

CITY OF HARRISON, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

Year ended December 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Harrison, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 4, 2010

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AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To City Council
City of Harrison, Ohio:

We have audited 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, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses and labeled as 2009-1, that we consider to be significant deficiencies in internal control over financial reporting. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2009-2.

We noted certain matters that we reported to management of the City in a separate letter dated June 25, 2010.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 25, 2010

CITY OF HARRISON, OHIO
Schedule of Findings and Responses
Year Ended December 31, 2009

Finding 2009-1 – Utilities Department

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

- **Segregation of Duties** – During our review of accounting policies and procedures, we noted that the City receives cash payments for utilities, utility permits, and meters. For such sales, the Utility Billing Clerk performs all functions of delivering the meter or permit to the customer, recording the sale and payment, and collecting the payment. The Utility Billing clerk is also responsible for setting up new customers in the billing system. Ideally, these duties would be segregated. We recommend the City segregate these duties to enhance internal controls within the Utilities Department.
- **Summer Meter Inventory Tracking** – We noted that no inventory records are available related to summer meters. Without the records there is no way to determine the quantities of summer meters on hand and how many have been purchased. The City should implement formal inventory tracking procedures related to summer meter inventory.
- **Contractor Deposits** – During our review of accounting policies and procedures, we noted that Contractor deposits are not being deposited into the bank. The contractor deposits are kept in a file drawer in the Utilities Department. This practice increases the risk of misappropriation of funds. The City should implement formal procedures related to the timely deposit of contractor deposits, tracking of those deposits and returns of deposits should be made through the City's cash disbursement procedures.
- **Customer Deposits** – The City requires a customer deposit for home owners. After the home owner has paid their bill for 12 months, the home owner's account is to be credited for the deposit. We noted that the City does not have formal procedures in place to ensure that this action takes place. The Utilities Billing Clerk occasionally runs a report which she uses to determine the accounts that should be credited. The City should implement formal procedures over customer deposits to ensure that accounts are credited timely and accurately.
- **Software access** – In reviewing software access, it was noted that several individuals within the Utilities department had access to the utilities billing software and that a former employee still had system access after separating from the City. Access to the utilities software should be assigned based on job function as determined by management and access should be immediately updated for any employee no longer employed by the City.

- **Adjustments** – During our review of accounting policies and procedures, we noted the Utility Department Billing Clerk has the ability to adjust customer accounts and a regular, formal review of those adjustments is not currently being performed. Ideally, the same individual should not prepare bills, collect payments and have the ability to adjust customer accounts. We would recommend those duties be segregated or, at a minimum, the City should implement formal procedures whereby all adjustments will be approved and reviewed by appropriate level of management on a regular basis.
- **Tap permits** – During our review of accounting policies and procedures, it was noted that the City does not have any formal procedures to track tap permits which could lead to the misappropriation of funds. The Utility Billing Clerk processes the payments but no review is performed to ensure that all work related to new taps was properly paid for prior to the work being performed. We recommend the City implement formal procedures related to the tracking and processing of tap permits.
- **Management Oversight** – During our discussions with management, we noted that the department head does not currently review financials reports other than reviewing a monthly budgeted line item report. Due to limited staffing in the utility billing and collection process, we believe management should be more proactive in reviewing billing reports, collection reports, adjustment reports, deposit reports as well as permits and meter information. Thus, we would recommend the City adopt procedures to provide increased management monitoring of the utilities department.

Management response: *Management concurs with the finding.*

Finding 2009-2 – Disbursements Exceeded Appropriations

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

Management response: *Management concurs with the finding.*

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY:

GAYLE GRUBBS, FINANCE DIRECTOR

*300 GEORGE STREET
HARRISON, OHIO 45030*

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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INTRODUCTORY SECTION

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City of Harrison

Finance Office

300 George Street • Harrison, Ohio 45030-1515 • 513-367-3730 • Fax 513-367-3599

June 25, 2010

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2009, and has been developed to accurately detail the status of City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is being 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 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 to be 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 an independent public accounting firm, if permitted by the Auditor of State. Clark, Schaefer, Hackett & Co. performed the audit for the year ended December 31, 2009. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2009 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report.

THE REPORTING ENTITY

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

The City of Harrison is a historical mid-western City on the rise. The city is named after President William Henry Harrison incorporated in 1850 and currently has a population of just fewer than 9,980. Harrison is located in southwestern Ohio along the Indiana and Ohio border and near the Kentucky border. The City covers approximately five square miles and is located in Southwest Ohio, approximately 20 miles northwest of Cincinnati along Interstate 74. Harrison is Ohio's Gateway City, being the first city that eastbound I-74 travelers see when they cross the border into Ohio from Indiana.

The City provides the full range of municipal services including police and fire protection, parks, recreation, public works highways, street, waste collection, health and social services, culture, public improvement, planning and zoning, and general administration. Our police department, which has a reputation for high safety standards, consists of 22 sworn police officers and 3 civilian personnel. "The mission of this Police Department is to work in partnership with the members of the community, striving to develop the mutual respect, trust and pride necessary to achieve the goal of a safer community." In addition to basic police services, a number of special programs and activities are offered to residents and businesses. These special programs and activities include: D.A.R.E., School Resource Officer, Senior Focus, Adopt-A-Senior, Alzheimer Alert, TTY Machine, Anonymous Tips Hotline, and Police Explorer Post. The Harrison Fire and Emergency Medical Services Department, which consists of 22 fulltime personnel and 18 part time personnel, is a fulltime community protection agency. The Department maintains four state of the art Type III emergency medical service squads and staffed by 24 EMT paramedics, 10 EMT intermediates and 6 EMT basics. The City maintains a fire station containing 2 engines, 1 aerial truck, 1 heavy rescue truck, 1 water tanker, 1 brush fire unit, 1 paramedic chase vehicle and 4 staff vehicles. The City operates and maintains a water supply and distribution system that serves approximately 3,700 customers in and around the City. The City's water supply is provided by wells and is treated at a plant that has a 2.92- MGD capacity. The distribution system is comprised of 40 miles of lines, ranging in size from 3/4" to 12" in diameter. The current treatment system was upgraded in 2002 and is considered to be in good condition. The City also operates and maintains a sanitary sewer collection and treatment system that serves approximately 2,900 customers in the 5-mile service area. The collection system contains about 30 miles of lines, ranging in size from 4" to 36" in diameter. The treatment facility utilizes an influent pumping, flow equalization, screening, grit and grease removal, oxidation ditches, clarification, sledge collection, sledge de-watering, and UV disinfection. The current treatment system was constructed in 1971 and received major upgrades in 1974, 1990 and 2003. The City issued \$18,750,000 of revenue bonds in 2003 to finance major system improvements and expand the wastewater treatment plant capacity from 1.15 MGD to 2.75 MGD. The system is considered in good condition.

The City Finance Director serves as the chief fiscal officer for the City. As chief fiscal officer, the Finance Director ensures that funds are appropriated, are available for payment or in the process of collection. The Finance Director is also responsible for maintaining a permanent record of all financial matters, deposit and investing of City funds, establishing the City's accounting system, and conducting internal auditing. In 2009, the City of Harrison received "Making Your Tax Dollars Count" award from the Auditor of State's office for outstanding financial reporting in the year 2008.

The most current data indicates that Hamilton County's unemployment rate is 8.9% while the State of Ohio's rate is 9.7%. These economic factors were considered in preparing the City's budget for fiscal year 2009. With the continuation of conservative budgeting practices, the City's financial position should remain stable in future years.

ECONOMIC CONDITION AND OUTLOOK

The City is strategically located on the I-74 corridor in western Hamilton County. With easy access to the interstate, greater Cincinnati International Airport and downtown Cincinnati, residents and businesses can take advantage of all the region has to offer.

In 2009, the City won the Ohio Economic Development Association best marketing award for its branding campaign. Additionally, the City embarked on Phase II of the branding campaign and is redoing all of the signage in the City. This will create a more favorable community impression for both residents and visitors alike. It also reduces the visual clutter along the City's major arteries.

Despite the downturn in the economy over the last 18 months, the City has worked diligently with business prospects and is pleased to have had over \$20 million in new business investment and over 275 jobs added to the community in that time. Some of the City's new businesses include; Staples, Little Caesar's Pizza, Innovative Custom Woodworking, Chipotle, and opening in the next few months, Kroger Marketplace and the industrial company Fresh Sausage Specialists.

The City is also conducting a redevelopment study of Harrison Avenue. With the changing retail landscape along this corridor, the City believes there is great redevelopment potential. The City also engaged its first intern this summer to review the historic downtown area. The area remains viable as a destination either for retail/restaurant or service providers. The results of that study, coupled with the redevelopment study will give the City a cohesive plan for the corridor.

MAJOR INITIATIVES

The City is working hard to add new and improved amenities. The two most recent additions are the new dog park and construction on one of the largest ATV/motocross tracks in the Midwest. The beautification project at the exit and entrance ramps of I-74 at the new bridge is now finished which includes the City's new logo. The City received a 50% grant from Ohio Public Works Commission for construction of new storm sewers and asphalt replacement from the intersection of State Street to the end of Whitewater Drive. Also there is reconstruction of new storm sewer, sidewalks, and asphalt replacement from State Street to South Elm Street. Also, Harrison constructed new storm sewers, sidewalks, additional turn lanes, traffic signals and is resurfacing Harrison Ave. for the new Kroger Marketplace. The City constructed a five hundred thousand gallon elevated water tower to serve the low pressure zone in Harrison Township. The new tank will enable the City to provide greater than 35 PSI of pressure throughout the township pressure zone, this provides the fire flows and supply peak water demand at sufficient pressure throughout Harrison Township. Additionally, the City constructed a twelve inch and eight inch water main to serve the annexed property in Crosby Township and West Road in Harrison Township. And along Marvin Road Carolina Trace we constructed twelve inch water lines and hydrants to serve fire protection for Harrison Township residences. The first phase for Dry Fork Road sanitary sewer is finished including 4,000 linear feet of 18inch and 24 inch ductile iron gravity sewer and a 5 MGD pumping station.

Several future initiatives are planned for the City. During 2010 phase two of the Dry Fork Road sanitary sewer and additional construction of the Harrison Ave. sidewalks will be constructed. New storm sewers and resurfacing of Carolina Trace from New Haven to West Road will also be constructed. Construction for a bikeway from Hickory Flats connecting to Whitewater Park will begin in the spring as well.

USE OF THE REPORT

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

LONG-TERM FINANCIAL PLANNING

The effects of the economy was realized in Harrison after the first quarter of 2009, the first time in years, the City income tax collections were down by 5% from the previous year. The general real property tax was below what was anticipated for the year and overall the general fund was \$80,197 less than was anticipated for the year. The general fund year end balance, while decreasing, remains in excess of 13 percent of total general fund revenues. The City will strive to maintain the ideal percentage of carryover despite the additional economic downturn.

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, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a 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. The City of Harrison has received a Certificate of Achievement for the last ten consecutive years (1999-2008). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Acknowledgements

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

Respectfully,



Gayle Grubbs
Finance Director

CITY OF HARRISON, OHIO

ELECTED AND APPOINTED CITY OFFICIALS

Elected Officials:

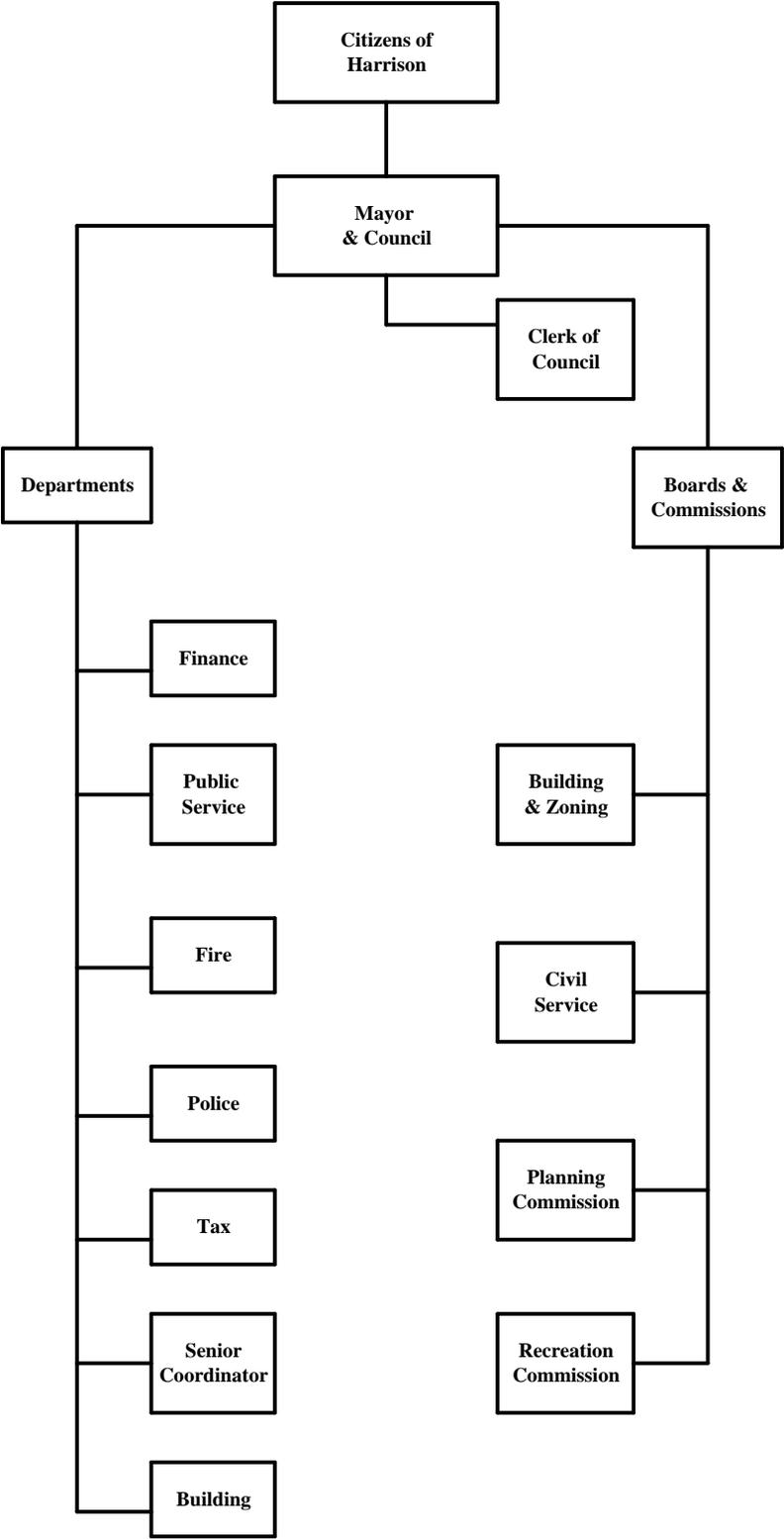
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Joel McGuire	December 31, 2011
Vice Mayor/Member of Council	Matt Hiatt	December 31, 2011
Members of Council	Debra Acra Tony Burkhard Judy Kercheval William Neyer James Robertson Randy Shank	December 31, 2013 December 31, 2013 December 31, 2011 December 31, 2013 December 31, 2011 December 31, 2013

Appointed Officials:

<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Finance Director	Gayle Grubbs	Pleasure of Mayor/Council
Clerk of Council	Carol Wiwi	Pleasure of Mayor/Council
City Law Director	William M. Deters II	Pleasure of Mayor/Council
Chief of Police	Charles Lindsey	Pleasure of Mayor/Council
Chief of Fire	Rob Hursong	Pleasure of Mayor/Council
Service Director	Jim Leslie	Pleasure of Mayor/Council
Economic Development	Jennifer Ekey	Pleasure of Mayor/Council

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



President

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To City Council
City of Harrison, Ohio:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons for the General Fund and Fire Improvement Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages F3 through F16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 25, 2010

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

The management's discussion and analysis of the City of Harrison's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic 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 2009 are as follows:

- The total net assets of the City decreased \$2,550,423. Net assets of governmental activities decreased \$1,676,653 or 12.35% from 2008 and net assets of business-type activities decreased \$873,770 or 6.39% from 2008.
- General revenues accounted for \$6,415,299 or 74.32% of total governmental activities revenue. Program specific revenues accounted for \$2,216,660 or 25.68% of total governmental activities revenue.
- The City had \$10,308,612 in expenses related to governmental activities; \$2,216,660 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$8,091,952 were offset by general revenues (primarily income and property taxes and unrestricted grants and entitlements) of \$6,415,299.
- The general fund had revenues and other financing sources of \$5,571,766 in 2009. This represents an increase from 2008 of \$201,956. The expenditures and other financing uses of the general fund, which totaled \$6,092,526 in 2009, increased \$877,249 from 2008. The net decrease in fund balance for the general fund was \$520,760 or 25.63%.
- The fire improvement fund had revenues and other financing sources of \$2,533,977 in 2009. The expenditures of the fire improvement fund totaled \$3,040,915 in 2009. The net decrease in fund balance for the fire improvement fund was \$506,938 or 2,252.06%.
- The capital improvements fund had revenues and other financing sources of \$1,614,208 in 2009. The expenditures of the capital improvements fund totaled \$1,214,914 in 2009. The net increase in fund balance for the capital improvements fund was \$399,294 or 87.62%.
- Net assets for the business-type activities, which are made up of the sewer, water, storm water, sanitation and water/wastewater deposit enterprise funds, decreased in 2009 by \$873,770.
- In the general fund, the actual revenues and other financing sources came in \$80,197 less than they were in the final budget and actual expenditures and other financing uses were \$5,357 higher than the amount in the final budget. Budgeted expenditures and other financing uses remained the same from the original to the final budget. Budgeted revenues remained the same from the original to the final budget.

Using this Annual Financial Report

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

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains 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 Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including Federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's sewer, water, storm water, sanitation and water/wastewater deposit operations are reported here.

The City's statement of net assets and statement of activities can be found on pages F17-F19 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page F10.

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, fire improvement fund and capital improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F20-F27 of this report.

Proprietary Funds

The City maintains one type of proprietary 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 sewer, water, storm water, sanitation and water/wastewater deposit management functions. The City's major enterprise funds are the sewer and water funds. The basic proprietary fund financial statements can be found on pages F28-F31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the only fiduciary fund type used by the City. The basic fiduciary fund financial statement can be found on page F32 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F33-F67 of this report.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2009 and 2008.

	Net Assets					
	Governmental Activities		Business-type Activities		2009 Total	2008 Total
	2009	2008	2009	2008		
<u>Assets</u>						
Current and other assets	\$ 8,011,766	\$ 8,775,981	\$ 8,583,929	\$ 10,812,318	\$ 16,595,695	\$ 19,588,299
Capital assets, net	<u>14,577,469</u>	<u>12,626,740</u>	<u>35,473,076</u>	<u>31,614,657</u>	<u>50,050,545</u>	<u>44,241,397</u>
Total assets	<u>22,589,235</u>	<u>21,402,721</u>	<u>44,057,005</u>	<u>42,426,975</u>	<u>66,646,240</u>	<u>63,829,696</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	7,399,282	4,810,120	25,750,163	23,464,706	33,149,445	28,274,826
Other liabilities	<u>3,281,840</u>	<u>3,007,835</u>	<u>5,501,315</u>	<u>5,282,972</u>	<u>8,783,155</u>	<u>8,290,807</u>
Total liabilities	<u>10,681,122</u>	<u>7,817,955</u>	<u>31,251,478</u>	<u>28,747,678</u>	<u>41,932,600</u>	<u>36,565,633</u>
<u>Net assets</u>						
Invested in capital assets, net of related debt	8,700,582	8,188,666	8,017,742	8,208,988	16,718,324	16,397,654
Restricted	2,308,118	3,152,408	-	-	2,308,118	3,152,408
Unrestricted	<u>899,413</u>	<u>2,243,692</u>	<u>4,787,785</u>	<u>5,470,309</u>	<u>5,687,198</u>	<u>7,714,001</u>
Total net assets	<u>\$ 11,908,113</u>	<u>\$ 13,584,766</u>	<u>\$ 12,805,527</u>	<u>\$ 13,679,297</u>	<u>\$ 24,713,640</u>	<u>\$ 27,264,063</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2009, the City's assets exceeded liabilities by \$24,713,640. At year-end, net assets were \$11,908,113 and \$12,805,527 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 75.10% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2009, were \$8,700,582 and \$8,017,742 in the governmental activities and business-type activities, respectively. 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 related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$2,308,118, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$5,687,198 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

The table below shows the changes in net assets for years 2009 and 2008.

	Change in Net Assets					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		2009	2008
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>Total</u>	<u>Total</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,055,322	\$ 999,823	\$ 4,223,836	\$ 4,033,859	\$ 5,279,158	\$ 5,033,682
Operating grants and contributions	896,275	756,604	8,047	58,837	904,322	815,441
Capital grants and contributions	265,063	528,547	-	185,022	265,063	713,569
Total program revenues	<u>2,216,660</u>	<u>2,284,974</u>	<u>4,231,883</u>	<u>4,277,718</u>	<u>6,448,543</u>	<u>6,562,692</u>
General revenues:						
Property taxes	2,322,063	2,346,665	-	-	2,322,063	2,346,665
Income taxes	2,860,771	3,034,376	-	-	2,860,771	3,034,376
Unrestricted grants and entitlements	1,013,554	575,158	-	-	1,013,554	575,158
Investment earnings	67,215	201,017	125,410	187,861	192,625	388,878
Miscellaneous	151,696	60,817	13,472	9,885	165,168	70,702
Total general revenues	<u>6,415,299</u>	<u>6,218,033</u>	<u>138,882</u>	<u>197,746</u>	<u>6,554,181</u>	<u>6,415,779</u>
Total revenues	<u>8,631,959</u>	<u>8,503,007</u>	<u>4,370,765</u>	<u>4,475,464</u>	<u>13,002,724</u>	<u>12,978,471</u>
Expenses:						
General government	1,526,678	1,011,755	-	-	1,526,678	1,011,755
Security of persons and property	6,743,223	4,965,899	-	-	6,743,223	4,965,899
Public health and welfare	400,154	313,537	-	-	400,154	313,537
Transportation	889,189	738,160	-	-	889,189	738,160
Community environment	150,035	110,453	-	-	150,035	110,453
Leisure time activity	369,208	332,381	-	-	369,208	332,381
Interest and fiscal charges	230,125	214,254	-	-	230,125	214,254
Sewer	-	-	2,931,737	2,776,374	2,931,737	2,776,374
Water	-	-	1,826,364	1,117,172	1,826,364	1,117,172
Storm water	-	-	50,123	617,408	50,123	617,408
Sanitation	-	-	434,487	355,800	434,487	355,800
Water/wastewater deposit	-	-	1,824	848	1,824	848
Total expenses	<u>10,308,612</u>	<u>7,686,439</u>	<u>5,244,535</u>	<u>4,867,602</u>	<u>15,553,147</u>	<u>12,554,041</u>
Increase (decrease) in net assets before transfers	(1,676,653)	816,568	(873,770)	(392,138)	(2,550,423)	424,430
Transfers	-	80,154	-	(80,154)	-	-
Change in net assets	(1,676,653)	896,722	(873,770)	(472,292)	(2,550,423)	424,430
Net assets at beginning of year	<u>13,584,766</u>	<u>12,688,044</u>	<u>13,679,297</u>	<u>14,151,589</u>	<u>27,264,063</u>	<u>26,839,633</u>
Net assets at end of year	<u>\$ 11,908,113</u>	<u>\$ 13,584,766</u>	<u>\$ 12,805,527</u>	<u>\$ 13,679,297</u>	<u>\$ 24,713,640</u>	<u>\$ 27,264,063</u>

CITY OF HARRISON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

General government expenditures increased \$514,923 or 50.90% due to an increase of economic development department expenditures. Security of persons and property expenditures increased 1,777,324 or 35.79%. This is due to an increase in wage and benefit expenses and capital asset disposals because the City increased their capitalization threshold from \$300 to \$5,000.

Governmental Activities

Governmental activities net assets decreased \$1,676,653 in 2009. This decrease was the result of increasing expenses in the following categories: general government, security of persons and property, transportation, community environment, leisure time activities and interest and fiscal changes.

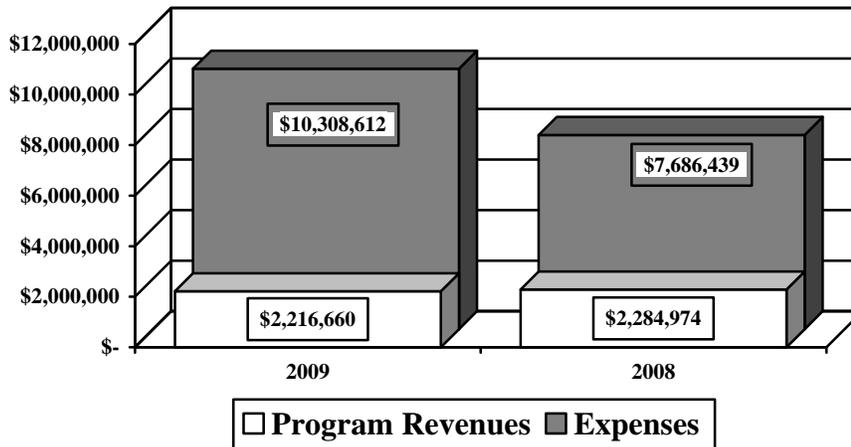
Security of persons and property which primarily supports the operations of the police and fire department accounted for \$6,743,223 or 65.42% of the total expenses of the City's governmental activities. Security of persons and property expenses were partially funded by \$698,301 in direct charges to users of the services. General government expenses totaled \$1,526,678. General government expenses were partially funded by \$97,079 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$896,275 in operating grants and contributions and \$265,063 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$6,415,299, and amounted to 74.32% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$5,182,834. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue and property tax reimbursements received from the State, making up \$1,013,554.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon general revenues (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities.

Governmental Activities - Program Revenues vs. Total Expenses



CITY OF HARRISON, OHIO

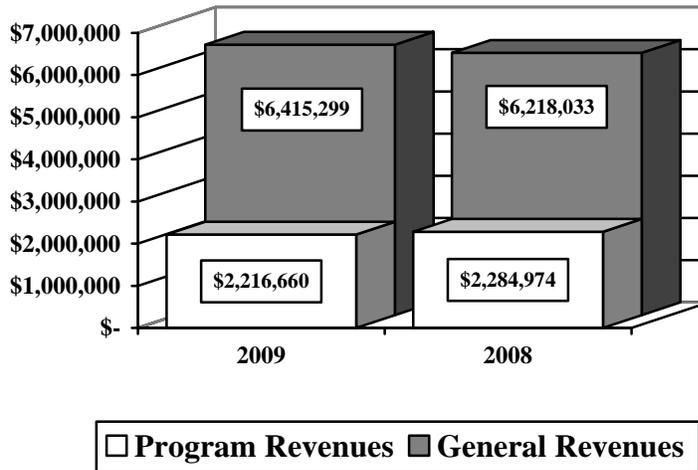
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Program expenses:				
General government	\$ 1,526,678	\$ 1,429,599	\$ 1,011,755	\$ 920,216
Security of persons and property	6,743,223	5,807,341	4,965,899	4,298,343
Public health and welfare	400,154	170,983	313,537	41,538
Transportation	889,189	161,974	738,160	(359,579)
Community environment	150,035	(2,297)	110,453	24,339
Leisure time activity	369,208	294,227	332,381	262,354
Interest and fiscal charges	230,125	230,125	214,254	214,254
Total	<u>\$ 10,308,612</u>	<u>\$ 8,091,952</u>	<u>\$ 7,686,439</u>	<u>\$ 5,401,465</u>

The dependence upon general revenues for governmental activities is apparent, with 62.23% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2009 and 2008.

Governmental Activities - General and Program Revenues

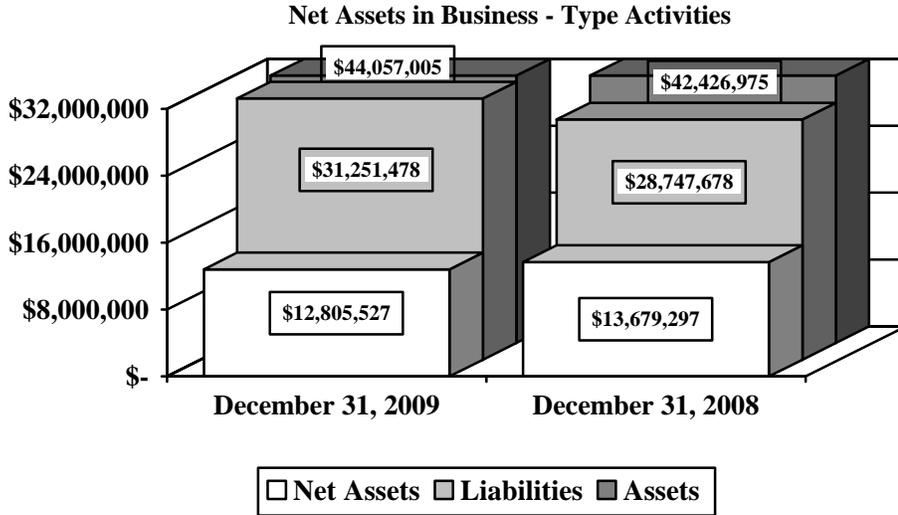


CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Business-type Activities

Business-type activities include the sewer, water, storm water, sanitation, and water/wastewater deposit enterprise funds. These programs had program revenues of \$4,231,883, general revenues of \$138,882 and expenses of \$5,244,535 for 2009. The graph below shows the business-type activities assets, liabilities and net assets for 2009 and 2008.



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on pages F20-21) reported a combined fund balance of \$3,969,698 which is \$1,006,392 less than last year's total of \$4,976,090. The schedule below indicates the fund balances and the total change in fund balances for all major and non-major governmental funds.

	Fund Balances (deficit) 12/31/09	Fund Balances 12/31/08	Increase (Decrease)
Major funds:			
General	\$ 1,511,251	\$ 2,032,011	\$ (520,760)
Fire improvement	(484,428)	22,510	(506,938)
Capital improvements	854,981	455,687	399,294
Other nonmajor governmental funds	<u>2,087,894</u>	<u>2,465,882</u>	<u>(377,988)</u>
Total	<u>\$ 3,969,698</u>	<u>\$ 4,976,090</u>	<u>\$ (1,006,392)</u>

CITY OF HARRISON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The fund balance decreased in the general fund is \$520,760 is due to an increase in expenditures incurred for the police department. The fund balance of the fire improvement fund decreased \$506,938 due to a decrease in tax revenues and an increase in expenditures.

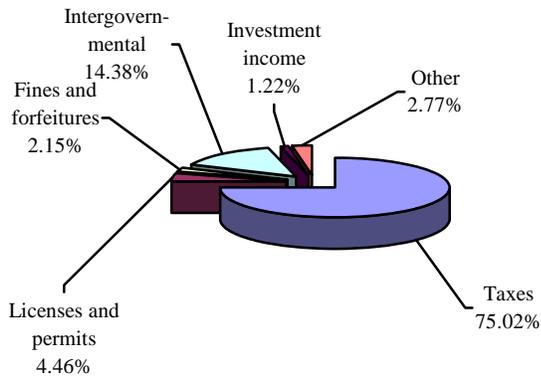
General Fund

The City's general fund balance decreased \$520,760. The table below illustrates the revenues of the general fund.

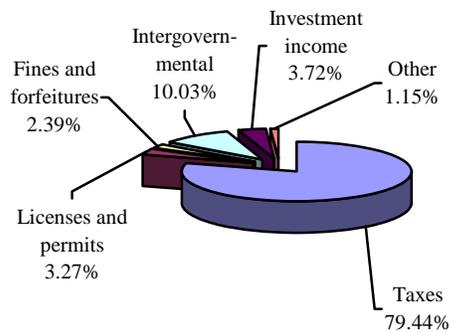
	2009 Amount	2008 Amount	Percentage Change
Revenues			
Taxes	\$ 4,110,557	\$ 4,202,372	(2.18) %
Licenses and permits	244,656	172,758	41.62 %
Fines and forfeitures	117,904	126,519	(6.81) %
Intergovernmental	788,027	530,393	48.57 %
Investment income	66,941	199,784	(66.49) %
Other	151,741	60,817	149.50 %
Total	\$ 5,479,826	\$ 5,292,643	3.54 %

Tax revenue represents 75.01% of all general fund revenue. Tax revenue decreased 2.18% from the prior year. The decrease in tax revenue is due to greater unemployment reducing the collections of the City's income tax. The increase in the amount of licenses and permits is due to an increase of building permits issued by the City throughout the year. The increase in intergovernmental revenue is due to an increase in the tangible personal property tax reimbursements received from the State. The decrease in investment income is due to the amount of funds in the City's investment portfolio throughout the year and the decrease in interest rates. The increase in other income is a large percentage, but is immaterial compared to total revenues, and is due to an increase in reimbursements and other miscellaneous receipts.

Revenues - 2009



Revenues - 2008



CITY OF HARRISON, OHIO

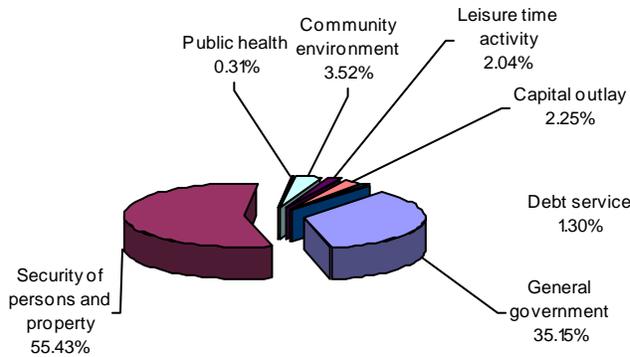
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The table that follows assists in illustrating the expenditures of the general fund.

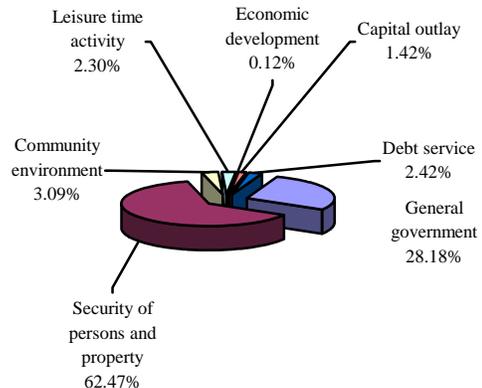
	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Percentage Change</u>
<u>Expenditures</u>			
General government	\$ 1,435,916	\$ 1,002,167	43.28 %
Security of persons and property	2,264,257	2,211,568	2.38 %
Public health and welfare	12,490	-	100.00 %
Community environment	143,679	109,590	31.11 %
Leisure time activity	83,356	81,561	2.20 %
Capital outlay	91,940	50,195	83.17 %
Debt service	<u>53,273</u>	<u>85,826</u>	(37.93) %
Total	<u>\$ 4,084,911</u>	<u>\$ 3,540,907</u>	15.36 %

The City increased total expenditures by 15.36% or \$544,004. The largest increase was in general government, which increased by \$433,749 due to increased expenditures by the economic development department.

Expenditures - 2009



Expenditures - 2008



Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

In the general fund, the actual revenues and other financing sources came in \$80,197 less than they were in the final budget and actual expenditures and other financing uses were \$411,370 less than the amount in the final budget due to a higher amount of actual transfers out than what amount was budgeted. Budgeted expenditures and other financing uses remained the same from the original to the final budget. Budgeted revenues remained the same from the original to the final budget.

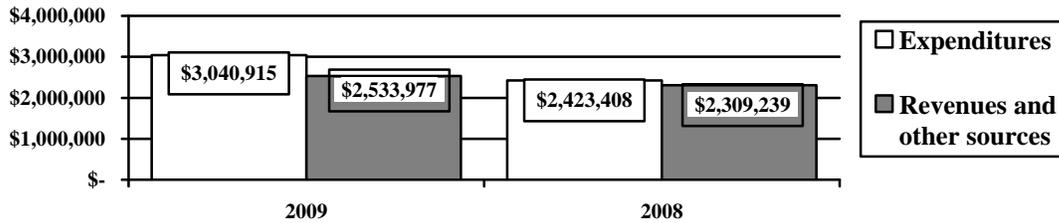
CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Fire Improvement Fund

The fire improvement fund had revenues and other financing sources of \$2,533,977 in 2009. The expenditures of the fire improvement fund, totaled \$3,040,915 in 2009. The net decrease in fund balance for the fire improvement fund was \$506,938 or 2,252.06%.

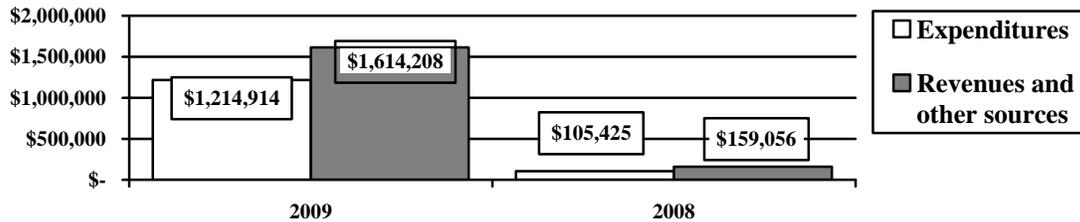
Fire Improvement Fund



Capital Improvements Fund

The capital improvements fund had revenues and other financing sources of \$1,614,208 in 2009. The expenditures of the capital improvements fund, totaled \$1,214,914 in 2009. The net increase in fund balance for the capital improvements fund was \$399,294 or 87.62% due to issuance of bonds and loans.

Capital Improvement Fund



Proprietary Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. Net assets of the sewer fund decreased \$366,291 in 2009. Net assets of the water fund decreased \$595,224 during 2009. Nonmajor proprietary funds net assets increased \$87,745 during 2009.

Capital Assets and Debt Administration

Capital Assets

At the end of 2009, the City had \$50,050,545 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress (CIP). Of this total, \$14,577,469 was reported in governmental activities and \$35,473,076 was reported in business-type activities. The following table shows 2009 balances compared to 2008:

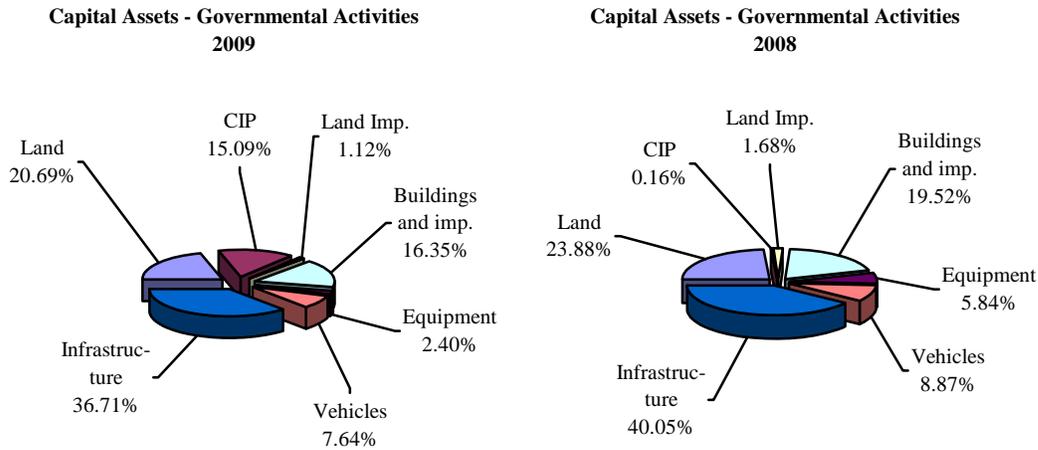
CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 3,015,891	\$ 3,015,891	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,501,311
Construction in progress	2,199,554	20,000	5,608,710	321,460	7,808,264	341,460
Land improvements	162,911	212,626	-	234	162,911	212,860
Buildings and improvements	2,383,536	2,464,290	7,438,563	7,642,249	9,822,099	10,106,539
Equipment	349,525	737,610	4,194,346	4,689,962	4,543,871	5,427,572
Vehicles	1,113,702	1,119,452	119,994	100,406	1,233,696	1,219,858
Infrastructure	5,352,350	5,056,871	17,626,043	18,374,926	22,978,393	23,431,797
Totals	\$ 14,577,469	\$ 12,626,740	\$ 35,473,076	\$ 31,614,657	\$ 50,050,545	\$ 44,241,397

See Note 9 for further information on the City's capital assets. The following graphs show the breakdown of governmental capital assets by category for 2009 and 2008.



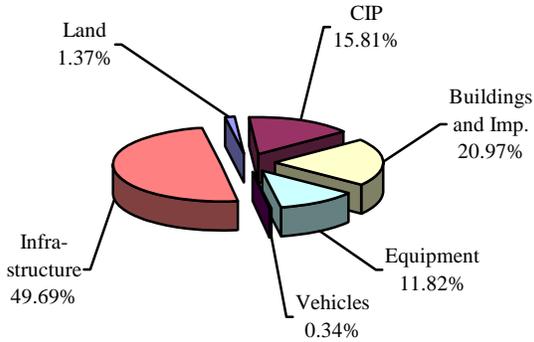
The City's infrastructure is the largest governmental activities capital asset category. The net book value of the City's governmental infrastructure (cost less accumulated depreciation) represents approximately 37% of the City's total governmental capital assets.

CITY OF HARRISON, OHIO

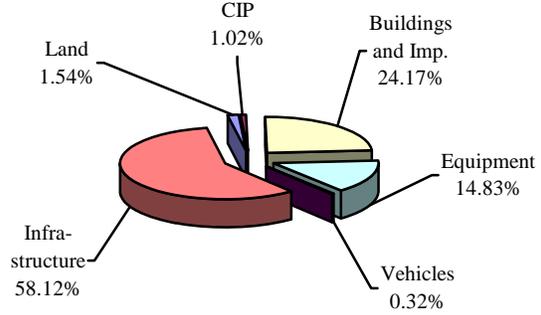
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category for 2009 and 2008.

Capital Assets - Business-Type Activities 2009



Capital Assets - Business-Type Activities 2008



The City's largest business-type capital asset category is infrastructure, which include water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 50% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2009 and 2008:

Governmental Activities

	<u>2009</u>	<u>2008</u>
Capital leases	\$ 1,169,821	\$ 1,105,984
General obligation bonds	4,085,000	2,445,000
OPWC loans	894,080	413,378
ODOT loans	467,943	532,230
Compensated absences	<u>709,941</u>	<u>344,513</u>
Total long-term obligations	<u>\$ 7,326,785</u>	<u>\$ 4,841,105</u>

Business-type Activities

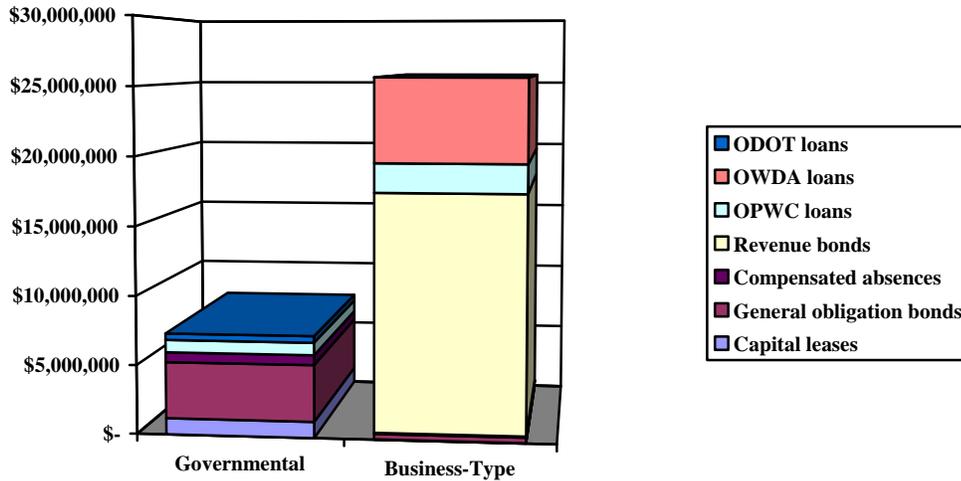
	<u>2009</u>	<u>2008</u>
Revenue bonds	\$ 17,070,000	\$ 17,555,000
OPWC loans	2,071,635	2,199,085
OWDA loans	5,996,693	3,078,609
General obligation bonds	390,000	410,000
Capital lease obligation	29,509	43,027
Compensated absences	<u>78,506</u>	<u>59,037</u>
Total long-term obligations	<u>\$ 25,636,343</u>	<u>\$ 23,344,758</u>

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

A comparison of the long-term obligations by category is depicted in the chart below.

Long-term obligations



Further detail on the City's long-term obligations can be found in Note 11 to the financial statements.

Economic Conditions and Outlook

The City of Harrison's population is 9,980. The City is strategically located on the I-74 corridor in western Hamilton County. Despite the downturn in the economy in 2009, the City has had over \$20 million in new business investment. Some of the City's new businesses include: Staples, Little Caesar's Pizza, Innovative Custom Woodworking, Chipotle, and opening in the first quarter of 2010, Kroger Marketplace and a Fresh Sausage Industry.

The Joint Economic Development District (JEDD) area has received a lot of attention in 2009. As previously mentioned, the City was able to attract Fresh Sausage Specialists, an industrial company, to the JEDD. The addition of this company to the JEDD will raise income tax collection in the JEDD area by 25%. The City also has a great deal of interest on the existing space that is available in the JEDD and is working with the developer who owns the industrial park and just broke ground in 2010 to build another multi-tenant building. The City has also been able to forge a collaborative effort with Harrison Township regarding the development of the JEDD area.

In 2009, the infrastructure for the 400 acre housing subdivision was finished by the developer. In the spring of 2010, the housing Phase I will begin. In addition to the Kroger Marketplace, the developer built a multi-tenant shopping mall which is available for rent in 2010.

The most current data indicates that Hamilton County's unemployment rate is 8.9%, while the State of Ohio's rate is 9.7%. These economic factors were considered in preparing the City's budget for 2010. With the continuation of conservative budgeting practices, the City's financial position should remain stable in future years.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 please contact: Gayle Grubbs, Finance Director, 300 George Street, Harrison, Ohio 45030.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF HARRISON, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments	\$ 3,860,727	\$ 5,846,145	\$ 9,706,872
Cash in segregated accounts	9,378	-	9,378
Receivables (net of allowances for uncollectibles):			
Income taxes	632,884	-	632,884
Real and other taxes	2,454,878	-	2,454,878
Accounts	23,555	331,463	355,018
Due from other governments	441,140	-	441,140
Accrued interest	4,142	-	4,142
Internal balance	391,936	(391,936)	-
Prepayments	68,031	16,567	84,598
Materials and supplies inventory	24,611	37,790	62,401
Unamortized bond issue costs	100,484	595,037	695,521
Restricted assets:			
Cash and cash equivalents with fiscal agent	-	2,148,863	2,148,863
Capital assets:			
Land and construction in progress	5,215,445	6,094,130	11,309,575
Depreciable capital assets, net	9,362,024	29,378,946	38,740,970
Total capital assets	<u>14,577,469</u>	<u>35,473,076</u>	<u>50,050,545</u>
Total assets	<u>22,589,235</u>	<u>44,057,005</u>	<u>66,646,240</u>
Liabilities:			
Accounts payable	49,479	7,970	57,449
Contracts payable	8,936	192,243	201,179
Accrued wages and benefits	70,352	9,656	80,008
Due to other governments	299,327	32,785	332,112
Unearned revenue	2,347,845	-	2,347,845
Accrued interest payable	60,313	258,661	318,974
Claims payable	588	-	588
Tax anticipation note payable	445,000	-	445,000
Bond anticipation note payable	-	5,000,000	5,000,000
Long-term liabilities:			
Due within one year	500,377	1,059,917	1,560,294
Due in more than one year	6,898,905	24,690,246	31,589,151
Total liabilities	<u>10,681,122</u>	<u>31,251,478</u>	<u>41,932,600</u>
Net assets:			
Invested in capital assets, net of related debt	8,700,582	8,017,742	16,718,324
Restricted for:			
Capital projects	246,153	-	246,153
Debt service	381,877	-	381,877
Street maintenance and repair	664,130	-	664,130
State highway	142,942	-	142,942
Law enforcement	75,977	-	75,977
Fire	15,817	-	15,817
Community center	143,980	-	143,980
Senior center	149,921	-	149,921
Other purposes	487,321	-	487,321
Unrestricted	<u>899,413</u>	<u>4,787,785</u>	<u>5,687,198</u>
Total net assets	<u>\$ 11,908,113</u>	<u>\$ 12,805,527</u>	<u>\$ 24,713,640</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,526,678	\$ 97,079	\$ -	\$ -
Security of persons and property	6,743,223	698,301	237,581	-
Public health and welfare	400,154	35,097	194,074	-
Transportation	889,189	375	461,777	265,063
Community environment.	150,035	152,332	-	-
Leisure time activity	369,208	72,138	2,843	-
Interest and fiscal charges	230,125	-	-	-
Total governmental activities	<u>10,308,612</u>	<u>1,055,322</u>	<u>896,275</u>	<u>265,063</u>
Business-type activities:				
Sewer	2,931,737	2,433,320	-	-
Water	1,826,364	1,224,384	-	-
Other business-type activities:				
Storm water	50,123	179,977	-	-
Sanitation	434,487	377,239	8,047	-
Water/wastewater deposit	1,824	8,916	-	-
Total business-type activities	<u>5,244,535</u>	<u>4,223,836</u>	<u>8,047</u>	<u>-</u>
Total primary government.	<u>\$ 15,553,147</u>	<u>\$ 5,279,158</u>	<u>\$ 904,322</u>	<u>\$ 265,063</u>

General revenues:

Property taxes levied for:

- General purposes
- Fire improvements
- Police pension.
- Recreation.
- Capital projects

Income taxes levied for:

- General purposes
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous

Total general revenues.

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,429,599)	\$ -	\$ (1,429,599)
(5,807,341)	-	(5,807,341)
(170,983)	-	(170,983)
(161,974)	-	(161,974)
2,297	-	2,297
(294,227)	-	(294,227)
(230,125)	-	(230,125)
<u>(8,091,952)</u>	<u>-</u>	<u>(8,091,952)</u>
-	(498,417)	(498,417)
-	(601,980)	(601,980)
-	129,854	129,854
-	(49,201)	(49,201)
-	7,092	7,092
<u>-</u>	<u>(1,012,652)</u>	<u>(1,012,652)</u>
<u>(8,091,952)</u>	<u>(1,012,652)</u>	<u>(9,104,604)</u>
1,257,994	-	1,257,994
739,772	-	739,772
54,489	-	54,489
14,800	-	14,800
255,008	-	255,008
2,860,771	-	2,860,771
1,013,554	-	1,013,554
67,215	125,410	192,625
151,696	13,472	165,168
<u>6,415,299</u>	<u>138,882</u>	<u>6,554,181</u>
(1,676,653)	(873,770)	(2,550,423)
<u>13,584,766</u>	<u>13,679,297</u>	<u>27,264,063</u>
<u>\$ 11,908,113</u>	<u>\$ 12,805,527</u>	<u>\$ 24,713,640</u>

CITY OF HARRISON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Fire Improvement	Capital Improvements	Other Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 622,774	\$ 124,910	\$ 854,981	\$ 2,258,062
Cash in segregated accounts	-	-	-	9,378
Receivables (net of allowance for uncollectibles):				
Income taxes	632,884	-	-	-
Real and other taxes	1,204,900	1,186,550	-	63,428
Accounts	23,555	-	-	-
Due from other governments	194,817	59,447	-	186,876
Interfund loans	370,000	-	-	-
Accrued interest	4,142	-	-	-
Due from other funds	109,932	-	-	-
Advances to other funds	57,347	-	-	-
Prepayments	43,435	8,756	-	15,840
Materials and supplies inventory	8,479	575	-	15,557
Total assets	<u>\$ 3,272,265</u>	<u>\$ 1,380,238</u>	<u>\$ 854,981</u>	<u>\$ 2,549,141</u>
Liabilities:				
Accounts payable	\$ 18,837	\$ 20,561	\$ -	\$ 10,081
Contracts payable	-	-	-	8,936
Accrued wages and benefits	32,513	29,318	-	8,521
Accrued interest payable	-	832	-	-
Due to other governments	55,306	139,690	-	104,331
Due to other funds	-	-	-	109,932
Advances from other funds	-	-	-	35,411
Unearned revenue	1,146,625	1,140,871	-	60,349
Deferred revenue	507,733	87,806	-	123,686
Tax anticipation note payable	-	445,000	-	-
Claims payable	-	588	-	-
Total liabilities	<u>1,761,014</u>	<u>1,864,666</u>	<u>-</u>	<u>461,247</u>
Fund balances:				
Reserved for encumbrances	29,648	-	146,656	163,263
Reserved for materials and supplies inventory	8,479	575	-	15,557
Reserved for prepaids	43,435	8,756	-	15,840
Reserved for advances	57,347	-	-	-
Unreserved, undesignated (deficit), reported in:				
General fund	1,372,342	-	-	-
Special revenue funds	-	(493,759)	-	1,541,236
Debt service funds	-	-	-	394,074
Capital projects funds	-	-	708,325	(42,076)
Total fund balances (deficit)	<u>1,511,251</u>	<u>(484,428)</u>	<u>854,981</u>	<u>2,087,894</u>
Total liabilities and fund balances	<u>\$ 3,272,265</u>	<u>\$ 1,380,238</u>	<u>\$ 854,981</u>	<u>\$ 2,549,141</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total
Governmental
Funds**

\$ 3,860,727
9,378

632,884
2,454,878
23,555
441,140
370,000
4,142
109,932
57,347
68,031
24,611

\$ 8,056,625

\$ 49,479
8,936
70,352
832
299,327
109,932
35,411
2,347,845
719,225
445,000
588

4,086,927

339,567
24,611
68,031
57,347

1,372,342
1,047,477
394,074
666,249

3,969,698

\$ 8,056,625

CITY OF HARRISON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total governmental fund balances		\$	3,969,698
 <i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			14,577,469
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	107,033	
Income taxes receivable		306,995	
Intergovernmental revenues receivable		303,690	
Accrued interest receivable		1,507	
Total		719,225	719,225
Unamortized bond issuance costs are not recognized in the funds.			100,484
Deferred amounts on the refundings of bonds are not recognized in the funds.			37,414
Unamortized bond premiums are not recognized in the funds.			(109,911)
In the statement of net assets, interest is accrued on outstanding bonds and loans, whereas in governmental funds, interest is accrued when due.			(59,481)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:			
Compensated absences		709,941	
Refunding bonds payable		2,110,000	
ODOT loan payable		467,943	
OPWC loan payable		894,080	
Other general obligation bonds payable		1,975,000	
Capital leases payable		1,169,821	
Total		7,326,785	(7,326,785)
Net assets of governmental activities		\$	11,908,113

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General</u>	<u>Fire Improvement</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
Revenues:				
Income taxes	\$ 2,845,469	\$ -	\$ -	\$ -
Real and other taxes	1,265,088	748,670	51,915	272,754
Charges for services	-	585,107	-	107,235
Licenses and permits	244,656	-	-	375
Fines and forfeitures	117,904	-	-	-
Intergovernmental	788,027	220,105	265,063	919,681
Investment income	66,941	-	-	-
Contributions and donations	45	8	-	17,627
Other	151,696	47,556	-	11,934
Total revenues.	<u>5,479,826</u>	<u>1,601,446</u>	<u>316,978</u>	<u>1,329,606</u>
Expenditures:				
Current:				
General government	1,435,916	-	-	-
Security of persons and property	2,264,257	2,878,240	-	459,384
Public health and welfare	12,490	-	-	358,939
Transportation	-	-	-	667,450
Community environment	143,679	-	-	-
Leisure time activity	83,356	-	-	211,564
Capital outlay	91,940	79,286	1,182,008	1,790,296
Debt service:				
Principal retirement	50,969	59,806	-	321,036
Interest and fiscal charges	2,304	23,583	-	169,808
Bond issue costs	-	-	32,906	54,410
Total expenditures.	<u>4,084,911</u>	<u>3,040,915</u>	<u>1,214,914</u>	<u>4,032,887</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,394,915</u>	<u>(1,439,469)</u>	<u>(897,936)</u>	<u>(2,703,281)</u>
Other financing sources (uses):				
Bond issuance	-	-	660,000	1,150,000
Premium on bond issuance	-	-	32,906	54,410
Loan issuance	-	-	504,324	-
Transfers in	-	903,138	100,000	1,004,477
Transfers out	(2,007,615)	-	-	-
Capital lease transaction	91,940	29,393	-	116,406
Total other financing sources (uses).	<u>(1,915,675)</u>	<u>932,531</u>	<u>1,297,230</u>	<u>2,325,293</u>
Net change in fund balances	(520,760)	(506,938)	399,294	(377,988)
Fund balances at beginning of year	<u>2,032,011</u>	<u>22,510</u>	<u>455,687</u>	<u>2,465,882</u>
Fund balances (deficit) at end of year	<u>\$ 1,511,251</u>	<u>\$ (484,428)</u>	<u>\$ 854,981</u>	<u>\$ 2,087,894</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total
Governmental
Funds**

\$ 2,845,469
2,338,427
692,342
245,031
117,904
2,192,876
66,941
17,680
211,186

8,727,856

1,435,916
5,601,881
371,429
667,450
143,679
294,920
3,143,530

431,811
195,695
87,316

12,373,627

(3,645,771)

1,810,000
87,316
504,324
2,007,615
(2,007,615)
237,739

2,639,379

(1,006,392)

4,976,090

\$ 3,969,698

CITY OF HARRISON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds		\$	(1,006,392)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>			
Government 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. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlays		\$	2,860,752
Current year depreciation			<u>(471,950)</u>
Total			2,388,802
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.			
Capital asset disposals			(989,908)
Accumulated depreciation on disposals			<u>551,835</u>
Total			(438,073)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes			(16,364)
Income taxes			15,302
Intergovernmental revenues			(95,109)
Accrued interest			<u>274</u>
Total			(95,897)
Capital lease transactions are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.			
			(237,739)
Proceeds of bonds and loans are recorded as revenue in the funds, however in the statement of activities, they are not reported as revenue as they increase the liabilities on the statement of net assets.			
			(2,314,324)
Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			
			431,811
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:			
Increase in accrued interest payable			(3,899)
Amortization of bond premiums			24,650
Amortization of bond issue costs			(14,365)
Amortization of deferred charges of refundings			<u>(40,816)</u>
Total			(34,430)
Premiums on general obligation bonds are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.			
			(87,316)
Issuance costs on general obligation bonds are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.			
			87,316
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
			<u>(370,411)</u>
Change in net assets of governmental activities		\$	<u><u>(1,676,653)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Income taxes	\$ 3,271,000	\$ 3,271,000	\$ 2,880,179	\$ (390,821)
Real and other taxes	1,158,929	1,158,929	1,265,088	106,159
Licenses and permits	294,550	294,550	243,788	(50,762)
Fines and forfeitures	153,000	153,000	116,162	(36,838)
Intergovernmental	572,272	572,272	778,687	206,415
Investment income	150,000	150,000	100,154	(49,846)
Other	66,200	66,200	151,696	85,496
Total revenues	<u>5,665,951</u>	<u>5,665,951</u>	<u>5,535,754</u>	<u>(130,197)</u>
Expenditures:				
Current:				
General government	1,338,872	1,686,427	1,510,603	175,824
Security of persons and property.	2,515,025	2,515,025	2,425,667	89,358
Public health and welfare	12,313	12,490	12,490	-
Community environment.	277,341	277,341	142,123	135,218
Leisure time activity	94,140	94,140	83,370	10,770
Total expenditures	<u>4,237,691</u>	<u>4,585,423</u>	<u>4,174,253</u>	<u>411,170</u>
Excess of revenues over expenditures	<u>1,428,260</u>	<u>1,080,528</u>	<u>1,361,501</u>	<u>280,973</u>
Other financing sources (uses):				
Advances in	-	-	50,000	50,000
Transfers out	(1,938,820)	(2,007,815)	(2,007,615)	200
Total other financing sources (uses).	<u>(1,938,820)</u>	<u>(2,007,815)</u>	<u>(1,957,615)</u>	<u>50,200</u>
Net change in fund balance	(510,560)	(927,287)	(596,114)	331,173
Fund balance at beginning of year	1,234,379	1,234,379	1,234,379	-
Prior year encumbrances appropriated.	<u>52,460</u>	<u>52,460</u>	<u>52,460</u>	<u>-</u>
Fund balance at end of year	<u>\$ 776,279</u>	<u>\$ 359,552</u>	<u>\$ 690,725</u>	<u>\$ 331,173</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Real and other taxes	\$ 760,769	\$ 760,769	\$ 748,670	\$ (12,099)
Charges for services	446,908	446,908	575,875	128,967
Intergovernmental	287,249	287,249	221,512	(65,737)
Contributions and donations	128,764	128,764	8	(128,756)
Other	453,000	453,000	47,556	(405,444)
Total revenues.	<u>2,076,690</u>	<u>2,076,690</u>	<u>1,593,621</u>	<u>(483,069)</u>
Expenditures:				
Current:				
Security of persons and property	2,918,726	2,957,131	2,951,520	5,611
Capital outlay	50,415	50,415	49,893	522
Debt service:				
Principal retirement	-	-	450,000	(450,000)
Interest and fiscal charges	-	-	14,584	(14,584)
Total expenditures.	<u>2,969,141</u>	<u>3,007,546</u>	<u>3,465,997</u>	<u>(458,451)</u>
Excess of expenditures over revenues	<u>(892,451)</u>	<u>(930,856)</u>	<u>(1,872,376)</u>	<u>(941,520)</u>
Other financing sources:				
Sale of notes	-	-	445,000	445,000
Transfers in	888,554	888,554	903,138	14,584
Total other financing sources.	<u>888,554</u>	<u>888,554</u>	<u>1,348,138</u>	<u>459,584</u>
Net change in fund balance	(3,897)	(42,302)	(524,238)	(481,936)
Fund balance at beginning of year	645,251	645,251	645,251	-
Prior year encumbrances appropriated	<u>3,897</u>	<u>3,897</u>	<u>3,897</u>	<u>-</u>
Fund balance at end of year	<u>\$ 645,251</u>	<u>\$ 606,846</u>	<u>\$ 124,910</u>	<u>\$ (481,936)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2009

	Business-type Activities -Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 3,458,870	\$ 1,976,799	\$ 410,476	\$ 5,846,145
Receivables (net of allowance for uncollectibles):				
Accounts	196,558	91,321	43,584	331,463
Advances to other funds	17,178	-	-	17,178
Prepayments	9,962	6,605	-	16,567
Materials and supplies inventory	3,501	34,289	-	37,790
Total current assets.	<u>3,686,069</u>	<u>2,109,014</u>	<u>454,060</u>	<u>6,249,143</u>
Noncurrent assets:				
Unamortized bond issuance costs	595,037	-	-	595,037
Restricted assets:				
Cash and investments with fiscal agent	2,148,863	-	-	2,148,863
Capital assets:				
Land and construction in progress	2,109,697	3,984,433	-	6,094,130
Depreciable capital assets, net	16,244,487	10,979,982	2,154,477	29,378,946
Total capital assets.	<u>18,354,184</u>	<u>14,964,415</u>	<u>2,154,477</u>	<u>35,473,076</u>
Total noncurrent assets	<u>21,098,084</u>	<u>14,964,415</u>	<u>2,154,477</u>	<u>38,216,976</u>
Total assets	<u>24,784,153</u>	<u>17,073,429</u>	<u>2,608,537</u>	<u>44,466,119</u>
Liabilities:				
Current liabilities:				
Accounts payable	387	7,583	-	7,970
Contracts payable	159,082	-	33,161	192,243
Accrued wages	5,023	4,633	-	9,656
Compensated absences	4,449	25,557	-	30,006
Due to other governments	16,436	16,249	100	32,785
Advances from other funds	8,976	12,960	17,178	39,114
Accrued interest payable	140,858	117,803	-	258,661
Interfund loans payable	-	-	370,000	370,000
Bond anticipation notes payable	5,000,000	-	-	5,000,000
Current portion of general obligation bonds	20,000	-	-	20,000
Current portion of revenue bonds	550,000	-	-	550,000
Current portion of OWDA loans	-	332,247	-	332,247
Current portion of OPWC loans	92,308	-	21,030	113,338
Current portion of capital lease obligation	7,163	7,163	-	14,326
Total current liabilities	<u>6,004,682</u>	<u>524,195</u>	<u>441,469</u>	<u>6,970,346</u>
Long-term liabilities:				
Revenue bonds	16,633,820	-	-	16,633,820
General obligation bonds	370,000	-	-	370,000
OWDA loans	-	5,664,446	-	5,664,446
OPWC loans	1,569,242	-	389,055	1,958,297
Capital lease obligation	7,592	7,591	-	15,183
Compensated absences	19,930	28,570	-	48,500
Total long-term liabilities	<u>18,600,584</u>	<u>5,700,607</u>	<u>389,055</u>	<u>24,690,246</u>
Total liabilities	<u>24,605,266</u>	<u>6,224,802</u>	<u>830,524</u>	<u>31,660,592</u>
Net assets:				
Invested in capital assets, net of related debt (deficit)	(2,679,618)	8,952,968	1,744,392	8,017,742
Unrestricted	2,858,505	1,895,659	33,621	4,787,785
Total net assets	<u>\$ 178,887</u>	<u>\$ 10,848,627</u>	<u>\$ 1,778,013</u>	<u>\$ 12,805,527</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Operating revenues:				
Charges for services	\$ 2,433,320	\$ 1,224,384	\$ 566,132	\$ 4,223,836
Other	1,778	6,437	-	8,215
Total operating revenues	2,435,098	1,230,821	566,132	4,232,051
Operating expenses:				
Personal services	418,826	420,225	1,651	840,702
Contract services	474,495	192,601	434,687	1,101,783
Materials and supplies	43,317	83,095	259	126,671
Depreciation	721,632	351,872	46,613	1,120,117
Utilities	201,749	114,396	-	316,145
Other	-	-	3,224	3,224
Total operating expenses	1,860,019	1,162,189	486,434	3,508,642
Operating income	575,079	68,632	79,698	723,409
Nonoperating revenues (expenses):				
Other revenues	5,207	50	-	5,257
Interest revenue	125,141	269	-	125,410
Intergovernmental	-	-	8,047	8,047
Loss on disposal of capital assets	(26,032)	(487,406)	-	(513,438)
Interest expense and fiscal charges	(1,025,418)	(174,986)	-	(1,200,404)
Nonoperating expenses	(20,268)	(1,783)	-	(22,051)
Total nonoperating revenues (expenses)	(941,370)	(663,856)	8,047	(1,597,179)
Changes in net assets	(366,291)	(595,224)	87,745	(873,770)
Net assets at beginning of year	545,178	11,443,851	1,690,268	13,679,297
Net assets at end of year	\$ 178,887	\$ 10,848,627	\$ 1,778,013	\$ 12,805,527

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,486,027	\$ 1,256,656	\$ 579,079	\$ 4,321,762
Cash received from other operations	1,778	6,437	-	8,215
Cash payments for personal services	(435,613)	(401,714)	(1,651)	(838,978)
Cash payments for contract services	(314,705)	(221,210)	(401,426)	(937,341)
Cash payments for materials and supplies	(47,583)	(77,087)	(259)	(124,929)
Cash payments for utilities	(200,822)	(106,543)	-	(307,365)
Cash payments for other expenses	-	-	(3,224)	(3,224)
Net cash provided by operating activities	<u>1,489,082</u>	<u>456,539</u>	<u>172,519</u>	<u>2,118,140</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	41,300	13,216	8,047	62,563
Advances out to other funds	-	-	(50,000)	(50,000)
Cash received from other non operating revenues	5,207	-	-	5,207
Cash payments for other nonoperating expenses	(20,268)	(1,783)	-	(22,051)
Net cash provided by (used in) noncapital financing activities	<u>26,239</u>	<u>11,433</u>	<u>(41,953)</u>	<u>(4,281)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,851,252)	(3,640,722)	-	(5,491,974)
Principal retirement	(5,604,067)	(214,351)	(10,515)	(5,828,933)
Bond anticipation notes	5,000,000	-	-	5,000,000
OWDA loan	-	3,101,049	-	3,101,049
Premium on note issue	29,650	-	-	29,650
Note issuance costs	(38,350)	-	-	(38,350)
Interest and fiscal charges	(993,864)	(115,024)	-	(1,108,888)
Net cash (used in) capital and related financing activities	<u>(3,457,883)</u>	<u>(869,048)</u>	<u>(10,515)</u>	<u>(4,337,446)</u>
Cash flows from investing activities:				
Interest received	125,141	269	-	125,410
Net cash provided by investing activities	<u>125,141</u>	<u>269</u>	<u>-</u>	<u>125,410</u>
Net increase (decrease) in cash and investments	(1,817,421)	(400,807)	120,051	(2,098,177)
Cash and investments at beginning of year	<u>7,425,154</u>	<u>2,377,606</u>	<u>290,425</u>	<u>10,093,185</u>
Cash and investments at end of year	<u><u>\$ 5,607,733</u></u>	<u><u>\$ 1,976,799</u></u>	<u><u>\$ 410,476</u></u>	<u><u>\$ 7,995,008</u></u>

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CITY OF HARRISON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 575,079	\$ 68,632	\$ 79,698	\$ 723,409
Adjustments:				
Depreciation.	721,632	351,872	46,613	1,120,117
Changes in assets and liabilities:				
Decrease in accounts receivable	52,707	32,272	12,947	97,926
(Increase) decrease in materials and supplies inventory.	(2,220)	6,008	-	3,788
(Increase) in prepayments	(4,492)	(3,272)	-	(7,764)
(Decrease) increase in accounts payable.	(1,659)	7,583	-	5,924
Increase (decrease) in contracts payable	159,082	(25,337)	33,161	166,906
(Decrease) in accrued wages and benefits.	(12,708)	(8,236)	-	(20,944)
Increase in due to other governments	2,231	6,978	100	9,309
Increase (decrease) in compensated absences payable.	(570)	20,039	-	19,469
Net cash provided by operating activities	<u>\$ 1,489,082</u>	<u>\$ 456,539</u>	<u>\$ 172,519</u>	<u>\$ 2,118,140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2009**

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ <u>15,622</u>
Total assets	<u>\$ 15,622</u>
Liabilities:	
Due to other governments	\$ <u>15,622</u>
Total liabilities	<u>\$ 15,622</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided it does not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply this FASB guidance. The City's significant accounting policies are described below.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Harrison this includes police, fire, municipal court, park and recreation department, water, sewage and sanitary services, street and sewer maintenance and any other departments or funds for which the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading or incomplete.

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 BFS.

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; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or 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.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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 \$38,646 in revenues through the JEDD in 2009.

B. Basis of Presentation - Fund Accounting

The City's (BFS) consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water, storm water, and sanitation operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

The agency funds do not report a measurement focus as they do not report operations.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General fund - The general fund accounts 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 charter of the City of Harrison and/or the general laws of Ohio.

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

Capital improvements fund - To account for resources used to purchase equipment and construct capital assets.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City does not have any internal service funds.

Enterprise funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Sewer fund - This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

Water fund - This fund accounts for revenues generated from the charges for the treatment and provisions of water to the residents and commercial users of the City.

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. The City's agency funds are purely custodial (assets equal liabilities) and thus 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.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances the cash flow needs of its proprietary activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, interest, grants and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance 2010 operations, and other revenues received in advance of the year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2009 are recorded as deferred revenue in the governmental funds.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City can make transfers within the funds without seeking the approval of City Council. The City legally adopted supplemental appropriations during 2009.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 20th 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 or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificates of estimated resources issued during 2009.

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations within a fund may be modified during the year by an ordinance of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Lapsing of Appropriations

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

G. 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.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

During 2009, investments were limited to STAR Ohio, federal agency securities, U. S. Government money market mutual funds, negotiable certificates of deposit and non-negotiable certificates of deposit.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2009. 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 shares price which is the price the investment could be sold for on December 31, 2009.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2009, interest revenue credited to the general fund amounted to \$66,941 which includes \$52,617 assigned from other City 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. These depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury.

At year end, the City had \$2,148,863 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.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

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

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During 2009, the City increased its capitalization threshold from \$300 to \$5,000. The City's infrastructure consists of streets, storm sewers, water lines and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Infrastructure	50
Buildings	50
Furniture and equipment	5 - 20
Vehicles	8
Land improvements	20

I. Compensated Absences

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

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation 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 benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination (severance) payments and by those employees for whom it is probable they will become eligible to receive termination (severance) benefits in the future.

For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least fifteen years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

K. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Restricted Assets

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

N. Interfund Balances

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "advances to/from other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. Fund balance reserves have been established for encumbrances, materials and supplies inventory, prepayments and advances to other funds.

Q. Estimates

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

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes consist primarily of assets restricted for recreation programs.

S. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements and proprietary fund statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Unamortized bond issuance costs are reported on the financial statements.

Bond premiums and discounts are amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the City.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

The following funds had deficit fund balances as of December 31, 2009:

<u>Major governmental fund</u>	<u>Deficit</u>
Fire improvement	\$ 484,428
<u>Nonmajor governmental fund</u>	
Street and safety construction	109,932

The fire improvement fund complied with Ohio State law, which does not permit a cash basis deficit at year end. The deficit fund balances resulted from recognition of a cash adjustment in the street and safety construction fund and because of the issuance of a tax anticipation note in the fire improvement fund. The general fund is responsible for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

C. Compliance

The following funds had disbursements in excess of appropriations for the year ended December 31, 2009 in noncompliance with Ohio Revised Code Section 5705.41(B):

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>Major governmental fund:</u>			
Fire improvement	3,007,546	3,465,997	458,451
<u>Nonmajor governmental funds:</u>			
Enforcement and education	500	2,412	1,912
Drug law enforcement	12,250	26,855	14,605
Law enforcement trust	1,000	7,794	6,794

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State statute into three categories:

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

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

Interim deposits are deposits in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing 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 market 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 market 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 mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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.

A. Cash on Hand

At year end, the City had \$525 in undeposited cash on hand which is included as part of "equity in pooled cash and investments" on the financial statements.

B. Cash in Segregated Accounts

At year end, the City had monies held outside of the City treasury. These depository accounts were established for senior center deposits (a nonmajor governmental fund) and Mayor's Court operations (agency fund). These depository accounts are included in "Deposits with Financial Institutions" below.

C. Cash with Fiscal Agent

At year end, the City had \$2,148,863 held by a trustee as designated by bond indenture. This amount is included in the City's "investments" below.

D. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all City deposits was \$3,094,159. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, \$2,040,930 of the City's bank balance of \$3,302,094 was exposed to custodial risk as discussed below, while \$1,261,164 was covered by the FDIC.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

E. Investments

As of December 31, 2009, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>6 months or less</u>
STAR Ohio	\$ 1,316,882	\$ 1,316,882
Negotiable cd's	511,944	511,944
FHLB	2,924,497	2,924,497
U.S. Government money market mutual funds	<u>4,032,728</u>	<u>4,032,728</u>
	<u>\$ 8,786,051</u>	<u>\$ 8,786,051</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City’s investments in federal agency securities carry a rating of rating of AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Standard & Poor’s has assigned STAR Ohio and the US Government money market funds an AAAM money market rating. The City’s investment policy limits its investments to those authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, 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 bills 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
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: 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, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 1,316,882	14.98
Negotiable cd's	511,944	5.83
FHLB	2,924,497	33.29
U.S. Government money market mutual funds	<u>4,032,728</u>	<u>45.90</u>
	<u>\$ 8,786,051</u>	<u>100.00</u>

F. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,094,159
Investments	8,786,051
Cash on hand	<u>525</u>
Total	<u>\$ 11,880,735</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 3,870,105
Business-type activities	7,995,008
Agency fund	<u>15,622</u>
Total	<u>\$ 11,880,735</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - INTERNAL TRANSACTIONS

- A.** Interfund transfers for the year ended December 31, 2009, consisted of the following, as reported in the fund financial statements:

Transfers to nonmajor governmental funds from:	
General fund	\$ 1,004,477
Transfers to fire improvement fund from:	
General fund	903,138
Transfers to capital improvement fund from:	
General fund	<u>100,000</u>
Total	<u><u>\$ 2,007,615</u></u>

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

Transfers between governmental funds are eliminated for reporting on the statement of activities.

- B.** Advances to/from other funds consisted of the following at December 31, 2009, as reported on the fund financial statements:

<u>Receivable funds</u>	<u>Payable funds</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 35,411
General	Water	12,960
General	Sewer	<u>8,976</u>
		<u>57,347</u>
Sewer	Stormwater	<u>17,178</u>
Total		<u><u>\$ 74,525</u></u>

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

- C.** Interfund loans consisted of the following at December 31, 2009, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Stormwater	\$ 370,000

These interfund loans are expected to be repaid in the next year.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - INTERNAL TRANSACTIONS - (Continued)

D. Interfund balances at December 31, 2009 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 109,932

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by December 31, 2009. This interfund balance will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

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

The 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, 2009 and for which there is an enforceable legal claim. In the

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2009 was \$13.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts will be based are as follows:

Real property tax	\$ 223,533,270
Public utility tangible personal property	4,314,400
Tangible personal property	<u>250,870</u>
Total assessed valuation	<u>\$ 228,098,540</u>

NOTE 7 - LOCAL INCOME TAX

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts (billings for user charged services), interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2009.

A summary of the items of receivables reported on the statement of net assets follows:

	<u>Amounts</u>
<u>Governmental activities:</u>	
Income taxes	\$ 632,884
Real and other taxes	2,454,878
Accounts	23,555
Due from other governments	441,140
Accrued interest	4,142
<u>Business-type activities:</u>	
Accounts	331,463

All receivables are expected to be collected within one year.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 9 - CAPITAL ASSETS

Governmental activities capital asset activity for 2009 is as follows:

<u>Governmental activities:</u>	<u>Balance</u> 12/31/08	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/09
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,015,891	\$ -	\$ -	\$ 3,015,891
Construction in progress	<u>20,000</u>	<u>2,179,554</u>	<u>-</u>	<u>2,199,554</u>
Total capital assets, not being depreciated	<u>3,035,891</u>	<u>2,179,554</u>	<u>-</u>	<u>5,215,445</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	858,417	-	(53,600)	804,817
Buildings and improvements	3,951,956	-	(5,716)	3,946,240
Furniture and equipment	1,536,062	28,209	(816,125)	748,146
Vehicles	2,239,275	237,739	(108,141)	2,368,873
Infrastructure	<u>5,306,021</u>	<u>415,250</u>	<u>(6,326)</u>	<u>5,714,945</u>
Total capital assets, being depreciated	<u>13,891,731</u>	<u>681,198</u>	<u>(989,908)</u>	<u>13,583,021</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(645,791)	(34,663)	38,548	(641,906)
Buildings	(1,487,666)	(76,760)	1,722	(1,562,704)
Furniture and equipment	(798,452)	(49,618)	449,449	(398,621)
Vehicles	(1,119,823)	(197,321)	61,973	(1,255,171)
Infrastructure	<u>(249,150)</u>	<u>(113,588)</u>	<u>143</u>	<u>(362,595)</u>
Total accumulated depreciation	<u>(4,300,882)</u>	<u>(471,950)</u>	<u>551,835</u>	<u>(4,220,997)</u>
Total capital assets, being depreciated, net	<u>9,590,849</u>	<u>209,248</u>	<u>(438,073)</u>	<u>9,362,024</u>
Governmental activities capital assets, net	<u>\$ 12,626,740</u>	<u>\$ 2,388,802</u>	<u>\$ (438,073)</u>	<u>\$ 14,577,469</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 276
Security of persons and property	245,975
Public health and welfare	4,638
Transportation	166,125
Leisure time activity	54,561
Community environment	<u>375</u>
Total depreciation expense	<u>\$ 471,950</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for 2009 is as follows:

	<u>Balance</u> 12/31/08	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/09
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Construction in progress	<u>321,460</u>	<u>5,287,250</u>	<u>-</u>	<u>5,608,710</u>
Total capital assets, not being depreciated	<u>806,880</u>	<u>5,287,250</u>	<u>-</u>	<u>6,094,130</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	32,386	-	(7,912)	24,474
Buildings	10,040,187	-	(9,282)	10,030,905
Furniture and equipment	7,628,275	9,763	(128,471)	7,509,567
Vehicles	336,121	38,663	-	374,784
Infrastructure	<u>23,230,617</u>	<u>156,298</u>	<u>(569,953)</u>	<u>22,816,962</u>
Total capital assets, being depreciated	<u>41,267,586</u>	<u>204,724</u>	<u>(715,618)</u>	<u>40,756,692</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(32,152)	-	7,678	(24,474)
Buildings	(2,397,938)	(199,471)	5,067	(2,592,342)
Furniture and equipment	(2,938,313)	(459,332)	82,424	(3,315,221)
Vehicles	(235,715)	(19,075)	-	(254,790)
Infrastructure	<u>(4,855,691)</u>	<u>(442,239)</u>	<u>107,011</u>	<u>(5,190,919)</u>
Total accumulated depreciation	<u>(10,459,809)</u>	<u>(1,120,117)</u>	<u>202,180</u>	<u>(11,377,746)</u>
Total capital assets, being depreciated, net	<u>30,807,777</u>	<u>(915,393)</u>	<u>(513,438)</u>	<u>29,378,946</u>
Business-type activities capital assets, net	<u>\$ 31,614,657</u>	<u>\$ 4,371,857</u>	<u>\$ (513,438)</u>	<u>\$ 35,473,076</u>

Depreciation expense was charged to the enterprise funds as follows:

Major enterprise funds

Sewer	\$ 721,632
Water	351,872

Nonmajor enterprise fund

Storm water	<u>46,613</u>
Total depreciation expense	<u>\$ 1,120,117</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - CAPITAL LEASES

In 2009, the City entered into capitalized lease agreements for the acquisition of two new police vehicles, a street sweeper and a paramedic vehicle. In prior years, the City entered into capitalized leases for police vehicles, fire trucks, an ambulance, emergency vehicles, staff vehicles and various equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. For enterprise funds, fund capital assets acquired by capital lease and the related liability and interest expense have been reported in the sewer fund and the water fund.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net assets in the amount of \$1,650,119 for the governmental funds and \$71,873 for the enterprise funds. Accumulated depreciation as of December 31, 2009 was \$624,810 for the governmental funds and \$22,460 for the enterprise funds, leaving a current book value of \$1,025,309 for the governmental funds and \$49,413 for the enterprise funds. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the funds. Principal payments in 2009 totaled \$50,969 made from the general fund, \$59,806 made from the fire improvement fund, \$46,627 made from the fire capital reserve fund, \$16,500 made from the street maintenance and repair fund, \$6,759 made from the water fund and \$6,759 made from the sewer fund.

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, 2009:

Year Ending <u>December 31,</u>	Governmental Activities	Enterprise	
	Governmental funds	Water fund	Sewer fund
2010	\$ 232,533	\$ 8,046	\$ 8,045
2011	216,217	8,045	8,046
2012	116,935	-	-
2013	116,935	-	-
2014	110,487	-	-
2015 - 2019	441,638	-	-
2020 - 2022	264,981	-	-
Total	1,499,726	16,091	16,091
Less: amount representing interest	(329,905)	(1,337)	(1,336)
Present value of net minimum lease payments	\$ 1,169,821	\$ 14,754	\$ 14,755

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2009, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/09</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
<i>General obligation bonds</i>					
Road and safety bonds	\$ 320,000	\$ -	\$ (155,000)	\$ 165,000	\$ 165,000
Refunding bonds	2,125,000	-	(15,000)	2,110,000	15,000
Various purpose - Harrison Ave bike trail	-	1,150,000	-	1,150,000	-
Various purpose - sidewalks	-	660,000	-	660,000	-
Total general obligation bonds	<u>2,445,000</u>	<u>1,810,000</u>	<u>(170,000)</u>	<u>4,085,000</u>	<u>180,000</u>
<i>OPWC loans</i>					
Jefferson Ave. project	413,378	-	(23,622)	389,756	23,622
Kater Street improvements	-	504,324	-	504,324	14,234
Total OPWC loans	<u>413,378</u>	<u>504,324</u>	<u>(23,622)</u>	<u>894,080</u>	<u>37,856</u>
<i>ODOT loan</i>					
New Haven bridge	<u>532,230</u>	-	<u>(64,287)</u>	<u>467,943</u>	<u>66,230</u>
Total ODOT loan	<u>532,230</u>	-	<u>(64,287)</u>	<u>467,943</u>	<u>66,230</u>
<i>Other long-term obligations</i>					
Compensated absences	344,513	784,756	(419,328)	709,941	37,720
Capital leases	<u>1,105,984</u>	<u>237,739</u>	<u>(173,902)</u>	<u>1,169,821</u>	<u>178,571</u>
Total other long-term obligations	<u>1,450,497</u>	<u>1,022,495</u>	<u>(593,230)</u>	<u>1,879,762</u>	<u>216,291</u>
Total governmental activities long-term obligations	<u>\$ 4,841,105</u>	<u>\$ 3,336,819</u>	<u>\$ (851,139)</u>	7,326,785	<u>\$ 500,377</u>
				Add: Unamortized premium on bond issues	109,911
				Less: Unamortized deferred charges	<u>(37,414)</u>
				Total reported on statement of net assets	<u>\$ 7,399,282</u>

General obligation road and safety bonds - On June 1, 2000, the City issued \$3,360,000 in Series 2000 various purpose general obligation bonds to provide long-term, financing of various construction improvements related to roads and safety in the City. The callable portion of these bonds were advance refunded on August 11, 2005 (see below). The remaining non-callable portion of the bonds have annual interest rates ranging from 5.15% to 5.45% and are scheduled to mature in 2010.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General obligation refunding bonds - On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds. The bonds bear interest at rates ranging from 3.00% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the callable portion (\$1,985,000) of the Series 2000 various purpose general obligation bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the refunded bonds at December 31, 2009 was \$1,985,000.

General obligation various purpose improvement bonds - On December 10, 2009, the City issued \$1,810,000 in Series 2009 various purpose general obligation bonds. \$1,150,000 is to provide long term financing for the construction of the Harrison Avenue bike trail and \$660,000 is to provide long term financing for the construction of sidewalks throughout the City. The bonds bear interest rates ranging from 2.00% to 5.25% and are scheduled to mature December 1, 2038. \$812,454 in proceeds on these bonds remain unspent at year end.

OPWC loans - The City's Jefferson Avenue project and Kater Street improvements project were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2009, the City has two loans outstanding through the OPWC payable from governmental activities. The Jefferson Avenue project loan is interest free and payable in semi-annual installments that began in 2006 and the Kater Street improvements project loan is interest free and payable in semi-annual installments that will begin in 2010. At December 31, 2009, the total amount of the Kater Street improvement project had not been distributed and will not be included in the amortization schedule below.

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.

Capital lease obligations - The City's capital lease obligations are described in Note 10.

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the City's future annual debt service requirements to maturity for the governmental activities long-term obligations:

Year Ending December 31,	Various Purpose Bonds			Refunding Bonds - 2005 Series		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ -	\$ 52,821	\$ 52,821	\$ 15,000	\$ 94,792	\$ 109,792
2011	10,000	82,712	92,712	195,000	94,313	289,313
2012	45,000	82,513	127,513	200,000	85,050	285,050
2013	50,000	81,612	131,612	210,000	75,550	285,550
2014	50,000	80,612	130,612	220,000	65,575	285,575
2015 - 2019	270,000	380,814	650,814	1,270,000	167,750	1,437,750
2020 - 2024	320,000	326,589	646,589	-	-	-
2025 - 2029	415,000	237,825	652,825	-	-	-
2030 - 2034	370,000	125,999	495,999	-	-	-
2035 - 2038	280,000	37,537	317,537	-	-	-
Total	\$ 1,810,000	\$ 1,489,034	\$ 3,299,034	\$ 2,110,000	\$ 583,030	\$ 2,693,030

Year Ending December 31,	OPWC Loan			ODOT Loan		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 23,622	\$ -	\$ 23,622	\$ 66,230	\$ 13,545	\$ 79,775
2011	23,621	-	23,621	68,232	11,543	79,775
2012	23,621	-	23,621	70,294	9,481	79,775
2013	23,622	-	23,622	72,418	7,357	79,775
2014	23,622	-	23,622	74,608	5,168	79,776
2015 - 2019	118,108	-	118,108	116,161	3,511	119,672
2020 - 2024	118,108	-	118,108	-	-	-
2025 - 2026	35,432	-	35,432	-	-	-
Total	\$ 389,756	\$ -	\$ 389,756	\$ 467,943	\$ 50,605	\$ 518,548

Year Ending December 31,	Road and Safety Bonds		
	Principal	Interest	Total
2010	\$ 165,000	\$ 8,992	\$ 173,992
Total	\$ 165,000	\$ 8,992	\$ 173,992

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2009, the following changes occurred in business-type activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/09</u>	<u>Amounts Due in One Year</u>
Business-type activities:						
<u>General obligation bond</u>						
Sanitary sewer improvements - 2005	3.00-4.75%	\$ 410,000	\$ -	\$ (20,000)	\$ 390,000	\$ 20,000
Total general obligation bond		<u>410,000</u>	<u>-</u>	<u>(20,000)</u>	<u>390,000</u>	<u>20,000</u>
<u>Mortgage revenue bond</u>						
Revenue improvement and refundings - 2003	4.75%	<u>17,555,000</u>	<u>-</u>	<u>(485,000)</u>	<u>17,070,000</u>	<u>550,000</u>
Total mortgage revenue bond		<u>17,555,000</u>	<u>-</u>	<u>(485,000)</u>	<u>17,070,000</u>	<u>550,000</u>
<u>OPWC loans</u>						
OPWC loan - water reservoir	3.00%	24,627	-	(24,627)	-	-
OPWC loan - State Street/Campbell Rd. sewer	0.00%	1,753,858	-	(92,308)	1,661,550	92,308
OPWC loan - Etta, Lellan and Joyce Ave. Imp.	0.00%	420,600	-	(10,515)	410,085	21,030
Total OPWC loans		<u>2,199,085</u>	<u>-</u>	<u>(127,450)</u>	<u>2,071,635</u>	<u>113,338</u>
<u>OWDA loans</u>						
OWDA loan - water treatment plant	3.49%	807,615	-	(49,676)	757,939	50,980
OWDA loan - New Biddinger Rd./ Caroline Trace Rd. water mains	2.84%	1,729,172	-	(74,640)	1,654,532	76,234
OWDA loan - Wellfield/transmission water mains	3.64%	540,236	-	(58,649)	481,587	60,255
OWDA loan - Water main improvements	3.64%	1,586	1,608,378	-	1,609,964	58,226
OWDA loan - New Haven/Baughman Rd. water main improvement	3.20%	-	100,965	-	100,965	29,759
OWDA loan - elevated water storage tank	3.64%	-	1,391,706	-	1,391,706	56,793
Total OWDA loans		<u>3,078,609</u>	<u>3,101,049</u>	<u>(182,965)</u>	<u>5,996,693</u>	<u>332,247</u>
<u>Other long term obligations</u>						
Capital lease obligation		43,027	-	(13,518)	29,509	14,326
Compensated absences		59,037	76,328	(56,859)	78,506	30,006
Total other long term obligations		<u>102,064</u>	<u>76,328</u>	<u>(70,377)</u>	<u>108,015</u>	<u>44,332</u>
Total business-type activities long-term obligations		<u>\$23,344,758</u>	<u>\$ 3,177,377</u>	<u>\$ (885,792)</u>	25,636,343	<u>\$ 1,059,917</u>
					Add: Unamortized premium on bond issue	190,461
					Less: Unamortized deferred charges on bond issue	<u>(76,641)</u>
					Total reported on statement of net assets	<u>\$25,750,163</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General obligation bonds - On August 11, 2005, the City issued \$510,000 in general obligation bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 3.000% to 4.125% per annum and mature in various installments through December 1, 2024.

Mortgage revenue bonds - On September 15, 2003, the City issued \$18,750,000 in waste water system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes which matured on December 20, 2003, and refunding bonds of \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds (principal \$2,860,000; interest rate 4.6%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the financial statements. The principal balance of the refunded wastewater system mortgage revenue bonds at December 31, 2009 was \$1,555,000.

The 2003 sewer system improvements refunding issue is comprised of current interest bonds, par value \$2,305,000, with an annual interest rate ranging from 2.00% - 4.125%. The general obligation bonds and mortgage revenue bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

The City has pledged future waste water customer revenues, net of specified operating expenses, to repay \$18,750,000 in Series 2003 waste water system revenue improvement and refunding bonds. Proceeds of the waste water system revenue improvement and refunding bonds were used for waste water improvements and to refund the outstanding balance of previously issued Series 1993 waste water general obligation improvement notes. The Series 2003 waste water revenue improvement and refunding bonds are payable solely from waste water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require less than 90.90 percent of net revenues. The total principal and interest remaining to be paid on the Series 2003 waste water system revenue improvement and refunding bonds is \$26,509,531. Principal and interest paid for the current year and total customer net revenues were \$1,292,475 and \$1,421,852, respectively.

OPWC loans - Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvement were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2009, the City has two loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal and interest. The amounts due to the OPWC are payable solely from water and sewer revenues.

OWDA loans - The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2009, the City has outstanding borrowings of \$5,996,693. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The projects financed through OWDA loans are not closed out as of December 31, 2009. Future annual debt service principal and interest requirements for these loans are not available.

Capital lease obligation - The City's capital lease obligations are described in Note 10.

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
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ending <u>December 31,</u>	General Obligation Bonds			Revenue Refunding Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 20,000	\$ 16,690	\$ 36,690	\$ 550,000	\$ 792,925	\$ 1,342,925
2011	20,000	16,050	36,050	570,000	774,500	1,344,500
2012	20,000	15,100	35,100	590,000	753,980	1,343,980
2013	20,000	14,150	34,150	615,000	730,380	1,345,380
2014	20,000	13,200	33,200	635,000	705,780	1,340,780
2015 - 2019	130,000	50,125	180,125	3,980,000	3,098,266	7,078,266
2020 - 2024	160,000	20,419	180,419	5,155,000	1,979,500	7,134,500
2025 - 2028	-	-	-	4,975,000	604,200	5,579,200
Total	<u>\$ 390,000</u>	<u>\$ 145,734</u>	<u>\$ 535,734</u>	<u>\$17,070,000</u>	<u>\$ 9,439,531</u>	<u>\$26,509,531</u>

Year Ending <u>December 31,</u>	OPWC Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 113,338	\$ -	\$ 113,338
2011	113,338	-	113,338
2012	113,338	-	113,338
2013	113,338	-	113,338
2014	113,339	-	113,339
2015 - 2019	566,691	-	566,691
2020 - 2024	566,692	-	566,692
2025 - 2029	371,561	-	371,561
Total	<u>\$ 2,071,635</u>	<u>\$ -</u>	<u>\$ 2,071,635</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - SHORT-TERM NOTES PAYABLE

A. Tax Anticipation Notes

A summary of the governmental activities short-term notes payable transactions for 2009 follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance 12/31/2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/2009</u>
Governmental activities:							
Tax anticipation note	12/10/09	12/09/10	3.25	\$ 450,000	\$ 445,000	\$ (450,000)	\$ 445,000
Total				<u>\$ 450,000</u>	<u>\$ 445,000</u>	<u>\$ (450,000)</u>	<u>\$ 445,000</u>

On December 10, 2009, the City issued \$445,000 in notes in anticipation of taxes produced by a new levy for the purpose of providing ambulance, paramedic, and emergency medical services, to be operated by the fire department of the City. The notes bear an interest rate of 3.25% and will mature on December 9, 2010. The notes are booked as a fund liability in the fire improvement fund.

B. Bond Anticipation Notes

A summary of the short-term bond anticipation notes (BAN) payable transactions for 2009 follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance 12/31/2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/2009</u>
Governmental activities:							
Public infrastructure BAN	6/30/09	12/10/09	3.50	\$ -	\$ 1,150,000	\$(1,150,000)	\$ -
Business-type activities:							
Sewer BAN	12/10/09	12/09/10	2.70	<u>5,000,000</u>	<u>5,000,000</u>	<u>(5,000,000)</u>	<u>5,000,000</u>
Total				<u>\$ 5,000,000</u>	<u>\$ 6,150,000</u>	<u>\$(6,150,000)</u>	<u>\$ 5,000,000</u>

Public infrastructure bond anticipation note - On June 30, 2009, the City issued a \$1,150,000 bond anticipation note to improve public infrastructure. The note bore an interest rate of 3.5% and matured on December 10, 2009. The proceeds of the general obligation various purpose improvement bonds were used to retire the bond anticipation note (see Note 11).

Sewer bond anticipation note - On December 10, 2009 the City issued a \$5,000,000 bond anticipation note bearing a 2.70% interest rate. The note is payable from the sewer fund. The proceeds of the note are being used to make improvements to the City's waste water system. This note will mature on December 9, 2010. \$3,216,323 of the notes was unspent at year end.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - RISK MANAGEMENT

The City has the following insurance coverages related to risk management:

A. Risk Pool Membership

The City belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 510 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity.

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

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

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008, the latest information available:

	<u>2009</u>	<u>2008</u>
Assets	\$ 11,176,186	\$ 9,709,890
Liabilities	<u>(4,852,485)</u>	<u>(4,612,589)</u>
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 5,097,301</u>

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

B. Employee Health Insurance

During 2009, the City provided employees insurance for medical through Humana Insurance, dental through Assurant and life through Hartford. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to \$797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

C. Workers' Compensation

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 14 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - 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% 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 that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the 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 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008 and 2007 were \$145,682, \$118,476 and \$132,089, respectively; 92.29% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

B. Ohio Police and Fire Pension Fund

Plan Description - 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 14 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, 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 OP&F for police officers and firefighters were \$193,076 and \$271,589 for the year ended December 31, 2009, \$183,625 and \$176,091 for the year ended December 31, 2008 and \$168,648 and \$171,323 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 73.04% has been contributed for police and 73.04% has been contributed for firefighters for 2009.

NOTE 15 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but not does 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.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll. Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$104,347, \$118,476 and \$87,068, respectively; 92.29% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into 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, 2009, 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 the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$102,217 and \$106,274 for the year ended December 31, 2009, \$97,213 and \$68,905 for the year ended December 31, 2008 and \$89,224 and \$66,957 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 73.04% has been contributed for police and 73.04% has been contributed for firefighters for 2009.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting 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 is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and the fire improvement fund, a major special revenue fund, is 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 and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
5. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for the general fund and fire improvement fund.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>	Fire <u>Improvement</u>
Budget basis	\$ (596,114)	\$ (524,238)
Net adjustment for revenue accruals	(55,928)	7,825
Net adjustment for expenditure accruals	49,999	425,082
Net adjustment for other financing sources/(uses)	41,940	(415,607)
Adjustment for encumbrances	<u>39,343</u>	<u>-</u>
GAAP basis	<u>\$ (520,760)</u>	<u>\$ (506,938)</u>

NOTE 17 - CONTRACTUAL COMMITMENTS

The City had the following outstanding contractual commitments as of December 31, 2009:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Outstanding Balance</u>
Caldwell	\$ 1,294,000	\$ 150,640
Arcadis engineering	174,000	41,731
Broshear contractors	598,579	15,800
Silver hawk construction	680,800	42,999
Howell contractors	972,972	143,815
Building crafts	979,576	375,419
Wagner smith	<u>226,270</u>	<u>203,362</u>
Total	<u>\$ 4,926,197</u>	<u>\$ 973,766</u>

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2009.

B. Litigation

Several claims and lawsuits are pending against the City. In the opinion of the Director of Law, any potential liability would not have a material effect on the financial statements.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 3,036,610	\$ 3,036,610	\$ 2,880,179	\$ (156,431)
Real and other taxes	1,393,319	1,393,319	1,265,088	(128,231)
Licenses and permits	294,550	294,550	243,788	(50,762)
Fines and forfeitures	153,000	153,000	116,162	(36,838)
Intergovernmental	572,272	572,272	778,687	206,415
Investment income	150,000	150,000	100,154	(49,846)
Other	66,200	66,200	151,696	85,496
Total revenues	<u>5,665,951</u>	<u>5,665,951</u>	<u>5,535,754</u>	<u>(130,197)</u>
Expenditures:				
Current:				
General government:				
Planning commission:				
Personal services	3,768	3,768	4,051	(283)
Operations/maintenance	800	800	448	352
Total planning commission.	<u>4,568</u>	<u>4,568</u>	<u>4,499</u>	<u>69</u>
Income tax:				
Personal services.	68,658	68,658	61,126	7,532
Operations/maintenance	158,343	158,343	149,417	8,926
Capital improvements	4,000	4,000	-	4,000
Total income tax.	<u>231,001</u>	<u>231,001</u>	<u>210,543</u>	<u>20,458</u>
Mayor:				
Personal services	35,682	35,682	34,067	1,615
Operations/maintenance.	4,150	4,150	3,033	1,117
Total mayor.	<u>39,832</u>	<u>39,832</u>	<u>37,100</u>	<u>2,732</u>
Council:				
Personal services	67,281	67,281	66,981	300
Operations/maintenance.	34,750	34,750	21,543	13,207
Capital improvements	1,000	1,000	-	1,000
Total council.	<u>103,031</u>	<u>103,031</u>	<u>88,524</u>	<u>14,507</u>
Economic development:				
Personal services	105,399	105,399	108,707	(3,308)
Operations/maintenance.	109,517	441,913	387,147	54,766
Capital improvements	1,000	1,000	-	1,000
Total economic development	<u>215,916</u>	<u>548,312</u>	<u>495,854</u>	<u>52,458</u>
Finance:				
Personal services	174,250	174,250	161,681	12,569
Operations/maintenance.	135,964	135,964	130,666	5,298
Capital improvements	143,000	143,000	88,769	54,231
Total finance	<u>453,214</u>	<u>453,214</u>	<u>381,116</u>	<u>72,098</u>
Custodian:				
Personal services	49,191	49,191	48,317	874
Operations/maintenance.	1,000	1,000	160	840
Total custodian	<u>50,191</u>	<u>50,191</u>	<u>48,477</u>	<u>1,714</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Civil service:				
Personal services	\$ 4,334	\$ 4,334	\$ 3,927	\$ 407
Operations/maintenance.	6,961	6,961	2,713	4,248
Total civil service	<u>11,295</u>	<u>11,295</u>	<u>6,640</u>	<u>4,655</u>
Law director:				
Personal services	53,335	53,335	53,270	65
Operations/maintenance.	61,225	61,225	52,039	9,186
Total law director	<u>114,560</u>	<u>114,560</u>	<u>105,309</u>	<u>9,251</u>
Magistrate:				
Personal services	75,618	75,618	73,129	2,489
Operations/maintenance.	13,810	13,810	4,287	9,523
Capital improvements	-	-	6,585	(6,585)
Total magistrate	<u>89,428</u>	<u>89,428</u>	<u>84,001</u>	<u>5,427</u>
Administration coordinator:				
Personal services	23,836	23,836	21,594	2,242
Total administration coordinator	<u>23,836</u>	<u>23,836</u>	<u>21,594</u>	<u>2,242</u>
Elections:				
Operations/maintenance.	2,000	17,159	26,946	(9,787)
Total elections	<u>2,000</u>	<u>17,159</u>	<u>26,946</u>	<u>(9,787)</u>
Total general government	<u>1,338,872</u>	<u>1,686,427</u>	<u>1,510,603</u>	<u>175,824</u>
Security of persons and property				
Law enforcement:				
Personal services	2,065,300	2,065,300	1,987,529	77,771
Operations/maintenance.	358,725	358,725	355,339	3,386
Capital improvements	8,000	8,000	8,000	-
Total law enforcement	<u>2,432,025</u>	<u>2,432,025</u>	<u>2,350,868</u>	<u>81,157</u>
Street lighting:				
Operations/maintenance.	83,000	83,000	74,799	8,201
Total street lighting	<u>83,000</u>	<u>83,000</u>	<u>74,799</u>	<u>8,201</u>
Total security of persons and property.	<u>2,515,025</u>	<u>2,515,025</u>	<u>2,425,667</u>	<u>89,358</u>
Public health and welfare:				
Board of health:				
Operations/maintenance.	12,313	12,490	12,490	-
Total board of health	<u>12,313</u>	<u>12,490</u>	<u>12,490</u>	<u>-</u>
Total public health and welfare	<u>12,313</u>	<u>12,490</u>	<u>12,490</u>	<u>-</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONCLUDED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Building department:				
Personal services	\$ 35,000	\$ 35,000	\$ 16,578	\$ 18,422
Operations/maintenance.	231,750	231,750	119,430	112,320
Capital improvements	1,500	1,500	1,500	-
Total building department	<u>268,250</u>	<u>268,250</u>	<u>137,508</u>	<u>130,742</u>
Zoning department:				
Personal services	6,591	6,591	2,814	3,777
Operations/maintenance.	2,500	2,500	1,801	699
Total zoning department	<u>9,091</u>	<u>9,091</u>	<u>4,615</u>	<u>4,476</u>
Total community environment	<u>277,341</u>	<u>277,341</u>	<u>142,123</u>	<u>135,218</u>
Leisure time activity:				
Parks and recreation:				
Personal services	17,700	17,700	15,554	2,146
Operations/maintenance.	53,050	53,050	44,426	8,624
Capital improvements	23,390	23,390	23,390	-
Total parks and recreation	<u>94,140</u>	<u>94,140</u>	<u>83,370</u>	<u>10,770</u>
Total leisure time activities	<u>94,140</u>	<u>94,140</u>	<u>83,370</u>	<u>10,770</u>
Total expenditures	<u>4,237,691</u>	<u>4,585,423</u>	<u>4,174,253</u>	<u>411,170</u>
Excess of revenues over expenditures	<u>1,428,260</u>	<u>1,080,528</u>	<u>1,361,501</u>	<u>280,973</u>
Other financing sources (uses):				
Advance in	-	-	50,000	50,000
Transfers out.	(1,938,820)	(2,007,815)	(2,007,615)	200
Total other financing sources (uses).	<u>(1,938,820)</u>	<u>(2,007,815)</u>	<u>(1,957,615)</u>	<u>50,200</u>
Net change in fund balance.	(510,560)	(927,287)	(596,114)	331,173
Fund balance at beginning of year	<u>1,234,379</u>	<u>1,234,379</u>	<u>1,234,379</u>	<u>-</u>
Prior year encumbrances appropriated	<u>52,460</u>	<u>52,460</u>	<u>52,460</u>	<u>-</u>
Fund balance at end of year	<u>\$ 776,279</u>	<u>\$ 359,552</u>	<u>\$ 690,725</u>	<u>\$ 331,173</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 760,769	\$ 760,769	\$ 748,670	\$ (12,099)
Charges for services	446,908	446,908	575,875	128,967
Intergovernmental	287,249	287,249	221,512	(65,737)
Contributions and donations	128,764	128,764	8	(128,756)
Other	453,000	453,000	47,556	(405,444)
Total revenues	<u>2,076,690</u>	<u>2,076,690</u>	<u>1,593,621</u>	<u>(483,069)</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire department:				
Personal services	2,454,294	2,479,493	2,560,103	(80,610)
Operations/maintenance	464,432	477,638	391,417	86,221
Total security of persons and property	<u>2,918,726</u>	<u>2,957,131</u>	<u>2,951,520</u>	<u>5,611</u>
Capital outlay:				
Capital improvements	50,415	50,415	49,893	522
Total capital outlay	<u>50,415</u>	<u>50,415</u>	<u>49,893</u>	<u>522</u>
Debt service:				
Principal retirement	-	-	450,000	(450,000)
Interest and fiscal charges	-	-	14,584	(14,584)
Total debt service	<u>-</u>	<u>-</u>	<u>464,584</u>	<u>(464,584)</u>
Total expenditures	<u>2,969,141</u>	<u>3,007,546</u>	<u>3,465,997</u>	<u>(458,451)</u>
Excess expenditures over revenues	<u>(892,451)</u>	<u>(930,856)</u>	<u>(1,872,376)</u>	<u>(941,520)</u>
Other financing sources:				
Sale of notes	-	-	445,000	445,000
Transfers in	888,554	888,554	903,138	14,584
Total other financing sources	<u>888,554</u>	<u>888,554</u>	<u>1,348,138</u>	<u>459,584</u>
Net change in fund balance	(3,897)	(42,302)	(524,238)	(481,936)
Fund balance at beginning of year	645,251	645,251	645,251	-
Prior year encumbrances appropriated . .	3,897	3,897	3,897	-
Fund balance at end of year	<u>\$ 645,251</u>	<u>\$ 606,846</u>	<u>\$ 124,910</u>	<u>\$ (481,936)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 90,000	\$ 90,000	\$ 59,636	\$ (30,364)
Intergovernmental.	-	-	664,320	664,320
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>723,956</u>	<u>633,956</u>
Expenditures:				
Capital outlay:				
Capital improvements	481,900	563,597	563,597	-
Total expenditures.	<u>481,900</u>	<u>563,597</u>	<u>563,597</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(391,900)</u>	<u>(473,597)</u>	<u>160,359</u>	<u>633,956</u>
Other financing sources:				
Transfers in	100,000	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(291,900)	(373,597)	260,359	633,956
Fund balance at beginning of year	<u>447,966</u>	<u>447,966</u>	<u>447,966</u>	<u>-</u>
Fund balance at end of year	<u>\$ 156,066</u>	<u>\$ 74,369</u>	<u>\$ 708,325</u>	<u>\$ 633,956</u>

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Community Center

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

Fire Capital Reserve

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

Senior Center

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

Passport Account

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

Police Pension

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

Drug Law Enforcement

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

Law Enforcement Trust

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.

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources and the payments of general obligation and special assessment principal, interest, and related costs.

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 CAPITAL PROJECTS FUNDS

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the capital project funds:

Home Depot TIF

This fund accounts for the Home Depot tax increment financing.

Harrison Avenue TIF

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

Street and Safety Construction

This fund accounts for the construction of various street improvements.

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,646,711	\$ 394,074	\$ 217,277	\$ 2,258,062
Cash in segregated accounts	9,378	-	-	9,378
Receivables (net of allowances of uncollectibles):				
Real and other taxes	63,428	-	-	63,428
Due from other governments	186,876	-	-	186,876
Prepayments	15,840	-	-	15,840
Materials and supplies inventory	15,557	-	-	15,557
Total assets	\$ 1,937,790	\$ 394,074	\$ 217,277	\$ 2,549,141
Liabilities:				
Accounts payable.	\$ 10,081	\$ -	\$ -	\$ 10,081
Contracts payable.	-	-	8,936	8,936
Accrued wages and benefits	8,521	-	-	8,521
Due to other governments.	104,331	-	-	104,331
Due to other funds	-	-	109,932	109,932
Advances from other funds	35,411	-	-	35,411
Unearned revenue	60,349	-	-	60,349
Deferred revenue.	123,686	-	-	123,686
Total liabilities	342,379	-	118,868	461,247
Fund balances:				
Reserved for encumbrances	22,778	-	140,485	163,263
Reserved for materials and supplies inventory.	15,557	-	-	15,557
Reserved for prepaids	15,840	-	-	15,840
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	1,541,236	-	-	1,541,236
Debt service funds	-	394,074	-	394,074
Capital projects funds	-	-	(42,076)	(42,076)
Total fund balances (deficit).	1,595,411	394,074	98,409	2,087,894
Total liabilities and fund balances	\$ 1,937,790	\$ 394,074	\$ 217,277	\$ 2,549,141

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Real and other taxes	\$ 69,661	\$ -	\$ 203,093	\$ 272,754
Charges for services	107,235	-	-	107,235
Licenses and permits	375	-	-	375
Intergovernmental	919,681	-	-	919,681
Contributions and donations	17,627	-	-	17,627
Other	11,934	-	-	11,934
Total revenues	1,126,513	-	203,093	1,329,606
Expenditures:				
Current:				
Security of persons and property.	459,384	-	-	459,384
Public health and welfare.	358,939	-	-	358,939
Transportation.	667,450	-	-	667,450
Leisure time activity	211,564	-	-	211,564
Capital outlay	268,854	-	1,521,442	1,790,296
Debt service:				
Principal retirement	63,127	193,622	64,287	321,036
Interest and fiscal charges	41,700	112,620	15,488	169,808
Bond issuance costs	-	-	54,410	54,410
Total expenditures.	2,071,018	306,242	1,655,627	4,032,887
Excess of expenditures over revenues	(944,505)	(306,242)	(1,452,534)	(2,703,281)
Other financing sources:				
Bond issuance.	-	-	1,150,000	1,150,000
Premium on bond issuance.	-	-	54,410	54,410
Transfers in.	924,477	80,000	-	1,004,477
Capital lease transaction	116,406	-	-	116,406
Total other financing sources	1,040,883	80,000	1,204,410	2,325,293
Net change in fund balances.	96,378	(226,242)	(248,124)	(377,988)
Fund balances at beginning of year	1,499,033	620,316	346,533	2,465,882
Fund balances at end of year	\$ 1,595,411	\$ 394,074	\$ 98,409	\$ 2,087,894

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CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Assets:			
Equity in pooled cash and investments	\$ 508,087	\$ 149,685	\$ 26,556
Cash in segregated accounts	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	-
Due from other governments.	169,383	13,668	-
Prepayments	8,768	-	-
Materials and supplies inventory.	14,465	-	-
Total assets	\$ 700,703	\$ 163,353	\$ 26,556
Liabilities:			
Accounts payable	\$ 868	\$ -	\$ 371
Accrued wages and benefits	5,181	-	-
Due to other governments	16,942	-	-
Advances from other funds	-	20,411	15,000
Unearned revenue.	-	-	-
Deferred revenue	108,469	8,728	-
Total liabilities	131,460	29,139	15,371
Fund balances:			
Reserved for encumbrances	2,778	20,000	-
Reserved for materials and supplies inventory.	14,465	-	-
Reserved for prepaids	8,768	-	-
Unreserved, undesignated, reported in:			
Special revenue funds	543,232	114,214	11,185
Total fund balances	569,243	134,214	11,185
Total liabilities and fund balances.	\$ 700,703	\$ 163,353	\$ 26,556

Community Center	Fire Capital Reserve	Senior Center	Passport Account	Police Pension	Drug Law Enforcement
\$ 129,216	\$ 35,919	\$ 157,590	\$ 68,238	\$ 126,044	\$ 13,249
-	-	9,378	-	-	-
-	-	-	-	63,428	-
-	-	-	-	3,410	10
4,901	-	1,599	572	-	-
901	-	191	-	-	-
<u>\$ 135,018</u>	<u>\$ 35,919</u>	<u>\$ 168,758</u>	<u>\$ 68,810</u>	<u>\$ 192,882</u>	<u>\$ 13,259</u>
\$ 4,070	\$ -	\$ 1,074	\$ 3,698	\$ -	\$ -
1,305	-	2,035	-	-	-
2,694	-	4,557	500	79,638	-
-	-	-	-	-	-
-	-	-	-	60,349	-
-	-	-	-	6,489	-
<u>8,069</u>	<u>-</u>	<u>7,666</u>	<u>4,198</u>	<u>146,476</u>	<u>-</u>
-	-	-	-	-	-
901	-	191	-	-	-
4,901	-	1,599	572	-	-
<u>121,147</u>	<u>35,919</u>	<u>159,302</u>	<u>64,040</u>	<u>46,406</u>	<u>13,259</u>
<u>126,949</u>	<u>35,919</u>	<u>161,092</u>	<u>64,612</u>	<u>46,406</u>	<u>13,259</u>
<u>\$ 135,018</u>	<u>\$ 35,919</u>	<u>\$ 168,758</u>	<u>\$ 68,810</u>	<u>\$ 192,882</u>	<u>\$ 13,259</u>

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CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,630	\$ 1,561	\$ 3,766	\$ 227
Cash in segregated accounts	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Real and other taxes	-	-	-	-
Due from other governments	360	45	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	\$ 7,990	\$ 1,606	\$ 3,766	\$ 227
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Reserved for encumbrances	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Reserved for prepaids	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	7,990	1,606	3,766	227
Total fund balances	7,990	1,606	3,766	227
Total liabilities and fund balances	\$ 7,990	\$ 1,606	\$ 3,766	\$ 227

Recreation Tax Receipts	Recreation Activity Receipts	Total Nonmajor Special Revenue Funds
\$ 395,595	\$ 23,348	\$ 1,646,711
-	-	9,378
-	-	63,428
-	-	186,876
-	-	15,840
-	-	15,557
<u>\$ 395,595</u>	<u>\$ 23,348</u>	<u>\$ 1,937,790</u>
\$ -	\$ -	\$ 10,081
-	-	8,521
-	-	104,331
-	-	35,411
-	-	60,349
-	-	123,686
<u>-</u>	<u>-</u>	<u>342,379</u>
-	-	22,778
-	-	15,557
-	-	15,840
<u>395,595</u>	<u>23,348</u>	<u>1,541,236</u>
<u>395,595</u>	<u>23,348</u>	<u>1,595,411</u>
<u>\$ 395,595</u>	<u>\$ 23,348</u>	<u>\$ 1,937,790</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Revenues:			
Real and other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Licenses and permits	375	-	-
Intergovernmental	517,770	29,749	-
Contributions and donations	-	-	17,627
Other	8,691	-	-
Total revenues	<u>526,836</u>	<u>29,749</u>	<u>17,627</u>
 Expenditures:			
Current:			
Security of persons and property	-	-	2,939
Public health and welfare	-	-	-
Transportation	645,108	22,342	-
Leisure time activity	-	-	-
Capital outlay	197,716	-	-
Debt service:			
Principal retirement	16,500	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>859,324</u>	<u>22,342</u>	<u>2,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(332,488)</u>	<u>7,407</u>	<u>14,688</u>
 Other financing sources:			
Transfers in	331,995	-	-
Capital lease transaction	116,406	-	-
Total other financing sources	<u>448,401</u>	<u>-</u>	<u>-</u>
Net change in fund balances	115,913	7,407	14,688
Fund balances (deficit) at beginning of year . .	<u>453,330</u>	<u>126,807</u>	<u>(3,503)</u>
Fund balances at end of year	<u>\$ 569,243</u>	<u>\$ 134,214</u>	<u>\$ 11,185</u>

Community Center	Fire Capital Reserve	Senior Center	Passport Account	Police Pension	Drug Law Enforcement
\$ -	\$ -	\$ -	\$ -	\$ 54,861	\$ -
60,018	-	19,127	15,970	-	-
-	-	-	-	-	-
847	-	188,393	5,281	12,338	21,952
-	-	-	-	-	-
2,843	-	400	-	-	-
<u>63,708</u>	<u>-</u>	<u>207,920</u>	<u>21,251</u>	<u>67,199</u>	<u>21,952</u>
-	-	-	-	311,799	-
-	-	318,297	40,642	-	-
-	-	-	-	-	-
211,564	-	-	-	-	-
14,881	-	919	-	-	26,603
-	46,627	-	-	-	-
-	41,700	-	-	-	-
<u>226,445</u>	<u>88,327</u>	<u>319,216</u>	<u>40,642</u>	<u>311,799</u>	<u>26,603</u>
<u>(162,737)</u>	<u>(88,327)</u>	<u>(111,296)</u>	<u>(19,391)</u>	<u>(244,600)</u>	<u>(4,651)</u>
150,000	-	66,510	-	361,172	-
-	-	-	-	-	-
<u>150,000</u>	<u>-</u>	<u>66,510</u>	<u>-</u>	<u>361,172</u>	<u>-</u>
(12,737)	(88,327)	(44,786)	(19,391)	116,572	(4,651)
<u>139,686</u>	<u>124,246</u>	<u>205,878</u>	<u>84,003</u>	<u>(70,166)</u>	<u>17,910</u>
<u>\$ 126,949</u>	<u>\$ 35,919</u>	<u>\$ 161,092</u>	<u>\$ 64,612</u>	<u>\$ 46,406</u>	<u>\$ 13,259</u>

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CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial
Revenues:				
Real and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	7,735	1,176	134,440	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	7,735	1,176	134,440	-
Expenditures:				
Current:				
Security of persons and property.	7,794	2,412	134,440	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Leisure time activity	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	7,794	2,412	134,440	-
Excess (deficiency) of revenues over (under) expenditures	<u>(59)</u>	<u>(1,236)</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in.	-	-	-	-
Capital lease transaction	-	-	-	-
Total other financing sources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	(59)	(1,236)	-	-
Fund balances at beginning of year	<u>8,049</u>	<u>2,842</u>	<u>3,766</u>	<u>227</u>
Fund balances at end of year	<u><u>\$ 7,990</u></u>	<u><u>\$ 1,606</u></u>	<u><u>\$ 3,766</u></u>	<u><u>\$ 227</u></u>

Recreation Tax Receipts	Recreation Activity Receipts	Total Nonmajor Special Revenue Funds
\$ 14,800	\$ -	\$ 69,661
-	12,120	107,235
-	-	375
-	-	919,681
-	-	17,627
-	-	11,934
<u>14,800</u>	<u>12,120</u>	<u>1,126,513</u>
-	-	459,384
-	-	358,939
-	-	667,450
-	-	211,564
26,460	2,275	268,854
-	-	63,127
-	-	41,700
<u>26,460</u>	<u>2,275</u>	<u>2,071,018</u>
<u>(11,660)</u>	<u>9,845</u>	<u>(944,505)</u>
14,800	-	924,477
-	-	116,406
<u>14,800</u>	<u>-</u>	<u>1,040,883</u>
3,140	9,845	96,378
<u>392,455</u>	<u>13,503</u>	<u>1,499,033</u>
<u>\$ 395,595</u>	<u>\$ 23,348</u>	<u>\$ 1,595,411</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 100	\$ 100	\$ 375	\$ 275
Intergovernmental	385,000	385,000	510,928	125,928
Other	6,500	6,500	8,691	2,191
Total revenues	<u>391,600</u>	<u>391,600</u>	<u>519,994</u>	<u>128,394</u>
Expenditures:				
Current:				
Transportation:				
Personal services	513,959	513,959	497,269	16,690
Operations/maintenance.	270,107	201,112	174,960	26,152
Total transportation.	<u>784,066</u>	<u>715,071</u>	<u>672,229</u>	<u>42,842</u>
Capital outlay:				
Capital improvements	41,500	41,500	85,496	(43,996)
Total capital outlay.	<u>41,500</u>	<u>41,500</u>	<u>85,496</u>	<u>(43,996)</u>
Total expenditures.	<u>825,566</u>	<u>756,571</u>	<u>757,725</u>	<u>(1,154)</u>
Excess of expenditures over revenues	<u>(433,966)</u>	<u>(364,971)</u>	<u>(237,731)</u>	<u>127,240</u>
Other financing sources:				
Transfers in	263,000	263,000	331,995	68,995
Total other financing sources	<u>263,000</u>	<u>263,000</u>	<u>331,995</u>	<u>68,995</u>
Net change in fund balance	(170,966)	(101,971)	94,264	196,235
Fund balance at beginning of year	406,430	406,430	406,430	-
Prior year encumbrances appropriated	<u>3,207</u>	<u>3,207</u>	<u>3,207</u>	<u>-</u>
Fund balance at end of year	<u>\$ 238,671</u>	<u>\$ 307,666</u>	<u>\$ 503,901</u>	<u>\$ 196,235</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY IMPROVEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 29,000	\$ 29,000	\$ 29,193	\$ 193
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>29,193</u>	<u>193</u>
Expenditures:				
Current:				
Transportation:				
Operations/maintenance.	49,993	49,993	42,342	7,651
Total expenditures.	<u>49,993</u>	<u>49,993</u>	<u>42,342</u>	<u>7,651</u>
Net change in fund balance	(20,993)	(20,993)	(13,149)	7,844
Fund balance at beginning of year	138,841	138,841	138,841	-
Prior year encumbrances appropriated .	<u>3,993</u>	<u>3,993</u>	<u>3,993</u>	<u>-</u>
Fund balance at end of year	<u>\$ 121,841</u>	<u>\$ 121,841</u>	<u>\$ 129,685</u>	<u>\$ 7,844</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 2,500	\$ 2,500	\$ 17,667	\$ 15,167
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>17,667</u>	<u>15,167</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	8,000	8,000	2,568	5,432
Total expenditures.	<u>8,000</u>	<u>8,000</u>	<u>2,568</u>	<u>5,432</u>
Net change in fund balance	(5,500)	(5,500)	15,099	20,599
Fund balance at beginning of year	<u>11,457</u>	<u>11,457</u>	<u>11,457</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,957</u>	<u>\$ 5,957</u>	<u>\$ 26,556</u>	<u>\$ 20,599</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 60,018	\$ 60,018
Intergovernmental	84,859	84,859	3,308	(81,551)
Other	-	-	2,843	2,843
Total revenues.	<u>84,859</u>	<u>84,859</u>	<u>66,169</u>	<u>(18,690)</u>
Expenditures:				
Current:				
Leisure time activity:				
Personal services	123,409	123,409	123,589	(180)
Operations/maintenance.	104,325	104,325	87,840	16,485
Total leisure time activity.	<u>227,734</u>	<u>227,734</u>	<u>211,429</u>	<u>16,305</u>
Capital outlay:				
Capital improvements	30,000	30,000	14,880	15,120
Total capital outlay.	<u>30,000</u>	<u>30,000</u>	<u>14,880</u>	<u>15,120</u>
Total expenditures.	<u>257,734</u>	<u>257,734</u>	<u>226,309</u>	<u>31,425</u>
Excess expenditures over revenues	<u>(172,875)</u>	<u>(172,875)</u>	<u>(160,140)</u>	<u>12,735</u>
Other financing sources:				
Transfers in	155,000	155,000	150,000	(5,000)
Total other financing sources.	<u>155,000</u>	<u>155,000</u>	<u>150,000</u>	<u>(5,000)</u>
Net change in fund balance	(17,875)	(17,875)	(10,140)	7,735
Fund balance at beginning of year	138,681	138,681	138,681	-
Prior year encumbrances appropriated	<u>675</u>	<u>675</u>	<u>675</u>	<u>-</u>
Fund balance at end of year	<u>\$ 121,481</u>	<u>\$ 121,481</u>	<u>\$ 129,216</u>	<u>\$ 7,735</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE CAPITAL RESERVE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 88,328	\$ 88,328	\$ 88,327	\$ 1
Total expenditures.	<u>88,328</u>	<u>88,328</u>	<u>88,327</u>	<u>1</u>
Net change in fund balance	(88,328)	(88,328)	(88,327)	1
Fund balance at beginning of year	<u>124,246</u>	<u>124,246</u>	<u>124,246</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35,918</u>	<u>\$ 35,918</u>	<u>\$ 35,919</u>	<u>\$ 1</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SENIOR CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,700	\$ 15,700	\$ 20,325	\$ 4,625
Intergovernmental	76,000	76,000	241,504	165,504
Other	132,139	132,139	400	(131,739)
Total revenues	<u>223,839</u>	<u>223,839</u>	<u>262,229</u>	<u>38,390</u>
Expenditures:				
Current:				
Public health and welfare:				
Personal services	177,861	177,861	178,159	(298)
Operations/maintenance.	138,849	150,849	145,407	5,442
Total public health and welfare.	<u>316,710</u>	<u>328,710</u>	<u>323,566</u>	<u>5,144</u>
Capital outlay:				
Capital improvements	2,500	2,500	919	1,581
Total capital outlay.	<u>2,500</u>	<u>2,500</u>	<u>919</u>	<u>1,581</u>
Total expenditures.	<u>319,210</u>	<u>331,210</u>	<u>324,485</u>	<u>6,725</u>
Excess expenditures over revenues	(95,371)	(107,371)	(62,256)	45,115
Other financing sources:				
Transfers in	66,510	66,510	66,510	-
Total other financing sources	<u>66,510</u>	<u>66,510</u>	<u>66,510</u>	<u>-</u>
Net change in fund balance	(28,861)	(40,861)	4,254	45,115
Fund balance at beginning of year	143,252	143,252	143,252	-
Prior year encumbrances appropriated	<u>10,084</u>	<u>10,084</u>	<u>10,084</u>	<u>-</u>
Fund balance at end of year	<u>\$ 124,475</u>	<u>\$ 112,475</u>	<u>\$ 157,590</u>	<u>\$ 45,115</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PASSPORT ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 9,000	\$ 9,000	\$ 15,970	\$ 6,970
Intergovernmental	11,750	11,750	5,281	(6,469)
Total revenues.	<u>20,750</u>	<u>20,750</u>	<u>21,251</u>	<u>501</u>
Expenditures:				
Current:				
Public health and welfare:				
Personal services	15,500	15,500	7,118	8,382
Operations/maintenance.	19,100	19,100	20,110	(1,010)
Capital improvements	10,000	10,000	9,788	212
Total expenditures.	<u>44,600</u>	<u>44,600</u>	<u>37,016</u>	<u>7,584</u>
Net change in fund balance	(23,850)	(23,850)	(15,765)	8,085
Fund balance at beginning of year	81,003	81,003	81,003	-
Prior year encumbrances appropriated .	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,153</u>	<u>\$ 60,153</u>	<u>\$ 68,238</u>	<u>\$ 8,085</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE PENSION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 64,453	\$ 64,453	\$ 54,861	\$ (9,592)
Intergovernmental	18,394	18,394	12,338	(6,056)
Other	5,981	5,981	60	(5,921)
Total revenues	<u>88,828</u>	<u>88,828</u>	<u>67,259</u>	<u>(21,569)</u>
Expenditures:				
Current:				
Security of persons and property:				
Personal services	450,000	450,507	311,959	138,548
Total expenditures.	<u>450,000</u>	<u>450,507</u>	<u>311,959</u>	<u>138,548</u>
Excess expenditures over revenues	<u>(361,172)</u>	<u>(361,679)</u>	<u>(244,700)</u>	<u>116,979</u>
Other financing sources:				
Transfers in	361,172	361,172	361,172	-
Total other financing sources	<u>361,172</u>	<u>361,172</u>	<u>361,172</u>	<u>-</u>
Net change in fund balance	-	(507)	116,472	116,979
Fund balance at beginning of year	<u>9,572</u>	<u>9,572</u>	<u>9,572</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,572</u>	<u>\$ 9,065</u>	<u>\$ 126,044</u>	<u>\$ 116,979</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 22,487	\$ 12,487
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>22,487</u>	<u>12,487</u>
Expenditures:				
Capital outlay:				
Capital improvements	12,250	12,250	26,855	(14,605)
Total expenditures.	<u>12,250</u>	<u>12,250</u>	<u>26,855</u>	<u>(14,605)</u>
Net change in fund balance	(2,250)	(2,250)	(4,368)	(2,118)
Fund balance at beginning of year	15,367	15,367	15,367	-
Prior year encumbrances appropriated .	<u>2,250</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,367</u>	<u>\$ 15,367</u>	<u>\$ 13,249</u>	<u>\$ (2,118)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 7,375	\$ 6,375
Total revenues	1,000	1,000	7,375	6,375
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	1,000	1,000	7,794	(6,794)
Total expenditures.	1,000	1,000	7,794	(6,794)
Net change in fund balance	-	-	(419)	(419)
Fund balance at beginning of year	8,049	8,049	8,049	-
Fund balance at end of year	\$ 8,049	\$ 8,049	\$ 7,630	\$ (419)

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENFORCEMENT AND EDUCATION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 500	\$ 500	\$ 1,752	\$ 1,252
Total revenues	<u>500</u>	<u>500</u>	<u>1,752</u>	<u>1,252</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	500	500	2,412	(1,912)
Total expenditures.	<u>500</u>	<u>500</u>	<u>2,412</u>	<u>(1,912)</u>
Net change in fund balance	-	-	(660)	(660)
Fund balance at beginning of year	<u>2,221</u>	<u>2,221</u>	<u>2,221</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,221</u>	<u>\$ 2,221</u>	<u>\$ 1,561</u>	<u>\$ (660)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEMA
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 134,440	\$ 134,440
Total revenues.	<u>-</u>	<u>-</u>	<u>134,440</u>	<u>134,440</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	-	-	134,440	(134,440)
Total expenditures.	<u>-</u>	<u>-</u>	<u>134,440</u>	<u>(134,440)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>3,766</u>	<u>3,766</u>	<u>3,766</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 227	\$ 227	\$ 227	\$ -
Fund balance at end of year	<u>\$ 227</u>	<u>\$ 227</u>	<u>\$ 227</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECREATION TAX RECEIPTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 20,000	\$ 20,000	\$ 14,800	\$ (5,200)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,800</u>	<u>(5,200)</u>
Expenditures:				
Current:				
Leisure time activity:				
Capital improvements	1,000	28,200	26,460	1,740
Total expenditures	<u>1,000</u>	<u>28,200</u>	<u>26,460</u>	<u>1,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,000</u>	<u>(8,200)</u>	<u>(11,660)</u>	<u>(3,460)</u>
Other financing sources:				
Transfers in	-	-	14,800	14,800
Total other financing sources	<u>-</u>	<u>-</u>	<u>14,800</u>	<u>14,800</u>
Net change in fund balance	19,000	(8,200)	3,140	11,340
Fund balance at beginning of year	<u>392,455</u>	<u>392,455</u>	<u>392,455</u>	<u>-</u>
Fund balance at end of year	<u>\$ 411,455</u>	<u>\$ 384,255</u>	<u>\$ 395,595</u>	<u>\$ 11,340</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECREATION ACTIVITY RECEIPTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 12,120	\$ 2,120
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>12,120</u>	<u>2,120</u>
Expenditures:				
Capital outlay:				
Capital improvements	5,000	5,000	2,275	2,725
Total expenditures.	<u>5,000</u>	<u>5,000</u>	<u>2,275</u>	<u>2,725</u>
Net change in fund balance	5,000	5,000	9,845	4,845
Fund balance at beginning of year	<u>13,503</u>	<u>13,503</u>	<u>13,503</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,503</u>	<u>\$ 18,503</u>	<u>\$ 23,348</u>	<u>\$ 4,845</u>

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2009

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 374,459	\$ 19,615	\$ 394,074
Total assets	<u>\$ 374,459</u>	<u>\$ 19,615</u>	<u>\$ 394,074</u>
 Fund balances:			
Unreserved, undesignated, reported in:			
Debt service funds	\$ 374,459	\$ 19,615	\$ 394,074
Total fund balances	<u>374,459</u>	<u>19,615</u>	<u>394,074</u>
Total liabilities and fund balances	<u>\$ 374,459</u>	<u>\$ 19,615</u>	<u>\$ 394,074</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total Nonmajor Debt Service Funds</u>
Expenditures:			
Debt service:			
Principal retirement	\$ 193,622	\$ -	\$ 193,622
Interest and fiscal charges	112,620	-	112,620
Total expenditures	<u>306,242</u>	<u>-</u>	<u>306,242</u>
 Excess of expenditures over revenues	 <u>(306,242)</u>	 <u>-</u>	 <u>(306,242)</u>
 Other financing sources:			
Transfers in.	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total other financing sources	<u>80,000</u>	<u>-</u>	<u>80,000</u>
 Net change in fund balances.	 (226,242)	 -	 (226,242)
 Fund balances at beginning of year	 <u>600,701</u>	 <u>19,615</u>	 <u>620,316</u>
 Fund balances at end of year	 <u>\$ 374,459</u>	 <u>\$ 19,615</u>	 <u>\$ 394,074</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure time activity:				
Other.	\$ 5,000	\$ 5,000	\$ -	5,000
Total leisure time activity.	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Debt service:				
Principal retirement	213,622	213,622	193,622	20,000
Interest and fiscal charges	129,933	129,933	112,620	17,313
Total debt service	<u>343,555</u>	<u>343,555</u>	<u>306,242</u>	<u>37,313</u>
Total expenditures.	<u>348,555</u>	<u>348,555</u>	<u>306,242</u>	<u>42,313</u>
Other financing sources:				
Transfers in	80,000	80,000	80,000	-
Total other financing sources.	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	(268,555)	(268,555)	(226,242)	42,313
Fund balance at beginning of year	<u>600,701</u>	<u>600,701</u>	<u>600,701</u>	<u>-</u>
Fund balance at end of year	<u>\$ 332,146</u>	<u>\$ 332,146</u>	<u>\$ 374,459</u>	<u>\$ 42,313</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL ASSESSMENT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	<u>\$ 19,615</u>	<u>\$ 19,615</u>	<u>\$ 19,615</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 19,615</u></u>	<u><u>\$ 19,615</u></u>	<u><u>\$ 19,615</u></u>	<u><u>\$ -</u></u>

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009

	<u>Home Depot TIF</u>	<u>Harrison Avenue TIF</u>	<u>Street and Safety Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 64,823	\$ 152,454	\$ -	\$ 217,277
Total assets	<u>\$ 64,823</u>	<u>\$ 152,454</u>	<u>\$ -</u>	<u>\$ 217,277</u>
Liabilities:				
Contracts payable	\$ 8,936	\$ -	\$ -	\$ 8,936
Due to other funds	<u>-</u>	<u>-</u>	<u>109,932</u>	<u>109,932</u>
Total liabilities	<u>8,936</u>	<u>-</u>	<u>109,932</u>	<u>118,868</u>
Fund balances:				
Reserved for encumbrances	-	140,485	-	140,485
Unreserved, undesignated (deficit), reported in:				
Capital projects funds.	<u>55,887</u>	<u>11,969</u>	<u>(109,932)</u>	<u>(42,076)</u>
Total fund balances (deficit).	<u>55,887</u>	<u>152,454</u>	<u>(109,932)</u>	<u>98,409</u>
Total liabilities and fund balances.	<u>\$ 64,823</u>	<u>\$ 152,454</u>	<u>\$ -</u>	<u>\$ 217,277</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Home Depot TIF</u>	<u>Harrison Avenue TIF</u>	<u>Street and Safety Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Real and other taxes	\$ 203,093	\$ -	\$ -	\$ 203,093
Total revenues	<u>203,093</u>	<u>-</u>	<u>-</u>	<u>203,093</u>
Expenditures:				
Capital outlay	379,583	997,546	144,313	1,521,442
Debt service:				
Principal retirement.	64,287	-	-	64,287
Interest and fiscal charges	15,488	-	-	15,488
Bond issuance costs	-	54,410	-	54,410
Total expenditures	<u>459,358</u>	<u>1,051,956</u>	<u>144,313</u>	<u>1,655,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(256,265)</u>	<u>(1,051,956)</u>	<u>(144,313)</u>	<u>(1,452,534)</u>
Other financing sources:				
Bond issuance.	-	1,150,000	-	1,150,000
Premium on bond issuance.	-	54,410	-	54,410
Total other financing sources.	<u>-</u>	<u>1,204,410</u>	<u>-</u>	<u>1,204,410</u>
Net change in fund balances	(256,265)	152,454	(144,313)	(248,124)
Fund balances at beginning of year	<u>312,152</u>	<u>-</u>	<u>34,381</u>	<u>346,533</u>
Fund balances (deficit) at end of year	<u>\$ 55,887</u>	<u>\$ 152,454</u>	<u>\$ (109,932)</u>	<u>\$ 98,409</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HOME DEPOT TIF
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 164,000	\$ 164,000	\$ 203,093	\$ 39,093
Total revenues	<u>164,000</u>	<u>164,000</u>	<u>203,093</u>	<u>39,093</u>
Expenditures:				
Capital outlay:				
Capital improvements.	194,776	385,904	379,583	6,321
Total capital outlay	<u>194,776</u>	<u>385,904</u>	<u>379,583</u>	<u>6,321</u>
Debt service:				
Principal retirement	80,000	80,000	79,775	225
Total debt service	<u>80,000</u>	<u>80,000</u>	<u>79,775</u>	<u>225</u>
Total expenditures.	<u>274,776</u>	<u>465,904</u>	<u>459,358</u>	<u>6,546</u>
Net change in fund balance	(110,776)	(301,904)	(256,265)	45,639
Fund balance at beginning of year	297,152	297,152	297,152	-
Prior year encumbrances appropriated .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 201,376</u>	<u>\$ 10,248</u>	<u>\$ 55,887</u>	<u>\$ 45,639</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HARRISON AVENUE TIF
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay:				
Capital improvements	\$ -	\$ 1,138,031	\$ 1,138,031	\$ -
Total capital outlay	-	1,138,031	1,138,031	-
Debt service:				
Principal retirement	-	1,150,000	1,150,000	-
Bond issuance costs	-	54,410	54,410	-
Total debt service	-	1,204,410	1,204,410	-
Total expenditures	-	2,342,441	2,342,441	-
Other financing sources:				
Bond issuance	-	-	1,150,000	1,150,000
Premium on bond issuance	-	-	54,410	54,410
Note issuance	-	-	1,150,000	1,150,000
Total other financing sources	-	-	2,354,410	2,354,410
Net change in fund balance	-	(2,342,441)	11,969	2,354,410
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ (2,342,441)	\$ 11,969	\$ 2,354,410

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET AND SAFETY CONTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay:				
Capital improvements	\$ 79,000	\$ 147,000	\$ 144,313	\$ 2,687
Total expenditures.	<u>79,000</u>	<u>147,000</u>	<u>144,313</u>	<u>2,687</u>
Net change in fund balance	(79,000)	(147,000)	(144,313)	2,687
Fund balance at beginning of year	<u>34,381</u>	<u>34,381</u>	<u>34,381</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (44,619)</u>	<u>\$ (112,619)</u>	<u>\$ (109,932)</u>	<u>\$ 2,687</u>

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - NONMAJOR PROPRIETARY FUNDS

NONMAJOR ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Storm Water

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

Water/Wastewater Deposits

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

Sanitation

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

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

	Storm Water	Water/Wastewater Deposits	Sanitation	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 143,437	\$ 65,176	\$ 201,863	\$ 410,476
Receivables (net of allowance for uncollectibles):				
Accounts	9,522	-	34,062	43,584
Total current assets	<u>152,959</u>	<u>65,176</u>	<u>235,925</u>	<u>454,060</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net.	2,154,477	-	-	2,154,477
Total capital assets.	<u>2,154,477</u>	<u>-</u>	<u>-</u>	<u>2,154,477</u>
Total noncurrent assets	<u>2,154,477</u>	<u>-</u>	<u>-</u>	<u>2,154,477</u>
Total assets	<u>2,307,436</u>	<u>65,176</u>	<u>235,925</u>	<u>2,608,537</u>
Liabilities:				
Current liabilities:				
Contracts payable	-	-	33,161	33,161
Due to other governments	100	-	-	100
Advances from other funds.	17,178	-	-	17,178
Interfund loans payable.	370,000	-	-	370,000
Current portion of OPWC loans	21,030	-	-	21,030
Total current liabilities	<u>408,308</u>	<u>-</u>	<u>33,161</u>	<u>441,469</u>
Long-term liabilities:				
OPWC loans.	389,055	-	-	389,055
Total long-term liabilities	<u>389,055</u>	<u>-</u>	<u>-</u>	<u>389,055</u>
Total liabilities	<u>797,363</u>	<u>-</u>	<u>33,161</u>	<u>830,524</u>
Net assets:				
Invested in capital assets, net of related debt	1,744,392	-	-	1,744,392
Unrestricted (deficit)	(234,319)	65,176	202,764	33,621
Total net assets	<u>\$ 1,510,073</u>	<u>\$ 65,176</u>	<u>\$ 202,764</u>	<u>\$ 1,778,013</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Charges for services	\$ 179,977	\$ 8,916	\$ 377,239	\$ 566,132
Total operating revenues	<u>179,977</u>	<u>8,916</u>	<u>377,239</u>	<u>566,132</u>
Operating expenses:				
Personal services	1,651	-	-	1,651
Contract services	200	-	434,487	434,687
Materials and supplies	259	-	-	259
Depreciation	46,613	-	-	46,613
Other	<u>1,400</u>	<u>1,824</u>	<u>-</u>	<u>3,224</u>
Total operating expenses	<u>50,123</u>	<u>1,824</u>	<u>434,487</u>	<u>486,434</u>
Operating income (loss)	<u>129,854</u>	<u>7,092</u>	<u>(57,248)</u>	<u>79,698</u>
Nonoperating revenues:				
Intergovernmental	<u>-</u>	<u>-</u>	<u>8,047</u>	<u>8,047</u>
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>8,047</u>	<u>8,047</u>
Changes in net assets	129,854	7,092	(49,201)	87,745
Net assets at beginning of year	<u>1,380,219</u>	<u>58,084</u>	<u>251,965</u>	<u>1,690,268</u>
Net assets at end of year	<u><u>\$ 1,510,073</u></u>	<u><u>\$ 65,176</u></u>	<u><u>\$ 202,764</u></u>	<u><u>\$ 1,778,013</u></u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities:				
Cash received from customers	\$ 182,831	\$ 8,916	\$ 387,332	\$ 579,079
Cash payments for personal services	(1,651)	-	-	(1,651)
Cash payments for contract services	(100)	-	(401,326)	(401,426)
Cash payments for materials and supplies	(259)	-	-	(259)
Cash payments for other expenses	(1,400)	(1,824)	-	(3,224)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities.	179,421	7,092	(13,994)	172,519
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from noncapital financing activities:				
Cash received from operating grants	-	-	8,047	8,047
Advances out to other funds	(50,000)	-	-	(50,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) noncapital financing activities	(50,000)	-	8,047	(41,953)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from capital and related financing activities:				
Principal retirement	(10,515)	-	-	(10,515)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in capital and related financing activities	(10,515)	-	-	(10,515)
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents.	118,906	7,092	(5,947)	120,051
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of year.	24,531	58,084	207,810	290,425
Cash and cash equivalents at end of year . . .	<u>\$ 143,437</u>	<u>\$ 65,176</u>	<u>\$ 201,863</u>	<u>\$ 410,476</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 129,854	\$ 7,092	\$ (57,248)	\$ 79,698
Adjustments:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Decrease in accounts receivable.	2,854	-	10,093	12,947
Increase in contracts payable	-	-	33,161	33,161
Increase in due to other governments	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	\$ 179,421	\$ 7,092	\$ (13,994)	\$ 172,519
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF HARRISON, OHIO

FUND DESCRIPTION - AGENCY FUNDS

Agency Funds

Agency funds are purely custodial (assets equal 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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Beginning Balance 12/31/2008	Additions	Reductions	Ending Balance 12/31/2009
Mayor's Court				
Assets:				
Cash in segregated accounts	\$ 2,279	\$ 13,343	\$ -	\$ 15,622
Total assets.	<u>\$ 2,279</u>	<u>\$ 13,343</u>	<u>\$ -</u>	<u>\$ 15,622</u>
Liabilities:				
Due to other governments	\$ 2,279	\$ 13,343	\$ -	\$ 15,622
Total liabilities	<u>\$ 2,279</u>	<u>\$ 13,343</u>	<u>\$ -</u>	<u>\$ 15,622</u>
Joint Economic Development District				
Assets:				
Equity in pooled cash and investments. . .	\$ -	\$ 38,646	\$ 38,646	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 38,646</u>	<u>\$ 38,646</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 38,646	\$ 38,646	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 38,646</u>	<u>\$ 38,646</u>	<u>\$ -</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and investments. . .	\$ 2,279	\$ 51,989	\$ 38,646	\$ 15,622
Total assets.	<u>\$ 2,279</u>	<u>\$ 51,989</u>	<u>\$ 38,646</u>	<u>\$ 15,622</u>
Liabilities:				
Deposits held and due to others	\$ 2,279	\$ 51,989	\$ 38,646	\$ 15,622
Total liabilities	<u>\$ 2,279</u>	<u>\$ 51,989</u>	<u>\$ 38,646</u>	<u>\$ 15,622</u>

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STATISTICAL SECTION

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CITY OF HARRISON, OHIO
STATISTICAL SECTION

This part of the City of Harrison'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

Page

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.

S 2 - 8

Revenue Capacity

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

S 9 - 15

Debt Capacity

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

S 16 - 22

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.

S 23 - 24

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

S 25 - 29

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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CITY OF HARRISON, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 8,700,582	\$ 8,188,666	\$ 7,218,367	\$ 6,208,120	\$ 6,305,598	\$ 4,996,494
Restricted for:						
Capital projects	246,153	802,220	833,089	1,147,150	430,814	3,107,785
Debt service	381,877	607,608	879,953	1,097,636	1,087,694	1,164,296
Street maintenance and repair	664,130	642,587	418,197	333,956	254,097	160,263
State highway	142,942	136,783	129,535	104,413	100,843	71,699
Law enforcement	75,977	29,028	30,612	168,765	202,423	180,990
Fire	15,817	103,754	326,787	285,244	466,433	490,834
Community center	143,980	-	-	-	163,040	46,143
Senior center	149,921	194,023	104,032	89,697	73,544	19,039
Other purposes	487,321	636,405	616,383	383,129	353,688	218,276
Unrestricted	899,413	2,243,692	2,131,089	1,398,851	1,345,503	994,418
Total governmental activities net assets	<u>\$ 11,908,113</u>	<u>\$ 13,584,766</u>	<u>\$ 12,688,044</u>	<u>\$ 11,216,961</u>	<u>\$ 10,783,677</u>	<u>\$ 11,450,237</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 8,017,742	\$ 8,208,988	\$ 8,203,170	\$ 8,244,568	\$ 6,593,538	\$ 5,162,716
Unrestricted	4,787,785	5,470,309	5,948,419	5,673,936	6,994,902	6,771,185
Total business-type activities net assets	<u>\$ 12,805,527</u>	<u>\$ 13,679,297</u>	<u>\$ 14,151,589</u>	<u>\$ 13,918,504</u>	<u>\$ 13,588,440</u>	<u>\$ 11,933,901</u>
Total primary government						
Invested in capital assets, net of related debt	\$ 16,718,324	\$ 16,397,654	\$ 15,421,537	\$ 14,452,688	\$ 12,899,136	\$ 10,159,210
Restricted for:						
Capital projects	246,153	802,220	833,089	1,147,150	430,814	3,107,785
Debt service	381,877	607,608	879,953	1,097,636	1,087,694	1,164,296
Street maintenance and repair	664,130	642,587	418,197	333,956	254,097	160,263
State highway	142,942	136,783	129,535	104,413	100,843	71,699
Law enforcement	75,977	29,028	30,612	168,765	202,423	180,990
Fire	15,817	103,754	326,787	285,244	466,433	490,834
Community center	143,980	-	-	-	163,040	46,143
Senior center	149,921	194,023	104,032	89,697	73,544	19,039
Other purposes	487,321	636,405	616,383	383,129	353,688	218,276
Unrestricted	5,687,198	7,714,001	8,079,508	7,072,787	8,340,405	7,765,603
Total primary government net assets	<u>\$ 24,713,640</u>	<u>\$ 27,264,063</u>	<u>\$ 26,839,633</u>	<u>\$ 25,135,465</u>	<u>\$ 24,372,117</u>	<u>\$ 23,384,138</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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program revenues:						
Governmental activities:						
Charges for services:						
General government	\$ 97,079	\$ 91,539	\$ 88,502	\$ 83,194	\$ 84,939	\$ 71,765
Security of persons and property	698,301	595,500	594,535	554,805	563,405	594,816
Public health and welfare	35,097	157,651	161,182	99,866	129,583	19,644
Transportation	375	120	480	-	120	390
Community environment	152,332	86,114	161,103	178,519	192,412	93,660
Leisure time activities	72,138	68,899	112,069	-	63,520	39,640
Operating grants and contributions	896,275	756,604	462,771	483,100	547,153	611,410
Capital grants and contributions	265,063	528,547	436,179	243,409	273,327	841,885
Total governmental activities program revenues	<u>2,216,660</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	1,224,384	1,317,775	1,431,917	1,406,498	1,431,799	1,314,098
Sewer	2,433,320	2,251,507	2,179,071	2,146,156	2,103,560	1,787,499
Storm water	179,977	94,862	27,146	-	-	-
Sanitation	377,239	365,055	375,069	387,944	334,833	295,695
Water/wastewater deposit	8,916	4,660	8,055	10,221	5,805	2,531
Operating grants & contributions	8,047	58,837	8,377	3,566	-	-
Capital grants and contributions	-	185,022	-	-	-	748,957
Total business-type activities program revenues	<u>4,231,883</u>	<u>4,277,718</u>	<u>4,029,635</u>	<u>3,954,385</u>	<u>3,875,997</u>	<u>4,148,780</u>
Total primary government	<u>\$ 6,448,543</u>	<u>\$ 6,562,692</u>	<u>\$ 6,046,456</u>	<u>\$ 5,597,278</u>	<u>\$ 5,730,456</u>	<u>\$ 6,421,990</u>
Expenses:						
Governmental activities:						
General government	\$ 1,526,678	\$ 1,011,755	\$ 839,493	\$ 1,138,392	\$ 884,336	\$ 1,030,510
Security of persons and property	6,743,223	4,965,899	4,683,372	4,536,986	4,572,970	4,128,525
Public health and welfare	400,154	313,537	281,603	264,800	302,458	242,285
Transportation	889,189	738,160	685,405	629,650	564,912	640,357
Community environment	150,035	110,453	125,886	108,382	103,838	95,444
Leisure time activities	369,208	332,381	308,959	304,242	225,342	244,658
Interest and fiscal charges	230,125	214,254	108,342	195,440	187,483	175,737
Total governmental activities expenses	<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	1,826,364	1,117,172	941,915	1,069,343	1,124,409	974,473
Sewer	2,931,737	2,776,374	2,551,359	2,511,568	2,561,278	2,077,687
Storm water	50,123	617,408	38,301	39,663	24,211	404
Sanitation	434,487	355,800	384,917	376,338	317,682	268,014
Water/wastewater deposit	1,824	848	959	774	529	92
Total business-type activities expenses	<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>\$ 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	\$ (8,091,952)	\$ (5,401,465)	\$ (5,016,239)	\$ (5,534,999)	\$ (4,986,880)	\$ (4,284,306)
Business-type activities	(1,012,652)	(589,884)	112,184	(43,301)	(152,112)	828,110
Total primary government net expense	<u>\$ (9,104,604)</u>	<u>\$ (5,991,349)</u>	<u>\$ (4,904,055)</u>	<u>\$ (5,578,300)</u>	<u>\$ (5,138,992)</u>	<u>\$ (3,456,196)</u>

CITY OF HARRISON, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General revenues and other changes in net assets:						
Governmental activities						
Taxes:						
Property taxes levied for:						
General purposes	\$ 1,257,994	\$ 1,175,925	\$ 1,182,350	\$ 1,154,940	\$ 1,105,350	\$ 966,908
Fire Improvements	739,772	857,520	915,426	902,383	896,472	844,740
Police pension	54,489	60,085	58,283	65,937	61,785	51,934
Recreation	14,800	8,500	32,400	34,300	42,489	44,900
Capital projects	255,008	244,635	233,431	210,660	199,490	194,815
Municipal income taxes levied for:						
General purposes	2,860,771	3,034,376	2,951,057	2,794,284	2,586,428	2,635,151
Grants and entitlements						
not restricted to specific programs	1,013,554	575,158	655,461	478,657	680,472	518,308
Investment earnings	67,215	201,017	321,019	217,467	161,035	47,149
Other	151,696	60,817	107,742	100,066	250,567	104,679
Transfers	-	80,154	30,153	9,589	(1,663,768)	2,459,261
Total governmental activities	<u>6,415,299</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	13,472	187,861	140,535	136,586	90,501	54,368
Other	125,410	9,885	10,519	246,368	52,382	28,717
Transfers	-	(80,154)	(30,153)	(9,589)	1,663,768	(2,459,261)
Total business-type activities	<u>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>\$ 6,554,181</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>
Change in net assets:						
Governmental activities	\$ (1,676,653)	\$ 896,722	\$ 1,471,083	\$ 433,284	\$ (666,560)	\$ 3,583,539
Business-type activities	(873,770)	(472,292)	233,085	330,064	1,654,539	(1,548,066)
Total primary government	<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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:					
Reserved	\$ 138,909	\$ 94,110	\$ 89,890	\$ 74,089	\$ 249,579
Unreserved	<u>1,372,342</u>	<u>1,937,901</u>	<u>1,787,588</u>	<u>1,171,804</u>	<u>738,136</u>
Total general fund	<u>\$ 1,511,251</u>	<u>\$ 2,032,011</u>	<u>\$ 1,877,478</u>	<u>\$ 1,245,893</u>	<u>\$ 987,715</u>
All other governmental funds:					
Reserved	\$ 350,647	\$ 77,949	\$ 66,766	\$ 23,728	\$ 1,623,732
Unreserved (deficit), reported in:					
Special revenue funds	1,047,477	1,458,594	1,402,143	1,280,852	1,337,329
Capital projects funds	666,249	787,220	818,482	1,147,150	(1,020,609)
Debt service funds	<u>394,074</u>	<u>620,316</u>	<u>923,848</u>	<u>1,108,321</u>	<u>1,098,117</u>
Total all other governmental funds	<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>

Source: City financial records.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 226,613	\$ 146,752	\$ 70,127	\$ 140,341	\$ 86,580
<u>462,452</u>	<u>695,381</u>	<u>1,190,893</u>	<u>1,320,777</u>	<u>1,295,313</u>
<u>\$ 689,065</u>	<u>\$ 842,133</u>	<u>\$ 1,261,020</u>	<u>\$ 1,461,118</u>	<u>\$ 1,381,893</u>
\$ 755,549	\$ 1,300,573	\$ 1,298,780	\$ 1,373,589	\$ 2,258,186
934,137	1,033,084	823,849	616,100	553,479
2,499,405	426,008	3,899	(163,598)	721,997
<u>1,176,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,365,374</u>	<u>\$ 2,759,665</u>	<u>\$ 2,126,528</u>	<u>\$ 1,826,091</u>	<u>\$ 3,533,662</u>

CITY OF HARRISON, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues					
Taxes	\$ 5,183,896	\$ 5,375,433	\$ 5,299,259	\$ 5,194,401	\$ 4,895,233
Charges for services	692,342	697,907	750,671	499,626	562,232
Licenses and permits	245,031	172,878	245,275	254,726	269,141
Fines and forfeitures	117,904	126,519	108,891	162,032	202,606
Intergovernmental	2,192,876	1,766,443	1,431,545	1,201,142	1,533,268
Investment income	66,941	217,625	321,019	217,467	166,572
Contributions and donations	17,680	40	-	-	-
Other	211,186	89,008	151,685	77,014	250,567
Total revenues	<u>8,727,856</u>	<u>8,445,853</u>	<u>8,308,345</u>	<u>7,606,408</u>	<u>7,879,619</u>
Expenditures					
Current:					
General government	1,435,916	1,002,167	836,722	1,011,017	867,722
Security of persons and property	5,601,881	4,725,957	4,507,623	4,271,258	4,203,191
Public health and welfare	371,429	307,502	279,541	258,999	288,470
Transportation	667,450	579,366	555,511	506,502	470,473
Community environment	143,679	109,590	124,646	104,374	100,599
Leisure time activity	294,920	275,595	251,698	238,886	170,999
Capital outlay	3,143,530	1,105,557	2,379,123	623,455	3,999,031
Debt service:					
Principal retirement	431,811	395,220	327,701	324,850	289,668
Interest and fiscal charges	195,695	185,481	37,416	160,022	188,312
Bond issuance cost	87,316	-	-	-	71,824
Note issuance cost	-	2,493	-	-	-
Total expenditures	<u>12,373,627</u>	<u>8,688,928</u>	<u>9,299,981</u>	<u>7,499,363</u>	<u>10,650,289</u>
Excess of revenues over (under) expenditures	<u>(3,645,771)</u>	<u>(243,075)</u>	<u>(991,636)</u>	<u>107,045</u>	<u>(2,770,670)</u>
Other financing sources (uses)					
Bond issuance	1,810,000	-	-	-	2,135,000
Premium on bond issue	87,316	-	-	-	123,247
Premium on note issue	-	3,281	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(2,189,078)
Accrued interest on bond issue	-	-	-	-	2,655
Capital lease transaction	237,739	47,013	1,244,256	68,856	-
Loan issuance	504,324	-	-	564,170	476,673
Transfers in	2,007,615	1,754,524	1,615,721	1,654,093	1,842,926
Transfers (out)	(2,007,615)	(1,674,370)	(1,585,568)	(1,614,504)	(1,648,908)
Total other financing sources (uses)	<u>2,639,379</u>	<u>130,448</u>	<u>1,274,409</u>	<u>672,615</u>	<u>742,515</u>
Net change in fund balances	<u>\$ (1,006,392)</u>	<u>\$ (112,627)</u>	<u>\$ 282,773</u>	<u>\$ 779,660</u>	<u>\$ (2,028,155)</u>
Debt service as a percentage of noncapital	7.51%	8.01%	5.38%	7.05%	8.27%

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 4,656,975	\$ 4,651,515	\$ 4,286,217	\$ 3,786,457	\$ 4,171,037
439,505	308,772	227,028	169,161	196,402
160,495	152,472	128,783	88,038	93,690
219,915	128,262	172,016	170,242	218,627
1,947,015	834,738	1,021,366	1,740,709	869,624
56,434	63,175	114,398	244,910	340,055
-	-	-	-	-
100,111	132,037	148,796	76,883	115,194
<u>7,580,450</u>	<u>6,270,971</u>	<u>6,098,604</u>	<u>6,276,400</u>	<u>6,004,629</u>
1,028,792	938,940	951,212	692,000	723,126
3,938,018	3,607,850	3,377,001	3,286,121	3,267,263
229,006	188,036	193,196	218,624	226,023
478,557	459,111	336,382	335,088	327,574
94,084	7,233	178,359	38,205	33,325
192,253	155,207	189,981	177,542	170,031
2,286,541	1,061,626	552,805	2,866,042	611,190
287,601	214,362	162,797	172,089	4,133,543
176,118	192,783	183,082	188,704	194,842
-	-	-	-	80,000
-	-	-	-	-
<u>8,710,970</u>	<u>6,825,148</u>	<u>6,124,815</u>	<u>7,974,415</u>	<u>9,766,917</u>
<u>(1,130,520)</u>	<u>(554,177)</u>	<u>(26,211)</u>	<u>(1,698,015)</u>	<u>(3,762,288)</u>
-	-	-	-	3,360,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	6,709
346,484	322,654	-	62,750	59,721
-	-	-	-	-
4,836,898	2,575,863	1,897,272	1,575,057	2,609,836
<u>(1,617,413)</u>	<u>(2,130,090)</u>	<u>(1,753,759)</u>	<u>(1,614,857)</u>	<u>(2,609,836)</u>
<u>3,565,969</u>	<u>768,427</u>	<u>143,513</u>	<u>22,950</u>	<u>3,426,430</u>
<u>\$ 2,435,449</u>	<u>\$ 214,250</u>	<u>\$ 117,302</u>	<u>\$ (1,675,065)</u>	<u>\$ (335,858)</u>
7.22%	7.06%	6.21%	7.06%	48.15%

CITY OF HARRISON, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property (a)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2009	\$ 223,533,270	\$ 638,666,486	\$ 4,314,400	\$ 17,257,600	\$ 250,870	\$ 1,337,973
2008	220,529,210	630,083,457	3,986,460	15,945,840	5,421,080	28,912,427
2007	211,870,220	605,343,486	3,858,280	15,433,120	11,914,930	63,546,293
2006	202,509,130	578,597,514	4,171,220	16,684,880	16,313,010	87,002,720
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600
2004	160,124,090	457,497,400	4,591,770	4,591,770	20,541,290	82,165,160
2003	147,707,370	422,021,057	3,712,380	3,712,380	20,489,080	81,956,320
2002	140,281,390	400,803,971	3,644,230	3,644,230	22,233,920	88,935,680
2001	122,626,630	350,361,800	4,872,000	4,872,000	19,360,790	77,443,160
2000	116,704,100	333,440,286	7,853,370	7,853,370	21,931,100	87,724,400

Source: Hamilton County Auditor's Office

- (1) This amount is calculated based on the following percentages:
 Real property is assessed at thirty-five percent of actual value.
 Public utility is assessed at one hundred percent of actual value.
 Tangible personal is assessed at 18.75 percent of true value for capital assets and inventory for 2006.
 Prior to 2006, tangible personal property was assessed at twenty-five percent.
- (a) includes non-operational railroad property, real property and mineral rights.

Total

Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio
\$ 228,098,540	13.00	\$ 657,262,059	34.70%
229,936,750	13.00	674,941,724	34.07%
227,643,430	13.00	684,322,899	33.27%
222,993,360	13.00	682,285,114	32.68%
215,347,130	13.00	629,803,030	34.19%
185,257,150	13.00	544,254,330	34.04%
171,908,830	13.00	507,689,757	33.86%
166,159,540	13.00	493,383,881	33.68%
146,859,420	13.00	432,676,960	33.94%
146,488,570	13.00	429,018,056	34.15%

CITY OF HARRISON, OHIO

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

Collection Year	City Direct Rates		Overlapping Rates				
	Township Levy	City of Harrison Levy	Total Direct Rate	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy
2009	0.06	13.00	13.06	45.14	20.63	1.25	2.70
2008	0.06	13.00	13.06	45.30	20.56	1.25	2.70
2007	0.06	13.00	13.06	45.30	20.18	1.25	2.70
2006	0.06	13.00	13.06	46.68	19.78	1.25	2.70
2005	0.06	13.00	13.06	47.08	20.03	1.25	2.70
2004	0.06	13.00	13.06	47.25	20.48	1.25	2.70
2003	0.06	13.00	13.06	47.25	20.48	1.25	2.70
2002	0.06	13.00	13.06	47.75	21.47	1.25	2.70
2001	0.06	13.00	13.06	47.88	19.92	1.25	2.70
2000	0.06	13.00	13.06	48.22	20.83	1.25	2.70

Source: Hamilton County Auditor's Office

Overlapping Rates (continued)

<u>Hamilton County Park District Levy</u>	<u>Total Overlapping Rates</u>	<u>Total Direct and Overlapping Rates</u>
1.00	70.72	83.78
1.00	70.81	83.87
1.00	70.43	83.49
1.03	71.44	84.50
1.03	72.09	85.15
1.03	72.71	85.77
1.03	72.71	85.77
-	73.17	86.23
-	71.75	84.81
-	73.00	86.06

CITY OF HARRISON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2008 AND DECEMBER 31, 2000

December 31, 2008 (A)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Hubert Company LLC	\$ 5,567,860	1	2.49%
Duke Energy Ohio Inc.	3,987,950	2	1.78%
Indian Footprint	3,246,260	3	1.45%
Hyper Shoppes Inc.	3,033,000	4	1.36%
Wurster Erlene TR	2,391,670	5	1.07%
Maas Enterprises LTD	2,105,820	6	0.94%
SCI LTD Partnership IV	2,028,190	7	0.91%
Broad Properties LLC	1,935,580	8	0.86%
Mercy Health Partners Property Management	1,519,870	9	0.68%
Board Properties III LLC	1,355,660	10	0.61%
Total, top ten principal real estate and tangible personal property taxpayers	<u>\$ 27,171,860</u>		<u>12.15%</u>
Total city real estate and tangible personal property valuation	<u>\$ 223,784,140</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
CINERGY	\$ 3,843,400	1	2.62%
Hyper Shoppes, Inc.	2,797,210	2	1.91%
F&M MAFCO Inc.	2,772,940	3	1.89%
Wurster, Erlene	2,209,870	4	1.51%
Campbell Hausfield Scott	1,983,750	5	1.35%
JTM Provisions Co. Inc.	1,872,430	6	1.28%
SCI Ltd Partnership IV	1,750,470	7	1.19%
Hubert Company LLC	1,581,530	8	1.08%
Indian Chestnut LLC	1,470,280	9	1.00%
Hamilton Foundry & Machine Co.	1,435,070	10	0.98%
Total, top ten principal real estate and tangible personal property taxpayers	<u>\$ 21,716,950</u>		<u>14.81%</u>
Total city real estate and tangible personal property valuation	<u>\$ 146,488,570</u>		

Source: Hamilton County Auditor's Office

(A) Information for the top ten taxpayers for December 31, 2009 is not available.

CITY OF HARRISON, OHIO

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

Year	Total Levy	Current Collection	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy
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	99.10%
2005	1,997,347	1,906,140	95.43%	58,022	1,964,162	98.34%
2004	1,871,491	1,819,037	97.20%	87,009	1,906,046	101.85%
2003	1,968,254	1,765,554	89.70%	82,181	1,847,735	93.88%
2002	1,843,626	1,640,099	88.96%	98,331	1,738,430	94.29%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%

Source: Hamilton County Auditor's Office

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

N/A = Information not available. Information will be presented in future CAFR's as it becomes available.

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>
2009	1.00%	\$ 2,918,825	\$ 2,065,074	70.75%	\$ 333,367	11.42%	\$ 520,382	17.83%
2008	1.00%	3,057,959	2,121,702	69.38%	444,277	14.53%	491,980	16.09%
2007	1.00%	2,899,734	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,532	1,903,448	69.23%	330,223	12.01%	515,892	18.76%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%	489,707	18.62%
2004	1.00%	2,528,475	1,795,862	71.04%	299,820	11.86%	432,793	17.11%
2003	1.00%	2,452,028	1,812,200	73.91%	235,234	9.59%	404,594	16.50%
2002	1.00%	2,389,236	1,750,447	73.26%	252,783	10.58%	386,007	16.16%
2001	1.00%	2,459,847	1,789,347	72.74%	258,834	10.52%	411,666	16.74%
2000	1.00%	2,518,540	1,708,537	67.84%	422,860	16.79%	387,143	15.37%

Source: City of Harrison Income Tax Department

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CITY OF HARRISON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities					Business-Type Activities			
	General Obligation Bonds	OPWC Loan	ODOT Loan	Tax Anticipation Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Mortgage Revenue Bonds	Real Estate Revenue Bonds
2009	\$ 4,085,000	\$ 894,080	\$ 467,943	\$ 445,000	\$ 1,169,821	\$ 390,000	\$ 17,070,000	\$ -	\$ -
2008	2,445,000	413,378	532,230	450,000	1,105,984	410,000	17,555,000	-	-
2007	2,605,000	436,999	564,170	-	1,238,630	435,000	17,980,000	-	-
2006	2,745,000	448,810	564,170	-	170,264	460,000	18,200,000	-	-
2005	2,880,000	476,673	-	-	263,395	510,000	18,420,000	-	-
2004	2,860,000	-	-	-	423,063	35,000	18,590,000	105,000	-
2003	2,980,000	-	-	-	244,180	75,000	18,750,000	200,000	-
2002	3,095,000	-	-	-	20,888	115,000	-	3,150,000	-
2001	3,205,000	-	-	-	73,685	155,000	-	3,380,000	71,000
2000	3,310,000	-	-	-	78,024	200,000	-	3,595,000	142,000

"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.

Business-Type Activities								
Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	(a) Total Primary Government	(c) Per Capita Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 5,000,000	\$ 29,509	\$ 2,071,635	\$ 5,996,693	\$37,619,681	N/A	N/A	9,980	\$ 3,770
5,000,000	43,027	2,199,085	3,078,609	33,232,313	N/A	N/A	9,980	3,330
5,500,000	55,782	1,937,994	3,181,172	33,934,747	N/A	N/A	9,980	3,400
-	-	1,764,056	1,919,103	26,271,403	N/A	N/A	9,950	2,640
-	-	200,694	1,602,468	24,353,230	N/A	N/A	9,950	2,448
-	-	270,929	1,698,171	23,982,163	N/A	N/A	9,885	2,426
-	-	338,919	1,790,545	24,378,644	N/A	N/A	9,885	2,466
10,000,000	-	413,170	1,791,033	18,585,091	35,416	0.19%	9,885	1,880
5,000,000	-	477,230	666,585	13,028,500	34,900	0.27%	9,865	1,321
-	-	569,812	-	7,894,836	34,497	0.44%	9,835	803

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2009	9,980	\$ 657,262,059	\$ 21,545,000	3.28%	\$ 2,159
2008	9,980	674,941,724	20,410,000	3.02%	2,045
2007	9,980	684,322,899	21,020,000	3.07%	2,106
2006	9,950	682,285,114	21,405,000	3.14%	2,151
2005	9,950	629,803,030	21,810,000	3.46%	2,192
2004	9,885	544,254,330	21,590,000	3.97%	2,184
2003	9,885	507,689,757	22,005,000	4.33%	2,226
2002	9,885	493,383,881	6,360,000	1.29%	643
2001	9,865	432,676,960	6,811,000	1.57%	690
2000	9,835	429,018,056	7,247,000	1.69%	737

Sources:

(1) United States Bureau of Census

(2) Hamilton County Auditor's Office

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

CITY OF HARRISON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Harrison	\$ 5,892,023	100.00%	\$ 5,892,023
Overlapping debt:			
Southwest Local School District	17,495,000	42.58%	7,449,371
Great Oaks Career Center	13,470,000	1.16%	156,252
Hamilton County	<u>107,052,000</u>	1.10%	<u>1,177,572</u>
Total direct and overlapping debt	<u>\$ 143,909,023</u>		<u>\$ 14,675,218</u>

Source: Ohio Municipal Advisory Council

(a) Excludes loans, general obligation bonds and revenue bonds reported in the enterprise funds

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

CITY OF HARRISON, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed Value	\$ 223,533,270	\$ 229,936,750	\$ 227,643,430	\$ 222,993,360
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	23,470,993	24,143,359	23,902,560	23,414,303
Debt Applicable to Limitation:				
Total bonded debt	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>
Less: Debt Outside Limitations				
Debt supported by enterprise fund operations	<u>(17,460,000)</u>	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>
Total Debt Outside Limitations	<u>(17,460,000)</u>	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	4,085,000	2,445,000	2,605,000	2,745,000
Net Debt Within 10.5% Limitation	<u>4,085,000</u>	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 19,385,993</u>	<u>\$ 21,698,359</u>	<u>\$ 21,297,560</u>	<u>\$ 20,669,303</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 12,294,330	\$ 12,646,521	\$ 12,520,389	\$ 12,264,635
Debt Applicable to Limitation:				
Total bonded debt	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>
Gross Indebtedness Authorized by Council	<u>21,545,000</u>	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(17,460,000)</u>	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>
Debt Within 5.5% Limitations	4,085,000	2,445,000	2,605,000	2,745,000
Net Debt Within 5.5% Limitation	<u>4,085,000</u>	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 8,209,330</u>	<u>\$ 10,201,521</u>	<u>\$ 9,915,389</u>	<u>\$ 9,519,635</u>

Source: City of Harrison, Finance Director's Office

(a) Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 215,347,130	\$ 185,257,150	\$ 171,908,830	\$ 166,159,540	\$ 146,859,420	\$ 146,488,570
22,611,449	19,452,001	18,050,427	17,446,752	15,420,239	15,381,300
<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>
<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>
<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>
<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>
2,880,000	2,860,000	2,980,000	3,095,000	3,205,000	3,310,000
<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>
<u>\$ 19,731,449</u>	<u>\$ 16,592,001</u>	<u>\$ 15,070,427</u>	<u>\$ 14,351,752</u>	<u>\$ 12,215,239</u>	<u>\$ 12,071,300</u>
\$ 11,844,092	\$ 10,189,143	\$ 9,454,986	\$ 9,138,775	\$ 8,077,268	\$ 8,056,871
<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>
<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>
<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>
2,880,000	2,860,000	2,980,000	3,095,000	3,205,000	3,310,000
<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>
<u>\$ 8,964,092</u>	<u>\$ 7,329,143</u>	<u>\$ 6,474,986</u>	<u>\$ 6,043,775</u>	<u>\$ 4,872,268</u>	<u>\$ 4,746,871</u>

CITY OF HARRISON, OHIO

**PLEGGED REVENUE BOND COVERAGE - ENTERPRISE
LAST TEN YEARS**

Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 4,370,765	\$ 2,388,525	\$ 1,982,240	\$ 485,000	\$ 807,475	\$ 1,292,475	1.53
2008	4,290,442	2,566,169	1,724,273	425,000	818,738	1,243,738	1.39
2007	4,180,689	2,891,423	1,289,266	220,000	823,798	1,043,798	1.24
2006	4,337,339	3,002,462	1,334,877	220,000	828,197	1,048,197	1.27
2005	4,018,880	3,085,424	933,456	275,000	837,898	1,112,898	0.84
2004	4,231,865	2,653,104	1,578,761	255,000	953,371	1,208,371	1.31
2003	3,210,404	1,692,567	1,517,837	405,157	263,112	668,269	2.27
2002	3,059,797	1,621,015	1,438,782	301,000	190,426	491,426	2.93
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rates (2)		
					City of Harrison	Ohio	United States
2009	9,980	N/A	N/A	3,726	8.9%	9.7%	9.3%
2008	9,980	N/A	N/A	3,800	6.2%	7.6%	5.0%
2007	9,980	N/A	N/A	3,742	5.0%	5.6%	4.6%
2006	9,950	N/A	N/A	3,705	5.2%	5.5%	4.6%
2005	9,950	N/A	N/A	3,907	5.4%	5.9%	5.1%
2004	9,885	N/A	N/A	3,965	6.2%	6.2%	5.5%
2003	9,885	N/A	N/A	3,965	4.7%	6.2%	6.0%
2002	9,885	350,087,160	35,416	4,000	5.0%	5.7%	5.8%
2001	9,865	344,288,500	34,900	4,037	3.2%	4.4%	4.7%
2000	9,835	339,277,995	34,497	4,082	2.9%	4.0%	4.0%

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

Sources:

(1) U.S. Census Bureau

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

(3) Southwest Local School District.

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Southwest Local School District	460	1	4.09%	449	4	3.79%
Wayne/Scott Fetzer Company	333	2	2.96%	0	N/A	N/A
J.T.M. Provisions Company Inc.	430	3	3.82%	470	3	3.97%
Hubert Company	317	4	2.82%	352	6	2.97%
Shawneespring Heath Care Center	304	5	2.70%	0	N/A	N/A
Kroger Limited Partnership	248	6	2.21%	0	N/A	N/A
F & M Mafco Inc.	207	7	1.84%	263	8	2.22%
Superval Holdings Inc.	199	8	1.77%	403	5	3.40%
Campbell Hausfield/Scott Fetzer Co.	160	9	1.42%	925	1	7.81%
City of Harrison	144	10	1.28%	137	9	1.16%
MII Inc.	75	N/A	0.67%	505	2	4.26%
Hamilton Foundry & Machine Co.	0	N/A	N/A	308	7	2.60%
R.L. Torbeck Industries	0	N/A	N/A	120	10	1.01%
Total	2,877		25.58%	3,932		33.19%
Total City Employment	11,246			11,847		

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

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

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Municipal Court - Magistrate	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1
Finance	1	1	2	1	1	1	1	1	1	1
Law	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	1
Other	9	9	11	9	9	9	9	9	9	9
Security of persons and property										
Police	25	28	28	27	27	26	27	27	27	28
Fire	46	42	36	36	36	35	32	35	37	40
Public health and welfare										
Senior Center	4	4	4	4	4	4	4	4	4	4
Transportation										
Streets	8	6	6	6	6	6	6	7	6	6
Community environment										
Planning	3	1	1	1	1	1	1	1	1	1
Building/Zoning	5	6	6	6	6	6	6	6	6	6
Leisure time activity										
Parks Administration	1	1	1	1	1	1	1	1	1	1
Community Center	2	-	3	1	1	1	1	1	1	1
Utility services										
Water	6	6	6	6	6	5	5	6	6	6
Sewer	6	8	7	8	8	9	7	7	6	7
Total	124	120	119	114	114	112	108	113	113	118

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	2000	2001	2002	2003	2004
General government					
Positions filled	-	-	-	-	-
Building permits issued	141	119	173	233	186
Building inspections performed	232	215	374	733	607
Ordinances & resolutions	61	70	50	79	82
Security of persons and property					
Police:					
Physical arrests	1,287	907	877	863	882
Parking violations	1,685	1,560	1,423	1,384	1,365
Traffic violations	427	477	458	436	414
Fire:					
Emergency responses	1,418	1,249	1,351	N/A	1,271
Fire responses	278	304	382	N/A	399
Inspections conducted	369	567	569	N/A	397
Public health and welfare					
Senior center attendance	8,542	8,059	8,347	8,377	8,162
Senior center memberships	N/A	148	148	129	167
Transportation					
Street resurfacing (miles)	0.5	0.5	-	-	2
Tons of salt used	N/A	N/A	245	1,117	824
Water					
New connections	11	7	67	147	124
Water main breaks	7	9	8	9	7

Source: City of Harrison, Finance Director's Office

Note: Information for 10 years prior was not available for all functions.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
-	-	7	10	4
161	115	187	186	244
800	849	654	436	648
70	68	64	85	122
892	930	1,400	1,308	1,293
1,381	1,381	1,420	1,267	1,196
402	410	1,732	1,762	1,711
1,453	1,522	1,628	1,641	1,663
566	619	401	437	407
633	823	931	843	765
9,045	8,950	8,200	7,997	8,873
190	201	223	233	223
-	1	2.57	110	110
805	386	990	936	690
124	87	94	29	20
8	10	12	15	8

CITY OF HARRISON, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

Function	2000	2001	2002	2003	2004	2005
Security of persons and property						
Police:						
Stations	1	1	1	1	1	1
Fire:						
Stations	1	1	1	1	1	1
Leisure time activities						
Parks	3	3	4	4	4	4
Park acreage	58.50	58.50	63.50	63.50	63.50	63.50
Tennis courts	2	2	2	2	2	2
Baseball/softball fields	3	3	3	3	3	3
Transportation						
Streets (paved miles)	40	40	40	40	40	40
Water						
Water mains (miles)	26.00	27.50	27.80	31.10	31.10	31.10
Sewer						
Sanitary sewers (miles)	25.00	25.00	25.00	25.00	25.00	25.00

Source: City of Harrison, Finance Director's Office

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
1	1	1	1
1	1	1	1
4	4	4	4
63.50	63.50	63.50	69.50
2	2	2	2
3	3	3	3
40	40	40	40
33.10	35.00	35.00	37.00
25.00	25.00	25.00	27.00



Mary Taylor, CPA
Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 17, 2010**