             | 3,166                                      | 84,548                                  |
| Intergovernmental                     | 114,886             | 62,230                      | 1,063,000                     | 220,640                                    | 1,460,756                               |
| Prepaid items                         | 8,896               | 8,333                       | -                             | 5,737                                      | 22,966                                  |
| Materials and supplies inventory      | -                   | -                           | -                             | 13,632                                     | 13,632                                  |
| Advances to other funds               | 225,411             | -                           | -                             | -  | 225,411                                 |
| Total assets                          | <u>2,526,870</u>    | <u>1,296,885</u>            | <u>2,341,427</u>              | <u>1,954,188</u>                           | <u>8,119,370</u>                        |
| <b>Liabilities:</b>                   |                     |                             |                               |  |   |
| Accounts payable                      | 4,236               | 3,982                       | 724,185                       | 27,387                                     | 759,790                                 |
| Retainage payable                     | -                   | -                           | 62,973                        | -  | 62,973                                  |
| Accrued salaries                      | 56,610              | 49,730                      | -                             | 13,625                                     | 119,965                                 |
| Intergovernmental payable             | 51,097              | 143,100                     | -                             | 90,271                                     | 284,468                                 |
| Advances from other funds             | -                   | -                           | -                             | 35,411                                     | 35,411                                  |
| Notes payable                         | -                   | 310,000                     | 1,250,000                     | 275,000                                    | 1,835,000                               |
| Deferred revenue                      | 1,734,845           | 1,238,873                   | 1,317,080                     | 449,239                                    | 4,740,037                               |
| Total liabilities                     | <u>1,846,788</u>    | <u>1,745,685</u>            | <u>3,354,238</u>              | <u>890,933</u>                             | <u>7,837,644</u>                        |
| <b>Fund balances:</b>                 |                     |                             |                               |  |   |
| Nonspendable                          | 44,307              | 8,333                       | -                             | 19,369                                     | 72,009                                  |
| Restricted                            | -                   | -                           | -                             | 675,513                                    | 675,513                                 |
| Committed                             | -                   | -                           | -                             | 70,850                                     | 70,850                                  |
| Assigned                              | 562,112             | -                           | -                             | 386,152                                    | 948,264                                 |
| Unassigned                            | 73,663              | (457,133)                   | (1,012,811)                   | (88,629)                                   | (1,484,910)                             |
| Total fund balances                   | <u>680,082</u>      | <u>(448,800)</u>            | <u>(1,012,811)</u>            | <u>1,063,255</u>                           | <u>281,726</u>                          |
| Total liabilities and fund balances   | \$ <u>2,526,870</u> | <u>1,296,885</u>            | <u>2,341,427</u>              | <u>1,954,188</u>                           | <u>8,119,370</u>                        |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2012

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**Total governmental fund balances** \$ 281,726

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 17,715,453

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 2,000,418

In the statement of net position, interest is accrued on outstanding bonds and loan, whereas in governmental funds, interest is accrued when due. (48,662)

Unamortized bond issuance costs are not recognized in the funds. 78,256

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                | (3,533,256)      |                    |
| ODOT loan payable            | (263,188)        |                    |
| OPWC loan payable            | (1,670,599)      |                    |
| Capital lease payable        | (1,499,017)      |                    |
| Compensated absences payable | <u>(762,955)</u> | <u>(7,729,015)</u> |

**Net position of governmental activities** \$ 12,298,176

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, 2012

|  | General                  | Fire<br>Improvement     | Home<br>Depot<br>TIF      | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------|-------------------------|---------------------------|-----------------------------------|--------------------------------|
| <b>Revenues:</b>                             |                          |                         |                           |                                   |                                |
| Property and other taxes                     | \$ 1,148,724             | 1,154,249               | -                         | 171,010                           | 2,473,983                      |
| Income taxes                                 | 3,092,518                | -                       | -                         | -                                 | 3,092,518                      |
| Payment in lieu of taxes                     | -                        | -                       | 206,092                   | 246,771                           | 452,863                        |
| Intergovernmental                            | 402,593                  | 122,900                 | -                         | 1,064,043                         | 1,589,536                      |
| Charges for services                         | 865                      | 868,456                 | -                         | 11,816                            | 881,137                        |
| Fines, costs and forfeitures                 | 191,202                  | -                       | -                         | 5,849                             | 197,051                        |
| Licenses, permits and inspections            | 213,233                  | -                       | -                         | -                                 | 213,233                        |
| Interest                                     | 28,313                   | -                       | -                         | -                                 | 28,313                         |
| Contributions                                | 5,699                    | 30                      | -                         | 41,541                            | 47,270                         |
| Other  | 242,882                  | 19,002                  | -                         | 76,078                            | 337,962                        |
| Total revenues                               | <u>5,326,029</u>         | <u>2,164,637</u>        | <u>206,092</u>            | <u>1,617,108</u>                  | <u>9,313,866</u>               |
| <b>Expenditures:</b>                         |                          |                         |                           |                                   |                                |
| Current:                                     |                          |                         |                           |                                   |                                |
| Security of persons and property             | 2,416,806                | 3,241,846               | -                         | 365,910                           | 6,024,562                      |
| Public health services                       | 13,083                   | -                       | -                         | 293,318                           | 306,401                        |
| Leisure time activities                      | 59,284                   | -                       | -                         | 141,013                           | 200,297                        |
| Community and economic development           | 100,612                  | -                       | -                         | -                                 | 100,612                        |
| Transportation                               | -                        | -                       | -                         | 632,330                           | 632,330                        |
| General government                           | 778,636                  | -                       | 232,517                   | 113,866                           | 1,125,019                      |
| Capital outlay                               | 153,584                  | 409,999                 | 1,067,045                 | 817,815                           | 2,448,443                      |
| Debt Service:                                |                          |                         |                           |                                   |                                |
| Principal retirement                         | 36,002                   | 187,030                 | -                         | 404,488                           | 627,520                        |
| Interest and fiscal charges                  | 1,957                    | 66,694                  | -                         | 179,248                           | 247,899                        |
| Total expenditures                           | <u>3,559,964</u>         | <u>3,905,569</u>        | <u>1,299,562</u>          | <u>2,947,988</u>                  | <u>11,713,083</u>              |
| Excess of revenues over (under) expenditures | <u>1,766,065</u>         | <u>(1,740,932)</u>      | <u>(1,093,470)</u>        | <u>(1,330,880)</u>                | <u>(2,399,217)</u>             |
| <b>Other financing sources (uses):</b>       |                          |                         |                           |                                   |                                |
| Transfers in                                 | -                        | 1,338,970               | -                         | 995,535                           | 2,334,505                      |
| Transfers out                                | (2,081,600)              | -                       | (79,775)                  | (144,661)                         | (2,306,036)                    |
| OPWC loans issued                            | -                        | -                       | -                         | 352,467                           | 352,467                        |
| Inception of capital lease                   | 118,036                  | 385,012                 | -                         | -                                 | 503,048                        |
| Total other financing sources (uses)         | <u>(1,963,564)</u>       | <u>1,723,982</u>        | <u>(79,775)</u>           | <u>1,203,341</u>                  | <u>883,984</u>                 |
| Net change in fund balances                  | (197,499)                | (16,950)                | (1,173,245)               | (127,539)                         | (1,515,233)                    |
| Fund balance, beginning of year              | <u>877,581</u>           | <u>(431,850)</u>        | <u>160,434</u>            | <u>1,190,794</u>                  | <u>1,796,959</u>               |
| Fund balance, end of year                    | \$ <u><u>680,082</u></u> | <u><u>(448,800)</u></u> | <u><u>(1,012,811)</u></u> | <u><u>1,063,255</u></u>           | <u><u>281,726</u></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, 2012

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|  |                            |
|--|----------------------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$ (1,515,233)             |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>  |                            |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:   |                            |
| Capital outlay   | 2,390,546                  |
| Depreciation expense   | (515,161)                  |
| In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.  |                            |
|  | (93,417)                   |
| 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.  |                            |
|  | 1,038,450                  |
| 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   | (43,931)                   |
| Interest on long-term debt   | 5,096                      |
| Amortization of issuance costs   | (3,020)                    |
| Amortization of bond premiums  | 3,020                      |
| Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, these amounts consisted of general obligation bonds, ODOT, OPWC loans and capital leases. |                            |
|  | 627,520                    |
| 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 position.   |                            |
|  | (503,048)                  |
| 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 position.  |                            |
|  | <u>(352,467)</u>           |
| <b>Change in net position of governmental activities</b>   | <b>\$ <u>1,038,355</u></b> |

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, 2012

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>      | <u>Variance<br/>From Final<br/>Budget</u> |
|--|----------------------------|-------------------------|--------------------|---|
| <b>Revenues:</b>                       |                            |                         |                    |   |
| Property and other taxes               | \$ 1,198,556               | 1,198,556               | 1,148,724          | (49,832)                                  |
| Income taxes                           | 3,220,800                  | 3,220,800               | 3,097,806          | (122,994)                                 |
| Intergovernmental                      | 315,356                    | 316,856                 | 319,262            | 2,406                                     |
| Charges for services                   | 68,900                     | 67,900                  | 67,981             | 81  |
| Fines, costs and forfeitures           | 200,000                    | 200,000                 | 186,506            | (13,494)                                  |
| Licenses, permits and inspections      | 188,250                    | 188,250                 | 211,756            | 23,506                                    |
| Interest                               | 20,000                     | 20,000                  | 27,730             | 7,730                                     |
| Contributions                          | -                          | -                       | 2,460              | 2,460                                     |
| Other                                  | 65,007                     | 56,000                  | 55,907             | (93)                                      |
| Total revenues                         | <u>5,276,869</u>           | <u>5,268,362</u>        | <u>5,118,132</u>   | <u>(150,230)</u>                          |
| <b>Expenditures:</b>                   |                            |                         |                    |   |
| Current:                               |                            |                         |                    |   |
| General government                     | 971,908                    | 947,400                 | 852,162            | 95,238                                    |
| Security of persons and property       | 2,781,809                  | 2,477,147               | 2,456,029          | 21,118                                    |
| Public health services                 | 13,083                     | 13,083                  | 13,083             | -   |
| Community and economic development     | 152,152                    | 122,152                 | 101,575            | 20,577                                    |
| Leisure time activity                  | 58,174                     | 55,174                  | 51,037             | 4,137                                     |
| Total expenditures                     | <u>3,977,126</u>           | <u>3,614,956</u>        | <u>3,473,886</u>   | <u>141,070</u>                            |
| Excess of revenues over expenditures   | <u>1,299,743</u>           | <u>1,653,406</u>        | <u>1,644,246</u>   | <u>(9,160)</u>                            |
| <b>Other financing sources (uses):</b> |                            |                         |                    |   |
| Advances in                            | 50,000                     | 50,000                  | 50,000             | -   |
| Transfers out                          | <u>(1,784,672)</u>         | <u>(2,109,075)</u>      | <u>(2,081,600)</u> | <u>27,475</u>                             |
| Total other financing sources (uses)   | <u>(1,734,672)</u>         | <u>(2,059,075)</u>      | <u>(2,031,600)</u> | <u>27,475</u>                             |
| Net change in fund balance             | (434,929)                  | (405,669)               | (387,354)          | 18,315                                    |
| Fund balance, beginning of year        | 400,601                    | 400,601                 | 400,601            |   |
| Prior year encumbrances appropriated   | <u>25,752</u>              | <u>25,752</u>           | <u>25,752</u>      |   |
| Fund balance, end of year              | <u>\$ (8,576)</u>          | <u>20,684</u>           | <u>38,999</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, 2012

|  | Original<br>Budget  | Final<br>Budget    | Actual             | Variance<br>From Final<br>Budget |
|--|---------------------|--------------------|--------------------|----------------------------------|
| <b>Revenues:</b>                             |                     |                    |                    |                                  |
| Property and other taxes                     | \$ 1,205,243        | 1,205,243          | 1,154,249          | (50,994)                         |
| Intergovernmental                            | 113,268             | 113,268            | 122,900            | 9,632                            |
| Charges for services                         | 876,152             | 876,152            | 830,501            | (45,651)                         |
| Other  | 5,000               | 5,000              | 19,033             | 14,033                           |
| Total revenues                               | <u>2,199,663</u>    | <u>2,199,663</u>   | <u>2,126,683</u>   | <u>(72,980)</u>                  |
| <b>Expenditures:</b>                         |                     |                    |                    |                                  |
| Current:                                     |                     |                    |                    |                                  |
| Security of persons and property             |                     |                    |                    |                                  |
| Fire Department                              |                     |                    |                    |                                  |
| Personal services                            | 2,957,681           | 2,957,681          | 2,925,543          | 32,138                           |
| Operations/maintenance                       | 662,069             | 627,070            | 585,999            | 41,071                           |
| Total security of persons and property       | <u>3,619,750</u>    | <u>3,584,751</u>   | <u>3,511,542</u>   | <u>73,209</u>                    |
| Capital outlay                               |                     |                    |                    |                                  |
| Capital improvements                         | 25,000              | 25,000             | 24,987             | 13                               |
| Total capital outlay                         | <u>25,000</u>       | <u>25,000</u>      | <u>24,987</u>      | <u>13</u>                        |
| Total expenditures                           | <u>3,644,750</u>    | <u>3,609,751</u>   | <u>3,536,529</u>   | <u>73,222</u>                    |
| Excess of revenues over (under) expenditures | <u>(1,445,087)</u>  | <u>(1,410,088)</u> | <u>(1,409,846)</u> | <u>242</u>                       |
| <b>Other financing source (uses):</b>        |                     |                    |                    |                                  |
| Tax anticipation notes issued                | 310,000             | 310,000            | 310,000            | -                                |
| Transfers in                                 | 699,713             | 1,339,212          | 1,338,970          | (242)                            |
| Transfers out                                | (330,000)           | (320,000)          | (320,000)          | -                                |
| Total other financing sources (uses)         | <u>679,713</u>      | <u>1,329,212</u>   | <u>1,328,970</u>   | <u>(242)</u>                     |
| Net change in fund balance                   | (765,374)           | (80,876)           | (80,876)           | -                                |
| Fund balance, beginning of year              | 67,697              | 67,697             | 67,697             |                                  |
| Prior year encumbrances appropriated         | 13,179              | 13,179             | 13,179             |                                  |
| Fund balance, end of year                    | <u>\$ (684,498)</u> | <u>-</u>           | <u>-</u>           |                                  |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Statement of Net Position

Proprietary Funds

December 31, 2012

|  | <u>Business-type Activities - Enterprise Funds</u> |                   |                  |                   |
|--|--|-------------------|------------------|-------------------|
|  | <u>Water</u>                                       | <u>Sewer</u>      | <u>Non-major</u> | <u>Total</u>      |
| <b>Assets</b>  |  |                   |                  |                   |
| Current assets:  |  |                   |                  |                   |
| Equity in pooled cash and investments                    | \$ 1,273,161                                       | 169,930           | 304,015          | 1,747,106         |
| Receivables:   |  |                   |                  |                   |
| Accounts   | 96,272   | 247,838           | 51,538           | 395,648           |
| Prepaid items  | 5,417  | 12,083            | -                | 17,500            |
| Materials and supplies inventory                         | <u>105,174</u>                                     | <u>691</u>        | <u>-</u>         | <u>105,865</u>    |
| Total current assets                                     | <u>1,480,024</u>                                   | <u>430,542</u>    | <u>355,553</u>   | <u>2,266,119</u>  |
| Noncurrent assets:                                       |  |                   |                  |                   |
| Deferred charges   | -  | 462,670           | -                | 462,670           |
| Restricted assets:                                       |  |                   |                  |                   |
| Cash and investments with fiscal agent                   | -  | 2,131,205         | -                | 2,131,205         |
| Advances to other funds                                  | -  | 17,178            | -                | 17,178            |
| Non-depreciable capital assets                           | 661,047  | 277,075           | -                | 938,122           |
| Depreciable capital assets, net                          | <u>13,788,578</u>                                  | <u>19,693,679</u> | <u>2,014,638</u> | <u>35,496,895</u> |
| Total non-current assets                                 | <u>14,449,625</u>                                  | <u>22,581,807</u> | <u>2,014,638</u> | <u>39,046,070</u> |
| Total assets   | <u>15,929,649</u>                                  | <u>23,012,349</u> | <u>2,370,191</u> | <u>41,312,189</u> |
| <b>Liabilities</b>                                       |  |                   |                  |                   |
| Current liabilities:                                     |  |                   |                  |                   |
| Accounts payable   | 23,718   | 16,764            | 200              | 40,682            |
| Accrued salaries   | 8,409  | 10,036            | -                | 18,445            |
| Intergovernmental payable                                | 7,154  | 11,494            | -                | 18,648            |
| Accrued interest payable                                 | 101,860  | 107,845           | -                | 209,705           |
| Compensated absences payable                             | 3,409  | 7,720             | -                | 11,129            |
| Advances from other funds                                | -  | -                 | 207,178          | 207,178           |
| Capital lease payable, current portion of                | 26,785   | -                 | -                | 26,785            |
| Revenue bonds payable, current portion of                | -  | 780,000           | -                | 780,000           |
| General obligation bonds payable, current portion of     | -  | 170,000           | -                | 170,000           |
| OPWC loans payable, current portion of                   | -  | 92,308            | 21,030           | 113,338           |
| OWDA loans payable, current portion of                   | <u>370,688</u>                                     | <u>-</u>          | <u>-</u>         | <u>370,688</u>    |
| Total current liabilities                                | <u>542,023</u>                                     | <u>1,196,167</u>  | <u>228,408</u>   | <u>1,966,598</u>  |
| Long-term liabilities:                                   |  |                   |                  |                   |
| Capital lease payable, net of current portion            | 43,891   | -                 | -                | 43,891            |
| Revenue bonds payable, net of current portion            | -  | 14,716,247        | -                | 14,716,247        |
| General obligation bonds payable, net of current portion | -  | 5,504,248         | -                | 5,504,248         |
| OPWC loans payable, net of current portion               | -  | 1,292,318         | 325,965          | 1,618,283         |
| OWDA loans payable, net of current portion               | 4,917,607  | -                 | -                | 4,917,607         |
| Compensated absences payable, net of current portion     | <u>50,682</u>                                      | <u>89,719</u>     | <u>-</u>         | <u>140,401</u>    |
| Total long-term liabilities                              | <u>5,012,180</u>                                   | <u>21,602,532</u> | <u>325,965</u>   | <u>26,940,677</u> |
| Total liabilities  | <u>5,554,203</u>                                   | <u>22,798,699</u> | <u>554,373</u>   | <u>28,907,275</u> |
| <b>Net Position</b>                                      |  |                   |                  |                   |
| Net investment in capital assets                         | 9,090,654  | (2,121,697)       | 1,667,643        | 8,636,600         |
| Restricted for debt service                              | -  | 2,131,205         | -                | 2,131,205         |
| Unrestricted   | <u>1,284,792</u>                                   | <u>204,142</u>    | <u>148,175</u>   | <u>1,637,109</u>  |
| Total net position                                       | <u>\$ 10,375,446</u>                               | <u>213,650</u>    | <u>1,815,818</u> | <u>12,404,914</u> |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**  
Statement of Revenues, Expenses  
and Changes in Net Position  
Proprietary Funds  
Year Ended December 31, 2012

|   | <u>Business-type Activities - Enterprise Funds</u> |                       |                         |                          |
|---|--|-----------------------|-------------------------|--------------------------|
|   | <u>Water</u>                                       | <u>Sewer</u>          | <u>Non-major</u>        | <u>Total</u>             |
| <b>Operating revenues:</b>                |  |                       |                         |                          |
| Charges for services                      | \$ 1,415,656                                       | 3,207,159             | 571,910                 | 5,194,725                |
| Other                                     | <u>4,763</u>                                       | <u>482</u>            | <u>702</u>              | <u>5,947</u>             |
| Total operating revenues                  | <u>1,420,419</u>                                   | <u>3,207,641</u>      | <u>572,612</u>          | <u>5,200,672</u>         |
| <b>Operating expenses:</b>                |  |                       |                         |                          |
| Personnel services                        | 407,242  | 552,859               | -                       | 960,101                  |
| Contractual services                      | 251,115  | 456,932               | 414,627                 | 1,122,674                |
| Supplies and materials                    | 177,209  | 167,753               | -                       | 344,962                  |
| Other                                     | 119,046  | 155,213               | 2,500                   | 276,759                  |
| Depreciation                              | <u>440,644</u>                                     | <u>810,502</u>        | <u>46,613</u>           | <u>1,297,759</u>         |
| Total operating expenses                  | <u>1,395,256</u>                                   | <u>2,143,259</u>      | <u>463,740</u>          | <u>4,002,255</u>         |
| Operating income                          | 25,163   | 1,064,382             | 108,872                 | 1,198,417                |
| <b>Non-operating revenues (expenses):</b> |  |                       |                         |                          |
| Interest revenue                          | -  | 948                   | -                       | 948                      |
| Interest expense and fiscal charges       | <u>(205,935)</u>                                   | <u>(1,319,589)</u>    | <u>-</u>                | <u>(1,525,524)</u>       |
| Total non-operating revenues (expenses)   | <u>(205,935)</u>                                   | <u>(1,318,641)</u>    | <u>-</u>                | <u>(1,524,576)</u>       |
| Income (loss) before transfers            | (180,772)  | (254,259)             | 108,872                 | (326,159)                |
| Transfers out                             | <u>-</u>   | <u>-</u>              | <u>(28,469)</u>         | <u>(28,469)</u>          |
| Change in net position                    | (180,772)  | (254,259)             | 80,403                  | (354,628)                |
| Net position, beginning of year           | <u>10,556,218</u>                                  | <u>467,909</u>        | <u>1,735,415</u>        | <u>12,759,542</u>        |
| Net position, end of year                 | \$ <u><u>10,375,446</u></u>                        | <u><u>213,650</u></u> | <u><u>1,815,818</u></u> | <u><u>12,404,914</u></u> |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2012

|   | <u>Business-type Activities - Enterprise Funds</u> |                    |                  |                    |
|---|--|--------------------|------------------|--------------------|
|   | <u>Water</u>                                       | <u>Sewer</u>       | <u>Non-major</u> | <u>Total</u>       |
| <b>Cash flows from operating activities:</b>  |  |                    |                  |                    |
| Cash received from customers  | \$ 1,418,865                                       | 3,204,112          | 564,587          | 5,187,564          |
| Cash payments for employee services and benefits  | (400,492)  | (510,128)          | -                | (910,620)          |
| Cash payments to suppliers for goods and services                                       | (519,280)  | (797,546)          | (451,939)        | (1,768,765)        |
| Cash payments for other operating expenses  | (122,297)  | (158,464)          | (2,500)          | (283,261)          |
| Cash received from other operating revenue  | 2,960  | 482                | 702              | 4,144              |
| Net cash provided by operating activities   | <u>379,756</u>                                     | <u>1,738,456</u>   | <u>110,850</u>   | <u>2,229,062</u>   |
| <b>Cash flows from noncapital financing activities:</b>                                 |  |                    |                  |                    |
| Transfers   | -  | -                  | (28,469)         | (28,469)           |
| Return advances to other funds  | -  | -                  | (50,000)         | (50,000)           |
| Net cash used by noncapital financing activities  | <u>-</u>   | <u>-</u>           | <u>(78,469)</u>  | <u>(78,469)</u>    |
| <b>Cash flows from capital and related financing activities:</b>                        |  |                    |                  |                    |
| Acquisition of capital assets   | (19,867)   | (383,398)          | -                | (403,265)          |
| Issuance of bonds   | -  | 16,550,000         | -                | 16,550,000         |
| Principal retirement  | (369,353)  | (16,607,308)       | (21,030)         | (16,997,691)       |
| Interest paid   | (210,310)  | (1,909,868)        | -                | (2,120,178)        |
| OWDA loan   | 15,605   | -                  | -                | 15,605             |
| Net cash used by capital and related financing activities                               | <u>(583,925)</u>                                   | <u>(2,350,574)</u> | <u>(21,030)</u>  | <u>(2,955,529)</u> |
| <b>Cash flows from investing activities:</b>  |  |                    |                  |                    |
| Interest  | -  | 948                | -                | 948                |
| Net change  | (204,169)  | (611,170)          | 11,351           | (803,988)          |
| Cash and pooled investments beginning of year   | <u>1,477,330</u>                                   | <u>2,912,305</u>   | <u>292,664</u>   | <u>4,682,299</u>   |
| Cash and pooled investments end of year   | <u>1,273,161</u>                                   | <u>2,301,135</u>   | <u>304,015</u>   | <u>3,878,311</u>   |
| Reconciliation of operating income to net cash provided by operating activities:        |  |                    |                  |                    |
| Operating income  | 25,163   | 1,064,382          | 108,872          | 1,198,417          |
| Adjustments to reconcile operating income to net cash provided by operating activities: |  |                    |                  |                    |
| Depreciation  | 440,644  | 810,502            | 46,613           | 1,297,759          |
| Changes in assets and liabilities:  |  |                    |                  |                    |
| Receivables   | 1,406  | (3,047)            | (7,323)          | (8,964)            |
| Prepaid items   | (2,003)  | (6,484)            | -                | (8,487)            |
| Materials and supplies inventory  | (31,171)   | 1,690              | -                | (29,481)           |
| Accounts payable  | (57,619)   | (165,719)          | (37,312)         | (260,650)          |
| Accrued salaries  | 2,721  | 2,609              | -                | 5,330              |
| Intergovernmental payable   | 663  | (145)              | -                | 518                |
| Compensated absences payable  | (48)   | 34,668             | -                | 34,620             |
| Net cash provided by operating activities   | <u>\$ 379,756</u>                                  | <u>1,738,456</u>   | <u>110,850</u>   | <u>2,229,062</u>   |
| <b>Schedule of non-cash capital and related financing activities:</b>                   |  |                    |                  |                    |
| Capital assets acquired through capital leases  | <u>\$ 81,623</u>                                   | <u>-</u>           | <u>-</u>         |                    |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2012

*Assets*

|                             |    |                      |
|-----------------------------|----|----------------------|
| Cash in segregated accounts | \$ | <u>12,004</u>        |
| Total assets                |    | <u><u>12,004</u></u> |

*Liabilities*

|                           |    |                      |
|---------------------------|----|----------------------|
| Intergovernmental payable |    | <u>12,004</u>        |
| Total liabilities         | \$ | <u><u>12,004</u></u> |

See accompanying notes to the basic financial statements.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

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

**A. Reporting Entity**

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

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

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

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

**Jointly Governed Organization**

**Harrison Township-City of Harrison Joint Economic Development District**

In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received \$103,725 in revenues through the JEDD in 2012.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**B. Basis of Presentation**

***Government-wide Financial Statements***

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

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

***Fund Financial Statements***

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

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

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

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

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

***Home Depot TIF Fund*** – This fund accounts for payments in lieu of taxes received from this TIF District for public improvements.



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

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

**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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**C. Measurement Focus** - *continued*

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

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

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

Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total 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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**C. Measurement Focus** - *continued*

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 statement of net position 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.

**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 2012, investments were limited to STAR Ohio, U.S. Government money market mutual funds, and 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 2012. 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, 2012.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2012, interest revenue credited to the general fund amounted to \$28,313, which includes \$27,327 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 \$2,131,205 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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**E. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**F. Supplies Inventory**

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

**G. Capital Assets**

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

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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**I. Accrued Liabilities and Long-Term Obligations**

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

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

**J. Interfund Balances**

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

**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, 2012**

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

**M. Accounting Estimates**

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

**N. Grants and Other Intergovernmental Revenues**

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

**O. Fund Balances**

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted into cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

***Restricted*** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**O. Fund Balances** - *continued*

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**P. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when the limitations imposed on its use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2012, none of the City's net position was restricted by enabling legislation.

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

**Q. Budgetary Process**

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

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted supplemental appropriations during 2012.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**Q. Budgetary Process** - *continued*

***Tax Budget***

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

***Estimated Resources***

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

***Appropriations***

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

***Encumbrances***

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



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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

**Q. Budgetary Process** - *continued*

*Lapsing of Appropriations*

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES**

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants' (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position.

**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 restricted, committed or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) rather than as an interfund receivables/payables (GAAP basis).

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING** –*continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2012, on the GAAP basis to the budget basis are as follows:

|  | <u>General<br/>Fund</u>    | <u>Fire<br/>Improvement</u> |
|--|----------------------------|-----------------------------|
| Net change in fund balance - <i>GAAP Basis</i>   | \$ (197,499)               | (16,950)                    |
| Net adjustment for revenue accruals              | (207,897)                  | (37,954)                    |
| Net adjustment for expenditure accruals          | 96,662                     | 379,855                     |
| Encumbrances                                     | (10,584)                   | (10,815)                    |
| Other sources (uses)                             | <u>(68,036)</u>            | <u>(395,012)</u>            |
| Net change in fund balance - <i>Budget Basis</i> | \$ <u><u>(387,354)</u></u> | <u><u>(80,876)</u></u>      |

**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 position and balance sheets as "Equity in Pooled Cash and Investments".

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

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

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

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

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 4 - DEPOSITS AND INVESTMENTS** – *continued*

- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasury Assets Reserve of Ohio (STAR Ohio ); 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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 4 - DEPOSITS AND INVESTMENTS** – *continued*

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

At December 31, 2012, the carrying amount of all City deposits was \$4,080,551. \$3,217,487 of the City’s bank balance of \$4,482,996 was exposed to custodial risk as discussed above, while \$1,265,509 as covered by FDIC.

Investments: The City’s investments at December 31, 2012 are summarized as follows:

| Investment Type | Fair<br>Value | Maturity<br>6 months<br>or less |
|-----------------|---------------|---------------------------------|
| Negotiable CD's | \$ 179,034    | 179,034                         |
| STAR Ohio       | 9,828         | 9,828                           |
| Money Market    | 2,133,104     | 2,133,104                       |
|                 | \$ 2,321,966  | 2,321,966                       |

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

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’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.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 4 - DEPOSITS AND INVESTMENTS** – *continued*

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2012:

| Investment Type | Fair Value   | Percent of Total |
|-----------------|--------------|------------------|
| Negotiable CD's | \$ 179,034   | 7.7%             |
| STAR Ohio       | 9,828        | 0.4%             |
| Money Market    | 2,133,104    | 91.9%            |
|                 | \$ 2,321,966 | 100.0%           |

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

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes are levied after October 1, 2012 on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property current is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes, which became a lien December 31, 2011 are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 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 2012 operations and the collection of the delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as deferred.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**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 2012:

|                             |    | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------|----|---------------------|----------------------|
| General Fund                | \$ | -                   | 2,081,600            |
| Fire Improvement            |    | 1,338,970           | -                    |
| Home Depot TIF              |    |                     | 79,775               |
| Nonmajor governmental funds |    | 995,535             | 144,661              |
| Nonmajor enterprise fund    |    | -                   | 28,469               |
|                             | \$ | <u>2,334,505</u>    | <u>2,334,505</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, 2012:

|                             |    | <u>Advances to<br/>Other Funds</u> | <u>Advances from<br/>Other Funds</u> |
|-----------------------------|----|------------------------------------|--------------------------------------|
| General Fund                | \$ | 225,411                            | -                                    |
| Nonmajor governmental funds |    | -                                  | 35,411                               |
| Sewer                       |    | 17,178                             | -                                    |
| Nonmajor enterprise funds   |    | -                                  | 207,178                              |
|                             | \$ | <u>242,589</u>                     | <u>242,589</u>                       |

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 7 – INTERFUND ACTIVITY – continued**

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

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

|   | <u>Beginning</u>     |                  | <u>Increases</u>   | <u>Decreases</u> | <u>Ending</u>      |
|---|----------------------|------------------|--------------------|------------------|--------------------|
|   | <u>Balance</u>       |                  |                    |                  | <u>Balance</u>     |
| <b>Governmental Activities</b>                      |                      |                  |                    |                  |                    |
| <b><i>Capital assets not being depreciated:</i></b> |                      |                  |                    |                  |                    |
| Land  | \$ 3,015,891         | -                | -                  | -                | 3,015,891          |
| Construction in progress                            | <u>1,214,196</u>     | <u>1,838,498</u> | <u>(1,925,238)</u> | -                | <u>1,127,456</u>   |
| Total capital assets not being depreciated          | <u>4,230,087</u>     | <u>1,838,498</u> | <u>(1,925,238)</u> | -                | <u>4,143,347</u>   |
| <b><i>Capital assets being depreciated:</i></b>     |                      |                  |                    |                  |                    |
| Land improvements                                   | 804,817              | -                | -                  | -                | 804,817            |
| Buildings and improvements                          | 3,946,240            | -                | -                  | -                | 3,946,240          |
| Furniture and equipment                             | 743,146              | -                | (6,100)            | -                | 737,046            |
| Vehicles  | 2,556,913            | 552,048          | (420,987)          | -                | 2,687,974          |
| Infrastructure                                      | <u>8,647,804</u>     | <u>1,925,238</u> | -                  | -                | <u>10,573,042</u>  |
| Total capital assets being depreciated              | <u>16,698,920</u>    | <u>2,477,286</u> | <u>(427,087)</u>   | -                | <u>18,749,119</u>  |
| Less accumulated depreciation:                      |                      |                  |                    |                  |                    |
| Land improvements                                   | (710,507)            | (28,582)         | -                  | -                | (739,089)          |
| Buildings and improvements                          | (1,716,224)          | (76,760)         | -                  | -                | (1,792,984)        |
| Furniture and equipment                             | (473,471)            | (24,270)         | 6,100              | -                | (491,641)          |
| Vehicles  | (1,435,864)          | (213,305)        | 327,570            | -                | (1,321,599)        |
| Infrastructure                                      | <u>(659,456)</u>     | <u>(172,244)</u> | -                  | -                | <u>(831,700)</u>   |
| Total accumulated depreciation                      | <u>(4,995,522)</u>   | <u>(515,161)</u> | <u>333,670</u>     | -                | <u>(5,177,013)</u> |
| Total capital assets being depreciated, net         | <u>11,703,398</u>    | <u>1,962,125</u> | <u>(93,417)</u>    | -                | <u>13,572,106</u>  |
| Capital assets, net                                 | \$ <u>15,933,485</u> | <u>3,800,623</u> | <u>(2,018,655)</u> | -                | <u>17,715,453</u>  |

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 8 – CAPITAL ASSETS** – *continued*

Depreciation expense was charged to governmental functions as follows:

|                                  |                   |
|----------------------------------|-------------------|
| General government               | \$ 617            |
| Security of persons and property | 204,013           |
| Public health services           | 3,975             |
| Transportation                   | 256,054           |
| Leisure time activities          | <u>50,502</u>     |
| Total depreciation expense       | <u>\$ 515,161</u> |

|   | Beginning<br>Balance | Increases          | Decreases        | Ending<br>Balance   |
|---|----------------------|--------------------|------------------|---------------------|
| <b>Business-Type Activities</b>                     |                      |                    |                  |                     |
| <b><i>Capital assets not being depreciated:</i></b> |                      |                    |                  |                     |
| Land  | \$ 485,420           | -                  | -                | 485,420             |
| Construction in progress                            | <u>513,010</u>       | <u>403,265</u>     | <u>(463,573)</u> | <u>452,702</u>      |
| Total capital assets not being depreciated          | <u>998,430</u>       | <u>403,265</u>     | <u>(463,573)</u> | <u>938,122</u>      |
| <b><i>Capital assets being depreciated:</i></b>     |                      |                    |                  |                     |
| Land improvements                                   | 24,474               | -                  | -                | 24,474              |
| Buildings and improvements                          | 10,030,905           | -                  | -                | 10,030,905          |
| Furniture and equipment                             | 7,517,309            | -                  | -                | 7,517,309           |
| Vehicles  | 374,784              | 81,623             | -                | 456,407             |
| Infrastructure                                      | <u>32,017,164</u>    | <u>463,573</u>     | <u>-</u>         | <u>32,480,737</u>   |
| Total capital assets being depreciated              | <u>49,964,636</u>    | <u>545,196</u>     | <u>-</u>         | <u>50,509,832</u>   |
| Less accumulated depreciation:                      |                      |                    |                  |                     |
| Land improvements                                   | (24,474)             | -                  | -                | (24,474)            |
| Buildings and improvements                          | (2,991,284)          | (199,471)          | -                | (3,190,755)         |
| Furniture and equipment                             | (4,218,930)          | (447,349)          | -                | (4,666,279)         |
| Vehicles  | (289,166)            | (24,849)           | -                | (314,015)           |
| Infrastructure                                      | <u>(6,191,324)</u>   | <u>(626,090)</u>   | <u>-</u>         | <u>(6,817,414)</u>  |
| Total accumulated depreciation                      | <u>(13,715,178)</u>  | <u>(1,297,759)</u> | <u>-</u>         | <u>(15,012,937)</u> |
| Total capital assets being depreciated, net         | <u>36,249,458</u>    | <u>(752,563)</u>   | <u>-</u>         | <u>35,496,895</u>   |
| Capital assets, net                                 | <u>\$ 37,247,888</u> | <u>(349,298)</u>   | <u>(463,573)</u> | <u>36,435,017</u>   |



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 8 – CAPITAL ASSETS** – *continued*

Depreciation expense was charged to segments as follows:

|                                 |                     |
|---------------------------------|---------------------|
| <u>Major enterprise funds</u>   |                     |
| Water                           | \$ 440,644          |
| Sewer                           | 810,502             |
| <br>                            |                     |
| <u>Nonmajor enterprise fund</u> |                     |
| Storm water                     | <u>46,613</u>       |
| <br>                            |                     |
| Total depreciation expense      | \$ <u>1,297,759</u> |

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits. 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, by visiting <https://www.opers.org/investments/cafr.shtml>, or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. The 2012 member contribution rates were 10% of their annual salary for members in state and local classifications. The City was required to contribute 14% of covered payroll for employees. The City's required contributions to OPERS for pension obligations for the years ended December 31, 2012, 2011, and 2010 were \$188,000, \$213,000, and \$164,000 respectively; 75% has been contributed for 2012 and 100% for 2011 and 2010.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS** – *continued*

**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 Ohio Police & Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribution 19.5% and 24.0%, respectively for police officers and firefighters. For 2012 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, 2012, 2011, and 2010 were \$493,000, \$475,000 and \$453,000, respectively; 76% has been contributed for 2012 and 100% for 2011 and 2010.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

OPERS maintains a cost-sharing multiple employer defined benefit postemployment 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 postemployment health care coverage.

In order to qualify for postemployment 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 in 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 2012, state and local employers contributed at a rate of 14% of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 10 - POSTEMPLOYMENT BENEFITS** – *continued*

**Ohio Public Employees Retirement System** – *continued*

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees 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 for members in the Traditional Pension Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of the employer contributions allocated to health care was lowered to 1% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for 2012, 2011 and 2010 which were used to fund postemployment benefits were \$75,000, \$85,000, and \$93,000, respectively; 75% has been contributed for 2012 and 100% for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

**Ohio Police and Fire Pension Fund**

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

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

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

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

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 10 - POSTEMPLOYMENT BENEFITS** – *continued*

**Ohio Police and Fire Pension Fund** – *continued*

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 Service 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, 2012, 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 City's actual contributions for 2012, 2011 and 2010 that were used to fund post-employment benefits were \$222,000, \$214,000 and \$207,000, respectively; 76% has been contributed for 2012 and 100% for 2011 and 2010.

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.

**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 \$78,320 at December 31, 2012.

*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 \$836,165 at December 31, 2012.

**NOTE 12 - RISK MANAGEMENT**

*Risk Pool Membership*

The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as the Ohio Risk Management Plan, (the “Plan”), a non-assessable, unincorporated nonprofit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 12 - RISK MANAGEMENT** – *continued*

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan provides property, liability, errors and omissions, law enforcement, automobile, excessive liability, crime, surety and bond, inland marine and other coverage to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 41.5% (41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 782 and 761 members as of December 31, 2011 and 2010, respectively. Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform to accounting principles generally accepted in the United States of America and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010 (latest available):

|                 | <u>2011</u>         | <u>2010</u>         |
|-----------------|---------------------|---------------------|
| Assets          | \$ 12,501,280       | \$ 12,036,541       |
| Liabilities     | <u>(5,328,761)</u>  | <u>(4,845,056)</u>  |
| Members' Equity | <u>\$ 7,172,519</u> | <u>\$ 7,191,485</u> |

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

**Health Insurance**

During 2012, the City provided employees insurance for medical, dental, and life through Humana Insurance. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to \$797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

**Workers’ Compensation**

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

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

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 13 - LONG-TERM LIABILITIES**

The following is a summary of changes during 2012 and balances for governmental activities' long-term liabilities of the City as of December 31, 2012:

|   | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Due<br>Within<br>One Year |
|---|----------------------|-------------------|---------------------|---------------------|---------------------------|
| <b>Governmental activities:</b>                     |                      |                   |                     |                     |                           |
| <i><u>General Obligation Bonds</u></i>              |                      |                   |                     |                     |                           |
| 2005 Road and safety refunding bonds                | \$ 1,900,000         | \$ -              | \$ (200,000)        | \$ 1,700,000        | \$ 210,000                |
| 2009 Various purpose - Harrison Ave bike trail      | 1,145,000            | -                 | (20,000)            | 1,125,000           | 25,000                    |
| 2009 Various purpose - sidewalks                    | 655,000              | -                 | (25,000)            | 630,000             | 25,000                    |
| Add premium on issuance                             | 81,276               | -                 | (3,020)             | 78,256              | -                         |
| <i><u>OPWC loans</u></i>                            |                      |                   |                     |                     |                           |
| 2006 Jefferson Avenue project                       | 342,513              | -                 | (23,622)            | 318,891             | 23,622                    |
| 2009 Kater Street improvements                      | 526,672              | -                 | (28,469)            | 498,203             | 28,469                    |
| 2011 Carolina Trace improvements                    | 518,185              | 167,724           | (17,147)            | 668,762             | 34,296                    |
| 2012 Harrison Avenue improvements                   | -                    | 184,743           | -                   | 184,743             | 9,237                     |
| <i><u>ODOT loan</u></i>                             |                      |                   |                     |                     |                           |
| 2006 New Haven bridge                               | 333,481              | -                 | (70,293)            | 263,188             | 72,418                    |
| <i><u>Other long-term obligations</u></i>           |                      |                   |                     |                     |                           |
| Capital leases                                      | 1,238,958            | 503,048           | (242,989)           | 1,499,017           | 304,753                   |
| Compensated absences                                | 719,024              | 95,170            | (51,239)            | 762,955             | 67,191                    |
| Total governmental activities long-term obligations | <u>\$ 7,460,109</u>  | <u>\$ 950,685</u> | <u>\$ (681,779)</u> | <u>\$ 7,729,015</u> | <u>\$ 799,986</u>         |

*General Obligation Bonds*

On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds to finance road and safety improvements. The bonds bear interest rates ranging from 4.25% 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 Series 2000 various purpose general obligation bonds that were called in December 2010.

*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.

The general obligations are backed by the full faith and credit of the City and will be repaid from the Debt Service Fund.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 13 - LONG-TERM LIABILITIES** – *continued*

OPWC Loans

The City's Jefferson Avenue, Kater Street, Carolina Trace, and Harrison Avenue improvement projects were financed through interest-free loans by the Ohio Public Works Commission (OPWC). The Jefferson Avenue project loan is payable in semi-annual installments that began in 2006 and will mature in 2026. The Kater Street improvements project loan is payable in semi-annual payments that began in 2010 and will mature in 2030. The Carolina Trace improvements project was completed in 2012. The loan for this project is payable in semi-annual payments with the first payment due in July 2012 and will mature in 2032. The Harrison Avenue improvement project began in 2012 and is scheduled to be completed in 2013. The loan for this project will be payable in semi-annual payments with the first payment due in January 2013 and will mature in 2032. These loans are being repaid from the Debt Service Fund.

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. This loan is being repaid from the Debt Service Fund

Compensated Absences

Compensated absences for governmental activities will be liquidated by the fund which pays the employee's salary.

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

| Year Ending<br>December 31, | Governmental Activities       |                     |                         |                   |                   |                  |                     |
|-----------------------------|-------------------------------|---------------------|-------------------------|-------------------|-------------------|------------------|---------------------|
|                             | Various Purpose Series - 2009 |                     | Refunding Series - 2005 |                   | ODOT Loan         |                  | OPWC                |
|                             | Principal                     | Interest            | Principal               | Interest          | Principal         | Interest         | Principal           |
| 2013                        | \$ 50,000                     | \$ 81,612           | \$ 210,000              | \$ 75,550         | \$ 72,418         | \$ 7,357         | \$ 95,624           |
| 2014                        | 50,000                        | 80,612              | 220,000                 | 65,575            | 74,608            | 5,168            | 95,624              |
| 2015                        | 50,000                        | 79,362              | 230,000                 | 55,125            | 76,863            | 2,913            | 95,624              |
| 2016                        | 50,000                        | 77,863              | 245,000                 | 44,200            | 39,299            | 598              | 95,624              |
| 2017                        | 55,000                        | 76,362              | 255,000                 | 33,788            | -                 | -                | 95,624              |
| 2018-2022                   | 300,000                       | 351,225             | 540,000                 | 34,638            | -                 | -                | 478,118             |
| 2023-2027                   | 375,000                       | 278,251             | -                       | -                 | -                 | -                | 442,678             |
| 2028-2032                   | 425,000                       | 169,313             | -                       | -                 | -                 | -                | 271,683             |
| 2033-2037                   | 325,000                       | 72,450              | -                       | -                 | -                 | -                | -                   |
| 2038                        | 75,000                        | 3,938               | -                       | -                 | -                 | -                | -                   |
| Total                       | <u>\$ 1,755,000</u>           | <u>\$ 1,270,988</u> | <u>\$ 1,700,000</u>     | <u>\$ 308,875</u> | <u>\$ 263,188</u> | <u>\$ 16,036</u> | <u>\$ 1,670,599</u> |

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 13 - LONG-TERM LIABILITIES** – *continued*

The following is a summary of changes during 2012 and balances for business-type activities' long-term liabilities of the City as of December 31, 2012:

|  | Beginning<br>Balance | Additions            | Reductions             | Ending<br>Balance    | Due<br>Within<br>One Year |
|--|----------------------|----------------------|------------------------|----------------------|---------------------------|
| <b>Business-type activities:</b>                     |                      |                      |                        |                      |                           |
| <i>General Obligation Bonds</i>                      |                      |                      |                        |                      |                           |
| 2005 Sanitary Sewer Improvements                     | \$ 350,000           | \$ -                 | \$ (20,000)            | \$ 330,000           | \$ 20,000                 |
| 2010 Sanitary Sewer Improvements                     | 5,345,000            | -                    | (145,000)              | 5,200,000            | 150,000                   |
| Add premium on issuance                              | 150,520              | -                    | (6,272)                | 144,248              | -                         |
| <i>Revenue bond</i>                                  |                      |                      |                        |                      |                           |
| 2003 Revenue Improvement and Refunding               | 15,950,000           | -                    | (15,950,000)           | -                    | -                         |
| Add premium on issuance                              | 170,065              | -                    | (170,065)              | -                    | -                         |
| Deferred amount on refunding                         | (68,503)             | -                    | 68,503                 | -                    | -                         |
| 2012 Revenue Refunding                               | -                    | 16,550,000           | (400,000)              | 16,150,000           | 780,000                   |
| Add premium on issuance                              | -                    | 251,754              | (9,563)                | 242,191              | -                         |
| Deferred amount on refunding                         | -                    | (931,307)            | 35,363                 | (895,944)            | -                         |
| <i>OPWC loans</i>                                    |                      |                      |                        |                      |                           |
| State Street/Campbell Road sewer                     | 1,476,934            | -                    | (92,308)               | 1,384,626            | 92,308                    |
| Etta, Lellan and Joyce Avenue improvement            | 368,025              | -                    | (21,030)               | 346,995              | 21,030                    |
| <i>OWDA loans</i>                                    |                      |                      |                        |                      |                           |
| Water treatment plant                                | 653,278              | -                    | (55,110)               | 598,168              | 57,057                    |
| New Biddinger Rd./Caroline Trace Rd. water mains     | 1,498,786            | -                    | (81,230)               | 1,417,556            | 83,553                    |
| Wellfield/transmission water mains                   | 357,748              | -                    | (65,352)               | 292,396              | 67,753                    |
| Water main improvements                              | 1,529,133            | -                    | (63,152)               | 1,465,981            | 65,471                    |
| New Haven/Baughman Rd. water main improvement        | 83,358               | 15,605               | (31,964)               | 66,999               | 32,994                    |
| Elevated water storage tank                          | 1,508,793            | -                    | (61,598)               | 1,447,195            | 63,860                    |
| <i>Other long-term obligations</i>                   |                      |                      |                        |                      |                           |
| Capital leases                                       | -                    | 81,623               | (10,947)               | 70,676               | 26,785                    |
| Compensated absences                                 | 116,910              | 44,093               | (9,473)                | 151,530              | 11,129                    |
| Total business-type activities long-term obligations | <u>\$ 29,490,047</u> | <u>\$ 16,011,768</u> | <u>\$ (17,089,198)</u> | <u>\$ 28,412,617</u> | <u>\$ 1,471,940</u>       |

**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 4.125% to 4.75% 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 2.0% to 3.4% and mature in 2020. Term bonds of \$3,890,000 range in interest rates of 3.75% to 5.25% and mature at varying times from 2022 to 2035.



**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 13 - LONG-TERM LIABILITIES** – *continued*

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.

On May 4, 2012, the City issued \$16,550,000 in wastewater system revenue refunding bonds. The proceeds of the issuance were used to advance refund the outstanding balance of the 2003 wastewater system revenue improvements and refunding bonds. The advance refunding resulted in an economic gain (difference between the present values of the debt service payment on the old and new bonds) of \$1,000,564. The interest rates on the Series 2012 bonds range from 2% and 4% and will fully mature in 2028.

The general obligation bonds and mortgage revenue bonds are expected to be retired with revenues of the sewer fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within the limitations of Ohio law. The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$16,550,000 in Series 2012 wastewater system revenue refunding bonds. Principal and interest paid for the current year and net revenue available for debt service were \$643,076 and \$1,875,832, respectively.

OPWC Loans

Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvements were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2012, the City has two interest-free loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal. The amounts due to the OPWC are payable solely from sewer and storm water revenues.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2012, the City has outstanding borrowings of \$5,288,295. The loans are payable in semi-annual payments with interest rates ranging from 2.84% to 3.64%. The future annual debt service principal and interest requirements disclosed were based on the balances outstanding as of December 31, 2012.

Compensated Absences

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

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 13 - LONG-TERM LIABILITIES – continued**

Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2012 were:

| Year Ending<br>December 31, | Business-Type Activities |                     |                         |                     |                     |                     |                     |
|-----------------------------|--------------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|
|                             | General Obligation Bonds |                     | Revenue Refunding Bonds |                     | OPWC                | OWDA                |                     |
|                             | Principal                | Interest            | Principal               | Interest            | Principal           | Principal           | Interest            |
| 2013                        | \$ 170,000               | \$ 242,983          | \$ 780,000              | \$ 525,581          | \$ 113,338          | \$ 370,688          | \$ 197,167          |
| 2014                        | 175,000                  | 239,033             | 805,000                 | 502,181             | 113,339             | 383,340             | 200,121             |
| 2015                        | 180,000                  | 234,982             | 835,000                 | 468,181             | 113,339             | 361,385             | 171,592             |
| 2016                        | 185,000                  | 230,308             | 870,000                 | 436,581             | 113,339             | 373,853             | 159,122             |
| 2017                        | 190,000                  | 225,245             | 905,000                 | 401,781             | 113,338             | 314,574             | 171,957             |
| 2018-2022                   | 1,045,000                | 1,027,998           | 4,980,000               | 1,548,431           | 566,692             | 1,634,847           | 526,287             |
| 2023-2027                   | 1,160,000                | 809,806             | 5,715,000               | 810,962             | 566,691             | 1,464,100           | 281,868             |
| 2028-2032                   | 1,400,000                | 497,437             | 1,260,000               | 44,100              | 31,545              | 385,508             | 87,779              |
| 2033-2035                   | 1,025,000                | 109,462             | -                       | -                   | -                   | -                   | -                   |
| Total                       | <u>\$ 5,530,000</u>      | <u>\$ 3,617,254</u> | <u>\$ 16,150,000</u>    | <u>\$ 4,737,798</u> | <u>\$ 1,731,621</u> | <u>\$ 5,288,295</u> | <u>\$ 1,795,893</u> |

**NOTE 14 – SHORT-TERM OBLIGATIONS**

|                                 | Issue<br>Date | Maturity<br>Date | Interest<br>Rate | Balance<br>12/31/2011 | Increase            | Decrease            | Balance<br>12/31/2012 |
|---------------------------------|---------------|------------------|------------------|-----------------------|---------------------|---------------------|-----------------------|
| <b>Governmental Activities:</b> |               |                  |                  |                       |                     |                     |                       |
| Tax anticipation note           | 12/08/11      | 12/06/12         | 2.95%            | \$ 320,000            | \$ -                | \$ (320,000)        | \$ -                  |
| Bond anticipation note          | 10/25/12      | 10/24/13         | 1.65%            | -                     | 1,525,000           | -                   | 1,525,000             |
| Tax anticipation note           | 10/25/12      | 10/24/13         | 2.75%            | -                     | 310,000             | -                   | 310,000               |
| Total                           |               |                  |                  | <u>\$ 320,000</u>     | <u>\$ 1,835,000</u> | <u>\$ (320,000)</u> | <u>\$ 1,835,000</u>   |

On December 8, 2011, the City retired \$400,000 in tax anticipation notes and reissued \$320,000 notes in anticipation of taxes from the fire improvement levy for providing ambulance, paramedic and emergency medical services. The notes had an interest rate of 2.95%. On October 25, 2012, the City issued \$310,000 in tax anticipation notes that provided funding to rollover the December 2011 tax anticipation notes. These notes bear an interest rate of 2.75% and mature on October 24, 2013.

On October 25, 2012, the City issued \$1,525,000 in bond anticipation notes, \$1,250,000 in the Home Depot TIF Fund and \$275,000 in the Capital Improvements Fund, to finance the construction of new roads and infrastructure. The notes bear an interest rate of 1.65% and mature on October 24, 2013.

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 15 – CAPITAL LEASES**

In 2012, the City entered into capitalized lease agreements for the acquisition of various vehicles. In prior years, the City has entered into several capitalized leases for assets including police vehicles, street sweeper, paramedic vehicles, fire trucks, staff vehicles and various equipment. The leases meet the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. For enterprise funds, fund capital assets acquired by capital lease and the related liability and interest expense have been reported in the water fund.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$1,491,244 for the governmental activities and \$81,623 in the business-type activities.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2012.

| Year Ending December 31,                    | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| 2013  | \$ 362,716                 | \$ 28,337                   |
| 2014  | 344,404                    | 28,338                      |
| 2015  | 296,038                    | 16,530                      |
| 2016  | 181,547                    | -                           |
| 2017  | 114,978                    | -                           |
| 2018-2022                                   | 444,640                    | -                           |
| Total                                       | \$ 1,744,323               | \$ 73,205                   |
| Less: amount representing interest          | (245,306)                  | (2,529)                     |
| Present value of net minimum lease payments | \$ 1,499,017               | \$ 70,676                   |

**NOTE 16 - CONTRACTUAL COMMITMENTS**

The City has active projects as of December 31, 2012 for items such as improvements to sewer and water systems, street improvements, architectural and design contracts among others. The City has approximately \$1,872,000 remaining on these active projects.

**NOTE 17 – CONTINGENT LIABILITIES**

**Litigation**

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

**Federal and State Grants**

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

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

**NOTE 18 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and nonmajor governmental funds are presented below:

| <u>Fund Balances</u>               | <u>General<br/>Fund</u>  | <u>Fire<br/>Improvement</u> | <u>Home<br/>Depot<br/>TIF</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|------------------------------------|--------------------------|-----------------------------|-------------------------------|---|---|
| <b><i>Nonspendable</i></b>         |                          |                             |                               |   |   |
| Prepays                            | \$ 8,896                 | 8,333                       | -                             | 5,737                                   | 22,966                                  |
| Inventory                          | -                        | -                           | -                             | 13,632                                  | 13,632                                  |
| Advances                           | <u>35,411</u>            | -                           | -                             | -                                       | <u>35,411</u>                           |
| <b><i>Total Nonspendable</i></b>   | <b>44,307</b>            | <b>8,333</b>                | <b>-</b>                      | <b>19,369</b>                           | <b>72,009</b>                           |
| <b><i>Restricted for</i></b>       |                          |                             |                               |   |   |
| Public safety                      | -                        | -                           | -                             | 5,824                                   | 5,824                                   |
| Senior Center                      | -                        | -                           | -                             | 23,605                                  | 23,605                                  |
| Recreation                         | -                        | -                           | -                             | 464,913                                 | 464,913                                 |
| Transportation                     | -                        | -                           | -                             | 144,313                                 | 144,313                                 |
| Municipal court                    | -                        | -                           | -                             | 3,734                                   | 3,734                                   |
| Special assessments                | -                        | -                           | -                             | 23,228                                  | 23,228                                  |
| Capital projects                   | -                        | -                           | -                             | 6,130                                   | 6,130                                   |
| Other purposes                     | -                        | -                           | -                             | <u>3,766</u>                            | <u>3,766</u>                            |
| <b><i>Total Restricted</i></b>     | <b>-</b>                 | <b>-</b>                    | <b>-</b>                      | <b>675,513</b>                          | <b>675,513</b>                          |
| <b><i>Committed to</i></b>         |                          |                             |                               |   |   |
| Capital projects                   | -                        | -                           | -                             | <u>70,850</u>                           | <u>70,850</u>                           |
| <b><i>Total Committed</i></b>      | <b>-</b>                 | <b>-</b>                    | <b>-</b>                      | <b>70,850</b>                           | <b>70,850</b>                           |
| <b><i>Assigned to</i></b>          |                          |                             |                               |   |   |
| Public safety                      | -                        | -                           | -                             | 913                                     | 913                                     |
| Debt service                       | -                        | -                           | -                             | 385,239                                 | 385,239                                 |
| Recreational activities            | 37,193                   | -                           | -                             | -                                       | 37,193                                  |
| Encumbrances                       | 6,348                    | -                           | -                             | -                                       | 6,348                                   |
| Budget resource                    | <u>518,571</u>           | -                           | -                             | -                                       | <u>518,571</u>                          |
| <b><i>Total Assigned</i></b>       | <b>562,112</b>           | <b>-</b>                    | <b>-</b>                      | <b>386,152</b>                          | <b>948,264</b>                          |
| <b><i>Unassigned (Deficit)</i></b> | <b><u>73,663</u></b>     | <b><u>(457,133)</u></b>     | <b><u>(1,012,811)</u></b>     | <b><u>(88,629)</u></b>                  | <b><u>(1,484,910)</u></b>               |
| <b><i>Total Fund Balance</i></b>   | <b>\$ <u>680,082</u></b> | <b><u>(448,800)</u></b>     | <b><u>(1,012,811)</u></b>     | <b><u>1,063,255</u></b>                 | <b><u>281,726</u></b>                   |

**CITY OF HARRISON, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2012**

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**NOTE 18 – FUND BALANCES** – *continued*

At December 31, 2012, the following deficit fund balances were reported:

| <u>Fund</u>                  | <u>Deficit</u> |
|------------------------------|----------------|
| Fire Improvement             | \$ 448,800     |
| Home Depot TIF               | 1,012,811      |
| Nonmajor Governmental Funds: |                |
| State Highway Improvements   | 5,563          |
| Fire Memorial                | 8,881          |
| Police Pension               | 72,922         |

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

**Combining Financial Statements  
And Individual Fund Schedules**

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**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, 2012

|                                   | Budgeted Amounts   |                  | Actual           | Variance<br>From Final<br>Budget |
|-----------------------------------|--------------------|------------------|------------------|----------------------------------|
|                                   | Original<br>Budget | Final<br>Budget  |                  |                                  |
| <b>Revenues:</b>                  |                    |                  |                  |                                  |
| Property and other taxes          | \$ 1,198,556       | 1,198,556        | 1,148,724        | (49,832)                         |
| Income taxes                      | 3,220,800          | 3,220,800        | 3,097,806        | (122,994)                        |
| Intergovernmental                 | 315,356            | 316,856          | 319,262          | 2,406                            |
| Charges for services              | 68,900             | 67,900           | 67,981           | 81                               |
| Fines, costs and forfeitures      | 200,000            | 200,000          | 186,506          | (13,494)                         |
| Licenses, permits and inspections | 188,250            | 188,250          | 211,756          | 23,506                           |
| Interest                          | 20,000             | 20,000           | 27,730           | 7,730                            |
| Contributions                     | -                  | -                | 2,460            | 2,460                            |
| Other                             | 65,007             | 56,000           | 55,907           | (93)                             |
| Total revenues                    | <u>5,276,869</u>   | <u>5,268,362</u> | <u>5,118,132</u> | <u>(150,230)</u>                 |
| <b>Expenditures:</b>              |                    |                  |                  |                                  |
| Current:                          |                    |                  |                  |                                  |
| General government                |                    |                  |                  |                                  |
| Planning commission               |                    |                  |                  |                                  |
| Personal Services                 | 4,096              | 4,096            | 3,371            | 725                              |
| Operations/maintenance            | <u>500</u>         | <u>500</u>       | <u>305</u>       | <u>195</u>                       |
| Total planning commission         | <u>4,596</u>       | <u>4,596</u>     | <u>3,676</u>     | <u>920</u>                       |
| Information technology            |                    |                  |                  |                                  |
| Operations/maintenance            | <u>-</u>           | <u>31,800</u>    | <u>28,890</u>    | <u>2,910</u>                     |
| Income tax                        |                    |                  |                  |                                  |
| Personal services                 | 28,500             | 31,417           | 30,675           | 742                              |
| Operations/maintenance            | 103,213            | 100,296          | 96,824           | 3,472                            |
| Refunds/reimbursements            | <u>-</u>           | <u>22,525</u>    | <u>22,174</u>    | <u>351</u>                       |
| Total income tax                  | <u>131,713</u>     | <u>154,238</u>   | <u>149,673</u>   | <u>4,565</u>                     |
| Mayor                             |                    |                  |                  |                                  |
| Personal services                 | 35,135             | 35,135           | 33,920           | 1,215                            |
| Operations/maintenance            | <u>1,810</u>       | <u>1,810</u>     | <u>1,393</u>     | <u>417</u>                       |
| Total mayor                       | <u>36,945</u>      | <u>36,945</u>    | <u>35,313</u>    | <u>1,632</u>                     |
| Council                           |                    |                  |                  |                                  |
| Personal services                 | 67,291             | 67,291           | 65,994           | 1,297                            |
| Operations/maintenance            | <u>64,500</u>      | <u>64,500</u>    | <u>52,990</u>    | <u>11,510</u>                    |
| Total council                     | <u>131,791</u>     | <u>131,791</u>   | <u>118,984</u>   | <u>12,807</u>                    |
| Economic development              |                    |                  |                  |                                  |
| Personal services                 | 119,115            | 120,916          | 119,835          | 1,081                            |
| Operations/maintenance            | 93,366             | 66,566           | 48,976           | 17,590                           |
| Capital improvements              | <u>1,000</u>       | <u>1,000</u>     | <u>1,000</u>     | <u>-</u>                         |
| Total economic development        | <u>213,481</u>     | <u>188,482</u>   | <u>169,811</u>   | <u>18,671</u>                    |
| Finance                           |                    |                  |                  |                                  |
| Personal services                 | 118,640            | 118,640          | 106,252          | 12,388                           |
| Operations/maintenance            | 70,032             | 47,032           | 40,556           | 6,476                            |
| Capital improvements              | <u>1,000</u>       | <u>1,000</u>     | <u>577</u>       | <u>423</u>                       |
| Total finance                     | <u>189,672</u>     | <u>166,672</u>   | <u>147,385</u>   | <u>19,287</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, 2012

|  | Budgeted Amounts   |                  | Actual           | Variance<br>From Final<br>Budget |
|--|--------------------|------------------|------------------|----------------------------------|
|  | Original<br>Budget | Final<br>Budget  |                  |                                  |
| Custodian                              |                    |                  |                  |                                  |
| Personal services                      | \$ 57,380          | 56,380           | 52,828           | 3,552                            |
| Operations/maintenance                 | <u>400</u>         | <u>400</u>       | <u>-</u>         | <u>400</u>                       |
| Total custodian                        | <u>57,780</u>      | <u>56,780</u>    | <u>52,828</u>    | <u>3,952</u>                     |
| Civil service                          |                    |                  |                  |                                  |
| Personal services                      | 3,841              | 3,841            | 3,698            | 143                              |
| Operations/maintenance                 | <u>9,930</u>       | <u>7,430</u>     | <u>5,714</u>     | <u>1,716</u>                     |
| Total civil service                    | <u>13,771</u>      | <u>11,271</u>    | <u>9,412</u>     | <u>1,859</u>                     |
| Law director                           |                    |                  |                  |                                  |
| Personal services                      | 27,750             | 27,750           | 3,471            | 24,279                           |
| Operations/maintenance                 | <u>55,492</u>      | <u>5,200</u>     | <u>3,425</u>     | <u>1,775</u>                     |
| Total law director                     | <u>83,242</u>      | <u>32,950</u>    | <u>6,896</u>     | <u>26,054</u>                    |
| Magistrate                             |                    |                  |                  |                                  |
| Personal services                      | 64,277             | 66,977           | 66,228           | 749                              |
| Operations/maintenance                 | 10,040             | 7,340            | 7,076            | 264                              |
| Capital improvements                   | <u>-</u>           | <u>11,698</u>    | <u>11,698</u>    | <u>-</u>                         |
| Total magistrate                       | <u>74,317</u>      | <u>86,015</u>    | <u>85,002</u>    | <u>1,013</u>                     |
| General government                     |                    |                  |                  |                                  |
| Operations/maintenance                 | <u>24,600</u>      | <u>35,860</u>    | <u>34,292</u>    | <u>1,568</u>                     |
| Elections                              |                    |                  |                  |                                  |
| Operations/maintenance                 | <u>10,000</u>      | <u>10,000</u>    | <u>10,000</u>    | <u>-</u>                         |
| Total general government               | <u>971,908</u>     | <u>947,400</u>   | <u>852,162</u>   | <u>95,238</u>                    |
| Security of persons and property       |                    |                  |                  |                                  |
| Law enforcement                        |                    |                  |                  |                                  |
| Personal services                      | 2,335,535          | 2,054,307        | 2,052,721        | 1,586                            |
| Operations/maintenance                 | 356,561            | 330,387          | 312,153          | 18,234                           |
| Capital improvements                   | <u>11,713</u>      | <u>11,713</u>    | <u>11,164</u>    | <u>549</u>                       |
| Total law enforcement                  | <u>2,703,809</u>   | <u>2,396,407</u> | <u>2,376,038</u> | <u>20,369</u>                    |
| Street lighting                        |                    |                  |                  |                                  |
| Operations/maintenance                 | <u>78,000</u>      | <u>80,740</u>    | <u>79,991</u>    | <u>749</u>                       |
| Total security of persons and property | <u>2,781,809</u>   | <u>2,477,147</u> | <u>2,456,029</u> | <u>21,118</u>                    |
| Public health and welfare              |                    |                  |                  |                                  |
| Board of health                        |                    |                  |                  |                                  |
| Operations/maintenance                 | <u>13,083</u>      | <u>13,083</u>    | <u>13,083</u>    | <u>-</u>                         |
| Total public health services           | <u>13,083</u>      | <u>13,083</u>    | <u>13,083</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, 2012

|  | Budgeted Amounts   |                    | Actual             | Variance<br>From Final<br>Budget |
|--|--------------------|--------------------|--------------------|----------------------------------|
|  | Original<br>Budget | Final<br>Budget    |                    |                                  |
| Community and economic development       |                    |                    |                    |                                  |
| Building department                      |                    |                    |                    |                                  |
| Personal services                        | \$ 50,649          | 52,309             | 49,194             | 3,115                            |
| Operations/maintenance                   | 92,400             | 63,740             | 47,672             | 16,068                           |
| Capital improvements                     | 3,000              | -                  | -                  | -                                |
| Total building department                | <u>146,049</u>     | <u>116,049</u>     | <u>96,866</u>      | <u>19,183</u>                    |
| Zoning department                        |                    |                    |                    |                                  |
| Personal services                        | 4,096              | 4,096              | 3,098              | 998                              |
| Operations/maintenance                   | <u>2,007</u>       | <u>2,007</u>       | <u>1,611</u>       | <u>396</u>                       |
| Total zoning department                  | <u>6,103</u>       | <u>6,103</u>       | <u>4,709</u>       | <u>1,394</u>                     |
| Total community and economic development | <u>152,152</u>     | <u>122,152</u>     | <u>101,575</u>     | <u>20,577</u>                    |
| Leisure time activity                    |                    |                    |                    |                                  |
| Parks and recreation                     |                    |                    |                    |                                  |
| Personal services                        | 17,213             | 17,212             | 15,965             | 1,247                            |
| Operations/maintenance                   | 39,961             | 37,962             | 35,072             | 2,890                            |
| Capital improvements                     | <u>1,000</u>       | <u>-</u>           | <u>-</u>           | <u>-</u>                         |
| Total parks and recreation               | <u>58,174</u>      | <u>55,174</u>      | <u>51,037</u>      | <u>4,137</u>                     |
| Total leisure time activity              | <u>58,174</u>      | <u>55,174</u>      | <u>51,037</u>      | <u>4,137</u>                     |
| Total expenditures                       | <u>3,977,126</u>   | <u>3,614,956</u>   | <u>3,473,886</u>   | <u>141,070</u>                   |
| Excess of revenues over expenditures     | <u>1,299,743</u>   | <u>1,653,406</u>   | <u>1,644,246</u>   | <u>(9,160)</u>                   |
| <b>Other financing sources (uses):</b>   |                    |                    |                    |                                  |
| Transfers out                            | (1,784,672)        | (2,109,075)        | (2,081,600)        | 27,475                           |
| Advances in                              | <u>50,000</u>      | <u>50,000</u>      | <u>50,000</u>      | <u>-</u>                         |
| Total other financing sources (uses)     | <u>(1,734,672)</u> | <u>(2,059,075)</u> | <u>(2,031,600)</u> | <u>27,475</u>                    |
| Net change in fund balance               | (434,929)          | (405,669)          | (387,354)          | 18,315                           |
| Fund balance, beginning of year          | 400,601            | 400,601            | 400,601            |                                  |
| Prior year encumbrances appropriated     | <u>25,752</u>      | <u>25,752</u>      | <u>25,752</u>      |                                  |
| Fund balance, end of year                | \$ <u>(8,576)</u>  | <u>20,684</u>      | <u>38,999</u>      |                                  |

## NONMAJOR GOVERNMENTAL FUNDS

### *SPECIAL REVENUE FUNDS*

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

#### Street Maintenance and Repair

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

#### State Highway Improvements

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

#### Fire Memorial

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

#### Community Center

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

#### Fire Capital Reserve

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

#### Senior Center

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

#### Passport Account

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

#### Court Computer

This fund accounts for the collection of fees to pay the cost of computerized legal research.

#### Project Lifesaver

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

#### Police Pension

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

#### Drug Law Enforcement

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

**NONMAJOR GOVERNMENTAL FUNDS**  
*(Continued)*

***SPECIAL REVENUE FUNDS (Continued)***

Law Enforcement Trust

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

Enforcement and Education

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

FEMA

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

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. With the implementation of GASB Statement No. 54, this fund no longer met the definition to be reported as a Special Revenue Fund and has been included with the General Fund in the governmental fund financial statements. Therefore, the City has only presented the budgetary schedule for this fund based upon its legally-adopted budget.

***DEBT SERVICE FUNDS***

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

Debt Service

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

Special Assessment

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

**NONMAJOR GOVERNMENTAL FUNDS**  
*(Continued)*

***CAPITAL PROJECT FUNDS***

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

Capital Improvement

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

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, 2012

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--------------------------------------|--|--|
|  | <u>          </u>                       | <u>          </u>                    | <u>          </u>                        | <u>          </u>                          |
| <b>Assets:</b>                           |   |                                      |  |  |
| Equity in pooled cash and investments    | \$ 609,124                              | 408,467                              | 359,158                                  | 1,376,749                                  |
| Cash in segregated accounts              | 13,514                                  | -                                    | -  | 13,514                                     |
| Receivables:                             |   |                                      |  |  |
| Property and other taxes                 | 59,631                                  | -                                    | 16,119                                   | 75,750                                     |
| Payment in lieu of taxes                 | -                                       | -                                    | 245,000                                  | 245,000                                    |
| Accounts                                 | 3,166                                   | -                                    | -  | 3,166                                      |
| Intergovernmental                        | 220,640                                 | -                                    | -  | 220,640                                    |
| Prepaid items                            | 5,737                                   | -                                    | -  | 5,737                                      |
| Materials and supplies inventory         | <u>13,632</u>                           | <u>-</u>                             | <u>-</u>                                 | <u>13,632</u>                              |
| Total assets                             | <u>925,444</u>                          | <u>408,467</u>                       | <u>620,277</u>                           | <u>1,954,188</u>                           |
| <br><b>Liabilities and Fund Balances</b> |   |                                      |  |  |
| <b>Liabilities:</b>                      |   |                                      |  |  |
| Accounts payable                         | 4,090                                   | -                                    | 23,297                                   | 27,387                                     |
| Accrued salaries                         | 13,625                                  | -                                    | -  | 13,625                                     |
| Intergovernmental payable                | 90,271                                  | -                                    | -  | 90,271                                     |
| Advances from other funds                | 35,411                                  | -                                    | -  | 35,411                                     |
| Notes payable                            | -                                       | -                                    | 275,000                                  | 275,000                                    |
| Deferred revenue                         | <u>204,239</u>                          | <u>-</u>                             | <u>245,000</u>                           | <u>449,239</u>                             |
| Total liabilities                        | <u>347,636</u>                          | <u>-</u>                             | <u>543,297</u>                           | <u>890,933</u>                             |
| <br><b>Fund balances:</b>                |   |                                      |  |  |
| Nonspendable                             | 19,369                                  | -                                    | -  | 19,369                                     |
| Restricted                               | 646,155                                 | 23,228                               | 6,130                                    | 675,513                                    |
| Committed                                | -                                       | -                                    | 70,850                                   | 70,850                                     |
| Assigned                                 | 913                                     | 385,239                              | -  | 386,152                                    |
| Unassigned                               | <u>(88,629)</u>                         | <u>-</u>                             | <u>-</u>                                 | <u>(88,629)</u>                            |
| Total fund balances                      | <u>577,808</u>                          | <u>408,467</u>                       | <u>76,980</u>                            | <u>1,063,255</u>                           |
| Total liabilities and fund balances      | <u>\$ 925,444</u>                       | <u>408,467</u>                       | <u>620,277</u>                           | <u>1,954,188</u>                           |

**CITY OF HARRISON, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012

|                                       | Street<br>Maintenance<br>and Repair | State<br>Highway<br>Improvements | Fire<br>Memorial | Community<br>Center | Fire<br>Capital<br>Reserve | Senior<br>Center | Passport<br>Account |
|---------------------------------------|-------------------------------------|----------------------------------|------------------|---------------------|----------------------------|------------------|---------------------|
| <b>Assets:</b>                        |                                     |                                  |                  |                     |                            |                  |                     |
| Equity in pooled cash and investments | \$ 95,200                           | 10,295                           | 6,119            | 1,898               | 4,202                      | 11,152           | 4,894               |
| Cash in segregated accounts           | -                                   | -                                | -                | -                   | -                          | 13,514           | -                   |
| Receivables:                          |                                     |                                  |                  |                     |                            |                  |                     |
| Property and other taxes              | -                                   | -                                | -                | -                   | -                          | -                | -                   |
| Accounts                              | 872                                 | -                                | -                | -                   | -                          | 1,779            | -                   |
| Intergovernmental                     | 201,316                             | 15,876                           | -                | -                   | -                          | -                | -                   |
| Prepaid items                         | 3,750                               | -                                | -                | 1,713               | -                          | 274              | -                   |
| Materials and supplies inventory      | 13,632                              | -                                | -                | -                   | -                          | -                | -                   |
| Total assets                          | <u>314,770</u>                      | <u>26,171</u>                    | <u>6,119</u>     | <u>3,611</u>        | <u>4,202</u>               | <u>26,719</u>    | <u>4,894</u>        |
| <b>Liabilities and Fund Balances:</b> |                                     |                                  |                  |                     |                            |                  |                     |
| <b>Liabilities:</b>                   |                                     |                                  |                  |                     |                            |                  |                     |
| Accounts payable                      | 1,882                               | 739                              | -                | 727                 | -                          | 525              | -                   |
| Accrued salaries                      | 9,743                               | -                                | -                | 951                 | -                          | 2,931            | -                   |
| Intergovernmental payable             | 10,874                              | -                                | -                | 1,483               | -                          | 3,698            | 580                 |
| Advances from other funds             | -                                   | 20,411                           | 15,000           | -                   | -                          | -                | -                   |
| Deferred revenue                      | 130,576                             | 10,584                           | -                | -                   | -                          | -                | -                   |
| Total liabilities                     | <u>153,075</u>                      | <u>31,734</u>                    | <u>15,000</u>    | <u>3,161</u>        | <u>-</u>                   | <u>7,154</u>     | <u>580</u>          |
| <b>Fund Balances:</b>                 |                                     |                                  |                  |                     |                            |                  |                     |
| Nonspendable                          | 17,382                              | -                                | -                | 1,713               | -                          | 274              | -                   |
| Restricted                            | 144,313                             | -                                | -                | -                   | 4,202                      | 19,291           | 4,314               |
| Assigned                              | -                                   | -                                | -                | -                   | -                          | -                | -                   |
| Unassigned                            | -                                   | (5,563)                          | (8,881)          | (1,263)             | -                          | -                | -                   |
| Total fund balances                   | <u>161,695</u>                      | <u>(5,563)</u>                   | <u>(8,881)</u>   | <u>450</u>          | <u>4,202</u>               | <u>19,565</u>    | <u>4,314</u>        |
| Total liabilities and fund balances   | \$ <u>314,770</u>                   | <u>26,171</u>                    | <u>6,119</u>     | <u>3,611</u>        | <u>4,202</u>               | <u>26,719</u>    | <u>4,894</u>        |



| Court Computer | Project Lifesaver | Police Pension  | Drug Law Enforcement | Law Enforcement Trust | Enforcement and Education | FEMA         | Police Memorial | Recreation Tax Receipts | TOTAL             |
|----------------|-------------------|-----------------|----------------------|-----------------------|---------------------------|--------------|-----------------|-------------------------|-------------------|
| 394            | 1,622             | 714             | 2,306                | 175                   | 561                       | 3,766        | 913             | 464,913                 | \$ 609,124        |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 13,514            |
| -              | -                 | 59,631          | -                    | -                     | -                         | -            | -               | -                       | 59,631            |
| 100            | -                 | -               | 400                  | 15                    | -                         | -            | -               | -                       | 3,166             |
| -              | -                 | 3,448           | -                    | -                     | -                         | -            | -               | -                       | 220,640           |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 5,737             |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 13,632            |
| <u>494</u>     | <u>1,622</u>      | <u>63,793</u>   | <u>2,706</u>         | <u>190</u>            | <u>561</u>                | <u>3,766</u> | <u>913</u>      | <u>464,913</u>          | <u>925,444</u>    |
| -              | -                 | -               | 42                   | 175                   | -                         | -            | -               | -                       | 4,090             |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 13,625            |
| -              | -                 | 73,636          | -                    | -                     | -                         | -            | -               | -                       | 90,271            |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 35,411            |
| -              | -                 | 63,079          | -                    | -                     | -                         | -            | -               | -                       | 204,239           |
| -              | -                 | 136,715         | 42                   | 175                   | -                         | -            | -               | -                       | 347,636           |
| -              | -                 | -               | -                    | -                     | -                         | -            | -               | -                       | 19,369            |
| 494            | 1,622             | -               | 2,664                | 15                    | 561                       | 3,766        | -               | 464,913                 | 646,155           |
| -              | -                 | -               | -                    | -                     | -                         | -            | 913             | -                       | 913               |
| -              | -                 | (72,922)        | -                    | -                     | -                         | -            | -               | -                       | (88,629)          |
| <u>494</u>     | <u>1,622</u>      | <u>(72,922)</u> | <u>2,664</u>         | <u>15</u>             | <u>561</u>                | <u>3,766</u> | <u>913</u>      | <u>464,913</u>          | <u>577,808</u>    |
| <u>494</u>     | <u>1,622</u>      | <u>63,793</u>   | <u>2,706</u>         | <u>190</u>            | <u>561</u>                | <u>3,766</u> | <u>913</u>      | <u>464,913</u>          | <u>\$ 925,444</u> |

**CITY OF HARRISON, OHIO**

Combining Balance Sheet

Nonmajor Debt Service Fund

December 31, 2012

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

**CITY OF HARRISON, OHIO**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2012

|                                       | Capital<br>Improvements | Harrison<br>Avenue TIF | Street and Safety<br>Construction | TOTAL          |
|---------------------------------------|-------------------------|------------------------|-----------------------------------|----------------|
| <b>Assets:</b>                        |                         |                        |                                   |                |
| Equity in pooled cash and investments | \$ 353,028              | 3,243                  | 2,887                             | 359,158        |
| Receivables:                          |                         |                        |                                   |                |
| Property and other taxes              | 16,119                  | -                      | -                                 | 16,119         |
| Payment in lieu of taxes              | -                       | 245,000                | -                                 | 245,000        |
| Total assets                          | <u>369,147</u>          | <u>248,243</u>         | <u>2,887</u>                      | <u>620,277</u> |
| <b>Liabilities and Fund Balances:</b> |                         |                        |                                   |                |
| <b>Liabilities:</b>                   |                         |                        |                                   |                |
| Accounts payable                      | 23,297                  | -                      | -                                 | 23,297         |
| Notes payable                         | 275,000                 | -                      | -                                 | 275,000        |
| Deferred revenue                      | -                       | 245,000                | -                                 | 245,000        |
| Total liabilities                     | <u>298,297</u>          | <u>245,000</u>         | <u>-</u>                          | <u>543,297</u> |
| <b>Fund Balances:</b>                 |                         |                        |                                   |                |
| Restricted                            | -                       | 3,243                  | 2,887                             | 6,130          |
| Committed                             | 70,850                  | -                      | -                                 | 70,850         |
| Total fund balances                   | <u>70,850</u>           | <u>3,243</u>           | <u>2,887</u>                      | <u>76,980</u>  |
| Total liabilities and fund balances   | \$ <u>369,147</u>       | <u>248,243</u>         | <u>2,887</u>                      | <u>620,277</u> |

**CITY OF HARRISON, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended December 31, 2012

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--------------------------------------|--|--|
| <b>Revenues:</b>                             |   |                                      |  |  |
| Property and other taxes                     | \$ 78,327                               | -                                    | 92,683                                   | 171,010                                    |
| Payments in lieu of taxes                    | -                                       | -                                    | 246,771                                  | 246,771                                    |
| Intergovernmental                            | 703,443                                 | -                                    | 360,600                                  | 1,064,043                                  |
| Charges for services                         | 11,816                                  | -                                    | -  | 11,816                                     |
| Fines, costs and forfeitures                 | 5,849                                   | -                                    | -  | 5,849                                      |
| Contributions                                | 41,541                                  | -                                    | -  | 41,541                                     |
| Other  | 27,009                                  | 1                                    | 49,068                                   | 76,078                                     |
| Total revenues                               | <u>867,985</u>                          | <u>1</u>                             | <u>749,122</u>                           | <u>1,617,108</u>                           |
| <b>Expenditures:</b>                         |   |                                      |  |  |
| Current:                                     |   |                                      |  |  |
| Security of persons and property             | 365,910                                 | -                                    | -  | 365,910                                    |
| Public health services                       | 293,318                                 | -                                    | -  | 293,318                                    |
| Leisure time activity                        | 141,013                                 | -                                    | -  | 141,013                                    |
| Transportation                               | 632,330                                 | -                                    | -  | 632,330                                    |
| General government                           | -                                       | -                                    | 113,866                                  | 113,866                                    |
| Capital outlay                               | 18,862                                  | -                                    | 798,953                                  | 817,815                                    |
| Debt service:                                |   |                                      |  |  |
| Principal retirement                         | 19,957                                  | 384,531                              | -  | 404,488                                    |
| Interest and fiscal charges                  | 2,202                                   | 177,046                              | -  | 179,248                                    |
| Total expenditures                           | <u>1,473,592</u>                        | <u>561,577</u>                       | <u>912,819</u>                           | <u>2,947,988</u>                           |
| Excess of revenues over (under) expenditures | <u>(605,607)</u>                        | <u>(561,576)</u>                     | <u>(163,697)</u>                         | <u>(1,330,880)</u>                         |
| <b>Other financing sources (uses):</b>       |   |                                      |  |  |
| Transfers in                                 | 433,958                                 | 561,577                              | -  | 995,535                                    |
| Transfers out                                | -                                       | -                                    | (144,661)                                | (144,661)                                  |
| OPWC loans issued                            | -                                       | -                                    | 352,467                                  | 352,467                                    |
| Total other financing sources (uses)         | <u>433,958</u>                          | <u>561,577</u>                       | <u>207,806</u>                           | <u>1,203,341</u>                           |
| Net change in fund balance                   | (171,649)                               | 1                                    | 44,109                                   | (127,539)                                  |
| Fund balance at beginning of year            | <u>749,457</u>                          | <u>408,466</u>                       | <u>32,871</u>                            | <u>1,190,794</u>                           |
| Fund balance at end of year                  | \$ <u><u>577,808</u></u>                | <u><u>408,467</u></u>                | <u><u>76,980</u></u>                     | <u><u>1,063,255</u></u>                    |



**CITY OF HARRISON, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
Year Ended December 31, 2012

|   | Street<br>Maintenance<br>and Repair | State<br>Highway<br>Improvements | Fire<br>Memorial | Community<br>Center | Fire<br>Capital<br>Reserve | Senior<br>Center | Passport<br>Account |
|---|-------------------------------------|----------------------------------|------------------|---------------------|----------------------------|------------------|---------------------|
| <b>Revenues:</b>                                |                                     |                                  |                  |                     |                            |                  |                     |
| Property and other taxes                        | \$ -                                | -                                | -                | -                   | -                          | -                | -                   |
| Intergovernmental                               | 467,786                             | 32,064                           | -                | 48,913              | -                          | 146,299          | 1,725               |
| Charges for services                            | 2,500                               | -                                | -                | 800                 | -                          | -                | 8,516               |
| Fines, costs and forfeitures                    | -                                   | -                                | -                | -                   | -                          | -                | -                   |
| Contributions                                   | -                                   | -                                | 2,175            | -                   | -                          | 37,724           | -                   |
| Other   | 8,833                               | 10                               | -                | 12                  | -                          | 104              | -                   |
| Total revenues                                  | <u>479,119</u>                      | <u>32,074</u>                    | <u>2,175</u>     | <u>49,725</u>       | <u>-</u>                   | <u>184,127</u>   | <u>10,241</u>       |
| <b>Expenditures:</b>                            |                                     |                                  |                  |                     |                            |                  |                     |
| Current:  |                                     |                                  |                  |                     |                            |                  |                     |
| Security of persons and property                | -                                   | -                                | 4,998            | -                   | -                          | -                | -                   |
| Public health services                          | -                                   | -                                | -                | -                   | -                          | 266,115          | 27,203              |
| Leisure time activity                           | -                                   | -                                | -                | 141,013             | -                          | -                | -                   |
| Transportation                                  | 581,675                             | 50,655                           | -                | -                   | -                          | -                | -                   |
| Capital outlay                                  | 954                                 | -                                | -                | 11,920              | -                          | -                | 5,988               |
| Debt service                                    |                                     |                                  |                  |                     |                            |                  |                     |
| Principal retirement                            | 19,957                              | -                                | -                | -                   | -                          | -                | -                   |
| Interest and fiscal charges                     | 2,202                               | -                                | -                | -                   | -                          | -                | -                   |
| Total expenditures                              | <u>604,788</u>                      | <u>50,655</u>                    | <u>4,998</u>     | <u>152,933</u>      | <u>-</u>                   | <u>266,115</u>   | <u>33,191</u>       |
| Excess of revenues over (under)<br>expenditures | <u>(125,669)</u>                    | <u>(18,581)</u>                  | <u>(2,823)</u>   | <u>(103,208)</u>    | <u>-</u>                   | <u>(81,988)</u>  | <u>(22,950)</u>     |
| <b>Other financing sources</b>                  |                                     |                                  |                  |                     |                            |                  |                     |
| Transfers in                                    | -                                   | -                                | -                | 85,262              | -                          | 47,000           | -                   |
| Total other financing sources                   | <u>-</u>                            | <u>-</u>                         | <u>-</u>         | <u>85,262</u>       | <u>-</u>                   | <u>47,000</u>    | <u>-</u>            |
| Net change in fund balance                      | (125,669)                           | (18,581)                         | (2,823)          | (17,946)            | -                          | (34,988)         | (22,950)            |
| Fund balance at beginning of year               | <u>287,364</u>                      | <u>13,018</u>                    | <u>(6,058)</u>   | <u>18,396</u>       | <u>4,202</u>               | <u>54,553</u>    | <u>27,264</u>       |
| Fund balance at end of year                     | \$ <u>161,695</u>                   | <u>(5,563)</u>                   | <u>(8,881)</u>   | <u>450</u>          | <u>4,202</u>               | <u>19,565</u>    | <u>4,314</u>        |

*continued*

| Court<br>Computer | Project<br>Lifesaver | Police<br>Pension | Drug Law<br>Enforcement | Law<br>Enforcement<br>Trust | Enforcement<br>and Education | FEMA         | Police<br>Memorial | Recreation<br>Tax Receipts | TOTAL             |
|-------------------|----------------------|-------------------|-------------------------|-----------------------------|------------------------------|--------------|--------------------|----------------------------|-------------------|
| -                 | -                    | 58,727            | -                       | -                           | -                            | -            | -                  | 19,600                     | \$ 78,327         |
| -                 | -                    | 6,656             | -                       | -                           | -                            | -            | -                  | -                          | 703,443           |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 11,816            |
| 4,036             | -                    | -                 | 732                     | 1,081                       | -                            | -            | -                  | -                          | 5,849             |
| -                 | 1,642                | -                 | -                       | -                           | -                            | -            | -                  | -                          | 41,541            |
| -                 | -                    | -                 | 18,050                  | -                           | -                            | -            | -                  | -                          | 27,009            |
| <u>4,036</u>      | <u>1,642</u>         | <u>65,383</u>     | <u>18,782</u>           | <u>1,081</u>                | <u>-</u>                     | <u>-</u>     | <u>-</u>           | <u>19,600</u>              | <u>867,985</u>    |
| 3,542             | 20                   | 338,127           | 17,078                  | 2,070                       | 75                           | -            | -                  | -                          | 365,910           |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 293,318           |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 141,013           |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 632,330           |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 18,862            |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 19,957            |
| -                 | -                    | -                 | -                       | -                           | -                            | -            | -                  | -                          | 2,202             |
| <u>3,542</u>      | <u>20</u>            | <u>338,127</u>    | <u>17,078</u>           | <u>2,070</u>                | <u>75</u>                    | <u>-</u>     | <u>-</u>           | <u>-</u>                   | <u>1,473,592</u>  |
| 494               | 1,622                | (272,744)         | 1,704                   | (989)                       | (75)                         | -            | -                  | 19,600                     | (605,607)         |
| -                 | -                    | 285,996           | -                       | -                           | -                            | -            | -                  | 15,700                     | 433,958           |
| -                 | -                    | 285,996           | -                       | -                           | -                            | -            | -                  | 15,700                     | 433,958           |
| 494               | 1,622                | 13,252            | 1,704                   | (989)                       | (75)                         | -            | -                  | 35,300                     | (171,649)         |
| -                 | -                    | (86,174)          | 960                     | 1,004                       | 636                          | 3,766        | 913                | 429,613                    | 749,457           |
| <u>494</u>        | <u>1,622</u>         | <u>(72,922)</u>   | <u>2,664</u>            | <u>15</u>                   | <u>561</u>                   | <u>3,766</u> | <u>913</u>         | <u>464,913</u>             | <u>\$ 577,808</u> |

**CITY OF HARRISON, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Debt Service Fund  
Year Ended December 31, 2012

|  | <u>Debt<br/>Service</u> | <u>Special<br/>Assessment</u> | <u>TOTAL</u>     |
|--|-------------------------|-------------------------------|------------------|
| <b>Revenues:</b>                             |                         |                               |                  |
| Other  | \$ -                    | 1                             | 1                |
| Total revenues                               | <u>-</u>                | <u>1</u>                      | <u>1</u>         |
| <b>Expenditures:</b>                         |                         |                               |                  |
| Debt Service:                                |                         |                               |                  |
| Principal retirement                         | \$ 384,531              | -                             | 384,531          |
| Interest and fiscal charges                  | <u>177,046</u>          | <u>-</u>                      | <u>177,046</u>   |
| Total expenditures                           | <u>561,577</u>          | <u>-</u>                      | <u>561,577</u>   |
| Excess of revenues over (under) expenditures | <u>(561,577)</u>        | <u>1</u>                      | <u>(561,576)</u> |
| <b>Other financing sources</b>               |                         |                               |                  |
| Transfers in                                 | <u>561,577</u>          | <u>-</u>                      | <u>561,577</u>   |
| Total other financing sources                | <u>561,577</u>          | <u>-</u>                      | <u>561,577</u>   |
| Net change in fund balances                  | -                       | 1                             | 1                |
| Fund balance at beginning of year            | <u>385,239</u>          | <u>23,227</u>                 | <u>408,466</u>   |
| Fund balance at end of year                  | <u>\$ 385,239</u>       | <u>23,228</u>                 | <u>408,467</u>   |



**CITY OF HARRISON, OHIO**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance

## Nonmajor Capital Projects Funds

Year Ended December 31, 2012

|  | Capital<br>Improvements | Harrison<br>Avenue TIF | Street<br>and Safety<br>Construction | TOTAL            |
|--|-------------------------|------------------------|--------------------------------------|------------------|
| <b>Revenues:</b>                             |                         |                        |                                      |                  |
| Property and other taxes                     | \$ 92,683               | -                      | -                                    | 92,683           |
| Payment in lieu of taxes                     | -                       | 246,771                | -                                    | 246,771          |
| Intergovernmental                            | 360,600                 | -                      | -                                    | 360,600          |
| Other  | -                       | 22,322                 | 26,746                               | 49,068           |
| Total revenues                               | <u>453,283</u>          | <u>269,093</u>         | <u>26,746</u>                        | <u>749,122</u>   |
| <b>Expenditures:</b>                         |                         |                        |                                      |                  |
| Current:                                     |                         |                        |                                      |                  |
| General government                           | -                       | 113,866                | -                                    | 113,866          |
| Capital outlay                               | 580,480                 | 47,114                 | 171,359                              | 798,953          |
| Total expenditures                           | <u>580,480</u>          | <u>160,980</u>         | <u>171,359</u>                       | <u>912,819</u>   |
| Excess of revenues over (under) expenditures | <u>(127,197)</u>        | <u>108,113</u>         | <u>(144,613)</u>                     | <u>(163,697)</u> |
| <b>Other financing sources (uses):</b>       |                         |                        |                                      |                  |
| Transfers out                                | -                       | (127,513)              | (17,148)                             | (144,661)        |
| OPWC loans issued                            | 184,743                 | -                      | 167,724                              | 352,467          |
| Total other financing sources (uses)         | <u>184,743</u>          | <u>(127,513)</u>       | <u>150,576</u>                       | <u>207,806</u>   |
| Net change in fund balance                   | 57,546                  | (19,400)               | 5,963                                | 44,109           |
| Fund balance at beginning of year            | <u>13,304</u>           | <u>22,643</u>          | <u>(3,076)</u>                       | <u>32,871</u>    |
| Fund balance at end of year                  | <u>\$ 70,850</u>        | <u>3,243</u>           | <u>2,887</u>                         | <u>76,980</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, 2012

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|--------------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                     |                              |                   |                                  |
| Intergovernmental                    | \$ 462,000                   | 464,665           | 2,665                            |
| Other                                | 10,000                       | 10,581            | 581                              |
| Total revenues                       | <u>472,000</u>               | <u>475,246</u>    | <u>3,246</u>                     |
| <b>Expenditures:</b>                 |                              |                   |                                  |
| Current:                             |                              |                   |                                  |
| Transportation                       |                              |                   |                                  |
| Personal services                    | 482,932                      | 460,192           | 22,740                           |
| Operations/maintenance               | <u>179,263</u>               | <u>145,160</u>    | <u>34,103</u>                    |
| Total transportation                 | <u>662,195</u>               | <u>605,352</u>    | <u>56,843</u>                    |
| Capital outlay                       |                              |                   |                                  |
| Capital improvements                 | <u>954</u>                   | <u>954</u>        | <u>-</u>                         |
| Total capital outlay                 | <u>954</u>                   | <u>954</u>        | <u>-</u>                         |
| Total expenditures                   | <u>663,149</u>               | <u>606,306</u>    | <u>56,843</u>                    |
| Net change in fund balance           | (191,149)                    | (131,060)         | 60,089                           |
| Fund balance, beginning of year      | 214,205                      | 214,205           |                                  |
| Prior year encumbrances appropriated | <u>4,791</u>                 | <u>4,791</u>      |                                  |
| Fund balance, end of year            | <u>\$ 27,847</u>             | <u>87,936</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, 2012

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance<br>From Final<br>Budget |
|--------------------------------------|------------------------------|---------------------|----------------------------------|
| <b>Revenues:</b>                     |                              |                     |                                  |
| Intergovernmental                    | \$ 30,500                    | 31,815              | 1,315                            |
| Total revenues                       | <u>30,500</u>                | <u>31,815</u>       | <u>1,315</u>                     |
| <b>Expenditures:</b>                 |                              |                     |                                  |
| Current:                             |                              |                     |                                  |
| Transportation                       |                              |                     |                                  |
| Operations/maintenance               | <u>57,900</u>                | <u>53,588</u>       | <u>4,312</u>                     |
| Total expenditures                   | <u>57,900</u>                | <u>53,588</u>       | <u>4,312</u>                     |
| Net change in fund balance           | (27,400)                     | (21,773)            | 5,627                            |
| Fund balance, beginning of year      | 28,390                       | 28,390              |                                  |
| Prior year encumbrances appropriated | <u>1,900</u>                 | <u>1,900</u>        |                                  |
| Fund balance, end of year            | \$ <u><u>2,890</u></u>       | <u><u>8,517</u></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, 2012

|                                  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance<br>From Final<br>Budget |
|----------------------------------|------------------------------|---------------------|----------------------------------|
| <b>Revenues:</b>                 |                              |                     |                                  |
| Contributions                    | \$ 5,000                     | 2,176               | (2,824)                          |
| Total revenues                   | <u>5,000</u>                 | <u>2,176</u>        | <u>(2,824)</u>                   |
| <b>Expenditures:</b>             |                              |                     |                                  |
| Current:                         |                              |                     |                                  |
| Security of persons and property |                              |                     |                                  |
| Operations/maintenance           | <u>10,000</u>                | <u>5,160</u>        | <u>4,840</u>                     |
| Total expenditures               | <u>10,000</u>                | <u>5,160</u>        | <u>4,840</u>                     |
| Net change in fund balance       | (5,000)                      | (2,984)             | 2,016                            |
| Fund balance, beginning of year  | <u>8,942</u>                 | <u>8,942</u>        |                                  |
| Fund balance, end of year        | \$ <u><u>3,942</u></u>       | <u><u>5,958</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, 2012

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                            |                              |                   |                                  |
| Intergovernmental                           | \$ 61,000                    | 48,913            | (12,087)                         |
| Other                                       | -                            | 811               | 811                              |
| Total revenues                              | <u>61,000</u>                | <u>49,724</u>     | <u>(11,276)</u>                  |
| <b>Expenditures:</b>                        |                              |                   |                                  |
| Current:                                    |                              |                   |                                  |
| Leisure time activity                       |                              |                   |                                  |
| Personal services                           | 81,003                       | 67,348            | 13,655                           |
| Operations/maintenance                      | <u>90,821</u>                | <u>80,347</u>     | <u>10,474</u>                    |
| Total leisure time activity                 | <u>171,824</u>               | <u>147,695</u>    | <u>24,129</u>                    |
| Capital outlay                              |                              |                   |                                  |
| Capital improvements                        | <u>13,000</u>                | <u>11,920</u>     | <u>1,080</u>                     |
| Total capital outlay                        | <u>13,000</u>                | <u>11,920</u>     | <u>1,080</u>                     |
| Total expenditures                          | <u>184,824</u>               | <u>159,615</u>    | <u>25,209</u>                    |
| Deficiency of revenues (under) expenditures | <u>(123,824)</u>             | <u>(109,891)</u>  | <u>13,933</u>                    |
| <b>Other financing sources:</b>             |                              |                   |                                  |
| Transfers in                                | <u>99,195</u>                | <u>85,262</u>     | <u>(13,933)</u>                  |
| Net change in fund balance                  | (24,629)                     | (24,629)          | -                                |
| Fund balance, beginning of year             | 23,209                       | 23,209            |                                  |
| Prior year encumbrances appropriated        | <u>1,420</u>                 | <u>1,420</u>      |                                  |
| Fund balance, end of year                   | \$ <u>-</u>                  | <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, 2012

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

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

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

Senior Center

Year Ended December 31, 2012

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                            |                              |                   |                                  |
| Contributions                               | \$ 76,000                    | 67,103            | (8,897)                          |
| Intergovernmental                           | 120,000                      | 115,141           | (4,859)                          |
| Other                                       | -                            | 30                | 30                               |
| Total revenues                              | <u>196,000</u>               | <u>182,274</u>    | <u>(13,726)</u>                  |
| <b>Expenditures:</b>                        |                              |                   |                                  |
| Current:                                    |                              |                   |                                  |
| Public health services                      |                              |                   |                                  |
| Personal services                           | 206,418                      | 205,202           | 1,216                            |
| Operations/maintenance                      | <u>87,516</u>                | <u>61,315</u>     | <u>26,201</u>                    |
| Total expenditures                          | <u>293,934</u>               | <u>266,517</u>    | <u>27,417</u>                    |
| Deficiency of revenues (under) expenditures | <u>(97,934)</u>              | <u>(84,243)</u>   | <u>13,691</u>                    |
| <b>Other financing sources:</b>             |                              |                   |                                  |
| Transfers in                                | <u>60,000</u>                | <u>47,000</u>     | <u>(13,000)</u>                  |
| Net change in fund balance                  | (37,934)                     | (37,243)          | 691                              |
| Fund balance, beginning of year             | 47,233                       | 47,233            |                                  |
| Prior year encumbrances appropriated        | <u>145</u>                   | <u>145</u>        |                                  |
| Fund balance, end of year                   | \$ <u>9,444</u>              | <u>10,135</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, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                |                              |                   |                                  |
| Charges for services            | \$ 9,500                     | 8,516             | (984)                            |
| Intergovernmental               | <u>3,200</u>                 | <u>1,725</u>      | <u>(1,475)</u>                   |
| Total revenues                  | <u>12,700</u>                | <u>10,241</u>     | <u>(2,459)</u>                   |
| <b>Expenditures:</b>            |                              |                   |                                  |
| Current:                        |                              |                   |                                  |
| Public health services          |                              |                   |                                  |
| Personal services               | 6,100                        | 5,213             | 887                              |
| Operations/maintenance          | <u>22,750</u>                | <u>22,247</u>     | <u>503</u>                       |
| Total public health services    | <u>28,850</u>                | <u>27,460</u>     | <u>1,390</u>                     |
| Capital outlay                  |                              |                   |                                  |
| Capital improvements            | <u>7,500</u>                 | <u>5,988</u>      | <u>1,512</u>                     |
| Total capital outlay            | <u>7,500</u>                 | <u>5,988</u>      | <u>1,512</u>                     |
| Total expenditures              | <u>36,350</u>                | <u>33,448</u>     | <u>2,902</u>                     |
| Net change in fund balance      | (23,650)                     | (23,207)          | 443                              |
| Fund balance, beginning of year | <u>27,518</u>                | <u>27,518</u>     |                                  |
| Fund balance, end of year       | \$ <u>3,868</u>              | <u>4,311</u>      |                                  |



**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Court Computer  
Year Ended December 31, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                |                              |                   |                                  |
| Fines, costs and forfeitures    | \$ 9,000                     | 3,936             | (5,064)                          |
| Total revenues                  | <u>9,000</u>                 | <u>3,936</u>      | <u>(5,064)</u>                   |
| <b>Expenditures:</b>            |                              |                   |                                  |
| Current:                        |                              |                   |                                  |
| General government              |                              |                   |                                  |
| Operations/maintenance          | <u>5,750</u>                 | <u>3,542</u>      | <u>2,208</u>                     |
| Total expenditures              | <u>5,750</u>                 | <u>3,542</u>      | <u>2,208</u>                     |
| Net change in fund balance      | 3,250                        | 394               | (2,856)                          |
| Fund balance, beginning of year | <u>-</u>                     | <u>-</u>          |                                  |
| Fund balance, end of year       | \$ <u><u>3,250</u></u>       | <u><u>394</u></u> |                                  |

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Project Lifesaver  
Year Ended December 31, 2012

|                                  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|----------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                 |                              |                   |                                  |
| Other                            | \$ 2,000                     | 1,642             | (358)                            |
| Total revenues                   | <u>2,000</u>                 | <u>1,642</u>      | <u>(358)</u>                     |
| <b>Expenditures:</b>             |                              |                   |                                  |
| Current:                         |                              |                   |                                  |
| Security of persons and property |                              |                   |                                  |
| Operations/maintenance           | 2,000                        | 20                | 1,980                            |
| Total expenditures               | <u>2,000</u>                 | <u>20</u>         | <u>1,980</u>                     |
| Net change in fund balance       | -                            | 1,622             | 1,622                            |
| Fund balance, beginning of year  | -                            | -                 |                                  |
| Fund balance, end of year        | \$ -                         | <u>1,622</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, 2012

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                            |                              |                   |                                  |
| Property and other taxes                    | \$ 60,198                    | 58,728            | (1,470)                          |
| Intergovernmental                           | <u>7,314</u>                 | <u>6,656</u>      | <u>(658)</u>                     |
| Total revenues                              | <u>67,512</u>                | <u>65,384</u>     | <u>(2,128)</u>                   |
| <b>Expenditures:</b>                        |                              |                   |                                  |
| Current:                                    |                              |                   |                                  |
| Security of persons and property            |                              |                   |                                  |
| Personal services                           | <u>350,900</u>               | <u>350,900</u>    | <u>-</u>                         |
| Total expenditures                          | <u>350,900</u>               | <u>350,900</u>    | <u>-</u>                         |
| Deficiency of revenues (under) expenditures | <u>(283,388)</u>             | <u>(285,516)</u>  | <u>(2,128)</u>                   |
| <b>Other financing sources:</b>             |                              |                   |                                  |
| Transfers in                                | <u>289,000</u>               | <u>285,996</u>    | <u>(3,004)</u>                   |
| Net change in fund balance                  | 5,612                        | 480               | (5,132)                          |
| Fund balance, beginning of year             | <u>235</u>                   | <u>235</u>        |                                  |
| Fund balance, end of year                   | <u>\$ 5,847</u>              | <u>715</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, 2012

|                                  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts   | Variance<br>From Final<br>Budget |
|----------------------------------|------------------------------|---------------------|----------------------------------|
| <b>Revenues:</b>                 |                              |                     |                                  |
| Intergovernmental                | \$ 20,000                    | 19,232              | (768)                            |
| Total revenues                   | <u>20,000</u>                | <u>19,232</u>       | <u>(768)</u>                     |
| <b>Expenditures:</b>             |                              |                     |                                  |
| Current:                         |                              |                     |                                  |
| Security of persons and property |                              |                     |                                  |
| Operations/maintenance           | <u>18,500</u>                | <u>17,176</u>       | <u>1,324</u>                     |
| Total expenditures               | <u>18,500</u>                | <u>17,176</u>       | <u>1,324</u>                     |
| Net change in fund balance       | 1,500                        | 2,056               | 556                              |
| Fund balance, beginning of year  | <u>110</u>                   | <u>110</u>          |                                  |
| Fund balance, end of year        | \$ <u><u>1,610</u></u>       | <u><u>2,166</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, 2012

|                                  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|----------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                 |                              |                   |                                  |
| Intergovernmental                | \$ 3,000                     | 1,116             | (1,884)                          |
| Total revenues                   | <u>3,000</u>                 | <u>1,116</u>      | <u>(1,884)</u>                   |
| <b>Expenditures:</b>             |                              |                   |                                  |
| Current:                         |                              |                   |                                  |
| Security of persons and property |                              |                   |                                  |
| Operations/maintenance           | <u>3,500</u>                 | <u>2,070</u>      | <u>1,430</u>                     |
| Total expenditures               | <u>3,500</u>                 | <u>2,070</u>      | <u>1,430</u>                     |
| Net change in fund balance       | (500)                        | (954)             | (454)                            |
| Fund balance, beginning of year  | <u>954</u>                   | <u>954</u>        |                                  |
| Fund balance, end of year        | \$ <u><u>454</u></u>         | <u><u>-</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, 2012

|                                  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|----------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                 |                              |                   |                                  |
| Intergovernmental                | \$ 300                       | -                 | (300)                            |
| Total revenues                   | <u>300</u>                   | <u>-</u>          | <u>(300)</u>                     |
| <b>Expenditures:</b>             |                              |                   |                                  |
| Current:                         |                              |                   |                                  |
| Security of persons and property |                              |                   |                                  |
| Operations/maintenance           | <u>300</u>                   | <u>75</u>         | <u>225</u>                       |
| Total expenditures               | <u>300</u>                   | <u>75</u>         | <u>225</u>                       |
| Net change in fund balance       | -                            | (75)              | (75)                             |
| Fund balance, beginning of year  | <u>636</u>                   | <u>636</u>        |                                  |
| Fund balance, end of year        | \$ <u><u>636</u></u>         | <u><u>561</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, 2012

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

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Police Memorial  
Year Ended December 31, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|-------------------|----------------------------------|
| Fund balance, beginning of year | <u>913</u>                   | <u>913</u>        |                                  |
| Fund balance, end of year       | \$ <u>913</u>                | <u>913</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, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts     | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|-----------------------|----------------------------------|
| <b>Revenues:</b>                |                              |                       |                                  |
| Property and other taxes        | \$ 15,000                    | 19,600                | 4,600                            |
| Total revenues                  | <u>15,000</u>                | <u>19,600</u>         | <u>4,600</u>                     |
| <b>Other financing sources:</b> |                              |                       |                                  |
| Transfers in                    | <u>16,000</u>                | <u>15,700</u>         | <u>(300)</u>                     |
| Net change in fund balance      | 31,000                       | 35,300                | 4,300                            |
| Fund balance, beginning of year | <u>429,613</u>               | <u>429,613</u>        |                                  |
| Fund balance, end of year       | \$ <u><u>460,613</u></u>     | <u><u>464,913</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 (1)  
Year Ended December 31, 2012

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|--------------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                     |                              |                   |                                  |
| Charges for services                 | \$ 6,500                     | 7,786             | 1,286                            |
| Other                                | <u>3,500</u>                 | <u>3,816</u>      | <u>316</u>                       |
| Total revenues                       | <u>10,000</u>                | <u>11,602</u>     | <u>1,602</u>                     |
| <b>Expenditures:</b>                 |                              |                   |                                  |
| Current:                             |                              |                   |                                  |
| Leisure time activities              |                              |                   |                                  |
| Operations/maintenance               | <u>8,571</u>                 | <u>8,563</u>      | <u>8</u>                         |
| Total leisure time activities        | <u>8,571</u>                 | <u>8,563</u>      | <u>8</u>                         |
| Capital outlay                       |                              |                   |                                  |
| Capital improvements                 | <u>1,546</u>                 | <u>1,546</u>      | <u>-</u>                         |
| Total capital outlay                 | <u>1,546</u>                 | <u>1,546</u>      | <u>-</u>                         |
| Total expenditures                   | <u>10,117</u>                | <u>10,109</u>     | <u>8</u>                         |
| Net change in fund balance           | (117)                        | 1,493             | 1,610                            |
| Fund balance, beginning of year      | 35,581                       | 35,581            |                                  |
| Prior year encumbrances appropriated | <u>116</u>                   | <u>116</u>        |                                  |
| Fund balance, end of year            | \$ <u>35,580</u>             | <u>37,190</u>     |                                  |

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

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund

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

Debt Service Fund

Year Ended December 31, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Expenditures:</b>            |                              |                   |                                  |
| Debt service:                   |                              |                   |                                  |
| Principal                       | \$ 1,985,198                 | 1,984,451         | 747                              |
| Interest and fiscal charges     | <u>1,410,058</u>             | <u>1,409,443</u>  | <u>615</u>                       |
| Total expenditures              | <u>3,395,256</u>             | <u>3,393,894</u>  | <u>1,362</u>                     |
| <b>Other financing sources:</b> |                              |                   |                                  |
| Transfers in                    | <u>3,395,256</u>             | <u>3,393,894</u>  | <u>(1,362)</u>                   |
| Net change in fund balance      | -                            | -                 | -                                |
| Fund balance, beginning of year | <u>385,239</u>               | <u>385,239</u>    |                                  |
| Fund balance, end of year       | \$ <u>385,239</u>            | <u>385,239</u>    |                                  |

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Special Assessment  
Year Ended December 31, 2012

|                                 | Final<br>Budgeted<br>Amounts | Actual<br>Amounts    | Variance<br>From Final<br>Budget |
|---------------------------------|------------------------------|----------------------|----------------------------------|
| <b>Revenues:</b>                |                              |                      |                                  |
| Special assessments             | \$ -                         | 1                    | 1                                |
| Net change in fund balance      | -                            | 1                    | 1                                |
| Fund balance, beginning of year | <u>23,227</u>                | <u>23,227</u>        |                                  |
| Fund balance, end of year       | \$ <u><u>23,227</u></u>      | <u><u>23,228</u></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, 2012

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts       | Variance<br>From Final<br>Budget |
|---|------------------------------|-------------------------|----------------------------------|
| <b>Revenues:</b>                            |                              |                         |                                  |
| Property and other taxes                    | \$ 65,000                    | 76,564                  | 11,564                           |
| Intergovernmental                           | <u>747,458</u>               | <u>360,600</u>          | <u>(386,858)</u>                 |
| Total revenues                              | <u>812,458</u>               | <u>437,164</u>          | <u>(375,294)</u>                 |
| <b>Expenditures:</b>                        |                              |                         |                                  |
| Capital outlay                              |                              |                         |                                  |
| Capital improvements                        | <u>1,390,056</u>             | <u>1,291,541</u>        | <u>98,515</u>                    |
| Total expenditures                          | <u>1,390,056</u>             | <u>1,291,541</u>        | <u>98,515</u>                    |
| Deficiency of revenues (under) expenditures | <u>(577,598)</u>             | <u>(854,377)</u>        | <u>(276,779)</u>                 |
| <b>Other financing sources:</b>             |                              |                         |                                  |
| Bond anticipation notes issued              | 275,000                      | 275,000                 | -                                |
| OPWC loans issued                           | <u>497,530</u>               | <u>184,743</u>          | <u>(312,787)</u>                 |
| Total other financing sources               | <u>772,530</u>               | <u>459,743</u>          | <u>(312,787)</u>                 |
| Net change in fund balance                  | 194,932                      | (394,634)               | (589,566)                        |
| Fund balance, beginning of year             | (521,405)                    | (521,405)               |                                  |
| Prior year encumbrances appropriated        | <u>602,912</u>               | <u>602,912</u>          |                                  |
| Fund balance, end of year                   | \$ <u><u>276,439</u></u>     | <u><u>(313,127)</u></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, 2012

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts  | Variance<br>From Final<br>Budget |
|---|------------------------------|--------------------|----------------------------------|
| <b>Revenues:</b>                            |                              |                    |                                  |
| Payments in lieu of taxes                   | \$ 206,000                   | 206,093            | 93                               |
| Intergovernmental                           | <u>1,063,000</u>             | <u>-</u>           | <u>(1,063,000)</u>               |
| Total revenues                              | <u>1,269,000</u>             | <u>206,093</u>     | <u>(1,062,907)</u>               |
| <b>Expenditures:</b>                        |                              |                    |                                  |
| Current:                                    |                              |                    |                                  |
| General government                          |                              |                    |                                  |
| Operations/maintenance                      | <u>96,000</u>                | <u>95,840</u>      | <u>160</u>                       |
| Total general government                    | <u>96,000</u>                | <u>95,840</u>      | <u>160</u>                       |
| Capital outlay                              |                              |                    |                                  |
| Capital improvements                        | <u>2,230,064</u>             | <u>1,364,021</u>   | <u>866,043</u>                   |
| Total capital outlay                        | <u>2,230,064</u>             | <u>1,364,021</u>   | <u>866,043</u>                   |
| Total expenditures                          | <u>2,326,064</u>             | <u>1,459,861</u>   | <u>866,203</u>                   |
| Deficiency of revenues (under) expenditures | <u>(1,057,064)</u>           | <u>(1,253,768)</u> | <u>(196,704)</u>                 |
| <b>Other financing sources (uses):</b>      |                              |                    |                                  |
| Transfers out                               | (79,778)                     | (79,775)           | 3                                |
| Bond anticipation notes issued              | <u>1,250,000</u>             | <u>1,250,000</u>   | <u>-</u>                         |
| Total other financing sources (uses)        | <u>1,170,222</u>             | <u>1,170,225</u>   | <u>3</u>                         |
| Net change in fund balance                  | 113,158                      | (83,543)           | (196,701)                        |
| Fund balance, beginning of year             | <u>160,434</u>               | <u>160,434</u>     |                                  |
| Fund balance, end of year                   | \$ <u>273,592</u>            | <u>76,891</u>      |                                  |

**CITY OF HARRISON, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - Budget (Non-GAAP) Basis  
Harrison Avenue TIF  
Year Ended December 31, 2012

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance<br>From Final<br>Budget |
|--------------------------------------|------------------------------|-------------------|----------------------------------|
| <b>Revenues:</b>                     |                              |                   |                                  |
| Payments in lieu of taxes            | \$ 246,800                   | 246,771           | (29)                             |
| Other                                | <u>22,325</u>                | <u>22,322</u>     | <u>(3)</u>                       |
| Total revenues                       | <u>269,125</u>               | <u>269,093</u>    | <u>(32)</u>                      |
| <b>Expenditures:</b>                 |                              |                   |                                  |
| Current:                             |                              |                   |                                  |
| General government                   |                              |                   |                                  |
| Operations/maintenance               | <u>113,907</u>               | <u>113,866</u>    | <u>41</u>                        |
| Total general government             | <u>113,907</u>               | <u>113,866</u>    | <u>41</u>                        |
| Capital outlay                       |                              |                   |                                  |
| Capital improvements                 | <u>47,114</u>                | <u>47,114</u>     | <u>-</u>                         |
| Total capital outlay                 | <u>47,114</u>                | <u>47,114</u>     | <u>-</u>                         |
| Total expenditures                   | <u>161,021</u>               | <u>160,980</u>    | <u>41</u>                        |
| Excess of revenues over expenditures | <u>108,104</u>               | <u>108,113</u>    | <u>9</u>                         |
| <b>Other financing uses:</b>         |                              |                   |                                  |
| Transfers out                        | <u>(127,513)</u>             | <u>(127,513)</u>  | <u>-</u>                         |
| Net change in fund balance           | (19,409)                     | (19,400)          | 9                                |
| Fund balance, beginning of year      | <u>22,643</u>                | <u>22,643</u>     |                                  |
| Fund balance, end of year            | <u>\$ 3,234</u>              | <u>3,243</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, 2012

|   | <u>Final<br/>Budgeted<br/>Amounts</u> | <u>Actual<br/>Amounts</u> | <u>Variance<br/>From Final<br/>Budget</u> |
|---|---------------------------------------|---------------------------|---|
| <b>Expenditures:</b>                      |                                       |                           |   |
| Capital outlay                            |                                       |                           |   |
| Capital improvements                      | \$ 186,360                            | 186,360                   | -   |
| Total expenditures                        | <u>186,360</u>                        | <u>186,360</u>            | <u>-</u>                                  |
| <b>Other financing sources (uses):</b>    |                                       |                           |   |
| OPWC loans issued                         | 167,725                               | 167,724                   | (1)                                       |
| Transfers out                             | <u>(17,888)</u>                       | <u>(17,147)</u>           | <u>(741)</u>                              |
| Total other financing sources (uses)      | <u>149,837</u>                        | <u>150,577</u>            | <u>(742)</u>                              |
| Net change in fund balance                | (36,523)                              | (35,783)                  | (742)                                     |
| Fund balance, beginning of year, restated | (81,553)                              | (81,553)                  |   |
| Prior year encumbrances appropriated      | <u>120,223</u>                        | <u>120,223</u>            |   |
| Fund balance, end of year                 | \$ <u><u>2,147</u></u>                | <u><u>2,887</u></u>       |   |



## NONMAJOR PROPRIETARY FUNDS

### *ENTERPRISE FUNDS*

To account for goods and services financed or recovered primarily through external user charges and fees.

#### Storm Water

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

#### Water/Wastewater Deposits

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

#### Sanitation

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

**CITY OF HARRISON, OHIO**  
Combining Statement of Fund Net Position  
Nonmajor Enterprise Funds  
December 31, 2012

|   | Storm Water         | Water/Wastewater<br>Deposits | Sanitation     | TOTAL            |
|---|---------------------|------------------------------|----------------|------------------|
| <b>Assets:</b>                            |                     |                              |                |                  |
| Current assets:                           |                     |                              |                |                  |
| Equity in pooled cash and investments     | \$ 26,553           | 75,664                       | 201,798        | 304,015          |
| Receivables:                              |                     |                              |                |                  |
| Accounts                                  | 10,258              | -                            | 41,280         | 51,538           |
| Total current assets                      | <u>36,811</u>       | <u>75,664</u>                | <u>243,078</u> | <u>355,553</u>   |
| Noncurrent assets:                        |                     |                              |                |                  |
| Capital assets:                           |                     |                              |                |                  |
| Depreciable capital assets, net           | 2,014,638           | -                            | -              | 2,014,638        |
| Total assets                              | <u>2,051,449</u>    | <u>75,664</u>                | <u>243,078</u> | <u>2,370,191</u> |
| <b>Liabilities and Net Position:</b>      |                     |                              |                |                  |
| <b>Liabilities:</b>                       |                     |                              |                |                  |
| Current liabilities:                      |                     |                              |                |                  |
| Accounts payable                          | -                   | -                            | 200            | 200              |
| Advances from other funds                 | 207,178             | -                            | -              | 207,178          |
| OPWC loan payable, current portion of     | 21,030              | -                            | -              | 21,030           |
| Total current liabilities                 | <u>228,208</u>      | <u>-</u>                     | <u>200</u>     | <u>228,408</u>   |
| Long-term liabilities:                    |                     |                              |                |                  |
| OPWC loan payable, net of current portion | 325,965             | -                            | -              | 325,965          |
| Total long-term liabilities               | <u>325,965</u>      | <u>-</u>                     | <u>-</u>       | <u>325,965</u>   |
| Total liabilities                         | <u>554,173</u>      | <u>-</u>                     | <u>200</u>     | <u>554,373</u>   |
| <b>Net position:</b>                      |                     |                              |                |                  |
| Net investment in capital assets          | 1,667,643           | -                            | -              | 1,667,643        |
| Unrestricted (deficit)                    | (170,367)           | 75,664                       | 242,878        | 148,175          |
| Total net position                        | <u>\$ 1,497,276</u> | <u>75,664</u>                | <u>242,878</u> | <u>1,815,818</u> |

**CITY OF HARRISON, OHIO**  
Combining Statement of Revenues, Expenses  
and Changes in Net Position  
Nonmajor Enterprise Funds  
Year Ended December 31, 2012

|                                 | <u>Storm Water</u>  | <u>Water/Wastewater<br/>Deposits</u> | <u>Sanitation</u> | <u>Total</u>     |
|---------------------------------|---------------------|--------------------------------------|-------------------|------------------|
| <b>Operating revenues:</b>      |                     |                                      |                   |                  |
| Charges for services            | \$ 111,424          | 7,126                                | 453,360           | 571,910          |
| Other                           | -                   | -                                    | 702               | 702              |
| Total operating revenues        | <u>111,424</u>      | <u>7,126</u>                         | <u>454,062</u>    | <u>572,612</u>   |
| <b>Operating expenses:</b>      |                     |                                      |                   |                  |
| Contractual services            | -                   | -                                    | 414,627           | 414,627          |
| Other                           | -                   | 2,500                                | -                 | 2,500            |
| Depreciation                    | <u>46,613</u>       | -                                    | -                 | <u>46,613</u>    |
| Total operating expenses        | <u>46,613</u>       | <u>2,500</u>                         | <u>414,627</u>    | <u>463,740</u>   |
| Operating income                | 64,811              | 4,626                                | 39,435            | 108,872          |
| Transfers out                   | <u>(28,469)</u>     | -                                    | -                 | <u>(28,469)</u>  |
| Change in net position          | 36,342              | 4,626                                | 39,435            | 80,403           |
| Net position, beginning of year | <u>1,460,934</u>    | <u>71,038</u>                        | <u>203,443</u>    | <u>1,735,415</u> |
| Net position, end of year       | <u>\$ 1,497,276</u> | <u>75,664</u>                        | <u>242,878</u>    | <u>1,815,818</u> |

**CITY OF HARRISON, OHIO**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2012

|  | Storm Water       | Water/Wastewater<br>Deposits | Sanitation     | Total           |
|--|-------------------|------------------------------|----------------|-----------------|
| <b>Cash flows from operating activities:</b>   |                   |                              |                |                 |
| Cash received from customers   | \$ 109,987        | 7,126                        | 447,474        | 564,587         |
| Cash payments to suppliers for goods and services  | -                 | -                            | (451,939)      | (451,939)       |
| Cash payments for other operating expenses   | -                 | (2,500)                      | -              | (2,500)         |
| Cash received from other operating revenue   | -                 | -                            | 702            | 702             |
| Net cash provided (used) by operating activities   | <u>109,987</u>    | <u>4,626</u>                 | <u>(3,763)</u> | <u>110,850</u>  |
| <b>Cash flows from noncapital financing activities:</b>  |                   |                              |                |                 |
| Transfers  | (28,469)          | -                            | -              | (28,469)        |
| Return advances to other funds   | (50,000)          | -                            | -              | (50,000)        |
| Net cash used by noncapital financing activities   | <u>(78,469)</u>   | <u>-</u>                     | <u>-</u>       | <u>(78,469)</u> |
| <b>Cash flows from capital and related financing activities:</b>                               |                   |                              |                |                 |
| Principal retirement   | (21,030)          | -                            | -              | (21,030)        |
| Net cash used by capital and related financing activities                                      | <u>(21,030)</u>   | <u>-</u>                     | <u>-</u>       | <u>(21,030)</u> |
| Net change   | 10,488            | 4,626                        | (3,763)        | 11,351          |
| Cash and pooled investments beginning of year  | <u>16,065</u>     | <u>71,038</u>                | <u>205,561</u> | <u>292,664</u>  |
| Cash and pooled investments end of year  | <u>26,553</u>     | <u>75,664</u>                | <u>201,798</u> | <u>304,015</u>  |
| Reconciliation of operating income to net cash provided (used) by operating activities:        |                   |                              |                |                 |
| Operating income   | 64,811            | 4,626                        | 39,435         | 108,872         |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |                   |                              |                |                 |
| Depreciation   | 46,613            | -                            | -              | 46,613          |
| Changes in assets and liabilities:   |                   |                              |                |                 |
| Receivables  | (1,437)           | -                            | (5,886)        | (7,323)         |
| Accounts payable   | -                 | -                            | (37,312)       | (37,312)        |
| Net cash provided (used) by operating activities   | <u>\$ 109,987</u> | <u>4,626</u>                 | <u>(3,763)</u> | <u>110,850</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 Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2012

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|-------------------|---------------------------|
| <b>Mayor's Court</b>                       |                              |                  |                   |                           |
| <b>Assets:</b>                             |                              |                  |                   |                           |
| Cash in segregated accounts                | \$ <u>15,398</u>             | <u>277,035</u>   | <u>280,429</u>    | <u>12,004</u>             |
| <b>Liabilities:</b>                        |                              |                  |                   |                           |
| Intergovernmental payable                  | <u>15,398</u>                | <u>277,035</u>   | <u>280,429</u>    | <u>12,004</u>             |
| <hr/>                                      |                              |                  |                   |                           |
| <b>Joint Economic Development District</b> |                              |                  |                   |                           |
| <b>Assets:</b>                             |                              |                  |                   |                           |
| Equity in pooled cash and investments      | <u>-</u>                     | <u>102,980</u>   | <u>102,980</u>    | <u>-</u>                  |
| <b>Liabilities:</b>                        |                              |                  |                   |                           |
| Due to others                              | <u>-</u>                     | <u>102,980</u>   | <u>102,980</u>    | <u>-</u>                  |
| <hr/>                                      |                              |                  |                   |                           |
| <b>TOTAL</b>                               |                              |                  |                   |                           |
| <b>Assets:</b>                             |                              |                  |                   |                           |
| Cash in segregated accounts                | 15,398                       | 277,035          | 280,429           | 12,004                    |
| Equity in pooled cash and investments      | <u>-</u>                     | <u>102,980</u>   | <u>102,980</u>    | <u>-</u>                  |
|  | <u>15,398</u>                | <u>380,015</u>   | <u>383,409</u>    | <u>12,004</u>             |
| <b>Liabilities:</b>                        |                              |                  |                   |                           |
| Intergovernmental payable                  | 15,398                       | 277,035          | 280,429           | 12,004                    |
| Due to others                              | <u>-</u>                     | <u>102,980</u>   | <u>102,980</u>    | <u>-</u>                  |
|  | <u>\$ 15,398</u>             | <u>380,015</u>   | <u>383,409</u>    | <u>12,004</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 117 to 121.

#### **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 122 to 126.

#### **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 127 to 132.

#### **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 133 and 134.

#### **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 135 to 137.

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

|  | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 | 2007                 | 2006                 | 2005                 | 2004                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 10,827,649        | \$ 9,273,676         | \$ 8,613,002         | \$ 8,700,582         | \$ 8,188,666         | \$ 7,218,367         | \$ 6,208,120         | \$ 6,305,598         | \$ 4,996,494         |
| Restricted:  |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital Projects                                   | 70,399               | 320,110              | 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                               | 302,855              | 434,498              | 618,134              | 807,072              | 779,370              | 547,732              | 438,369              | 354,940              | 231,962              |
| Recreation   | 490,505              | 529,826              | 441,070              | 293,901              | 194,023              | 104,032              | 89,697               | 236,584              | 65,182               |
| Other Purposes                                     | 172,248              | 172,805              | 253,799              | 579,115              | 769,187              | 973,782              | 837,138              | 1,022,544            | 890,100              |
| Unrestricted                                       | 434,520              | 528,906              | 898,341              | 899,413              | 2,243,692            | 2,131,089            | 1,398,851            | 1,345,503            | 994,418              |
| <b>Total Governmental Activities Net Positon</b>   | <b>12,298,176</b>    | <b>11,259,821</b>    | <b>11,636,844</b>    | <b>11,908,113</b>    | <b>13,584,766</b>    | <b>12,688,044</b>    | <b>11,216,961</b>    | <b>10,783,677</b>    | <b>11,450,237</b>    |
| <b>Business Type - Activities</b>                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 8,636,600            | 8,547,117            | 6,955,754            | 8,017,742            | 8,208,988            | 8,203,170            | 8,244,568            | 6,593,538            | 5,162,716            |
| Restricted   | 2,131,205            | 2,183,434            | 2,183,465            | 2,148,863            | 2,112,293            | 2,103,523            | 1,997,344            | 1,604,388            | 1,929,871            |
| Unrestricted                                       | 1,637,109            | 2,028,991            | 3,748,975            | 2,638,922            | 3,358,016            | 3,844,896            | 3,676,592            | 5,390,514            | 4,841,314            |
| <b>Total Business-Type Activities Net Position</b> | <b>12,404,914</b>    | <b>12,759,542</b>    | <b>12,888,194</b>    | <b>12,805,527</b>    | <b>13,679,297</b>    | <b>14,151,589</b>    | <b>13,918,504</b>    | <b>13,588,440</b>    | <b>11,933,901</b>    |
| <b>Primary Government</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 19,464,249           | 17,820,793           | 15,568,756           | 16,718,324           | 16,397,654           | 15,421,537           | 14,452,688           | 12,899,136           | 10,159,210           |
| Restricted   | 3,167,212            | 3,640,673            | 4,308,966            | 4,456,981            | 5,264,701            | 5,442,111            | 5,607,334            | 4,736,964            | 7,389,196            |
| Unrestricted                                       | 2,071,629            | 2,557,897            | 4,647,316            | 3,538,335            | 5,601,708            | 5,975,985            | 5,075,443            | 6,736,017            | 5,835,732            |
| <b>Total Primary Government Net Positon</b>        | <b>\$ 24,703,090</b> | <b>\$ 24,019,363</b> | <b>\$ 24,525,038</b> | <b>\$ 24,713,640</b> | <b>\$ 27,264,063</b> | <b>\$ 26,839,633</b> | <b>\$ 25,135,465</b> | <b>\$ 24,372,117</b> | <b>\$ 23,384,138</b> |

**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 POSITION  
LAST NINE YEARS  
(ACCRUAL BASIS OF ACCOUNTING)*

|   | 2012                  | 2011                  | 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Program Revenues</b>                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Security of Persons and Property:               | \$ 870,269            | \$ 745,046            | \$ 893,571            | \$ 698,301            | \$ 595,500            | \$ 594,535            | \$ 554,805            | \$ 563,405            | \$ 594,816            |
| Public Health Services                          | 46,240                | 49,732                | 25,858                | 35,097                | 157,651               | 161,182               | 99,866                | 129,583               | 19,644                |
| Leisure Time Activities                         | 58,076                | 73,529                | 71,358                | 72,138                | 68,899                | 112,069               | -                     | 63,520                | 39,640                |
| Community and Economic Development              | 104,960               | 117,564               | 47,195                | 152,332               | 86,114                | 161,103               | 178,519               | 192,412               | 93,660                |
| Transportation                                  | -                     | -                     | -                     | 375                   | 120                   | 480                   | -                     | 120                   | 390                   |
| General Government                              | 369,377               | 369,018               | 369,018               | 97,079                | 91,539                | 88,502                | 83,194                | 84,939                | 71,765                |
| Operating Grants and Contributions              | 706,475               | 680,347               | 877,907               | 896,275               | 756,604               | 462,771               | 483,100               | 547,153               | 611,410               |
| Capital Grants and Contributions                | 1,313,600             | 489,106               | -                     | 265,063               | 528,547               | 436,179               | 243,409               | 273,327               | 841,885               |
| Total Governmental Activities Program Revenues  | <u>3,468,997</u>      | <u>2,524,342</u>      | <u>2,284,907</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   | 1,415,656             | 1,350,769             | 1,288,614             | 1,224,384             | 1,317,775             | 1,431,917             | 1,406,498             | 1,431,799             | 1,314,098             |
| Sewer   | 3,207,159             | 3,045,977             | 2,833,348             | 2,433,320             | 2,251,507             | 2,179,071             | 2,146,156             | 2,103,560             | 1,787,499             |
| Storm Water                                     | 111,424               | 118,253               | 105,247               | 179,977               | 94,862                | 27,146                | -                     | -                     | -                     |
| Water/Wastewater Deposits                       | 7,126                 | 5,622                 | 5,578                 | 8,916                 | 4,660                 | 8,055                 | 10,221                | 5,805                 | 2,531                 |
| Sanitation                                      | 453,360               | 444,775               | 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>5,194,725</u>      | <u>4,965,396</u>      | <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>\$ 8,663,722</u>   | <u>\$ 7,489,738</u>   | <u>\$ 6,942,601</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>   |
| <b>Expenses:</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Security of Persons and Property:               | \$ 6,261,278          | \$ 6,436,476          | \$ 5,841,459          | \$ 6,743,223          | \$ 4,965,899          | \$ 4,683,372          | \$ 4,536,986          | \$ 4,572,970          | \$ 4,128,525          |
| Public Health Services                          | 316,702               | 314,128               | 339,855               | 400,154               | 313,537               | 281,603               | 264,800               | 302,458               | 242,285               |
| Leisure Time Activities                         | 266,164               | 303,402               | 315,334               | 369,208               | 332,381               | 308,959               | 304,242               | 225,342               | 244,658               |
| Community and Economic Development              | 104,288               | 127,997               | 138,115               | 150,035               | 110,453               | 125,886               | 108,382               | 103,838               | 95,444                |
| Transportation                                  | 919,283               | 914,534               | 971,886               | 889,189               | 738,160               | 685,405               | 629,650               | 564,912               | 640,357               |
| General Government                              | 1,138,495             | 1,291,876             | 1,299,480             | 1,526,678             | 1,011,755             | 839,493               | 1,138,392             | 884,336               | 1,030,510             |
| Interest and Fiscal Charges                     | 242,803               | 244,701               | 295,479               | 230,125               | 214,254               | 108,342               | 195,440               | 187,483               | 175,737               |
| Total Governmental Activities Expenses          | <u>9,249,013</u>      | <u>9,633,114</u>      | <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   | 1,601,191             | 1,564,893             | 1,387,114             | 1,826,364             | 1,117,172             | 941,915               | 1,069,343             | 1,124,409             | 974,473               |
| Sewer   | 3,462,848             | 3,076,759             | 2,653,586             | 2,931,737             | 2,776,374             | 2,551,359             | 2,511,568             | 2,561,278             | 2,077,687             |
| Storm Water                                     | 46,613                | 114,987               | 129,183               | 50,123                | 617,408               | 38,301                | 39,663                | 24,211                | 404                   |
| Water/Wastewater Deposits                       | 2,500                 | 2,240                 | 3,098                 | 1,824                 | 848                   | 959                   | 774                   | 529                   | 92                    |
| Sanitation                                      | 414,627               | 446,402               | 423,451               | 434,487               | 355,800               | 384,917               | 376,338               | 317,682               | 268,014               |
| Total Business-Type Activities Expenses         | <u>5,527,779</u>      | <u>5,205,281</u>      | <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>\$ 14,776,792</u>  | <u>\$ 14,838,395</u>  | <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                         | \$ (5,780,016)        | \$ (7,108,772)        | \$ (6,916,701)        | \$ (8,091,952)        | \$ (5,401,465)        | \$ (5,016,239)        | \$ (5,534,999)        | \$ (4,986,880)        | \$ (4,284,306)        |
| Business-Type Activities                        | (333,054)             | (239,885)             | 61,262                | (1,012,652)           | (589,884)             | 112,184               | (43,301)              | (152,112)             | 828,110               |
| Total Primary Government Net Expense            | <u>\$ (6,113,070)</u> | <u>\$ (7,348,657)</u> | <u>\$ (6,855,439)</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> |

*continued*

**CITY OF HARRISON, OHIO**

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

|   | <u>2012</u>         | <u>2011</u>         | <u>2010</u>         | <u>2009</u>           | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         | <u>2005</u>         | <u>2004</u>         |
|---|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| Governmental Activities                                   |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| Taxes:  |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| Property Taxes Levied For:                                |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| General Purposes  | \$ 1,133,971        | \$ 1,177,650        | \$ 1,114,994        | \$ 1,257,994          | \$ 1,175,925        | \$ 1,182,350        | \$ 1,154,940        | \$ 1,105,350        | \$ 966,908          |
| Fire Improvements   | 1,141,133           | 1,174,922           | 1,151,918           | 739,772               | 857,520             | 915,426             | 902,383             | 896,472             | 844,740             |
| Police Pension  | 57,978              | 62,067              | 58,466              | 54,489                | 60,085              | 58,283              | 65,937              | 61,785              | 51,934              |
| Recreation  | 19,600              | 6,541               | 18,318              | 14,800                | 8,500               | 32,400              | 34,300              | 42,489              | 44,900              |
| Capital Projects  | 92,683              | 60,951              | 62,672              | 255,008               | 244,635             | 233,431             | 210,660             | 199,490             | 194,815             |
| Municipal Income Taxes levied for:                        |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| General Purposes  | 3,212,378           | 2,956,342           | 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                                  | 453,214             | 436,412             | 259,559             | -                     | -                   | -                   | -                   | -                   | -                   |
| Grants and Entitlements not Restricted to                 |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| Specific Programs   | 479,451             | 719,408             | 903,534             | 1,013,554             | 575,158             | 655,461             | 478,657             | 680,472             | 518,308             |
| Investment Earnings                                       | 28,313              | 34,474              | 56,698              | 67,215                | 201,017             | 321,019             | 217,467             | 161,035             | 47,149              |
| Miscellaneous   | 171,181             | 74,513              | 99,419              | 151,696               | 60,817              | 107,742             | 100,066             | 250,567             | 104,679             |
| Transfers   | 28,469              | 28,469              | -                   | -                     | 80,154              | 30,153              | 9,589               | (1,663,768)         | 2,459,261           |
| Total Governmental Activities                             | <u>6,818,371</u>    | <u>6,731,749</u>    | <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                                       | 948                 | 1,882               | 2,233               | 13,472                | 187,861             | 140,535             | 136,586             | 90,501              | 54,368              |
| Miscellaneous   | 5,947               | 137,820             | 19,172              | 125,410               | 9,885               | 10,519              | 246,368             | 52,382              | 28,717              |
| Transfers   | (28,469)            | (28,469)            | -                   | -                     | (80,154)            | (30,153)            | (9,589)             | 1,663,768           | (2,459,261)         |
| Total Business-Type Activities                            | <u>(21,574)</u>     | <u>111,233</u>      | <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>\$ 6,796,797</u> | <u>\$ 6,842,982</u> | <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> |
| <b>Changes in Net Position:</b>                           |                     |                     |                     |                       |                     |                     |                     |                     |                     |
| Governmental Activities                                   | \$ 1,038,355        | \$ (377,023)        | \$ (263,828)        | \$ (1,676,653)        | \$ 896,722          | \$ 1,471,083        | \$ 433,284          | \$ (666,560)        | \$ 3,583,539        |
| Business-Type Activities                                  | (354,628)           | (128,652)           | 82,667              | (873,770)             | (472,292)           | 233,085             | 330,064             | 1,654,539           | (1,548,066)         |
| Total Primary Government                                  | <u>\$ 683,727</u>   | <u>\$ (505,675)</u> | <u>\$ (181,161)</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>2012</u>         | <u>2011</u>       | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         | <u>2005</u>         | <u>2004</u>         | <u>2003</u>         |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund:</b>                      |                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Reserved                                  | \$ -                | \$ -              | \$ 107,219          | \$ 138,909          | \$ 94,110           | \$ 89,890           | \$ 74,089           | \$ 249,579          | \$ 226,613          | \$ 146,752          |
| Unreserved                                | -                   | -                 | 973,409             | 1,372,342           | 1,937,901           | 1,787,588           | 1,171,804           | 738,136             | 462,452             | 695,381             |
| Nonspendable                              | 44,307              | 61,155            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Assigned                                  | 562,112             | 256,401           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | 73,663              | 560,025           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total General Fund</b>                 | <u>\$ 680,082</u>   | <u>\$ 877,581</u> | <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>   |
| <b>All Other Governmental Funds:</b>      |                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Reserved                                  | \$ -                | \$ -              | \$ 276,219          | \$ 350,647          | \$ 77,949           | \$ 66,766           | \$ 23,728           | \$ 1,623,732        | \$ 755,549          | \$ 1,300,573        |
| 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           |
| Debt Service Funds                        | -                   | -                 | 410,733             | 394,074             | 620,316             | 923,848             | 1,108,321           | 1,098,117           | 1,176,283           | -                   |
| Capital Projects Funds                    | -                   | -                 | 723,045             | 666,249             | 787,220             | 818,482             | 1,147,150           | (1,020,609)         | 2,499,405           | 426,008             |
| Nonspendable                              | 27,702              | 38,999            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Restricted                                | 675,513             | 1,039,070         | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Committed                                 | 70,850              | -                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Assigned                                  | 386,152             | 386,152           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | (1,558,573)         | (544,843)         | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total All Other Governmental Funds</b> | <u>\$ (398,356)</u> | <u>\$ 919,378</u> | <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> |

**Source:** City financial records

Note: 2011 was the first year the City implemented GASB 54; the City elected to apply the standard prospectively.

**CITY OF HARRISON, OHIO**

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

|  | 2012                  | 2011                  | 2010                | 2009                  | 2008                | 2007              | 2006              | 2005                  | 2004                | 2003              |
|--|-----------------------|-----------------------|---------------------|-----------------------|---------------------|-------------------|-------------------|-----------------------|---------------------|-------------------|
| <b>Revenues</b>  |                       |                       |                     |                       |                     |                   |                   |                       |                     |                   |
| Taxes  | \$ 5,566,501          | \$ 5,349,136          | \$ 5,310,372        | \$ 5,183,896          | \$ 5,375,433        | \$ 5,299,259      | \$ 5,194,401      | \$ 4,895,233          | \$ 4,656,975        | \$ 4,651,515      |
| Payment in Lieu of Taxes   | 452,863               | 441,506               | 240,736             | -                     | -                   | -                 | -                 | -                     | -                   | -                 |
| Intergovernmental  | 1,589,536             | 1,891,845             | 1,736,023           | 2,192,876             | 1,766,443           | 1,431,545         | 1,201,142         | 1,533,268             | 1,947,015           | 834,738           |
| Charges for Services   | 881,137               | 747,078               | 968,302             | 692,342               | 697,907             | 750,671           | 499,626           | 562,232               | 439,505             | 308,772           |
| Fines, Costs and Forfeitures                                       | 197,051               | 196,021               | 229,666             | 117,904               | 126,519             | 108,891           | 162,032           | 202,606               | 219,915             | 128,262           |
| Licenses, Permits and Inspections                                  | 213,233               | 223,341               | 177,223             | 245,031               | 172,878             | 245,275           | 254,726           | 269,141               | 160,495             | 152,472           |
| Interest   | 28,313                | 34,474                | 58,205              | 66,941                | 217,625             | 321,019           | 217,467           | 166,572               | 56,434              | 63,175            |
| Contributions  | 47,270                | 50,749                | 6,783               | 17,680                | 40                  | -                 | -                 | -                     | -                   | -                 |
| Other  | 337,962               | 152,887               | 127,934             | 211,186               | 89,008              | 151,685           | 77,014            | 250,567               | 100,111             | 132,037           |
| <b>Total Revenues</b>  | <b>9,313,866</b>      | <b>9,087,037</b>      | <b>8,855,244</b>    | <b>8,727,856</b>      | <b>8,445,853</b>    | <b>8,308,345</b>  | <b>7,606,408</b>  | <b>7,879,619</b>      | <b>7,580,450</b>    | <b>6,270,971</b>  |
| <b>Expenditures</b>  |                       |                       |                     |                       |                     |                   |                   |                       |                     |                   |
| Current:   |                       |                       |                     |                       |                     |                   |                   |                       |                     |                   |
| Security of persons and property                                   | 6,024,562             | 5,917,133             | 5,652,619           | 5,601,881             | 4,725,957           | 4,507,623         | 4,271,258         | 4,203,191             | 3,938,018           | 3,607,850         |
| Public health services   | 306,401               | 292,932               | 338,848             | 371,429               | 307,502             | 279,541           | 258,999           | 288,470               | 229,006             | 188,036           |
| Leisure time activities  | 200,297               | 220,659               | 251,512             | 294,920               | 275,595             | 251,698           | 238,886           | 170,999               | 192,253             | 155,207           |
| Community and economic development                                 | 100,612               | 124,383               | 134,578             | 143,679               | 109,590             | 124,646           | 104,374           | 100,599               | 94,084              | 7,233             |
| Transportation   | 632,330               | 677,233               | 780,692             | 667,450               | 579,366             | 555,511           | 506,502           | 470,473               | 478,557             | 459,111           |
| General government   | 1,125,019             | 1,311,725             | 1,209,228           | 1,435,916             | 1,002,167           | 836,722           | 1,011,017         | 867,722               | 1,028,792           | 938,940           |
| Capital outlay   | 2,448,443             | 1,971,979             | 785,017             | 3,143,530             | 1,105,557           | 2,379,123         | 623,455           | 3,999,031             | 2,286,541           | 1,061,626         |
| Debt Service:  |                       |                       |                     |                       |                     |                   |                   |                       |                     |                   |
| Principal Retirement   | 627,520               | 573,628               | 518,871             | 431,811               | 395,220             | 327,701           | 324,850           | 289,668               | 287,601             | 214,362           |
| Interest and Fiscal Charges  | 247,899               | 252,270               | 265,646             | 195,695               | 185,481             | 37,416            | 160,022           | 188,312               | 176,118             | 192,783           |
| Issuance Costs   | -                     | -                     | -                   | 87,316                | 2,493               | -                 | -                 | 71,824                | -                   | -                 |
| <b>Total Expenditures</b>  | <b>11,713,083</b>     | <b>11,341,942</b>     | <b>9,937,011</b>    | <b>12,373,627</b>     | <b>8,688,928</b>    | <b>9,299,981</b>  | <b>7,499,363</b>  | <b>10,650,289</b>     | <b>8,710,970</b>    | <b>6,825,148</b>  |
| <b>Excess of Revenues Over (Under) Expenditures</b>                | <b>(2,399,217)</b>    | <b>(2,254,905)</b>    | <b>(1,081,767)</b>  | <b>(3,645,771)</b>    | <b>(243,075)</b>    | <b>(991,636)</b>  | <b>107,045</b>    | <b>(2,770,670)</b>    | <b>(1,130,520)</b>  | <b>(554,177)</b>  |
| <b>Other Financing Sources (Uses)</b>                              |                       |                       |                     |                       |                     |                   |                   |                       |                     |                   |
| 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   | 503,048               | 226,798               | 325,430             | 237,739               | 47,013              | 1,244,256         | 68,856            | -                     | 346,484             | 322,654           |
| Loan Issuance  | 352,467               | 518,185               | 65,051              | 504,324               | -                   | -                 | 564,170           | 476,673               | -                   | -                 |
| Transfers In   | 2,334,505             | 1,719,732             | 2,115,734           | 2,007,615             | 1,754,524           | 1,615,721         | 1,654,093         | 1,842,926             | 4,836,898           | 2,575,863         |
| Transfers Out  | (2,306,036)           | (1,691,263)           | (2,115,734)         | (2,007,615)           | (1,674,370)         | (1,585,568)       | (1,614,504)       | (1,648,908)           | (1,617,413)         | (2,130,090)       |
| <b>Total Other Financing Sources (Uses)</b>                        | <b>883,984</b>        | <b>773,452</b>        | <b>390,481</b>      | <b>2,639,379</b>      | <b>130,448</b>      | <b>1,274,409</b>  | <b>672,615</b>    | <b>742,515</b>        | <b>3,565,969</b>    | <b>768,427</b>    |
| <b>Net Change in Fund Balances</b>                                 | <b>\$ (1,515,233)</b> | <b>\$ (1,481,453)</b> | <b>\$ (691,286)</b> | <b>\$ (1,006,392)</b> | <b>\$ (112,627)</b> | <b>\$ 282,773</b> | <b>\$ 779,660</b> | <b>\$ (2,028,155)</b> | <b>\$ 2,435,449</b> | <b>\$ 214,250</b> |
| <b>Debt Service as a Percentage of<br/>Noncapital Expenditures</b> | <b>9.39%</b>          | <b>8.57%</b>          | <b>8.47%</b>        | <b>7.51%</b>          | <b>8.01%</b>        | <b>5.38%</b>      | <b>7.05%</b>      | <b>8.27%</b>          | <b>7.22%</b>        | <b>7.06%</b>      |

**Source:** City financial records

**CITY OF HARRISON, OHIO**

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

| Tax Year | Real Property  |                            | Public Utility Property |                            | Tangible Personal Property (a) |                            | Total          |                        | Ratio  |
|----------|----------------|----------------------------|-------------------------|----------------------------|--------------------------------|----------------------------|----------------|------------------------|--------|
|          | Assessed Value | Estimated Actual Value (1) | Assessed Value          | Estimated Actual Value (1) | Assessed Value                 | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value |        |
| 2012     | 211,208,850    | 603,453,857                | 5,433,520               | 5,433,520                  | 0                              | 0                          | 216,642,370    | 608,887,377            | 35.58% |
| 2011     | 212,591,880    | 607,405,371                | 5,275,410               | 5,275,410                  | 0                              | 0                          | 217,867,290    | 612,680,781            | 35.56% |
| 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% |

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

Note: Tax collections are one year in arrears (i.e. Tax Year 2012, Collection Year 2013)

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at one hundred percent of actual value.

Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.

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

**CITY OF HARRISON, OHIO**

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

| Collection<br>Year | City Levy |                   |      | Township<br>Levy | School<br>Levy | County<br>Levy | Joint<br>Levy | Joint<br>Vocational<br>Levy | Hamilton<br>County Park<br>District Levy | Library<br>Levy | Total<br>Direct and<br>Overlapping<br>Rates |
|--------------------|-----------|-------------------|------|------------------|----------------|----------------|---------------|-----------------------------|--|-----------------|---|
|                    | General   | Police<br>Pension | Fire |                  |                |                |               |                             |  |                 |   |
| 2012               | 5.70      | 0.30              | 8.50 | 0.06             | 44.18          | 19.03          | -             | 2.70                        | 1.03                                     | 1.00            | 82.50                                       |
| 2011               | 5.70      | 0.30              | 8.50 | 0.06             | 44.68          | 19.45          | -             | 2.70                        | 1.03                                     | 1.00            | 83.42                                       |
| 2010               | 5.70      | 0.30              | 8.50 | 0.06             | 44.98          | 20.48          | -             | 2.70                        | 1.03                                     | 1.00            | 84.75                                       |
| 2009               | 5.70      | 0.30              | 7.00 | 0.06             | 45.14          | 20.63          | 1.25          | 2.70                        | 1.03                                     | 1.00            | 84.81                                       |
| 2008               | 5.70      | 0.30              | 7.00 | 0.06             | 45.30          | 20.56          | 1.25          | 2.70                        | 1.03                                     | 1.00            | 84.90                                       |
| 2007               | 5.70      | 0.30              | 7.00 | 0.06             | 45.30          | 20.18          | 1.25          | 2.70                        | 1.03                                     | 1.00            | 84.52                                       |
| 2006               | 5.70      | 0.30              | 7.00 | 0.06             | 46.68          | 19.78          | 1.25          | 2.70                        | 1.03                                     | 1.03            | 85.53                                       |
| 2005               | 5.70      | 0.30              | 7.00 | 0.06             | 47.08          | 20.03          | 1.25          | 2.70                        | 1.03                                     | 1.03            | 86.18                                       |
| 2004               | 5.70      | 0.30              | 7.00 | 0.06             | 47.25          | 20.48          | 1.25          | 2.70                        | 1.03                                     | 1.03            | 86.80                                       |
| 2003               | 5.70      | 0.30              | 7.00 | 0.06             | 47.25          | 20.48          | 1.25          | 2.70                        | 1.03                                     | 1.03            | 86.80                                       |

Source: Hamilton County Auditor's Office



**CITY OF HARRISON, OHIO**

*PRINCIPAL TAXPAYERS  
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX  
DECEMBER 31, 2012 AND DECEMBER 31, 2003*

| <b>December 31, 2012</b>  |                               |             |                                     |
|---|-------------------------------|-------------|-------------------------------------|
| <b>Taxpayer</b>   | <b>Taxable Assessed Value</b> | <b>Rank</b> | <b>Percentage of Assessed Value</b> |
| Duke Energy Ohio Inc  | \$ 5,307,110                  | 1           | 2.45%                               |
| Hurbert North American  | 3,066,690                     | 2           | 1.42%                               |
| Indian Footprint  | 2,523,780                     | 3           | 1.16%                               |
| Maas Enterprises Ltd  | 2,385,860                     | 4           | 1.10%                               |
| Harrison Center LLC   | 1,972,080                     | 5           | 0.91%                               |
| Broad Properties LLC  | 1,681,420                     | 6           | 0.78%                               |
| Mercy Health Plaza  | 1,608,140                     | 7           | 0.74%                               |
| Toebben LTD   | 1,575,101                     | 8           | 0.73%                               |
| BRE/US Industrial Prop LLC  | 1,217,290                     | 9           | 0.56%                               |
| McKenna & Friedmann   | 1,210,950                     | 10          | 0.56%                               |
| Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers | <u>\$ 22,548,421</u>          |             | <u>10.41%</u>                       |
| Total City Real Estate and Tangible Personal Property Valuation               | <u>\$ 216,642,370</u>         |             |                                     |

| <b>December 31, 2003</b>  |                               |             |                                     |
|---|-------------------------------|-------------|-------------------------------------|
| <b>Taxpayer</b>   | <b>Taxable Assessed Value</b> | <b>Rank</b> | <b>Percentage of Assessed Value</b> |
| Hyper Shoppes Inc   | \$ 3,042,550                  | 1           | 1.77%                               |
| I F P LLC   | 3,042,080                     | 2           | 1.77%                               |
| JTM Provisions Co. Inc.   | 2,811,290                     | 3           | 1.64%                               |
| CINERGY   | 2,424,080                     | 4           | 1.41%                               |
| Wurster, Erlene   | 2,404,360                     | 5           | 1.40%                               |
| F & M MAFCO Inc.  | 2,088,380                     | 6           | 1.21%                               |
| MMII Inc.   | 1,913,120                     | 7           | 1.11%                               |
| SCI Ltd. Partnership IV   | 1,859,310                     | 8           | 1.08%                               |
| Campbell Hausfeld Scott Fetzer Co.  | 1,678,690                     | 9           | 0.98%                               |
| Mercy Health Plaza  | 1,412,400                     | 10          | 0.82%                               |
| Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers | <u>\$ 22,676,260</u>          |             | <u>13.19%</u>                       |
| Total City Real Estate and Tangible Personal Property Valuation               | <u>\$ 171,908,830</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<br/>Levy</u> | <u>Current<br/>Collections</u> | <u>Percent<br/>of Current<br/>Collections<br/>to Tax Levy</u> | <u>Delinquent<br/>Collections</u> | <u>Total<br/>Collections</u> | <u>Percent<br/>of Total<br/>Collections<br/>to Tax Levy</u> |
|-------------|-----------------------|--------------------------------|---|-----------------------------------|------------------------------|---|
| 2012        | 2,874,394             | 2,621,375                      | 91.20%  | 91,399                            | 2,712,774                    | 94.38%  |
| 2011        | 2,826,368             | 2,614,364                      | 92.50%  | 75,266                            | 2,689,630                    | 95.16%  |
| 2010        | 2,782,684             | 2,565,609                      | 92.20%  | 92,270                            | 2,657,879                    | 95.51%  |
| 2009        | 2,390,528             | 2,283,163                      | 95.51%  | 104,583                           | 2,387,746                    | 99.88%  |
| 2008        | 2,289,118             | 2,183,719                      | 95.40%  | 95,053                            | 2,278,772                    | 99.55%  |
| 2007        | 2,158,045             | 1,689,521                      | 78.29%  | 44,064                            | 1,733,585                    | 80.33%  |
| 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%  |

**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*

| <u>Year</u> | <u>Tax Rate</u> | <u>Total Tax Collected</u> | <u>Taxes from Withholding</u> | <u>Percentage of Taxes from Withholding</u> | <u>Taxes From Net Profits</u> | <u>Percentage of Taxes from Net Profits</u> | <u>Taxes from Individuals</u> | <u>Percentage of Taxes from Individuals</u> |
|-------------|-----------------|----------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2012        | 1.00%           | 3,182,141                  | 2,224,239                     | 69.90%                                      | 428,202                       | 13.46%                                      | 529,700                       | 16.65%                                      |
| 2011        | 1.00%           | 3,074,018                  | 2,187,382                     | 71.16%                                      | 424,190                       | 13.80%                                      | 462,446                       | 15.04%                                      |
| 2010        | 1.00%           | 2,948,728                  | 2,096,429                     | 71.10%                                      | 391,585                       | 13.28%                                      | 460,714                       | 15.62%                                      |
| 2009        | 1.00%           | 2,918,823                  | 2,065,074                     | 70.75%                                      | 333,367                       | 11.42%                                      | 520,382                       | 17.83%                                      |
| 2008        | 1.00%           | 3,057,959                  | 2,121,702                     | 69.38%                                      | 444,277                       | 14.53%                                      | 491,980                       | 16.09%                                      |
| 2007        | 1.00%           | 2,899,733                  | 2,039,149                     | 70.32%                                      | 386,780                       | 13.34%                                      | 473,804                       | 16.34%                                      |
| 2006        | 1.00%           | 2,749,563                  | 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%           | 2,121,149                  | 1,812,200                     | 85.43%                                      | 235,234                       | 11.09%                                      | 73,715                        | 3.48%                                       |

**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<br>Obligation<br>Bonds | OPWC<br>Loans | ODOT<br>Loan | Tax<br>Anticipation<br>Notes | Capital<br>Leases | General<br>Obligation<br>Bonds | Revenue<br>Bonds |
| 2012 | \$ 3,533,256                   | \$ 1,670,599  | \$ 263,188   | \$ 1,835,000                 | \$ 1,499,017      | \$ 5,674,248                   | \$ 15,496,247    |
| 2011 | 3,781,276                      | 1,387,370     | 333,481      | 320,000                      | 1,238,958         | 5,845,520                      | 16,051,562       |
| 2010 | 3,989,296                      | 921,275       | 401,713      | 400,000                      | 1,260,466         | 6,016,792                      | 16,627,691       |
| 2009 | 4,157,497                      | 894,080       | 467,943      | 445,000                      | 1,169,821         | 390,000                        | 17,183,820       |
| 2008 | 2,414,015                      | 413,378       | 532,230      | 450,000                      | 1,105,984         | 410,000                        | 17,674,948       |
| 2007 | 2,557,848                      | 436,999       | 564,170      | -                            | 1,238,630         | 435,000                        | 18,106,077       |
| 2006 | 2,681,682                      | 448,810       | 564,170      | -                            | 170,264           | 460,000                        | 18,332,205       |
| 2005 | 2,800,516                      | 476,673       | -            | -                            | 263,395           | 510,000                        | 18,558,333       |
| 2004 | 2,860,000                      | -             | -            | -                            | 423,063           | 35,000                         | 18,928,313       |
| 2003 | 2,980,000                      | -             | -            | -                            | 244,180           | 75,000                         | 18,950,000       |

*continued*

**CITY OF HARRISON, OHIO**

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

| <b>Business-Type Activities</b> |  |                           |                       |                       | (a)                                     | (c)                                       |  | (b)               |                       |
|---------------------------------|--|---------------------------|-----------------------|-----------------------|---|---|--|-------------------|-----------------------|
| <b>Year</b>                     | <b>Bond<br/>Anticipation<br/>Notes</b> | <b>Capital<br/>Leases</b> | <b>OPWC<br/>Loans</b> | <b>OWDA<br/>Loans</b> | <b>Total<br/>Primary<br/>Government</b> | <b>Per Capita<br/>Personal<br/>Income</b> | <b>Percentage<br/>of Personal<br/>Income</b> | <b>Population</b> | <b>Per<br/>Capita</b> |
| 2012                            | \$ -                                   | \$ 70,676                 | \$ 1,731,621          | \$ 5,288,295          | \$ 37,062,147                           | N/A                                       | N/A  | 9,897             | \$ 3,745              |
| 2,011                           | -                                      | -                         | 1,844,959             | 5,631,096             | 36,434,222                              | N/A                                       | N/A  | 9,897             | 3,681                 |
| 2010                            | -                                      | 15,183                    | 1,958,297             | 5,956,905             | 37,547,618                              | N/A                                       | N/A  | 9,897             | \$ 3,794              |
| 2009                            | 5,000,000                              | 29,509                    | 2,071,635             | 5,996,693             | 37,805,998                              | N/A                                       | N/A  | 9,980             | 3,788                 |
| 2008                            | 5,000,000                              | 43,027                    | 2,199,085             | 3,078,609             | 33,321,276                              | N/A                                       | N/A  | 9,980             | 3,339                 |
| 2007                            | 5,000,000                              | 55,782                    | 1,937,994             | 3,181,172             | 33,513,672                              | N/A                                       | N/A  | 9,980             | 3,400                 |
| 2006                            | -                                      | -                         | 1,764,056             | 1,919,103             | 26,340,290                              | N/A                                       | N/A  | 9,950             | 2,647                 |
| 2005                            | -                                      | -                         | 200,694               | 1,602,468             | 24,412,079                              | N/A                                       | N/A  | 9,950             | 2,453                 |
| 2004                            | -                                      | -                         | 270,929               | 1,698,171             | 24,320,476                              | N/A                                       | N/A  | 9,885             | 2,460                 |
| 2003                            | -                                      | -                         | 338,919               | 1,790,545             | 24,578,644                              | N/A                                       | N/A  | 9,885             | 2,486                 |

"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<br/>Actual Value<br/>of Taxable<br/>Property (2)</u> | <u>General<br/>Bonded<br/>Debt (3)</u> | <u>Ratio of<br/>General Bonded<br/>Debt to Estimated<br/>Actual Value of<br/>Taxable Property</u> | <u>General<br/>Bonded<br/>Debt Per<br/>Capital</u> |
|-------------|-----------------------|---|--|---|--|
| 2012        | 9,897                 | \$ 608,887,377  | \$ 9,207,504                           | 1.51%   | \$ 930   |
| 2011        | 9,897                 | \$ 612,680,781  | \$ 9,626,796                           | 1.57%   | \$ 973   |
| 2010        | 9,987                 | 659,672,512   | 10,006,088                             | 1.52%   | 1,002  |
| 2009        | 9,980                 | 657,262,059   | 4,547,497                              | 0.69%   | 456  |
| 2008        | 9,980                 | 674,941,724   | 2,824,015                              | 0.42%   | 283  |
| 2007        | 9,980                 | 684,322,899   | 2,992,848                              | 0.44%   | 300  |
| 2006        | 9,950                 | 682,285,114   | 3,141,682                              | 0.46%   | 316  |
| 2005        | 9,950                 | 629,803,030   | 3,310,516                              | 0.53%   | 333  |
| 2004        | 9,885                 | 544,254,330   | 2,895,000                              | 0.53%   | 293  |
| 2003        | 9,885                 | 507,689,757   | 3,055,000                              | 0.60%   | 309  |

Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Hamilton County Auditor
- (3) These amounts only include tax supported general obligation bonds.

**CITY OF HARRISON, OHIO**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2012*

| <u>Jurisdiction</u>                | <u>Governmental<br/>Activities Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to City</u> | <u>Amount<br/>Applicable<br/>to City</u> |
|------------------------------------|---|--|--|
| <b>Direct - City of Harrison</b>   |   |  |  |
| General Obligation Bonds           | \$ 3,533,256  | 100.00%                                      | \$ 3,533,256                             |
| OPWC Loans                         | 1,670,599   | 100.00%                                      | 1,670,599                                |
| ODOT Loan                          | 263,188   | 100.00%                                      | 263,188                                  |
| Tax Anticipation Notes             | <u>1,835,000</u>  | 100.00%                                      | <u>1,835,000</u>                         |
| Total Direct Debt                  | <u>7,302,043</u>  |  | <u>7,302,043</u>                         |
| <b>Overlapping</b>                 |   |  |  |
| Hamilton County                    | 75,970,000  | 1.19%  | 904,043                                  |
| Crosby Township                    | 102,000   | 2.56%  | 2,611                                    |
| Southwest Local School District    | 16,145,000  | 42.29%                                       | 6,827,721                                |
| Great Oaks Institute of Technology | <u>16,170,000</u>                                       | 1.21%  | <u>195,657</u>                           |
| Total Overlapping Debt             | <u>108,387,000</u>                                      |  | <u>7,930,032</u>                         |
| Total Direct and Overlapping Debt  | <u>\$ 115,689,043</u>                                   |  | <u>\$ 15,232,075</u>                     |

**Source:** Ohio Municipal Advisory Council

**CITY OF HARRISON, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS*

|   | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          | <u>2006</u>          | <u>2005</u>          | <u>2004</u>          | <u>2003</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value                                    | \$ 216,642,370       | \$ 217,867,290       | \$ 233,926,090       | \$ 228,098,540       | \$ 229,936,750       | \$ 227,643,430       | \$ 222,939,360       | \$ 215,347,130       | \$ 185,257,150       | \$ 171,908,830       |
| Legal Debt Margin                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Debt Limitation - 10.5% of Assessed Value         | 22,747,449           | 22,876,065           | 24,562,239           | 23,950,347           | 24,143,359           | 23,902,560           | 23,408,633           | 22,611,449           | 19,452,001           | 18,050,427           |
| Total Indebtedness                                | <u>8,985,000</u>     | <u>9,395,000</u>     | <u>9,765,000</u>     | <u>4,475,000</u>     | <u>2,855,000</u>     | <u>3,040,000</u>     | <u>3,205,000</u>     | <u>3,390,000</u>     | <u>2,895,000</u>     | <u>3,055,000</u>     |
| Debt Within 10.5% Limitation                      | <u>8,985,000</u>     | <u>9,395,000</u>     | <u>9,765,000</u>     | <u>4,475,000</u>     | <u>2,855,000</u>     | <u>3,040,000</u>     | <u>3,205,000</u>     | <u>3,390,000</u>     | <u>2,895,000</u>     | <u>3,055,000</u>     |
| Overall Legal Debt Margin Within 10.5% Limitation | <u>\$ 13,762,449</u> | <u>\$ 13,481,065</u> | <u>\$ 14,797,239</u> | <u>\$ 19,475,347</u> | <u>\$ 21,288,359</u> | <u>\$ 20,862,560</u> | <u>\$ 20,203,633</u> | <u>\$ 19,221,449</u> | <u>\$ 16,557,001</u> | <u>\$ 14,995,427</u> |
| Unvoted Debt Limitation - 5.5% of Assessed Value  | \$ 11,915,330        | \$ 11,982,701        | \$ 12,865,935        | \$ 12,545,420        | \$ 12,646,521        | \$ 12,520,389        | \$ 12,261,665        | \$ 11,844,092        | \$ 10,189,143        | \$ 9,454,986         |
| Indebtedness Authorized by Council                | <u>8,985,000</u>     | <u>9,395,000</u>     | <u>9,765,000</u>     | <u>4,475,000</u>     | <u>2,855,000</u>     | <u>3,040,000</u>     | <u>3,205,000</u>     | <u>3,390,000</u>     | <u>2,895,000</u>     | <u>3,055,000</u>     |
| Debt Within 5.5% Limitation                       | <u>8,985,000</u>     | <u>9,395,000</u>     | <u>9,765,000</u>     | <u>4,475,000</u>     | <u>2,855,000</u>     | <u>3,040,000</u>     | <u>3,205,000</u>     | <u>3,390,000</u>     | <u>2,895,000</u>     | <u>3,055,000</u>     |
| Unvoted Legal Debt Margin Within 5.5% Limitation  | <u>\$ 2,930,330</u>  | <u>\$ 2,587,701</u>  | <u>\$ 3,100,935</u>  | <u>\$ 8,070,420</u>  | <u>\$ 9,791,521</u>  | <u>\$ 9,480,389</u>  | <u>\$ 9,056,665</u>  | <u>\$ 8,454,092</u>  | <u>\$ 7,294,143</u>  | <u>\$ 6,399,986</u>  |

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



**CITY OF HARRISON, OHIO**

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

| <u>Year</u> | <u>Operating Revenue (1)</u> | <u>Operating Expenses (2)</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements</u> |                 |              | <u>Coverage (3)</u> |
|-------------|------------------------------|-------------------------------|---|----------------------------------|-----------------|--------------|---------------------|
|             |                              |                               |   | <u>Principal</u>                 | <u>Interest</u> | <u>Total</u> |                     |
| 2012        | \$ 3,208,589                 | \$ 1,332,757                  | \$ 1,875,832                                  | \$ 400,000                       | \$ 243,076      | \$ 643,076   | 2.92                |
| 2011        | \$ 3,182,876                 | \$ 1,203,679                  | \$ 1,979,197                                  | \$ 570,000                       | \$ 774,500      | \$ 1,344,500 | 1.47                |
| 2010        | 2,835,441                    | 1,096,588                     | 1,738,853                                     | 550,000                          | 792,925         | 1,342,925    | 1.29                |
| 2009        | 2,565,446                    | 1,138,387                     | 1,427,059                                     | 485,000                          | 807,475         | 1,292,475    | 1.10                |
| 2008        | 2,466,866                    | 981,777                       | 1,485,089                                     | 425,000                          | 818,738         | 1,243,738    | 1.19                |
| 2007        | 2,273,290                    | 889,830                       | 1,383,460                                     | 220,000                          | 823,798         | 1,043,798    | 1.33                |
| 2006        | 2,436,476                    | 842,703                       | 1,593,773                                     | 220,000                          | 828,197         | 1,048,197    | 1.52                |
| 2005        | 2,168,819                    | 1,008,062                     | 1,160,757                                     | 170,000                          | 831,598         | 1,001,598    | 1.16                |
| 2004        | 2,434,206                    | 1,332,503                     | 1,101,703                                     | 160,000                          | 941,466         | 1,101,466    | 1.00                |
| 2003        | 1,641,272                    | 744,766                       | 896,506                                       | 405,157                          | 263,112         | 668,269      | 1.34                |

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

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

(2) Total operating expenses exclusive of depreciation.

(3) The required coverage ratio is 1.10.

Note: This schedule was restated from prior years to only report net revenues of the sewer fund.

**CITY OF HARRISON, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

| <b>Year</b> | <b>Population (1)</b> | <b>Per Capita<br/>Personal<br/>Income (2)</b> | <b>School<br/>Enrollment<br/>(3)</b> | <b>Unemployment Rates (2)</b> |             |                          |
|-------------|-----------------------|---|--------------------------------------|-------------------------------|-------------|--------------------------|
|             |                       |   |                                      | <b>Hamilton<br/>County</b>    | <b>Ohio</b> | <b>United<br/>States</b> |
| 2012        | 9,897                 | N/A   | 3,589                                | 7.0%                          | 7.2%        | 8.1%                     |
| 2011        | 9,897                 | N/A   | 3,306                                | 8.6%                          | 8.6%        | 8.9%                     |
| 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%                     |

"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**

| <b>Employer</b>                 | <b>2013</b>      |             |  | <b>2003</b>          |             |  |
|---------------------------------|------------------|-------------|--|----------------------|-------------|--|
|                                 | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total City Employment</b> | <b>Employees</b>     | <b>Rank</b> | <b>Percentage of Total City Employment</b> |
| Kroger Limited Partnership      | 400-450          | 1           | 4.59%                                      | 450-500              | 2           | 4.04%                                      |
| J.T.M. Provisions Company Inc.  | 400-450          | 2           | 4.59%                                      | 300-350              | 5           | 2.77%                                      |
| Southwest Local School District | 400-450          | 3           | 4.59%                                      | 450-500              | 3           | 4.04%                                      |
| Hubert North America            | 300-350          | 4           | 3.51%                                      | 300-350              | 4           | 2.77%                                      |
| F&M Mafco Inc.                  | 150-200          | 5           | 1.89%                                      | 200-250              | 6           | 2.34%                                      |
| Wayne Water Systems             | 150-200          | 6           | 1.89%                                      | 0                    | n/a         | 0.00%                                      |
| City of Harrison, Ohio          | 100-150          | 7           | 1.35%                                      | 100-150              | 7           | 1.06%                                      |
| Campbell Hausfeld/Scott Fetzer  | 100-150          | 8           | 1.35%                                      | 800-850              | 1           | 7.02%                                      |
| Crown Plastics                  | 50-100           | 9           | 0.81%                                      | 50-100               | 8           | 0.64%                                      |
| Cronin Ford Sales, Inc.         | 50-100           | 10          | 0.81%                                      | 50-100               | 9           | 0.64%                                      |
| <b>Total</b>                    | <b>2100-2600</b> |             | <b>25.41%</b>                              | <b>2,600-2,950</b>   |             | <b>23.62%</b>                              |
| <b>Total City Employment</b>    | <b>9000-9500</b> |             |  | <b>11,500-12,000</b> |             |  |

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

**CITY OF HARRISON, OHIO**

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

| <b>Function/Program</b>      | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>    |             |             |             |             |             |             |             |             |             |             |
| Clerk of Council             | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Municipal Court Magistrate   | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Municipal Clerk of Courts    | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Mayor                        | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Service Director             | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Finance                      | 1           | 1           | 1           | 1           | 2           | 1           | 1           | 1           | 1           | 2           |
| Law                          | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Safety Director              | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Income Tax                   | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Other                        | 9           | 9           | 9           | 9           | 11          | 9           | 9           | 9           | 9           | 8           |
| <b>Public Safety</b>         |             |             |             |             |             |             |             |             |             |             |
| Police                       | 27          | 26          | 27          | 27          | 28          | 28          | 25          | 25          | 20          | 25          |
| Fire                         | 32          | 35          | 36          | 36          | 36          | 42          | 46          | 51          | 46          | 36          |
| <b>Health and Welfare</b>    |             |             |             |             |             |             |             |             |             |             |
| Senior Center                | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| <b>Transportation</b>        |             |             |             |             |             |             |             |             |             |             |
| Streets                      | 6           | 6           | 6           | 6           | 6           | 6           | 8           | 8           | 8           | 8           |
| <b>Community Environment</b> |             |             |             |             |             |             |             |             |             |             |
| Planning                     | 1           | 1           | 1           | 1           | 1           | 1           | 3           | 3           | 3           | -           |
| Building/Zoning              | 6           | 6           | 6           | 6           | 6           | 6           | 5           | 5           | 5           | 1           |
| <b>Leisure Time Activity</b> |             |             |             |             |             |             |             |             |             |             |
| Parks Administration         | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 2           |
| Community Center             | 1           | 1           | 1           | 1           | 3           | -           | 2           | 2           | 2           | 2           |
| <b>Utility Services</b>      |             |             |             |             |             |             |             |             |             |             |
| Water                        | 5           | 5           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 5           |
| Sewer                        | 7           | 9           | 8           | 8           | 7           | 8           | 6           | 6           | 6           | 7           |
| <b>Total</b>                 | <b>108</b>  | <b>112</b>  | <b>114</b>  | <b>114</b>  | <b>119</b>  | <b>120</b>  | <b>124</b>  | <b>129</b>  | <b>119</b>  | <b>108</b>  |

Source: City of Harrison, Finance Director's Office

**CITY OF HARRISON, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

| <b>Function</b>                | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>      |             |             |             |             |             |             |             |             |             |             |
| Positions Filled               | -           | -           | -           | -           | 7           | 10          | 4           | 3           | 10          | 0           |
| Building Permits Issued        | 233         | 186         | 161         | 115         | 187         | 186         | 244         | 178         | 220         | 177         |
| Building Inspections Performed | 733         | 607         | 800         | 849         | 654         | 436         | 648         | 486         | 588         | 620         |
| Ordinances & Resolutions       | 79          | 82          | 70          | 68          | 64          | 85          | 122         | 76          | 77          | 76          |
| <b>Public Safety</b>           |             |             |             |             |             |             |             |             |             |             |
| Police:                        |             |             |             |             |             |             |             |             |             |             |
| Physical Arrests               | 863         | 882         | 892         | 930         | 1,400       | 1,308       | 1,293       | 1,241       | 1,219       | 1,050       |
| Offense Reports                | 1,384       | 1,365       | 1,381       | 1,381       | 1,420       | 1,267       | 1,196       | 1,255       | 1,242       | 1,072       |
| Traffic Citations              | 436         | 414         | 402         | 410         | 1,732       | 1,762       | 1,711       | 3,544       | 2,792       | 2,745       |
| Fire:                          |             |             |             |             |             |             |             |             |             |             |
| Emergency Responses            |             | 1,271       | 1,453       | 1,522       | 1,628       | 1,641       | 1,663       | 1,755       | 1,846       | 1,636       |
| Fire Responses                 |             | 399         | 566         | 619         | 401         | 437         | 407         | 408         | 427         | 425         |
| Inspections conducted          |             | 397         | 633         | 823         | 931         | 843         | 765         | 479         | 647         | 612         |
| <b>Leisure Time Activities</b> |             |             |             |             |             |             |             |             |             |             |
| Senior Center Attendance       | 8,377       | 8,162       | 9,045       | 8,950       | 8,200       | 7,997       | 8,873       | 7,659       | 7,172       | 6,969       |
| Senior Center Membership       | 129         | 167         | 190         | 201         | 223         | 233         | 223         | 201         | 186         | 185         |
| <b>Transportation</b>          |             |             |             |             |             |             |             |             |             |             |
| Street Resurfacing (miles)     | -           | 2.0         | -           | 1.0         | 2.6         | 1.1         | 1.1         | 1.1         | 4.0         | 0.2         |
| Tons of salt used              | 1,117       | 824         | 805         | 386         | 990         | 936         | 690         | 813         | 362         | 511         |
| <b>Water</b>                   |             |             |             |             |             |             |             |             |             |             |
| New Connections                | 147         | 124         | 124         | 87          | 94          | 29          | 20          | 17          | 51          | 52          |
| Water Main Breaks              | 9           | 7           | 8           | 10          | 12          | 15          | 8           | 15          | 9           | 8           |

Source: City of Harrison, Finance Director's Office

**CITY OF HARRISON, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS*

| <b>Function</b>                | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Public Safety</b>           |             |             |             |             |             |             |             |             |             |             |
| Police:                        |             |             |             |             |             |             |             |             |             |             |
| Stations                       | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Fire:                          |             |             |             |             |             |             |             |             |             |             |
| Stations                       | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| <b>Leisure Time Activities</b> |             |             |             |             |             |             |             |             |             |             |
| Parks                          | 4           | 4           | 4           | 4           | 4           | 4           | 5           | 5           | 5           | 5           |
| Park Acreage                   | 63.5        | 63.5        | 63.5        | 63.5        | 63.5        | 63.5        | 69.5        | 69.5        | 69.5        | 69.5        |
| Tennis Courts                  | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Baseball /Softball fields      | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| <b>Transportation</b>          |             |             |             |             |             |             |             |             |             |             |
| Streets (Paved Miles)          | 40          | 40          | 40          | 40          | 40          | 40          | 40          | 40          | 42          | 42          |
| <b>Water</b>                   |             |             |             |             |             |             |             |             |             |             |
| Water Mains (miles)            | 31.1        | 31.1        | 31.1        | 33.1        | 35          | 35          | 37          | 37          | 40          | 40          |
| <b>Sewer</b>                   |             |             |             |             |             |             |             |             |             |             |
| Sanitary Sewers (miles)        | 25          | 25          | 25          | 25          | 25          | 25          | 27          | 27          | 34          | 34          |

Source: City of Harrison Finance Director Office



# Dave Yost • Auditor of State

**CITY OF HARRISON**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 23, 2013**