



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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CITY OF HARRISON
HAMILTON COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2014
Fiscal Year Audited Under GAGAS: 2014



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Harrison, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

November 25, 2015

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City of Harrison
Hamilton County, Ohio

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For the Year Ended December 31, 2014

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Members of City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts.

Members of the City Council
City of Harrison
Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards*
Page 2

However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
June 30, 2015

**City of Harrison
Hamilton County, Ohio**

**Schedule of Prior Audit Findings
OMB Circular A-133 § .315 (b)
For The Year Ended December 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Significant Deficiency – Reconciling payroll bank account	Yes	

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City of Harrison, Ohio

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Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2014

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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Issued by:
Finance Department

Angelina Burton
Finance Director

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CITY OF HARRISON, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2014

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**INTRODUCTORY
SECTION**

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

www.harrisonohio.org

June 30, 2015

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

Ladies and Gentlemen:

Presented is the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City). This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2014, developed to detail the status of the City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

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

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

Ohio law requires independent audits to be performed on all financial operations of the City, either by the Auditor of State or, if permitted by the Auditor of State, an independent public accounting firm. Balestra, Harr & Scherer, CPAs, Inc. performed the audit for the year ended December 31, 2014. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

THE REPORTING ENTITY

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of GASB Statements. For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City of Harrison, the primary government.

THE CITY OF HARRISON

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

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

The City provides a full range of municipal services including: 24 hour police and fire protection, parks and recreation, senior services, water and wastewater utilities, utility billing, refuse collection, road maintenance, municipal court, economic development, planning, zoning, and general administrative offices. The City collects a 1% municipal income tax with a credit offered to residents for taxes paid to other municipalities.

The City employs 103 full-time equivalent employees. The United Steelworkers (USW), the Fraternal Order of Police (FOP) and the Harrison Professional Firefighters IAFF represent non-exempt employees, depending on department. Each contract is for a period of 3 years, though in 2014, each union agreed to an extension of their respective contract through 2017. The contract extensions reflect flat wage increases.

ECONOMIC CONDITION AND OUTLOOK

In terms of development, 2014 was a very exciting year with several projects. Cronin Ford underwent an expansion, adding both showroom space and vehicle servicing space. Dealership owners acquired approximately 33 acres of land along New Haven Road, previously owned by Wal-Mart. Plans for that land include a new Kia dealership and a variety of sit-down restaurants. Approximately 15 acres are available for industrial development. The 2.2 acre corner lot was sold to a local company, Triumph Energy, who is also marketing the site to restaurants and retailers.

Early in 2014, Atlas Dowel acquired McFeely's Catalog and received a Job Creation Tax Credit to support this new business in Ohio. Toebben Properties, owner of the Remke and Roses building, began construction on a 15,000 square foot addition for use as a multi-tenant retail space. Anytime Fitness will be opening a new location in that space this year.

On the retail/restaurant front, Bob Evans opened early in 2014, followed almost immediately by the Harrison Family Restaurant in the former Perkins space. An expansion by Buffalo Wild Wings added additional space to their party room. Long John Silvers moved into a former Skyline location and the Big Greek Café opened in Tall Oaks Plaza. Pizza Hut closed their restaurant on New Haven and opened a delivery/carry-out location in the Kroger Marketplace Center. Coffee Peddler expanded into the building next door and increased their offerings to include wine.

2014 also saw the opening of a Dunhams Sport, as well as SuperCuts, Scrub Hub, Games Galore, and Harrison Pharmacy and Wellness.

With regard to residential development, single-family residential growth continued at Parks of Whitewater with the opening of a new phase. Multi-family housing also grew with the addition of Liberty Square Townhomes on West Road. Legacy Condos by Fischer Homes also added new units in 2014 and Miami Trace continued its development with the construction of new units. Tall Oaks Apartments were completely renovated and reopened as Huntley Ridge.

MAJOR INITIATIVES

The City is committed to providing its residents and businesses with reliable infrastructure and dependable utility services. Infrastructure investments and improvements will continue into 2014.

The resurfacing of Elaine Drive, Brooks Lane, Grandview Street and Constance Place were completed in 2014, as well as Lyness Avenue and Featherwood Drive. Miller, Sunset and South Elm Streets are scheduled to be resurfaced in 2015. These projects are financed through a combination of OPWC loans and grants.

The cooperative project between the Ohio Department of Transportation and the City of Harrison for the reconstruction of State Street continues through 2015, with an estimated project completion date in 2016. The project is funded with a combination of federal, state and local funds.

LONG-TERM FINANCIAL PLANNING

The City of Harrison has a responsibility to its citizens to properly account for public funds and to wisely manage finances, in order to ensure the continued delivery of City services.

The City's local economy is improving, reflected through the gradual increase of property tax settlements and income tax collections. The increase in these revenues, and the growth of the City's tax base, should translate into an improved fiscal footing for the City.

In 2012, City Council approved a 5% annual water rate increase for years 2013 through 2018, and in 2013, a 3% annual wastewater rate increase was approved for years 2014 through 2017. The increases are based on rate studies that considered operating expenses, capital improvement needs and debt covenants.

The City agreed to pursue a Safety Services Levy as a part of the three union contract extensions. A 2.4 Mil Fire and EMS Levy was approved by voters on May 5, 2015.

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

Equipment and vehicle replacements are financed through local institutions, for a maximum of 5 years depending on rotation schedule, and are included in a department's annual budget submission. However, due to budgetary constraints, vehicle replacements scheduled for 2014 were postponed.

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

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harrison for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. This was the 15th consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,



Angelina Burton
Finance Director



Government Finance Officers Association

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

Presented to

**City of Harrison
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

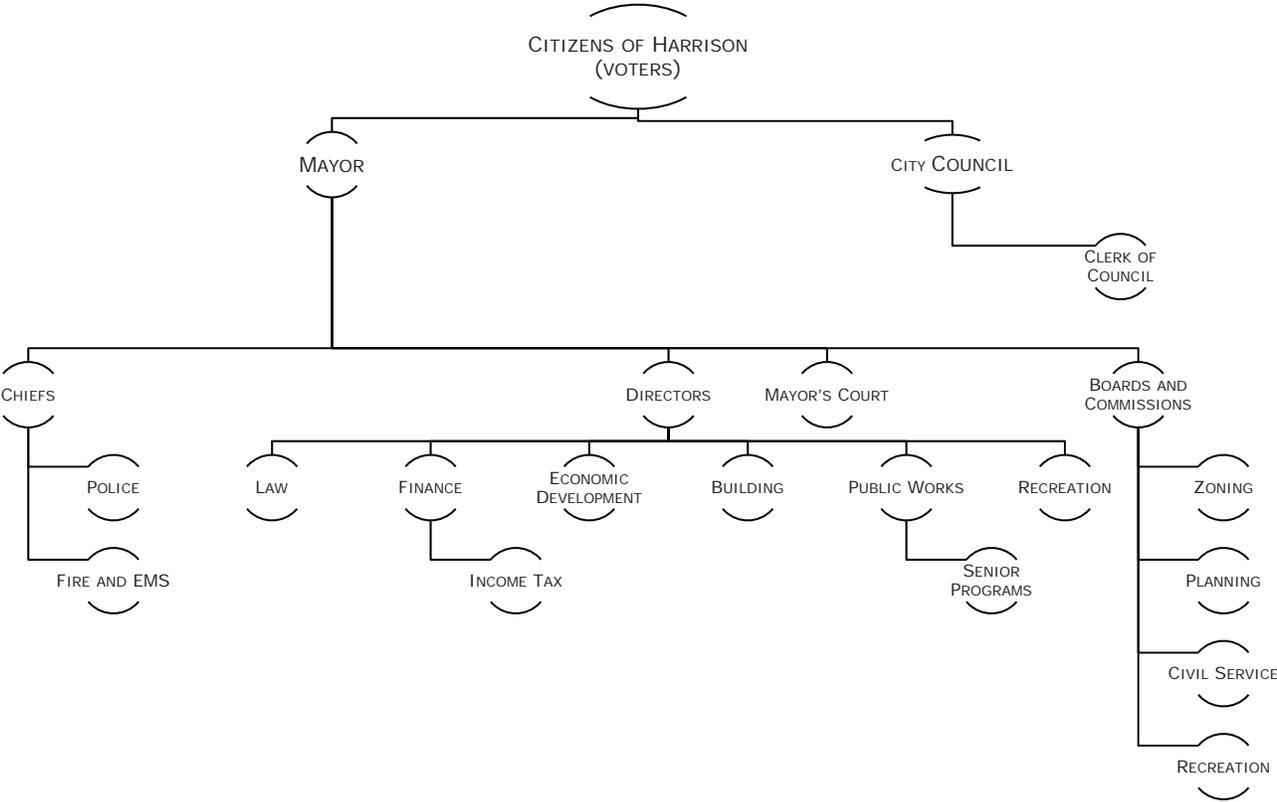
- MayorJOEL F. MCGUIRE
- Council Member..... RAY ACRA
- Council Member..... RYAN GRUBBS
- Council Member..... MARK LOUIS
- Council Member..... HANK MENNINGER
- Council Member..... WILLIAM NEYER
- Council Member..... JAMES ROBERTSON
- Council Member..... RANDY SHANK

APPOINTED OFFICIALS

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

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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**FINANCIAL
SECTION**

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Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Harrison, Hamilton County, Ohio, as of December 31, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Improvement Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
June 30, 2015

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CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

The discussion and analysis of the City of Harrison, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2014 include:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$25,767,110.
- The City's total net position increased during the year by \$1,413,897, or 6%.
- Unrestricted net position was \$1,423,084.
- The City's total expenses were \$13,881,454, a decrease of \$246,221.
- Program revenues of \$7,825,981 reduced the net cost of the City's functions to be financed from the City's general revenues to \$6,055,473.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$25.8 million at December 31, 2014.

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

Table 1 provides a summary of the City's net position for 2014 compared to 2013:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 6,556,240	\$ 6,342,657	\$ 3,349,334	\$ 3,645,224	\$ 9,905,574	\$ 9,987,881
Capital assets	19,278,993	18,626,701	33,871,626	35,157,228	53,150,619	53,783,929
Total assets	<u>25,835,233</u>	<u>24,969,358</u>	<u>37,220,960</u>	<u>38,802,452</u>	<u>63,056,193</u>	<u>63,771,810</u>
Deferred outflows of resources	-	-	782,784	839,364	782,784	839,364
Long-term liabilities	6,529,372	7,028,780	26,180,693	27,669,636	32,710,065	34,698,416
Other liabilities	2,244,916	2,310,708	373,395	307,963	2,618,311	2,618,671
Total liabilities	<u>8,774,288</u>	<u>9,339,488</u>	<u>26,554,088</u>	<u>27,977,599</u>	<u>35,328,376</u>	<u>37,317,087</u>
Deferred inflows of resources	2,743,491	2,940,874	-	-	2,743,491	2,940,874
Net position:						
Net investment in capital assets	12,002,240	11,201,136	8,685,415	8,501,800	20,687,655	19,702,936
Restricted	2,130,408	2,221,537	1,525,963	1,885,810	3,656,371	4,107,347
Unrestricted (deficit)	184,806	(733,677)	1,238,278	1,276,607	1,423,084	542,930
Total net position	<u>\$ 14,317,454</u>	<u>\$ 12,688,996</u>	<u>\$ 11,449,656</u>	<u>\$ 11,664,217</u>	<u>\$ 25,767,110</u>	<u>\$ 24,353,213</u>

As displayed in Table 1, total net position of the City increased by \$1,413,897 from 2013 to 2014. Although total assets decreased by approximately 1%, total liabilities decreased more by approximately 5%. The majority of the decrease in assets occurred in capital assets, as depreciation expense exceeded additions. Long-term liabilities decreased as the City made its scheduled debt payments.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 84% of total assets. Capital assets include land, construction in progress, land improvements, building and improvements, equipment, vehicles and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2014 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$ 1,273,995	\$ 1,295,131	\$ 5,435,410	\$ 5,259,517	\$ 6,709,405	\$ 6,554,648
Operating grants and contributions	677,047	692,625	-	-	677,047	692,625
Capital grants and contributions	439,529	339,905	-	-	439,529	339,905
Total program revenues	2,390,571	2,327,661	5,435,410	5,259,517	7,825,981	7,587,178
General revenues:						
Income taxes	3,967,772	3,138,686	-	-	3,967,772	3,138,686
Property and other taxes	2,906,693	2,813,464	-	-	2,906,693	2,813,464
Grants and contributions not restricted to specific programs	483,551	498,626	-	-	483,551	498,626
Investment earnings	16,071	21,841	611	820	16,682	22,661
Miscellaneous	92,860	76,036	1,812	2,209	94,672	78,245
Total general revenues	7,466,947	6,548,653	2,423	3,029	7,469,370	6,551,682
Total revenues	9,857,518	8,876,314	5,437,833	5,262,546	15,295,351	14,138,860
Expenses:						
Security of persons and property	5,890,076	6,085,651	-	-	5,890,076	6,085,651
Public health services	234,620	250,573	-	-	234,620	250,573
Leisure time activities	205,074	216,324	-	-	205,074	216,324
Community and economic development	43,944	33,721	-	-	43,944	33,721
Transportation	834,448	807,923	-	-	834,448	807,923
General government	827,579	793,184	-	-	827,579	793,184
Interest on long-term debt	221,787	248,331	-	-	221,787	248,331
Water	-	-	1,737,239	1,951,365	1,737,239	1,951,365
Sewer	-	-	3,371,585	3,193,149	3,371,585	3,193,149
Storm water	-	-	46,914	46,813	46,914	46,813
Water/wastewater deposit	-	-	3,667	1,166	3,667	1,166
Sanitation	-	-	464,521	499,475	464,521	499,475
Total expenses	8,257,528	8,435,707	5,623,926	5,691,968	13,881,454	14,127,675
Transfers	28,468	28,469	(28,468)	(28,469)	-	-
Change in net position	1,628,458	469,076	(214,561)	(457,891)	1,413,897	11,185
Beginning net position, restated	12,688,996	12,219,920	11,664,217	12,122,108	24,353,213	24,342,028
Ending net position	\$ 14,317,454	\$ 12,688,996	\$ 11,449,656	\$ 11,664,217	\$ 25,767,110	\$ 24,353,213

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

Governmental Activities

Total governmental activities revenue increased by \$981,204, or 11%. The majority of this increase was experienced in income taxes, due to improvements in the local economy. Total governmental activities expenses decreased by \$178,179, or 2%. The decrease was attributable to decreases in security of persons and property with the implementation of cost reductions that included flat budget requests, layoffs in the police and fire departments, hiring freezes, and postponed capital improvements.

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

Table 3
Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	<i>Restated</i> Net Cost of Services 2013
Security of persons and property	\$ 5,890,076	\$ 5,107,079	\$ 6,085,651	\$ 5,108,237
Public health services	234,620	75,002	250,573	70,399
Leisure time activities	205,074	165,820	216,324	161,353
Community and economic development	43,944	(108,220)	33,721	(99,505)
Transportation	834,448	(115,622)	807,923	(39,297)
General government	827,579	521,111	793,184	484,884
Interest on long-term debt	221,787	221,787	248,331	248,331
Total cost of services	\$ <u>8,257,528</u>	\$ <u>5,866,957</u>	\$ <u>8,435,707</u>	\$ <u>5,934,402</u>

It should be noted that 29% of the cost of services for governmental activities are derived from program revenues, including charges for services and operating and capital grants. As shown by the total net costs of \$5,866,957, the majority of the City's programs are funded by general revenues. A significant portion of the total general revenues consists of income and property taxes.

Business-Type Activities

The City's major business-type activities include water and sewer operations. The Water Fund had an operating loss of \$738, an improvement over the prior year of \$247,723. The Sewer Fund had operating income of \$792,593, an increase of \$20,509. The increase in operating results in both of these funds was attributable to decreased amounts of reimbursements to the General Fund for shared services under the cost allocation plan.

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
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Unaudited

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$9.5 million, expenditures of \$9.7 million, and net other financing sources of approximately \$371,000. During 2014, total fund balance of the governmental funds increased by \$152,527 to a total fund balance at year-end of \$313,715. While capital assets are included in the statement of net position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund experienced an increase in fund balance during 2014 of \$334,070. The General Fund is the primary fund that finances government services to citizens. Total revenue increased by approximately \$476,000, primarily due to the increase in income taxes, as previously discussed, while total expenditures decreased by \$14,900.

The Fire Improvement Fund experienced an increase in fund balance of \$37,560, or 9%, which decreased the fund balance deficit to \$372,358. The increase over the prior year was due to the cost reduction measures implemented, as previously discussed.

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

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the budgets of each department within the General Fund and other funds, and then adopts the budget. The legal level of budgetary control is at the object level. During 2014, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, the Finance Director may make small line item adjustments within the budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

The final budget for estimated revenues was reduced by only \$27,941, or less than 1%. Actual revenues came in approximately \$175,000 higher than budgeted due to better than anticipated income tax collections as the local economy continued to rebound.

The City original expenditure budget of \$3,626,718 was amended three times during 2014 to increase the final budget to \$3,713,562, or 2%, to account for anticipated increases in law enforcement and jobs creation expenditures.

Due to the City's continuing efforts to monitor and control expenditures, actual budgetary expenditures came in approximately \$103,000, or 3%, less than the \$3.7 million included in the final budget for 2014.

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
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Capital Assets

At the end of fiscal year 2014, the City had a total of \$76.8 million invested in capital assets less accumulated depreciation of \$23.6 million resulting in total capital assets, net of accumulated depreciation of \$53.2 million.

The City continued its efforts to upgrade its capital assets during 2014. The City acquired vehicles, as well as completed several projects that were in in progress for several infrastructure projects. Projects completed during 2014 include improvements to Elaine/Brooks, Grandview, Featherwood Drive, and Lyness Avenue. Ongoing work continues on the State Street widening improvements.

Table 4 shows 2014 balances compared to those of 2013:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 3,015,891	\$ 3,015,891	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,501,311
Construction in progress	141,982	692,049	-	-	141,982	692,049
Land improvements	19,276	42,502	-	-	19,276	42,502
Buildings and improvements	2,008,311	2,085,246	6,635,010	6,831,680	8,643,321	8,916,926
Equipment	219,861	237,211	1,975,144	2,410,336	2,195,005	2,647,547
Vehicles	1,033,382	1,182,779	119,854	135,204	1,153,236	1,317,983
Infrastructure	<u>12,840,290</u>	<u>11,371,023</u>	<u>24,656,198</u>	<u>25,294,588</u>	<u>37,496,488</u>	<u>36,665,611</u>
Totals	<u>\$ 19,278,993</u>	<u>\$ 18,626,701</u>	<u>\$ 33,871,626</u>	<u>\$ 35,157,228</u>	<u>\$ 53,150,619</u>	<u>\$ 53,783,929</u>

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2014
Unaudited

Debt Administration

At December 31, 2014, the City had a total of \$31.4 million of long-term debt obligations compared with \$33.3 million reported at December 31, 2013. Table 5 shows outstanding debt obligations of the City at December 31, 2014 compared with 2013:

Table 5
Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	<i>Restated</i>	2014	<i>Restated</i>
				2013		2013
General Obligation Bonds	\$ 2,925,000	\$ 3,195,000	\$ 5,185,000	\$ 5,360,000	\$ 8,110,000	\$ 8,555,000
Capital Leases	916,600	1,193,771	16,385	43,891	932,985	1,237,662
OPWC Loans	1,795,691	1,574,976	1,504,945	1,618,283	3,300,636	3,193,259
ODOT Loans	116,161	190,770	-	-	116,161	190,770
OWDA Loans	-	-	4,354,369	4,737,751	4,354,369	4,737,751
Revenue Bonds	-	-	14,565,000	15,370,000	14,565,000	15,370,000
Total	\$ 5,753,452	\$ 6,154,517	\$ 25,625,699	\$ 27,129,925	\$ 31,379,151	\$ 33,284,442

Of the City's general obligation bonds outstanding at December 31, 2014, \$2.9 million are accounted for within the governmental activities and the remaining \$5.2 million are reported in the Sewer Fund. Revenue bonds are recorded in the Sewer Fund and are paid with charges for services of that fund.

The City issued \$16,550,000 in Sewer Revenue Refunding Bonds to refund the Series 2003 Sewer Revenue Improvement and Refunding Bonds during 2012 and saved the City over \$1 million. The balance outstanding at December 31, 2014 was \$14.6 million.

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

See Note 12 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

Contacting the City's Finance Department

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

Basic Financial Statements

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CITY OF HARRISON, OHIO

Statement of Net Position

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 1,728,747	\$ 1,420,962	\$ 3,149,709
Cash in segregated accounts	11,827	-	11,827
Receivables:			
Property and other taxes	2,400,374	-	2,400,374
Payment in lieu of taxes	458,000	-	458,000
Income taxes	1,357,244		1,357,244
Accounts	68,776	362,968	431,744
Intergovernmental	458,731	-	458,731
Prepaid items	21,194	25,000	46,194
Materials and supplies inventory	11,347	54,441	65,788
Internal balances	40,000	(40,000)	-
Restricted cash and investments with fiscal agent	-	1,525,963	1,525,963
Non-depreciable capital assets	3,157,873	485,420	3,643,293
Depreciable capital assets, net	<u>16,121,120</u>	<u>33,386,206</u>	<u>49,507,326</u>
Total assets	<u>25,835,233</u>	<u>37,220,960</u>	<u>63,056,193</u>
Deferred Outflow of Resources			
Deferred charge on refunding	<u>-</u>	<u>782,784</u>	<u>782,784</u>
Liabilities			
Accounts payable	112,993	158,585	271,578
Accrued salaries	146,989	21,408	168,397
Intergovernmental payable	178,615	20,638	199,253
Accrued interest payable	36,319	172,764	209,083
Notes payable	1,770,000	-	1,770,000
Long-term liabilities:			
Due within one year	778,391	1,361,162	2,139,553
Due in more than one year	<u>5,750,981</u>	<u>24,819,531</u>	<u>30,570,512</u>
Total liabilities	<u>8,774,288</u>	<u>26,554,088</u>	<u>35,328,376</u>
Deferred Inflows of Resources			
Property taxes and payment in lieu of taxes	<u>2,743,491</u>	<u>-</u>	<u>2,743,491</u>
Net Position			
Net investment in capital assets	12,002,240	8,685,415	20,687,655
Restricted for:			
Capital projects	1,472,849	-	1,472,849
Debt service	-	1,525,963	1,525,963
Streets and highways	163,568	-	163,568
Recreation	493,991	-	493,991
Unrestricted	<u>184,806</u>	<u>1,238,278</u>	<u>1,423,084</u>
Total net position	<u>\$ 14,317,454</u>	<u>\$ 11,449,656</u>	<u>\$ 25,767,110</u>

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO

Statement of Activities
Year Ended December 31, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
Security of persons and property	\$ 5,890,076	\$ 759,496	\$ 23,501	\$ -	\$ (5,107,079)	\$ -	\$ (5,107,079)
Public health services	234,620	27,548	132,070	-	(75,002)	-	(75,002)
Leisure time activities	205,074	37,754	1,500	-	(165,820)	-	(165,820)
Community and economic development	43,944	152,164	-	-	108,220	-	108,220
Transportation	834,448	-	510,541	439,529	115,622	-	115,622
General government	827,579	297,033	9,435	-	(521,111)	-	(521,111)
Interest on long-term debt	221,787	-	-	-	(221,787)	-	(221,787)
Total governmental activities	8,257,528	1,273,995	677,047	439,529	(5,866,957)	-	(5,866,957)
Business-type activities:							
Water	1,737,239	1,568,955	-	-	-	(168,284)	(168,284)
Sewer	3,371,585	3,284,457	-	-	-	(87,128)	(87,128)
Other business-type activities:							
Storm Water	46,914	110,857	-	-	-	63,943	63,943
Water/Wastewater deposit	3,667	11,855	-	-	-	8,188	8,188
Sanitation	464,521	459,286	-	-	-	(5,235)	(5,235)
Total business-type activities	5,623,926	5,435,410	-	-	-	(188,516)	(188,516)
Total	\$ 13,881,454	\$ 6,709,405	\$ 677,047	\$ 439,529	(5,866,957)	(188,516)	(6,055,473)
General revenues and transfers:							
Income taxes levied for general purposes					3,967,772	-	3,967,772
Property taxes levied for:							
General purposes					1,102,619	-	1,102,619
Fire improvements					1,165,037	-	1,165,037
Police pension					58,693	-	58,693
Recreation					28,100	-	28,100
Capital projects					97,283	-	97,283
Payments in lieu of taxes					454,961	-	454,961
Grants and contributions not restricted to specific programs					483,551	-	483,551
Investment earnings					16,071	611	16,682
Miscellaneous					92,860	1,812	94,672
Transfers					28,468	(28,468)	-
Total general revenues and transfers					7,495,415	(26,045)	7,469,370
Change in net position					1,628,458	(214,561)	1,413,897
Net position beginning of year, <i>restated</i>					12,688,996	11,664,217	24,353,213
Net position end of year					\$ 14,317,454	\$ 11,449,656	\$ 25,767,110

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Balance Sheet

Governmental Funds

December 31, 2014

	<u>General</u>	<u>Fire Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and investments	\$ 479,462	\$ 7,491	\$ 1,241,794	\$ 1,728,747
Cash in segregated accounts	-	-	11,827	11,827
Receivables:				
Property and other taxes	1,131,571	1,191,004	77,799	2,400,374
Payment in lieu of taxes	-	-	458,000	458,000
Income taxes	1,357,244	-	-	1,357,244
Accounts	25,617	29,229	13,930	68,776
Intergovernmental	124,749	64,231	269,751	458,731
Prepaid items	6,250	10,000	4,944	21,194
Materials and supplies inventory	-	-	11,347	11,347
Advances to other funds	<u>75,411</u>	<u>-</u>	<u>-</u>	<u>75,411</u>
Total assets	<u>\$ 3,200,304</u>	<u>\$ 1,301,955</u>	<u>\$ 2,089,392</u>	<u>\$ 6,591,651</u>
Liabilities:				
Accounts payable	\$ 68,474	\$ 31,502	\$ 13,017	\$ 112,993
Accrued salaries	77,446	54,882	14,661	146,989
Intergovernmental payable	52,382	87,694	38,539	178,615
Advances from other funds	-	-	35,411	35,411
Notes payable	<u>-</u>	<u>245,000</u>	<u>1,525,000</u>	<u>1,770,000</u>
Total liabilities	<u>198,302</u>	<u>419,078</u>	<u>1,626,628</u>	<u>2,244,008</u>
Deferred Inflows of Resources:				
Property taxes and payment in lieu of taxes	1,086,402	1,141,910	515,179	2,743,491
Unavailable revenue	<u>1,028,452</u>	<u>113,325</u>	<u>148,660</u>	<u>1,290,437</u>
Total deferred inflows of resources	<u>2,114,854</u>	<u>1,255,235</u>	<u>663,839</u>	<u>4,033,928</u>
Fund balances:				
Nonspendable	81,661	10,000	16,291	107,952
Restricted	-	-	680,849	680,849
Assigned	64,667	-	386,152	450,819
Unassigned	<u>740,820</u>	<u>(382,358)</u>	<u>(1,284,367)</u>	<u>(925,905)</u>
Total fund balances	<u>887,148</u>	<u>(372,358)</u>	<u>(201,075)</u>	<u>313,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,200,304</u>	<u>\$ 1,301,955</u>	<u>\$ 2,089,392</u>	<u>\$ 6,591,651</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2014

Total governmental fund balances \$ 313,715

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 19,278,993

Other long-term assets are not available to pay for current-period
 expenditures and therefore are unavailable in the funds. 1,290,437

In the statement of net position, interest is accrued on outstanding bonds
 and loan, whereas in governmental funds, interest is accrued when due. (36,319)

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

Bonds payable	(2,997,216)	
ODOT loan payable	(116,161)	
OPWC loan payable	(1,795,691)	
Capital lease payable	(916,900)	
Compensated absences payable	(703,404)	<u>(6,529,372)</u>

Net position of governmental activities \$ 14,317,454

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General	Fire Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property and other taxes	\$ 1,101,592	\$ 1,164,748	\$ 184,134	\$ 2,450,474
Income taxes	3,592,445	-	-	3,592,445
Payment in lieu of taxes	-	-	476,964	476,964
Intergovernmental	428,803	127,401	1,123,024	1,679,228
Charges for services	2,296	755,241	11,687	769,224
Fines, costs and forfeitures	145,774	-	6,389	152,163
Licenses, permits and inspections	298,993	-	-	298,993
Interest	16,071	-	-	16,071
Contributions	1,500	-	24,605	26,105
Other	27,736	46	18,899	46,681
Total revenues	<u>5,615,210</u>	<u>2,047,436</u>	<u>1,845,702</u>	<u>9,508,348</u>
Expenditures:				
Current:				
Security of persons and property	2,292,398	3,030,404	342,564	5,665,366
Public health services	13,206	-	224,083	237,289
Leisure time activities	53,427	-	123,809	177,236
Community and economic development	43,646	-	-	43,646
Transportation	-	-	613,396	613,396
General government	558,250	-	221,283	779,533
Capital outlay	6,212	49,638	1,178,292	1,234,142
Debt Service:				
Principal retirement	55,998	224,125	463,005	743,128
Interest and fiscal charges	1,713	52,475	178,728	232,916
Total expenditures	<u>3,024,850</u>	<u>3,356,642</u>	<u>3,345,160</u>	<u>9,726,652</u>
Excess of revenues over (under) expenditures	<u>2,590,360</u>	<u>(1,309,206)</u>	<u>(1,499,458)</u>	<u>(218,304)</u>
Other financing sources (uses):				
Transfers in	-	1,322,115	1,182,270	2,504,385
Transfers out	(2,256,290)	-	(219,627)	(2,475,917)
OPWC loans issued	-	-	317,712	317,712
Inception of capital lease	-	24,651	-	24,651
Total other financing sources (uses)	<u>(2,256,290)</u>	<u>1,346,766</u>	<u>1,280,355</u>	<u>370,831</u>
Net change in fund balances	334,070	37,560	(219,103)	152,527
Fund balance, beginning of year, <i>restated</i>	<u>553,078</u>	<u>(409,918)</u>	<u>18,028</u>	<u>161,188</u>
Fund balance, end of year	<u>\$ 887,148</u>	<u>\$ (372,358)</u>	<u>\$ (201,075)</u>	<u>\$ 313,715</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$ 152,527

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

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

Capital asset additions	1,208,157
Depreciation expense	(555,865)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are unavailable. 349,170

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

Compensated absences	62,575
Interest on long-term debt	8,109
Amortization of bond premiums	3,020

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, these amounts consisted of general obligation bonds, ODOT, OPWC loans and capital leases. 743,128

The proceeds of an OPWC loan are recorded as an other financing source in the governmental funds, but is an increase of the liability on the statement of net position. (317,712)

The inception of a capital lease is recorded as an other financing source in the governmental funds, but is an increase of the liability on the statement of net position. (24,651)

Change in net position of governmental activities \$ 1,628,458

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual - Budget (Non-GAAP) Basis
 General Fund
 Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Property and other taxes	\$ 1,073,852	\$ 1,134,852	\$ 1,101,592	\$ (33,260)
Income taxes	3,484,000	3,297,000	3,590,618	293,618
Intergovernmental	223,179	441,929	428,585	(13,344)
Charges for services	1,500	2,300	2,296	(4)
Fines, costs and forfeitures	140,000	145,000	144,691	(309)
Licenses, permits and inspections	290,000	323,825	324,113	288
Interest	25,000	20,000	15,925	(4,075)
Other	813,300	657,984	589,624	(68,360)
Total revenues	<u>6,050,831</u>	<u>6,022,890</u>	<u>6,197,444</u>	<u>174,554</u>
Expenditures:				
Current:				
General government	1,067,381	1,087,977	1,038,808	49,169
Security of persons and property	2,340,855	2,407,074	2,375,532	31,542
Public health services	13,260	13,260	13,206	54
Community and economic development	147,809	147,809	134,252	13,557
Leisure time activity	57,413	57,442	48,733	8,709
Total expenditures	<u>3,626,718</u>	<u>3,713,562</u>	<u>3,610,531</u>	<u>103,031</u>
Excess of revenues over expenditures	<u>2,424,113</u>	<u>2,309,328</u>	<u>2,586,913</u>	<u>277,585</u>
Other financing sources (uses):				
Transfers in	280,000	-	-	-
Transfers out	(2,426,065)	(2,381,337)	(2,256,290)	125,047
Advances in	75,000	75,000	75,000	-
Total other financing sources (uses)	<u>(2,071,065)</u>	<u>(2,306,337)</u>	<u>(2,181,290)</u>	<u>125,047</u>
Net change in fund balance	353,048	2,991	405,623	\$ 402,632
Fund balance, beginning of year	(742)	(742)	(742)	
Prior year encumbrances appropriated	7,687	7,687	7,687	
Fund balance, end of year	<u>\$ 359,993</u>	<u>\$ 9,936</u>	<u>\$ 412,568</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 - Budget (Non-GAAP) Basis

Fire Improvement Fund

Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	\$ 1,121,889	\$ 1,206,889	\$ 1,164,748	\$ (42,141)
Intergovernmental	113,827	113,827	127,401	13,574
Charges for services	883,813	729,408	764,930	35,522
Other	3,000	3,000	46	(2,954)
Total revenues	<u>2,122,529</u>	<u>2,053,124</u>	<u>2,057,125</u>	<u>4,001</u>
Expenditures:				
Current:				
Security of persons and property				
Fire Department				
Personal services	2,760,750	2,810,750	2,748,298	62,452
Operations/maintenance	555,106	555,106	524,831	30,275
Capital outlay	24,987	24,987	24,987	-
Total security of persons and property	<u>3,340,843</u>	<u>3,390,843</u>	<u>3,298,116</u>	<u>92,727</u>
Total expenditures	<u>3,340,843</u>	<u>3,390,843</u>	<u>3,298,116</u>	<u>92,727</u>
Excess of revenues over (under) expenditures	<u>(1,218,314)</u>	<u>(1,337,719)</u>	<u>(1,240,991)</u>	<u>96,728</u>
Other financing source (uses):				
Tax anticipation notes issued	310,000	245,000	245,000	-
Transfers in	1,198,633	1,417,703	1,322,115	(95,588)
Transfers out	<u>(330,000)</u>	<u>(324,984)</u>	<u>(324,954)</u>	<u>30</u>
Total other financing sources (uses)	<u>1,178,633</u>	<u>1,337,719</u>	<u>1,242,161</u>	<u>(95,558)</u>
Net change in fund balance	(39,681)	-	1,170	\$ 1,170
Fund balance, beginning of year	(5,506)	(5,506)	(5,506)	
Prior year encumbrances appropriated	<u>5,506</u>	<u>5,506</u>	<u>5,506</u>	
Fund balance, end of year	<u>\$ (39,681)</u>	<u>\$ -</u>	<u>\$ 1,170</u>	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Net Position
 Proprietary Funds
 December 31, 2014

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 733,016	\$ 385,249	\$ 302,697	\$ 1,420,962
Receivables:				
Accounts	97,236	225,467	40,265	362,968
Prepaid items	10,417	14,583	-	25,000
Materials and supplies inventory	53,168	1,273	-	54,441
Total current assets	<u>893,837</u>	<u>626,572</u>	<u>342,962</u>	<u>1,863,371</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agent	-	1,525,963	-	1,525,963
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	4,560	-	485,420
Depreciable capital assets, net	<u>13,116,963</u>	<u>18,347,831</u>	<u>1,921,412</u>	<u>33,386,206</u>
Total non-current assets	<u>13,597,823</u>	<u>19,895,532</u>	<u>1,921,412</u>	<u>35,414,767</u>
Total assets	<u>14,491,660</u>	<u>20,522,104</u>	<u>2,264,374</u>	<u>37,278,138</u>
Deferred outflows of resources				
Deferred charge on refunding	-	782,784	-	782,784
Liabilities				
Current liabilities:				
Accounts payable	19,694	99,440	39,451	158,585
Accrued salaries	5,264	16,144	-	21,408
Intergovernmental payable	6,430	14,208	-	20,638
Accrued interest payable	75,152	97,612	-	172,764
Compensated absences payable	5,327	10,651	-	15,978
Advances from other funds	-	-	57,178	57,178
Capital lease payable, current portion of	16,385	-	-	16,385
Revenue bonds payable, current portion of	-	835,000	-	835,000
General obligation bonds payable, current portion of	-	180,000	-	180,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	200,461	-	-	200,461
Total current liabilities	<u>328,713</u>	<u>1,345,363</u>	<u>117,659</u>	<u>1,791,735</u>
Long-term liabilities:				
Revenue bonds payable, net of current portion	-	13,941,591	-	13,941,591
General obligation bonds payable, net of current portion	-	5,136,705	-	5,136,705
OPWC loans payable, net of current portion	-	1,107,702	283,905	1,391,607
OWDA loans payable, net of current portion	4,153,908	-	-	4,153,908
Compensated absences payable, net of current portion	61,090	134,630	-	195,720
Total long-term liabilities	<u>4,214,998</u>	<u>20,320,628</u>	<u>283,905</u>	<u>24,819,531</u>
Total liabilities	<u>4,543,711</u>	<u>21,665,991</u>	<u>401,564</u>	<u>26,611,266</u>
Net Position				
Net investment in capital assets	9,227,069	(2,158,131)	1,616,477	8,685,415
Restricted for debt service	-	1,525,963	-	1,525,963
Unrestricted	<u>720,880</u>	<u>271,065</u>	<u>246,333</u>	<u>1,238,278</u>
Total net position	<u>\$ 9,947,949</u>	<u>\$ (361,103)</u>	<u>\$ 1,862,810</u>	<u>\$ 11,449,656</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Operating revenues:				
Charges for services	\$ 1,568,955	\$ 3,284,457	\$ 581,998	\$ 5,435,410
Other	<u>939</u>	<u>873</u>	<u>-</u>	<u>1,812</u>
Total operating revenues	<u>1,569,894</u>	<u>3,285,330</u>	<u>581,998</u>	<u>5,437,222</u>
Operating expenses:				
Personnel services	438,184	596,586	-	1,034,770
Contractual services	237,301	420,127	464,822	1,122,250
Supplies and materials	180,538	379,761	-	560,299
Other	285,941	285,942	3,667	575,550
Depreciation	<u>428,668</u>	<u>810,321</u>	<u>46,613</u>	<u>1,285,602</u>
Total operating expenses	<u>1,570,632</u>	<u>2,492,737</u>	<u>515,102</u>	<u>4,578,471</u>
Operating income (loss)	(738)	792,593	66,896	858,751
Non-operating revenues (expenses):				
Interest revenue	-	611	-	611
Interest expense and fiscal charges	<u>(166,607)</u>	<u>(878,848)</u>	<u>-</u>	<u>(1,045,455)</u>
Total non-operating revenues (expenses)	<u>(166,607)</u>	<u>(878,237)</u>	<u>-</u>	<u>(1,044,844)</u>
Income (loss) before transfers	(167,345)	(85,644)	66,896	(186,093)
Transfers out	<u>-</u>	<u>-</u>	<u>(28,468)</u>	<u>(28,468)</u>
Change in net position	(167,345)	(85,644)	38,428	(214,561)
Net position, beginning of year, <i>restated</i>	<u>10,115,294</u>	<u>(275,459)</u>	<u>1,824,382</u>	<u>11,664,217</u>
Net position, end of year	<u>\$ 9,947,949</u>	<u>\$ (361,103)</u>	<u>\$ 1,862,810</u>	<u>\$ 11,449,656</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,582,952	\$ 3,290,752	\$ 592,769	\$ 5,466,473
Cash payments for employee services and benefits	(439,830)	(554,855)	-	(994,685)
Cash payments to suppliers for goods and services	(391,886)	(748,178)	(428,478)	(1,568,542)
Cash payments for other operating expenses	(285,941)	(285,942)	(3,667)	(575,550)
Cash received from other operating revenue	939	873	-	1,812
Net cash from operating activities	<u>466,234</u>	<u>1,702,650</u>	<u>160,624</u>	<u>2,329,508</u>
Cash flows from noncapital financing activities:				
Transfers	-	-	(28,468)	(28,468)
Return advances to other funds	-	-	(75,000)	(75,000)
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>(103,468)</u>	<u>(103,468)</u>
Cash flows from capital and related financing activities:				
Principal retirement	(410,888)	(1,072,308)	(21,030)	(1,504,226)
Interest paid	(185,307)	(849,843)	-	(1,035,150)
Net cash from capital and related financing activities	<u>(596,195)</u>	<u>(1,922,151)</u>	<u>(21,030)</u>	<u>(2,539,376)</u>
Cash flows from investing activities:				
Interest	-	611	-	611
Net change	(129,961)	(218,890)	36,126	(312,725)
Cash and pooled investments beginning of year	862,977	2,130,102	266,571	3,259,650
Cash and pooled investments end of year	<u>\$ 733,016</u>	<u>\$ 1,911,212</u>	<u>\$ 302,697</u>	<u>\$ 2,946,925</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (738)	\$ 792,593	\$ 66,896	\$ 858,751
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	428,668	810,321	46,613	1,285,602
Changes in assets and liabilities:				
Receivables	13,997	6,295	10,771	31,063
Prepaid items	(4,459)	(1,250)	-	(5,709)
Materials and supplies inventory	32,869	(58)	-	32,811
Accounts payable	(2,452)	53,027	36,344	86,919
Accrued salaries	(2,315)	4,789	-	2,474
Intergovernmental payable	(970)	1,713	-	743
Compensated absences payable	1,634	35,220	-	36,854
Net cash from operating activities	<u>\$ 466,234</u>	<u>\$ 1,702,650</u>	<u>\$ 160,624</u>	<u>\$ 2,329,508</u>

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2014

Assets

Cash in segregated accounts	\$ 13,243
Equity in pooled cash and investments	38,303
Receivables:	
Income taxes	<u>43,063</u>
Total assets	<u>\$ 94,609</u>

Liabilities

Intergovernmental payable	<u>\$ 94,609</u>
Total liabilities	<u>\$ 94,609</u>

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District

In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received \$119,468 in revenues through the JEDD in 2014.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

B. Basis of Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

B. Basis of Presentation - *continued*

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

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

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

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

C. Measurement Focus - *continued*

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

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

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

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

Revenues – Exchange and Non-Exchange Transactions

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

C. Measurement Focus - *continued*

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Receivables for property taxes and payments in lieu of taxes represent amounts that are measurable as of December 31, 2014, but are intended to finance 2015 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after year-end).

Since governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide financial statements, governmental funds' financial statements include reconciliations to the government-wide financial statements.

D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During 2014, investments were limited to STAR Ohio and U.S. Government money market mutual funds.

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 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2014.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2014, interest revenue credited to the general fund amounted to \$16,071, which includes \$15,149 assigned from other funds.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

D. Cash and Investments - *continued*

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

At year end, the City had \$1,525,963 held by a trustee as designated by bond indenture. This amount is reported as "restricted cash and investments with fiscal agent" in the financial statements. An analysis of the City's deposits and investments at year end is provided in Note 3.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

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

G. Capital Assets

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

G. Capital Assets - *continued*

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

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

H. Restricted Assets

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

I. Accrued Liabilities and Long-Term Obligations

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

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, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

J. Interfund Balances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

K. Deferred Outflow of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary statements of financial position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

L. Compensated Absences

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

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

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

M. Accounting Estimates

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

N. Grants and Other Intergovernmental Revenues

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

O. Fund Balances

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council. The City Council has authorized the Finance Director to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

O. Fund Balances - *continued*

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

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

P. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when the limitations imposed on its use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2014, none of the City's net position was restricted by enabling legislation.

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

Q. Budgetary Process

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

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted supplemental appropriations during 2014.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

Q. Budgetary Process - *continued*

Tax Budget

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

Estimated Resources

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

Appropriations

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

Encumbrances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

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

Q. Budgetary Process - *continued*

Lapsing of Appropriations

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) rather than as an interfund receivables/payables (GAAP basis).

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING –*continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2014, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>	<u>Fire Improvement</u>
Net change in fund balance - <i>GAAP Basis</i>	\$ 334,070	\$ 37,560
Net adjustment for revenue accruals	10,348	9,689
Net adjustment for expenditure accruals	13,895	64,847
Encumbrances	(27,690)	(6,321)
Other sources (uses)	<u>75,000</u>	<u>(104,605)</u>
Net change in fund balance - <i>Budget Basis</i>	<u>\$ 405,623</u>	<u>\$ 1,170</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

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

At December 31, 2014, the carrying amount of all City deposits was \$2,836,687. \$1,896,195 of the City’s bank balance of \$2,926,000 was exposed to custodial risk as discussed above, while \$1,029,805 was covered by FDIC.

Investments: The City’s investments at December 31, 2014 are summarized as follows:

Investment Type	Fair Value	Maturity 6 months or less
STAR Ohio	\$ 9,835	9,835
Money Market	<u>1,892,523</u>	<u>1,892,523</u>
	<u>\$ 1,902,358</u>	<u>1,902,358</u>

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2014:

Investment Type	Fair Value	Percent of Total
STAR Ohio	\$ 9,835	0.5%
Money Market	1,892,523	99.5%
	\$ 1,902,358	100.0%

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

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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

Public utility tangible personal property current is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes, which became a lien December 31, 2013 are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2014 operations and the collection of the delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as deferred inflows of resources.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 5 - INCOME TAX

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

NOTE 6 - INTERFUND ACTIVITY

Interfund activity as reported in the fund financial statements includes transfers, advances to/from funds and interfund receivable/payable. The following represent the transfers during 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,256,290
Fire Improvement	1,322,115	-
Nonmajor governmental funds	1,182,270	219,627
Nonmajor enterprise fund	-	28,468
	<u>\$ 2,504,385</u>	<u>\$ 2,504,385</u>

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

The following represent the outstanding advances to/from other funds as of December 31, 2014:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ 75,411	\$ -
Nonmajor governmental funds	-	35,411
Sewer	17,178	-
Nonmajor enterprise funds	-	57,178
	<u>\$ 92,589</u>	<u>\$ 92,589</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 6 - INTERFUND ACTIVITY – *continued*

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

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,015,891	\$ -	\$ -	\$ 3,015,891
Construction in progress	692,049	1,166,757	(1,716,824)	141,982
Total capital assets not being depreciated	<u>3,707,940</u>	<u>1,166,757</u>	<u>(1,716,824)</u>	<u>3,157,873</u>
<i>Capital assets being depreciated:</i>				
Land improvements	804,817	-	-	804,817
Buildings and improvements	3,954,990	-	-	3,954,990
Furniture and equipment	729,569	-	-	729,569
Vehicles	2,605,823	41,400	(48,649)	2,598,574
Infrastructure	<u>12,413,471</u>	<u>1,716,824</u>	<u>-</u>	<u>14,130,295</u>
Total capital assets being depreciated	<u>20,508,670</u>	<u>1,758,224</u>	<u>(48,649)</u>	<u>22,218,245</u>
Less accumulated depreciation:				
Land improvements	(762,315)	(23,226)	-	(785,541)
Buildings and improvements	(1,869,744)	(76,935)	-	(1,946,679)
Furniture and equipment	(492,358)	(17,350)	-	(509,708)
Vehicles	(1,423,044)	(190,797)	48,649	(1,565,192)
Infrastructure	<u>(1,042,448)</u>	<u>(247,557)</u>	<u>-</u>	<u>(1,290,005)</u>
Total accumulated depreciation	<u>(5,589,909)</u>	<u>(555,865)</u>	<u>48,649</u>	<u>(6,097,125)</u>
Total capital assets being depreciated, net	<u>14,918,761</u>	<u>1,202,359</u>	<u>-</u>	<u>16,121,120</u>
Capital assets, net	<u>\$ 18,626,701</u>	<u>\$ 2,369,116</u>	<u>\$ (1,716,824)</u>	<u>\$ 19,278,993</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 7 - CAPITAL ASSETS – continued

Depreciation expense was charged to governmental functions as follows:

General government	\$ 90,582
Security of persons and property	230,375
Public health services	3,975
Transportation	207,097
Leisure time activities	<u>23,836</u>
Total depreciation expense	<u>\$ 555,865</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Total capital assets not being depreciated	<u>485,420</u>	<u>-</u>	<u>-</u>	<u>485,420</u>
<i>Capital assets being depreciated:</i>				
Land improvements	24,474	-	-	24,474
Buildings and improvements	10,180,102	-	-	10,180,102
Furniture and equipment	7,517,309	-	-	7,517,309
Vehicles	456,407	-	-	456,407
Infrastructure	<u>32,742,439</u>	<u>-</u>	<u>-</u>	<u>32,742,439</u>
Total capital assets being depreciated	<u>50,920,731</u>	<u>-</u>	<u>-</u>	<u>50,920,731</u>
Less accumulated depreciation:				
Land improvements	(24,474)	-	-	(24,474)
Buildings and improvements	(3,348,422)	(196,670)	-	(3,545,092)
Furniture and equipment	(5,106,973)	(435,192)	-	(5,542,165)
Vehicles	(321,203)	(15,350)	-	(336,553)
Infrastructure	<u>(7,447,851)</u>	<u>(638,390)</u>	<u>-</u>	<u>(8,086,241)</u>
Total accumulated depreciation	<u>(16,248,923)</u>	<u>(1,285,602)</u>	<u>-</u>	<u>(17,534,525)</u>
Total capital assets being depreciated, net	<u>34,671,808</u>	<u>(1,285,602)</u>	<u>-</u>	<u>33,386,206</u>
Capital assets, net	<u>\$ 35,157,228</u>	<u>\$ (1,285,602)</u>	<u>\$ -</u>	<u>\$ 33,871,626</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 7 - CAPITAL ASSETS – *continued*

Depreciation expense was charged to segments as follows:

<u>Major enterprise funds</u>	
Water	\$ 428,668
Sewer	810,321
<u>Nonmajor enterprise fund</u>	
Storm water	<u>46,613</u>
Total depreciation expense	<u>\$ 1,285,602</u>

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, by visiting <https://www.opers.org/investments/cafr.shtml>, or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10% of their annual salary for members in state and local classifications. The City was required to contribute 14% of covered payroll for employees. The City's required contributions to OPERS for pension obligations for the years ended December 31, 2014, 2013, and 2012 were \$213,000, \$268,000, and \$188,000 respectively; 91% has been contributed for 2014 and 100% for 2013 and 2012.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Ohio Police and Fire Pension Fund

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

From January 1, 2014 thru July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 thru December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, the City is required to contribution 19.5% and 24.0%, respectively for police officers and firefighters. The City's required contributions for pension obligations to OP&F for the years ended December 31, 2014, 2013, and 2012 were \$640,000, \$691,000 and \$493,000, respectively; 92% has been contributed for 2014 and 100% for 2013 and 2012.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14% of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

Ohio Public Employees Retirement System – *continued*

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension and Combined Plans was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of the employer contributions allocated to health care remains at 2% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for 2014, 2013 and 2012 which were used to fund postemployment benefits were \$35,000, \$21,000, and \$75,000, respectively; 91% has been contributed for 2014 and 100% for 2013 and 2012.

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

Ohio Police and Fire Pension Fund

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

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

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of payroll of active pension members, currently 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

Ohio Police and Fire Pension Fund – *continued*

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll for 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The City's actual contributions for 2014, 2013 and 2012 that were used to fund post-employment benefits were \$15,000, \$146,000 and \$222,000, respectively; 92% has been contributed for 2014 and 100% for 2013 and 2012.

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

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$68,401 at December 31, 2014.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the varying rates. Sick leave is cumulative without limit. In the event of death or separation, an employee is paid for a percentage of their accumulated sick leave up to a maximum. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$846,701 at December 31, 2014.

NOTE 11 - RISK MANAGEMENT

Risk Pool Membership

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 11 - RISK MANAGEMENT – *continued*

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 767 members as of December 31, 2013 and 2012, respectively. Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform to accounting principles generally accepted in the United States of America and reported the following assets, liabilities and members’ equity at December 31, 2013 and 2012 (latest available):

	<u>2013</u>	<u>2012</u>
Assets	\$ 13,774,304	\$ 13,100,381
Liabilities	<u>(7,968,395)</u>	<u>(6,687,193)</u>
Members' Equity	<u>\$ 5,805,909</u>	<u>\$ 6,413,188</u>

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

Health Insurance

During 2014, the City provided employees insurance for medical, dental, and life through Humana Insurance. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to \$797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

Workers’ Compensation

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 12 - LONG-TERM LIABILITIES

The following is a summary of changes during 2014 and balances for governmental activities' long-term liabilities of the City as of December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
<i>General Obligation Bonds</i>					
2005 Road and safety refunding bonds	\$ 1,490,000	\$ -	\$ (220,000)	\$ 1,270,000	\$ 230,000
2009 Various purpose - Harrison Ave bike trail	1,100,000	-	(25,000)	1,075,000	25,000
2009 Various purpose - sidewalks	605,000	-	(25,000)	580,000	25,000
Add premium on issuance	75,236	-	(3,020)	72,216	-
<i>OPWC loans</i>					
2006 Jefferson Avenue project	295,269	-	(23,622)	271,647	23,622
2009 Kater Street improvements	469,734	-	(28,468)	441,266	28,469
2011 Carolina Trace improvements	634,467	-	(34,295)	600,172	34,296
2012 Harrison Avenue improvements	175,506	-	(9,237)	166,269	9,237
2014 Whipporwill Drive improvements	-	55,017	(1,375)	53,642	2,751
2014 Lyness Avenue improvements	-	108,115	-	108,115	5,406
2014 Featherwood Drive improvements	-	154,580	-	154,580	-
<i>ODOT loan</i>					
2006 New Haven bridge	190,770	-	(74,609)	116,161	76,863
<i>Other long-term obligations</i>					
Capital leases	1,193,771	24,651	(301,522)	916,900	265,323
Compensated absences	799,027	3,869	(99,492)	703,404	52,424
Total governmental activities long-term obligations	\$ 7,028,780	\$ 346,232	\$ (845,640)	\$ 6,529,372	\$ 778,391

General Obligation Bonds

On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds to finance road and safety improvements. The bonds bear interest rates ranging from 4.25% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the Series 2000 various purpose general obligation bonds that were called in December 2010.

General Obligation Various Purpose Improvement Bonds

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 12 - LONG-TERM LIABILITIES – *continued*

OPWC Loans

Improvements to the City’s street infrastructure were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2014, the City has seven interest-free loans outstanding through the OPWC payable from governmental activities. The loans are payable in semi-annual installments of principal.

The Featherwood Drive improvement project was completed in late 2014; however, the loan will not be finalized until in early 2015. The total project loan was approved for \$408,000, with \$154,580 drawn as of December 31, 2014.

ODOT Loan

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

Compensated Absences

Compensated absences for governmental activities will be liquidated by the fund which pays the employee’s salary, with the General Fund being the most significant fund.

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

Year Ending <u>December 31,</u>	<u>Governmental Activities</u>						
	<u>Various Purpose Series - 2009</u>		<u>Refunding Series - 2005</u>		<u>ODOT Loan</u>		<u>OPWC*</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2015	\$ 50,000	\$ 79,362	\$ 230,000	\$ 55,125	\$ 76,863	\$ 2,913	\$ 103,781
2016	50,000	77,863	245,000	44,200	39,298	598	103,781
2017	55,000	76,362	255,000	33,788	-	-	103,781
2018	55,000	74,575	265,000	22,950	-	-	103,781
2019	60,000	72,650	275,000	11,688	-	-	103,780
2020-2024	320,000	326,588	-	-	-	-	518,900
2025-2029	415,000	237,825	-	-	-	-	436,221
2030-2034	370,000	126,001	-	-	-	-	167,086
2035-2038	280,000	37,538	-	-	-	-	-
Total	<u>\$ 1,655,000</u>	<u>\$ 1,108,764</u>	<u>\$ 1,270,000</u>	<u>\$ 167,751</u>	<u>\$ 116,161</u>	<u>\$ 3,511</u>	<u>\$ 1,641,111</u>

* The OPWC Featherwood Drive improvements loan project was still ongoing as of December 31, 2014, and thus did not have a finalized loan amortization schedule available for inclusion in the schedule above.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 12 - LONG-TERM LIABILITIES – *continued*

The following is a summary of changes during 2014 and balances for business-type activities' long-term liabilities of the City as of December 31, 2014:

	<i>Restated</i> Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
<i>General Obligation Bonds</i>					
2005 Sanitary Sewer Improvements	\$ 310,000	\$ -	\$ (20,000)	\$ 290,000	\$ 25,000
2010 Sanitary Sewer Improvements	5,050,000	-	(155,000)	4,895,000	155,000
Add premium on issuance	137,976	-	(6,271)	131,705	-
<i>Revenue bond</i>					
2012 Revenue Refunding	15,370,000	-	(805,000)	14,565,000	835,000
Add premium on issuance	226,891	-	(15,300)	211,591	-
<i>OPWC loans</i>					
State Street/Campbell Road sewer	1,292,318	-	(92,308)	1,200,010	92,308
Etta, Lellan and Joyce Avenue improvement	325,965	-	(21,030)	304,935	21,030
<i>OWDA loans</i>					
Water treatment plant	530,371	-	(59,058)	471,313	31,022
New Biddinger Rd./Caroline Trace Rd. water mains	1,323,343	-	(85,942)	1,237,401	56,947
Wellfield/transmission water mains	77,336	-	(70,241)	7,095	-
Marvin Rd./Carolina Trace water mains	1,393,375	-	(67,876)	1,325,499	53,483
New Haven/Baughman Rd. water mains	34,059	-	(34,059)	-	-
Elevated water storage tank	1,379,267	-	(66,206)	1,313,061	59,009
<i>Other long-term obligations</i>					
Capital leases	43,891	-	(27,506)	16,385	16,385
Compensated absences	174,844	50,052	(13,198)	211,698	15,978
Total business-type activities long-term obligations	<u>\$ 27,669,636</u>	<u>\$ 50,052</u>	<u>\$ (1,538,995)</u>	<u>\$ 26,180,693</u>	<u>\$ 1,361,162</u>

General Obligation Bonds

On August 11, 2005, the City issued \$510,000 in general obligation bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 4.125% to 4.75% per annum and mature in various installments through December 1, 2024.

On December 9, 2010, the City issued \$5,490,000 in general obligation sewer system improvement bonds for the purpose of retiring outstanding notes that were used to finance various improvements to the wastewater system. Serial bonds of \$1,600,000 range in interest rates of 2.0% to 3.4% and mature in 2020. Term bonds of \$3,890,000 range in interest rates of 3.75% to 5.25% and mature at varying times from 2022 to 2035.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Revenue bonds

On September 15, 2003, the City issued \$18,750,000 in wastewater system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes and \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds.

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

The general obligation bonds and mortgage revenue bonds are expected to be retired with revenues of the sewer fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within the limitations of Ohio law. The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$16,550,000 in Series 2012 wastewater system revenue refunding bonds. Principal and interest paid for the current year and net revenue available for debt service were \$1,307,181 and \$1,603,525, respectively.

OPWC Loans

Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvements were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2014, the City has two interest-free loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal. The amounts due to the OPWC are payable solely from sewer and storm water revenues.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2014, the City has outstanding borrowings of \$4,354,369. The loans are payable in semi-annual payments with interest rates ranging from 2.84% to 3.64%. The future annual debt service principal and interest requirements disclosed were based on the balances outstanding as of December 31, 2014.

Compensated Absences

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Principal and interest requirements to retire the City’s outstanding obligations at December 31, 2014 were:

Year Ending December 31,	Business-Type Activities						
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	OWDA	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2015	\$ 180,000	\$ 234,982	\$ 835,000	\$ 468,181	\$ 113,338	\$ 200,461	\$ 147,959
2016	185,000	230,308	870,000	436,581	113,338	290,824	138,413
2017	190,000	225,245	905,000	401,781	113,338	300,696	128,542
2018	195,000	219,232	940,000	365,581	113,338	310,907	118,331
2019	205,000	213,070	980,000	327,981	113,338	321,469	107,769
2020-2024	1,125,000	950,852	5,240,000	1,286,131	566,693	1,588,484	397,516
2025-2029	1,195,000	696,149	4,795,000	423,800	371,562	1,341,528	120,568
2030-2034	1,550,000	346,500	-	-	-	-	-
2035	360,000	18,900	-	-	-	-	-
Total	\$ 5,185,000	\$ 3,135,238	\$ 14,565,000	\$ 3,710,036	\$1,504,945	\$ 4,354,369	\$ 1,159,098

NOTE 13 – SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Interest Rate	Balance 12/31/13	Increase	Decrease	Balance 12/31/14
Governmental Activities:							
Bond anticipation note	10/24/13	10/23/14	1.75%	\$ 1,525,000	\$ -	\$ (1,525,000)	\$ -
Tax anticipation note	10/24/13	10/23/14	2.625%	305,000	-	(305,000)	-
Bond anticipation note	10/22/14	10/21/15	1.75%	-	1,525,000	-	1,525,000
Tax anticipation note	10/22/14	10/01/18	2.00%	-	245,000	-	245,000
Total				\$ 1,830,000	\$ 1,770,000	\$ (1,830,000)	\$ 1,770,000

On October 24, 2013, the City retired \$310,000 in tax anticipation notes and reissued \$305,000 notes in anticipation of taxes from the fire improvement levy that initially provided funding for ambulance, paramedic and emergency medical services. The notes had an interest rate of 2.625%. On October 22, 2014, the City issued \$245,000 in tax anticipation notes that provided funding to rollover the October 2013 tax anticipation notes. These notes bear an interest rate of 2.00% and mature on October 1, 2018.

On October 24, 2013, the City issued \$1,525,000 in bond anticipation notes, \$1,250,000 in the Home Depot TIF Fund and \$275,000 in the Capital Improvements Fund, to finance the construction of new roads and infrastructure. The notes bear had an interest rate of 1.75%. On October 22, 2014, the City issued \$1,525,000 in bond anticipation notes that provided funding to rollover the October 2013 bond anticipation notes. These notes bear an interest rate of 1.75% and mature on October 21, 2015.

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 14 – CAPITAL LEASES

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

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$1,825,838 for the governmental activities and \$81,623 in the business-type activities.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2014.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2015	\$ 301,496	\$ 16,530
2016	186,994	-
2017	120,418	-
2018	93,771	-
2019	92,688	-
2020-2022	<u>265,004</u>	<u>-</u>
Total	\$ 1,060,371	\$ 16,530
Less: amount representing interest	<u>(143,471)</u>	<u>(145)</u>
Present value of net minimum lease payments	<u>\$ 916,900</u>	<u>\$ 16,385</u>

NOTE 15 - CONTRACTUAL COMMITMENTS

The City has active projects as of December 31, 2014 for items such as improvements to sewer and water systems, street improvements, architectural and design contracts among others. The City has approximately \$75,000 remaining on these active projects that were encumbered in the Capital Improvement Fund.

NOTE 16 - CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 17 - FUND BALANCES

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Prepays	\$ 6,250	\$ 10,000	\$ 4,944	\$ 21,194
Inventory	-	-	11,347	11,347
Advances	<u>75,411</u>	-	-	<u>75,411</u>
<i>Total Nonspendable</i>	81,661	10,000	16,291	107,952
<i>Restricted for:</i>				
Police operations	-	-	2,532	2,532
Fire operations	-	-	4,202	4,202
Senior Center operations	-	-	27,675	27,675
Recreational activities	-	-	512,213	512,213
Street and highway projects	-	-	78,978	78,978
Law enforcement and education	-	-	12,117	12,117
Infrastructure projects	-	-	39,366	39,366
Other purposes	-	-	<u>3,766</u>	<u>3,766</u>
<i>Total Restricted</i>	-	-	680,849	680,849
<i>Assigned to:</i>				
Police operations	-	-	913	913
Debt service	-	-	385,239	385,239
Recreational activities	39,204	-	-	39,204
Budget resource	<u>25,463</u>	-	-	<u>25,463</u>
<i>Total Assigned</i>	64,667	-	386,152	450,819
<i>Unassigned (Deficit)</i>	<u>740,820</u>	<u>(382,358)</u>	<u>(1,284,367)</u>	<u>(925,905)</u>
<i>Total Fund Balance</i>	<u>\$ 887,148</u>	<u>\$ (372,358)</u>	<u>\$ (201,075)</u>	<u>\$ 313,715</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 17 - FUND BALANCES – *continued*

At December 31, 2014, the following deficit fund balances were reported:

<u>Fund</u>	<u>Deficit</u>
Fire Improvement	\$ 372,358
Nonmajor Governmental Funds:	
State Highway Improvements	2,196
Fire Memorial	6,911
Community Center	5,619
Police Pension	23,902
Capital Improvements	126,457
Home Depot TIF	1,117,115

These deficits resulted from the accrued but unpaid liabilities that are not payable from current period revenue and do not exist on a budget basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed. The City also had budgetary basis deficit fund balances due to grants and loans that were in the process of collection.

NOTE 18 - RESTATEMENTS

The City restated the beginning fund balance in the Fire Improvement Fund and beginning net position of governmental activities for the recording of accounts receivable in the prior period that should not have been recorded. The City also restated beginning net position in the Water Fund and in business-type activities for adjustments the Ohio Water Development Authority (OWDA) made on the loans it issued to the City. The restatements had the following impact:

	<u>Fire Improvement</u>
Fund Balance at December 31, 2013	\$ (323,096)
Over accrual of receivables	<u>(86,822)</u>
Restated Fund Balance at December 31, 2013	<u>\$ (409,918)</u>
	<u>Water</u>
Net Position at December 31, 2013	\$ 9,935,430
OWDA loan adjustments	<u>179,864</u>
Restated Net Position at December 31, 2013	<u>\$ 10,115,294</u>

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2014

NOTE 18 – RESTATEMENTS – *continued*

	Governmental Activities	Business-Type Activities
Net Position at December 31, 2013	\$ 12,775,818	\$ 11,484,353
Over accrual of receivables	(86,822)	-
OWDA loan adjustments	-	179,864
Restated Net Position at December 31, 2013	\$ 12,688,996	\$ 11,664,217

NOTE 19 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, has been issued by the GASB but is not required to be implemented by the City until 2015. Management has not yet determined the impact of this new standard will have on the City’s financial statements.

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Combining Financial Statements And Individual Fund Schedules

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CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		From Final Budget
Revenues:				
Property and other taxes	\$ 1,073,852	\$ 1,134,852	\$ 1,101,592	\$ (33,260)
Income taxes	3,484,000	3,297,000	3,590,618	293,618
Intergovernmental	223,179	441,929	428,585	(13,344)
Charges for services	1,500	2,300	2,296	(4)
Fines, costs and forfeitures	140,000	145,000	144,691	(309)
Licenses, permits and inspections	290,000	323,825	324,113	288
Interest	25,000	20,000	15,925	(4,075)
Other	813,300	657,984	589,624	(68,360)
Total revenues	<u>6,050,831</u>	<u>6,022,890</u>	<u>6,197,444</u>	<u>174,554</u>
Expenditures:				
Current:				
General government				
Planning commission				
Personal Services	55	55	-	55
Operations/maintenance	500	500	300	200
Total planning commission	<u>555</u>	<u>555</u>	<u>300</u>	<u>255</u>
Information technology				
Operations/maintenance	<u>24,850</u>	<u>21,950</u>	<u>21,950</u>	<u>-</u>
Income tax				
Personal services	66,832	66,831	64,338	2,493
Operations/maintenance	117,870	112,870	106,208	6,662
Refunds/reimbursements	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total income tax	<u>189,702</u>	<u>184,701</u>	<u>170,546</u>	<u>14,155</u>
Jobs creation				
Operations/maintenance	<u>-</u>	<u>29,846</u>	<u>29,846</u>	<u>-</u>
Mayor				
Personal services	35,135	35,135	33,844	1,291
Operations/maintenance	<u>1,810</u>	<u>1,810</u>	<u>1,644</u>	<u>166</u>
Total mayor	<u>36,945</u>	<u>36,945</u>	<u>35,488</u>	<u>1,457</u>
Council				
Personal services	67,465	67,465	67,241	224
Operations/maintenance	<u>57,651</u>	<u>59,652</u>	<u>57,963</u>	<u>1,689</u>
Total council	<u>125,116</u>	<u>127,117</u>	<u>125,204</u>	<u>1,913</u>
Economic development				
Personal services	126,778	127,428	127,021	407
Operations/maintenance	66,944	66,944	63,935	3,009
Capital improvements	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total economic development	<u>\$ 194,722</u>	<u>\$ 195,372</u>	<u>\$ 190,956</u>	<u>\$ 4,416</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Finance				
Personal services	\$ 209,259	\$ 213,459	\$ 209,418	\$ 4,041
Operations/maintenance	69,756	65,556	57,999	7,557
Total finance	<u>279,015</u>	<u>279,015</u>	<u>267,417</u>	<u>11,598</u>
Custodian				
Operations/maintenance	5,000	5,000	3,978	1,022
Total custodian	<u>5,000</u>	<u>5,000</u>	<u>3,978</u>	<u>1,022</u>
Civil service				
Personal services	50	50	-	50
Operations/maintenance	3,020	3,020	1,893	1,127
Total civil service	<u>3,070</u>	<u>3,070</u>	<u>1,893</u>	<u>1,177</u>
Law director				
Personal services	54,500	54,500	54,048	452
Operations/maintenance	28,500	40,500	39,025	1,475
Total law director	<u>83,000</u>	<u>95,000</u>	<u>93,073</u>	<u>1,927</u>
Magistrate				
Personal services	77,105	63,105	61,632	1,473
Operations/maintenance	8,696	6,696	4,653	2,043
Total magistrate	<u>85,801</u>	<u>69,801</u>	<u>66,285</u>	<u>3,516</u>
General government				
Operations/maintenance	34,505	34,505	29,139	5,366
Elections				
Operations/maintenance	5,100	5,100	2,733	2,367
Total general government	<u>1,067,381</u>	<u>1,087,977</u>	<u>1,038,808</u>	<u>49,169</u>
Security of persons and property				
Law enforcement				
Personal services	1,927,425	1,983,644	1,968,933	14,711
Operations/maintenance	328,420	328,420	312,947	15,473
Capital improvements	5,000	5,000	4,995	5
Total law enforcement	<u>2,260,845</u>	<u>2,317,064</u>	<u>2,286,875</u>	<u>30,189</u>
Street lighting				
Operations/maintenance	80,010	90,010	88,657	1,353
Total security of persons and property	<u>\$ 2,340,855</u>	<u>\$ 2,407,074</u>	<u>\$ 2,375,532</u>	<u>\$ 31,542</u>

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Public health and welfare				
Board of health				
Operations/maintenance	\$ 13,260	\$ 13,260	\$ 13,206	\$ 54
Total public health services	<u>13,260</u>	<u>13,260</u>	<u>13,206</u>	<u>54</u>
Community and economic development				
Building department				
Personal services	50,949	650	580	70
Operations/maintenance	<u>94,855</u>	<u>145,154</u>	<u>131,768</u>	<u>13,386</u>
Total building department	<u>145,804</u>	<u>145,804</u>	<u>132,348</u>	<u>13,456</u>
Zoning department				
Personal services	55	55	-	55
Operations/maintenance	<u>1,950</u>	<u>1,950</u>	<u>1,904</u>	<u>46</u>
Total zoning department	<u>2,005</u>	<u>2,005</u>	<u>1,904</u>	<u>101</u>
Total community and economic development	<u>147,809</u>	<u>147,809</u>	<u>134,252</u>	<u>13,557</u>
Leisure time activity				
Parks and recreation				
Personal services	17,213	19,522	18,090	1,432
Operations/maintenance	<u>39,200</u>	<u>36,920</u>	<u>30,429</u>	<u>6,491</u>
Capital improvements	<u>1,000</u>	<u>1,000</u>	<u>214</u>	<u>786</u>
Total parks and recreation	<u>57,413</u>	<u>57,442</u>	<u>48,733</u>	<u>8,709</u>
Total leisure time activity	<u>57,413</u>	<u>57,442</u>	<u>48,733</u>	<u>8,709</u>
Total expenditures	<u>3,626,718</u>	<u>3,713,562</u>	<u>3,610,531</u>	<u>103,031</u>
Excess of revenues over expenditures	<u>2,424,113</u>	<u>2,309,328</u>	<u>2,586,913</u>	<u>277,585</u>
Other financing sources (uses):				
Transfers in	280,000	-	-	-
Transfers out	<u>(2,426,065)</u>	<u>(2,381,337)</u>	<u>(2,256,290)</u>	<u>125,047</u>
Advances in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,071,065)</u>	<u>(2,306,337)</u>	<u>(2,181,290)</u>	<u>125,047</u>
Net change in fund balance	353,048	2,991	405,623	\$ 402,632
Fund balance, beginning of year	(742)	(742)	(742)	
Prior year encumbrances appropriated	<u>7,687</u>	<u>7,687</u>	<u>7,687</u>	
Fund balance, end of year	<u>\$ 359,993</u>	<u>\$ 9,936</u>	<u>\$ 412,568</u>	

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Community Center

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

Fire Capital Reserve

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

Senior Center

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

Passport Account

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

Court Computer

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

Project Lifesaver

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

Police Pension

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

Drug Law Enforcement

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

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

Enforcement and Education

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

FEMA

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

Police Memorial

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

Recreation Tax Receipts

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

Indigent Interlock

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

Recreation Activity Receipts

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

DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS

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

Capital Improvements

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

Home Depot TIF

To account for payments in lieu of taxes received from this TIF District for public improvements.

Harrison Avenue TIF

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

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash and investments	\$ 601,530	\$ 408,467	\$ 231,797	\$ 1,241,794
Cash in segregated accounts	11,827	-	-	11,827
Receivables:				
Property and other taxes	59,559	-	18,240	77,799
Payment in lieu of taxes	-	-	458,000	458,000
Accounts	13,930	-	-	13,930
Intergovernmental	222,222	-	47,529	269,751
Prepaid items	4,944	-	-	4,944
Materials and supplies inventory	11,347	-	-	11,347
Total assets	<u>\$ 925,359</u>	<u>\$ 408,467</u>	<u>\$ 755,566</u>	<u>\$ 2,089,392</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 13,017	\$ -	\$ -	\$ 13,017
Accrued salaries	14,661	-	-	14,661
Intergovernmental payable	38,539	-	-	38,539
Advances from other funds	35,411	-	-	35,411
Notes payable	-	-	1,525,000	1,525,000
Total liabilities	<u>101,628</u>	<u>-</u>	<u>1,525,000</u>	<u>1,626,628</u>
Deferred Inflows of Resources:				
Property taxes and payment in lieu of taxes	57,179	-	458,000	515,179
Unavailable revenue	148,660	-	-	148,660
Total deferred inflows of resources	<u>205,839</u>	<u>-</u>	<u>458,000</u>	<u>663,839</u>
Fund balances:				
Nonspendable	16,291	-	-	16,291
Restricted	641,483	23,228	16,138	680,849
Assigned	913	385,239	-	386,152
Unassigned	(40,795)	-	(1,243,572)	(1,284,367)
Total fund balances	<u>617,892</u>	<u>408,467</u>	<u>(1,227,434)</u>	<u>(201,075)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 925,359</u>	<u>\$ 408,467</u>	<u>\$ 755,566</u>	<u>\$ 2,089,392</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 86,851	\$ -	\$ 97,283	\$ 184,134
Payments in lieu of taxes	-	-	476,964	476,964
Intergovernmental	667,969	-	455,055	1,123,024
Charges for services	11,687	-	-	11,687
Fines, costs and forfeitures	6,389	-	-	6,389
Contributions	24,605	-	-	24,605
Other	14,294	-	4,605	18,899
Total revenues	<u>811,795</u>	<u>-</u>	<u>1,033,907</u>	<u>1,845,702</u>
Expenditures:				
Current:				
Security of persons and property	342,564	-	-	342,564
Public health services	224,083	-	-	224,083
Leisure time activity	123,809	-	-	123,809
Transportation	613,396	-	-	613,396
General government	-	-	221,283	221,283
Capital outlay	-	-	1,178,292	1,178,292
Debt service:				
Principal retirement	21,399	441,606	-	463,005
Interest and fiscal charges	760	151,356	26,612	178,728
Total expenditures	<u>1,326,011</u>	<u>592,962</u>	<u>1,426,187</u>	<u>3,345,160</u>
Excess of revenues over (under) expenditures	<u>(514,216)</u>	<u>(592,962)</u>	<u>(392,280)</u>	<u>(1,499,458)</u>
Other financing sources (uses):				
Transfers in	589,308	592,962	-	1,182,270
Transfers out	-	-	(219,627)	(219,627)
OPWC loans issued	-	-	317,712	317,712
Total other financing sources (uses)	<u>589,308</u>	<u>592,962</u>	<u>98,085</u>	<u>1,280,355</u>
Net change in fund balance	75,092	-	(294,195)	(219,103)
Fund balance at beginning of year	<u>542,800</u>	<u>408,467</u>	<u>(933,239)</u>	<u>18,028</u>
Fund balance at end of year	<u>\$ 617,892</u>	<u>\$ 408,467</u>	<u>\$ (1,227,434)</u>	<u>\$ (201,075)</u>

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2014

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Assets:							
Equity in pooled cash and investments	\$ 22,499	\$ 14,032	\$ 8,089	\$ 1,119	\$ 4,202	\$ 19,470	\$ 1,155
Cash in segregated accounts	-	-	-	-	-	11,827	-
Receivables:							
Property and other taxes	-	-	-	-	-	-	-
Accounts	8,797	-	-	-	-	4,518	-
Intergovernmental	202,617	16,059	-	-	-	-	-
Prepaid items	2,464	-	-	2,167	-	313	-
Materials and supplies inventory	11,347	-	-	-	-	-	-
Total assets	\$ 247,724	\$ 30,091	\$ 8,089	\$ 3,286	\$ 4,202	\$ 36,128	\$ 1,155
Liabilities, Deferred Inflows of Resources and Fund Balances:							
Liabilities:							
Accounts payable	\$ 3,902	\$ 1,170	\$ -	\$ 5,484	\$ -	\$ 2,461	\$ -
Accrued salaries	9,509	-	-	1,570	-	3,582	-
Intergovernmental payable	9,496	-	-	1,851	-	3,252	-
Advances from other funds	-	20,411	15,000	-	-	-	-
Total liabilities	22,907	21,581	15,000	8,905	-	9,295	-
Deferred Inflows of Resources:							
Property taxes and payment in lieu of taxes	-	-	-	-	-	-	-
Unavailable revenue	132,028	10,706	-	-	-	-	-
Total deferred inflows of resources	132,028	10,706	-	-	-	-	-
Fund Balances:							
Nonspendable	13,811	-	-	2,167	-	313	-
Restricted	78,978	-	-	-	4,202	26,520	1,155
Assigned	-	-	-	-	-	-	-
Unassigned	-	(2,196)	(6,911)	(7,786)	-	-	-
Total fund balances	92,789	(2,196)	(6,911)	(5,619)	4,202	26,833	1,155
Total liabilities, deferred inflows of resources and fund balances	\$ 247,724	\$ 30,091	\$ 8,089	\$ 3,286	\$ 4,202	\$ 36,128	\$ 1,155

				Law							
Court	Project	Police	Drug Law	Enforcement	Enforcement	FEMA	Police	Recreation	Indigent		TOTAL
Computer	Lifesaver	Pension	Enforcement	Trust	and Education		Memorial	Tax Receipts	Interlock		
\$ 9	\$ 2,532	\$ 38	\$ 8,144	\$ 620	\$ 1,329	\$ 3,766	\$ 913	\$ 512,213	\$ 1,400	\$	\$ 601,530
-	-	-	-	-	-	-	-	-	-	-	11,827
-	-	59,559	-	-	-	-	-	-	-	-	59,559
105	-	-	375	100	35	-	-	-	-	-	13,930
-	-	3,546	-	-	-	-	-	-	-	-	222,222
-	-	-	-	-	-	-	-	-	-	-	4,944
-	-	-	-	-	-	-	-	-	-	-	11,347
<u>\$ 114</u>	<u>\$ 2,532</u>	<u>\$ 63,143</u>	<u>\$ 8,519</u>	<u>\$ 720</u>	<u>\$ 1,364</u>	<u>\$ 3,766</u>	<u>\$ 913</u>	<u>\$ 512,213</u>	<u>\$ 1,400</u>	<u>\$</u>	<u>\$ 925,359</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,017
-	-	-	-	-	-	-	-	-	-	-	14,661
-	-	23,940	-	-	-	-	-	-	-	-	38,539
-	-	-	-	-	-	-	-	-	-	-	35,411
-	-	23,940	-	-	-	-	-	-	-	-	101,628
-	-	57,179	-	-	-	-	-	-	-	-	57,179
-	-	5,926	-	-	-	-	-	-	-	-	148,660
-	-	63,105	-	-	-	-	-	-	-	-	205,839
-	-	-	-	-	-	-	-	-	-	-	16,291
114	2,532	-	8,519	720	1,364	3,766	-	512,213	1,400	-	641,483
-	-	-	-	-	-	-	913	-	-	-	913
-	-	(23,902)	-	-	-	-	-	-	-	-	(40,795)
<u>114</u>	<u>2,532</u>	<u>(23,902)</u>	<u>8,519</u>	<u>720</u>	<u>1,364</u>	<u>3,766</u>	<u>913</u>	<u>512,213</u>	<u>1,400</u>	<u>-</u>	<u>617,892</u>
<u>\$ 114</u>	<u>\$ 2,532</u>	<u>\$ 63,143</u>	<u>\$ 8,519</u>	<u>\$ 720</u>	<u>\$ 1,364</u>	<u>\$ 3,766</u>	<u>\$ 913</u>	<u>\$ 512,213</u>	<u>\$ 1,400</u>	<u>\$</u>	<u>\$ 925,359</u>

CITY OF HARRISON, OHIO
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2014

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

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Capital Improvements	Home Depot TIF	Harrison Avenue TIF	Street and Safety Construction	TOTAL
Assets:					
Equity in pooled cash and investments	\$ 82,774	\$ 132,885	\$ 13,251	\$ 2,887	\$ 231,797
Receivables:					
Property and other taxes	18,240	-	-	-	18,240
Payment in lieu of taxes	-	206,000	252,000	-	458,000
Intergovernmental	47,529	-	-	-	47,529
Total assets	<u>\$ 148,543</u>	<u>\$ 338,885</u>	<u>\$ 265,251</u>	<u>\$ 2,887</u>	<u>\$ 755,566</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Notes payable	\$ 275,000	\$ 1,250,000	\$ -	\$ -	\$ 1,525,000
Total liabilities	<u>275,000</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,525,000</u>
Deferred Inflows of Resources:					
Property taxes and payment in lieu of taxes	-	206,000	252,000	-	458,000
Total deferred inflows of resources	<u>-</u>	<u>206,000</u>	<u>252,000</u>	<u>-</u>	<u>458,000</u>
Fund Balances:					
Restricted	-	-	13,251	2,887	16,138
Unassigned	(126,457)	(1,117,115)	-	-	(1,243,572)
Total fund balances	<u>(126,457)</u>	<u>(1,117,115)</u>	<u>13,251</u>	<u>2,887</u>	<u>(1,227,434)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,543</u>	<u>\$ 338,885</u>	<u>\$ 265,251</u>	<u>\$ 2,887</u>	<u>\$ 755,566</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2014

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Revenues:							
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	467,196	32,336	-	29,381	-	129,576	2,494
Charges for services	6,659	-	-	-	-	-	5,028
Fines, costs and forfeitures	-	-	-	-	-	-	-
Contributions	-	-	1,205	-	-	22,520	-
Other	9,577	-	-	42	-	-	-
Total revenues	<u>483,432</u>	<u>32,336</u>	<u>1,205</u>	<u>29,423</u>	<u>-</u>	<u>152,096</u>	<u>7,522</u>
Expenditures:							
Current:							
Security of persons and property	-	-	752	-	-	-	-
Public health services	-	-	-	-	-	216,786	7,297
Leisure time activity	-	-	-	123,809	-	-	-
Transportation	592,123	21,273	-	-	-	-	-
Debt service							
Principal retirement	21,399	-	-	-	-	-	-
Interest and fiscal charges	760	-	-	-	-	-	-
Total expenditures	<u>614,282</u>	<u>21,273</u>	<u>752</u>	<u>123,809</u>	<u>-</u>	<u>216,786</u>	<u>7,297</u>
Excess of revenues over (under) expenditures	<u>(130,850)</u>	<u>11,063</u>	<u>453</u>	<u>(94,386)</u>	<u>-</u>	<u>(64,690)</u>	<u>225</u>
Other financing sources							
Transfers in	155,408	-	-	90,772	-	78,100	-
Total other financing sources	<u>155,408</u>	<u>-</u>	<u>-</u>	<u>90,772</u>	<u>-</u>	<u>78,100</u>	<u>-</u>
Net change in fund balance	24,558	11,063	453	(3,614)	-	13,410	225
Fund balance at beginning of year	<u>68,231</u>	<u>(13,259)</u>	<u>(7,364)</u>	<u>(2,005)</u>	<u>4,202</u>	<u>13,423</u>	<u>930</u>
Fund balance at end of year	<u>\$ 92,789</u>	<u>\$ (2,196)</u>	<u>\$ (6,911)</u>	<u>\$ (5,619)</u>	<u>\$ 4,202</u>	<u>\$ 26,833</u>	<u>\$ 1,155</u>

continued

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts	Indigent Interlock	TOTAL
\$ -	\$ -	\$ 58,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,100	\$ -	\$ 86,851
-	-	6,986	-	-	-	-	-	-	-	667,969
-	-	-	-	-	-	-	-	-	-	11,687
1,314	-	-	2,473	382	820	-	-	-	1,400	6,389
-	880	-	-	-	-	-	-	-	-	24,605
-	-	-	4,675	-	-	-	-	-	-	14,294
<u>1,314</u>	<u>880</u>	<u>65,737</u>	<u>7,148</u>	<u>382</u>	<u>820</u>	<u>-</u>	<u>-</u>	<u>28,100</u>	<u>1,400</u>	<u>811,795</u>
1,200	-	329,333	10,491	749	39	-	-	-	-	342,564
-	-	-	-	-	-	-	-	-	-	224,083
-	-	-	-	-	-	-	-	-	-	123,809
-	-	-	-	-	-	-	-	-	-	613,396
-	-	-	-	-	-	-	-	-	-	21,399
-	-	-	-	-	-	-	-	-	-	760
<u>1,200</u>	<u>-</u>	<u>329,333</u>	<u>10,491</u>	<u>749</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,326,011</u>
<u>114</u>	<u>880</u>	<u>(263,596)</u>	<u>(3,343)</u>	<u>(367)</u>	<u>781</u>	<u>-</u>	<u>-</u>	<u>28,100</u>	<u>1,400</u>	<u>(514,216)</u>
-	-	265,028	-	-	-	-	-	-	-	589,308
-	-	265,028	-	-	-	-	-	-	-	589,308
114	880	1,432	(3,343)	(367)	781	-	-	28,100	1,400	75,092
-	1,652	(25,334)	11,862	1,087	583	3,766	913	484,113	-	542,800
<u>\$ 114</u>	<u>\$ 2,532</u>	<u>\$ (23,902)</u>	<u>\$ 8,519</u>	<u>\$ 720</u>	<u>\$ 1,364</u>	<u>\$ 3,766</u>	<u>\$ 913</u>	<u>\$ 512,213</u>	<u>\$ 1,400</u>	<u>\$ 617,892</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Debt Service Funds

Year Ended December 31, 2014

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>TOTAL</u>
Revenues:			
Other	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Debt Service:			
Principal retirement	441,606	-	441,606
Interest and fiscal charges	<u>151,356</u>	<u>-</u>	<u>151,356</u>
Total expenditures	<u>592,962</u>	<u>-</u>	<u>592,962</u>
Excess of revenues over (under) expenditures	<u>(592,962)</u>	<u>-</u>	<u>(592,962)</u>
Other financing sources			
Transfers in	<u>592,962</u>	<u>-</u>	<u>592,962</u>
Total other financing sources	<u>592,962</u>	<u>-</u>	<u>592,962</u>
Net change in fund balances	-	-	-
Fund balance at beginning of year	<u>385,239</u>	<u>23,228</u>	<u>408,467</u>
Fund balance at end of year	<u>\$ 385,239</u>	<u>\$ 23,228</u>	<u>\$ 408,467</u>

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2014

	Capital Improvements	Home Depot TIF	Harrison Avenue TIF	Street and Safety Construction	TOTAL
Revenues:					
Property and other taxes	\$ 97,283	\$ -	\$ -	\$ -	\$ 97,283
Payments in lieu of taxes	-	223,478	253,486	-	476,964
Intergovernmental	439,529	15,526	-	-	455,055
Other	-	4,605	-	-	4,605
Total revenues	<u>536,812</u>	<u>243,609</u>	<u>253,486</u>	<u>-</u>	<u>1,033,907</u>
Expenditures:					
Current:					
General government	-	104,321	116,962	-	221,283
Capital outlay	867,432	310,860	-	-	1,178,292
Debt service					
Interest and fiscal charges	-	26,612	-	-	26,612
Total expenditures	<u>867,432</u>	<u>441,793</u>	<u>116,962</u>	<u>-</u>	<u>1,426,187</u>
Excess of revenues over (under) expenditures	<u>(330,620)</u>	<u>(198,184)</u>	<u>136,524</u>	<u>-</u>	<u>(392,280)</u>
Other financing uses:					
Transfers out	(14,050)	(74,964)	(130,613)	-	(219,627)
OPWC loans issued	317,712	-	-	-	317,712
Total other financing uses	<u>303,662</u>	<u>(74,964)</u>	<u>(130,613)</u>	<u>-</u>	<u>98,085</u>
Net change in fund balance	(26,958)	(273,148)	5,911	-	(294,195)
Fund balance at beginning of year	<u>(99,499)</u>	<u>(843,967)</u>	<u>7,340</u>	<u>2,887</u>	<u>(933,239)</u>
Fund balance at end of year	<u>\$ (126,457)</u>	<u>\$ (1,117,115)</u>	<u>\$ 13,251</u>	<u>\$ 2,887</u>	<u>\$ (1,227,434)</u>

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

Street Maintenance and Repair

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 455,000	\$ 466,020	\$ 11,020
Charges for services	7,800	8,159	359
Other	8,000	780	(7,220)
Total revenues	<u>470,800</u>	<u>474,959</u>	<u>4,159</u>
Expenditures:			
Current:			
Transportation			
Personal services	506,486	483,636	22,850
Operations/maintenance	136,428	131,543	4,885
Total transportation	<u>642,914</u>	<u>615,179</u>	<u>27,735</u>
Total expenditures	<u>642,914</u>	<u>615,179</u>	<u>27,735</u>
Excess of revenues over (under) expenditures	<u>(172,114)</u>	<u>(140,220)</u>	<u>31,894</u>
Other financing sources:			
Transfers in	<u>169,528</u>	<u>155,408</u>	<u>(14,120)</u>
Net change in fund balance	(2,586)	15,188	\$ 17,774
Fund balance, beginning of year	2,646	2,646	
Prior year encumbrances appropriated	2,586	2,586	
Fund balance, end of year	<u>\$ 2,646</u>	<u>\$ 20,420</u>	

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

State Highway Improvements

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 31,500	\$ 32,173	\$ 673
Total revenues	<u>31,500</u>	<u>32,173</u>	<u>673</u>
Expenditures:			
Current:			
Transportation			
Operations/maintenance	<u>37,305</u>	<u>36,955</u>	<u>350</u>
Total expenditures	<u>37,305</u>	<u>36,955</u>	<u>350</u>
Net change in fund balance	(5,805)	(4,782)	\$ 1,023
Fund balance, beginning of year	15,009	15,009	
Prior year encumbrances appropriated	<u>805</u>	<u>805</u>	
Fund balance, end of year	<u>\$ 10,009</u>	<u>\$ 11,032</u>	

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

Fire Memorial

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 2,000	\$ 1,205	\$ (795)
Total revenues	<u>2,000</u>	<u>1,205</u>	<u>(795)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>2,059</u>	<u>752</u>	<u>1,307</u>
Total expenditures	<u>2,059</u>	<u>752</u>	<u>1,307</u>
Net change in fund balance	(59)	453	\$ 512
Fund balance, beginning of year	7,577	7,577	
Prior year encumbrances appropriated	<u>59</u>	<u>59</u>	
Fund balance, end of year	<u>\$ 7,577</u>	<u>\$ 8,089</u>	

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

Community Center

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 40,582	\$ 38,648	\$ (1,934)
Other	-	42	42
Total revenues	<u>40,582</u>	<u>38,690</u>	<u>(1,892)</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	65,819	58,826	6,993
Operations/maintenance	73,182	69,217	3,965
Capital outlay	300	300	-
Total leisure time activity	<u>139,301</u>	<u>128,343</u>	<u>10,958</u>
Total expenditures	<u>139,301</u>	<u>128,343</u>	<u>10,958</u>
Excess of revenues over (under) expenditures	<u>(98,719)</u>	<u>(89,653)</u>	<u>9,066</u>
Other financing sources:			
Transfers in	<u>99,019</u>	<u>90,772</u>	<u>(8,247)</u>
Net change in fund balance	300	1,119	\$ 819
Fund balance, beginning of year	(282)	(282)	
Prior year encumbrances appropriated	282	282	
Fund balance, end of year	<u>\$ 300</u>	<u>\$ 1,119</u>	

CITY OF HARRISON, OHIO

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

Fire Capital Reserve

Year Ended December 31, 2014

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

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

Senior Center

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 138,115	\$ 129,354	\$ (8,761)
Contributions	26,000	23,980	(2,020)
Total revenues	<u>164,115</u>	<u>153,334</u>	<u>(10,781)</u>
Expenditures:			
Current:			
Public health services			
Personal services	172,665	152,938	19,727
Operations/maintenance	77,834	65,656	12,178
Total expenditures	<u>250,499</u>	<u>218,594</u>	<u>31,905</u>
Excess of revenues over (under) expenditures	<u>(86,384)</u>	<u>(65,260)</u>	<u>21,124</u>
Other financing sources:			
Transfers in	<u>85,192</u>	<u>78,100</u>	<u>(7,092)</u>
Net change in fund balance	(1,192)	12,840	\$ 14,032
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>1,192</u>	<u>1,192</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ 14,032</u>	

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

Passport Account

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Intergovernmental	\$ 3,000	\$ 2,494	\$ (506)
Charges for services	6,000	5,028	(972)
Total revenues	<u>9,000</u>	<u>7,522</u>	<u>(1,478)</u>
Expenditures:			
Current:			
Public health services			
Personal services	7,500	5,739	1,761
Operations/maintenance	<u>3,000</u>	<u>2,269</u>	<u>731</u>
Total public health services	<u>10,500</u>	<u>8,008</u>	<u>2,492</u>
Total expenditures	<u>10,500</u>	<u>8,008</u>	<u>2,492</u>
Net change in fund balance	(1,500)	(486)	\$ 1,014
Fund balance, beginning of year	<u>1,641</u>	<u>1,641</u>	
Fund balance, end of year	<u>\$ 141</u>	<u>\$ 1,155</u>	

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

Court Computer

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 1,200	\$ 1,209	\$ 9
Total revenues	<u>1,200</u>	<u>1,209</u>	<u>9</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Net change in fund balance	-	9	\$ 9
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ 9</u>	

CITY OF HARRISON, OHIO

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

Project Lifesaver

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 500	\$ 880	\$ 380
Total revenues	<u>500</u>	<u>880</u>	<u>380</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net change in fund balance	(1,500)	880	\$ 2,380
Fund balance, beginning of year	<u>1,652</u>	<u>1,652</u>	
Fund balance, end of year	<u>\$ 152</u>	<u>\$ 2,532</u>	

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

Police Pension

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 59,719	\$ 58,751	\$ (968)
Intergovernmental	6,424	6,986	562
Total revenues	<u>66,143</u>	<u>65,737</u>	<u>(406)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	340,367	330,760	9,607
Operations/maintenance	850	850	-
Total expenditures	<u>341,217</u>	<u>331,610</u>	<u>9,607</u>
Excess of revenues over (under) expenditures	<u>(275,074)</u>	<u>(265,873)</u>	<u>9,201</u>
Other financing sources:			
Transfers in	<u>275,074</u>	<u>265,028</u>	<u>(10,046)</u>
Net change in fund balance	-	(845)	\$ (845)
Fund balance, beginning of year	<u>883</u>	<u>883</u>	
Fund balance, end of year	<u>\$ 883</u>	<u>\$ 38</u>	

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

Drug Law Enforcement

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 3,000	\$ 2,098	\$ (902)
Other	10,000	4,675	(5,325)
Total revenues	<u>13,000</u>	<u>6,773</u>	<u>(6,227)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>10,594</u>	<u>10,491</u>	<u>103</u>
Total expenditures	<u>10,594</u>	<u>10,491</u>	<u>103</u>
Net change in fund balance	2,406	(3,718)	\$ (6,124)
Fund balance, beginning of year	11,568	11,568	
Prior year encumbrances appropriated	<u>294</u>	<u>294</u>	
Fund balance, end of year	<u>\$ 14,268</u>	<u>\$ 8,144</u>	

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

Law Enforcement Trust

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 1,000	\$ 282	\$ (718)
Total revenues	<u>1,000</u>	<u>282</u>	<u>(718)</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>1,000</u>	<u>749</u>	<u>251</u>
Total expenditures	<u>1,000</u>	<u>749</u>	<u>251</u>
Net change in fund balance	-	(467)	\$ (467)
Fund balance, beginning of year	<u>1,087</u>	<u>1,087</u>	
Fund balance, end of year	<u><u>\$ 1,087</u></u>	<u><u>\$ 620</u></u>	

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

Enforcement and Education

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ 300	\$ 785	\$ 485
Total revenues	<u>300</u>	<u>785</u>	<u>485</u>
Expenditures:			
Current:			
Security of persons and property			
Operations/maintenance	<u>300</u>	<u>39</u>	<u>261</u>
Total expenditures	<u>300</u>	<u>39</u>	<u>261</u>
Net change in fund balance	-	746	\$ 746
Fund balance, beginning of year	<u>583</u>	<u>583</u>	
Fund balance, end of year	<u><u>\$ 583</u></u>	<u><u>\$ 1,329</u></u>	

CITY OF HARRISON, OHIO

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

FEMA

Year Ended December 31, 2014

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

CITY OF HARRISON, OHIO

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

Police Memorial

Year Ended December 31, 2014

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

CITY OF HARRISON, OHIO

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

Recreation Tax Receipts

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 25,000	\$ 28,100	\$ 3,100
Total revenues	<u>25,000</u>	<u>28,100</u>	<u>3,100</u>
Net change in fund balance	25,000	28,100	\$ 3,100
Fund balance, beginning of year	<u>484,113</u>	<u>484,113</u>	
Fund balance, end of year	<u>\$ 509,113</u>	<u>\$ 512,213</u>	

CITY OF HARRISON, OHIO

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

Indigent Interlock Fund

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Fines, costs and forfeitures	\$ -	\$ 1,400	\$ 1,400
Total revenues	<u>-</u>	<u>1,400</u>	<u>1,400</u>
 Net change in fund balance	-	1,400	\$ 1,400
 Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,400</u></u>	

CITY OF HARRISON, OHIO

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

Recreation Activity Receipts (1)

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Contributions	\$ 1,500	\$ 1,500	\$ -
Other	<u>8,500</u>	<u>8,373</u>	<u>(127)</u>
Total revenues	<u>10,000</u>	<u>9,873</u>	<u>(127)</u>
Expenditures:			
Current:			
Leisure time activities			
Operations/maintenance	<u>10,417</u>	<u>5,557</u>	<u>4,860</u>
Total expenditures	<u>10,417</u>	<u>5,557</u>	<u>4,860</u>
Net change in fund balance	(417)	4,316	\$ 4,733
Fund balance, beginning of year	34,471	34,471	
Prior year encumbrances appropriated	<u>417</u>	<u>417</u>	
Fund balance, end of year	<u>\$ 34,471</u>	<u>\$ 39,204</u>	

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

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

Debt Service Fund

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Expenditures:			
Debt service:			
Principal	\$ 2,240,964	\$ 2,240,964	\$ -
Interest and fiscal charges	<u>188,126</u>	<u>188,126</u>	<u>-</u>
Total expenditures	<u>2,429,090</u>	<u>2,429,090</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>2,429,090</u>	<u>2,429,090</u>	<u>-</u>
Net change in fund balance	-	-	\$ -
Fund balance, beginning of year	<u>385,239</u>	<u>385,239</u>	
Fund balance, end of year	<u>\$ 385,239</u>	<u>\$ 385,239</u>	

CITY OF HARRISON, OHIO

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

Special Assessment

Year Ended December 31, 2014

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

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

Capital Improvement Fund

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Property and other taxes	\$ 75,000	\$ 90,487	\$ 15,487
Intergovernmental	392,000	392,000	-
Total revenues	<u>467,000</u>	<u>482,487</u>	<u>15,487</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	<u>77,784</u>	<u>77,784</u>	<u>-</u>
Total general government	<u>77,784</u>	<u>77,784</u>	<u>-</u>
Capital outlay			
Capital improvements	<u>1,220,138</u>	<u>875,198</u>	<u>344,940</u>
Total capital outlay	<u>1,220,138</u>	<u>875,198</u>	<u>344,940</u>
Total expenditures	<u>1,297,922</u>	<u>952,982</u>	<u>344,940</u>
Excess of revenues over (under) expenditures	(830,922)	(470,495)	360,427
Other financing sources (uses):			
Bond anticipation notes issued	275,000	275,000	-
OPWC loans issued	724,543	317,712	(406,831)
Transfers out	<u>(289,050)</u>	<u>(289,050)</u>	<u>-</u>
Total other financing sources (uses)	<u>710,493</u>	<u>303,662</u>	<u>(406,831)</u>
Net change in fund balance	(120,429)	(166,833)	\$ (46,404)
Fund balance, beginning of year	(165,132)	(165,132)	
Prior year encumbrances appropriated	<u>339,605</u>	<u>339,605</u>	
Fund balance, end of year	<u>\$ 54,044</u>	<u>\$ 7,640</u>	

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

Home Depot TIF

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	\$ 206,000	\$ 223,478	\$ 17,478
Intergovernmental	458,870	251,340	(207,530)
Total revenues	<u>664,870</u>	<u>474,818</u>	<u>(190,052)</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	109,376	108,803	573
Total general government	<u>109,376</u>	<u>108,803</u>	<u>573</u>
Capital outlay			
Capital improvements	471,649	337,431	134,218
Total capital outlay	<u>471,649</u>	<u>337,431</u>	<u>134,218</u>
Total expenditures	<u>581,025</u>	<u>446,234</u>	<u>134,791</u>
Excess of revenues over (under) expenditures	<u>83,845</u>	<u>28,584</u>	<u>(55,261)</u>
Other financing sources (uses):			
Transfers out	(1,351,576)	(1,351,576)	-
Bond anticipation notes issued	<u>1,254,605</u>	<u>1,254,605</u>	-
Total other financing sources (uses)	<u>(96,971)</u>	<u>(96,971)</u>	-
Net change in fund balance	(13,126)	(68,387)	\$ (55,261)
Fund balance, beginning of year	(265,378)	(265,378)	
Prior year encumbrances appropriated	<u>466,650</u>	<u>466,650</u>	
Fund balance, end of year	<u>\$ 188,146</u>	<u>\$ 132,885</u>	

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

Harrison Avenue TIF

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:			
Payments in lieu of taxes	\$ 246,800	\$ 253,486	\$ 6,686
Total revenues	<u>246,800</u>	<u>253,486</u>	<u>6,686</u>
Expenditures:			
Current:			
General government			
Operations/maintenance	<u>117,141</u>	<u>116,962</u>	<u>179</u>
Total general government	<u>117,141</u>	<u>116,962</u>	<u>179</u>
Total expenditures	<u>117,141</u>	<u>116,962</u>	<u>179</u>
Excess of revenues over expenditures	<u>129,659</u>	<u>136,524</u>	<u>6,865</u>
Other financing uses:			
Transfers out	<u>(130,613)</u>	<u>(130,613)</u>	<u>-</u>
Total other financing uses	<u>(130,613)</u>	<u>(130,613)</u>	<u>-</u>
Net change in fund balance	(954)	5,911	\$ 6,865
Fund balance, beginning of year	<u>7,340</u>	<u>7,340</u>	
Fund balance, end of year	<u>\$ 6,386</u>	<u>\$ 13,251</u>	

CITY OF HARRISON, OHIO

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

Street and Safety Construction

Year Ended December 31, 2014

	Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year	\$ 2,887	\$ 2,887	
Fund balance, end of year	<u>\$ 2,887</u>	<u>\$ 2,887</u>	

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NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Storm Water

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

Water/Wastewater Deposits

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

Sanitation

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

CITY OF HARRISON, OHIO

Combining Statement of Fund Net Position

Nonmajor Enterprise Funds

December 31, 2014

	Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 2,332	\$ 92,431	\$ 207,934	\$ 302,697
Receivables:				
Accounts	7,944	-	32,321	40,265
Total current assets	<u>10,276</u>	<u>92,431</u>	<u>240,255</u>	<u>342,962</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	1,921,412	-	-	1,921,412
Total assets	<u>1,931,688</u>	<u>92,431</u>	<u>240,255</u>	<u>2,264,374</u>
Liabilities and Net Position:				
Liabilities:				
Current liabilities:				
Accounts payable	100	-	39,351	39,451
Advances from other funds	57,178	-	-	57,178
OPWC loan payable, current portion of	21,030	-	-	21,030
Total current liabilities	<u>78,308</u>	<u>-</u>	<u>39,351</u>	<u>117,659</u>
Long-term liabilities:				
OPWC loan payable, net of current portion	283,905	-	-	283,905
Total long-term liabilities	<u>283,905</u>	<u>-</u>	<u>-</u>	<u>283,905</u>
Total liabilities	<u>362,213</u>	<u>-</u>	<u>39,351</u>	<u>401,564</u>
Net position:				
Net investment in capital assets	1,616,477	-	-	1,616,477
Unrestricted (deficit)	(47,002)	92,431	200,904	246,333
Total net position	<u>\$ 1,569,475</u>	<u>\$ 92,431</u>	<u>\$ 200,904</u>	<u>\$ 1,862,810</u>

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2014

	<u>Storm Water</u>	<u>Water/Wastewater Deposits</u>	<u>Sanitation</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 110,857	\$ 11,855	\$ 459,286	\$ 581,998
Total operating revenues	<u>110,857</u>	<u>11,855</u>	<u>459,286</u>	<u>581,998</u>
Operating expenses:				
Contractual services	301	-	464,521	464,822
Other	-	3,667	-	3,667
Depreciation	<u>46,613</u>	<u>-</u>	<u>-</u>	<u>46,613</u>
Total operating expenses	<u>46,914</u>	<u>3,667</u>	<u>464,521</u>	<u>515,102</u>
Operating income (loss)	63,943	8,188	(5,235)	66,896
Transfers out	<u>(28,468)</u>	<u>-</u>	<u>-</u>	<u>(28,468)</u>
Change in net position	35,475	8,188	(5,235)	38,428
Net position, beginning of year	<u>1,534,000</u>	<u>84,243</u>	<u>206,139</u>	<u>1,824,382</u>
Net position, end of year	<u>\$ 1,569,475</u>	<u>\$ 92,431</u>	<u>\$ 200,904</u>	<u>\$ 1,862,810</u>

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2014

	Storm Water	Water/Wastewater Deposits	Sanitation	Total
Cash flows from operating activities:				
Cash received from customers	\$ 112,811	\$ 11,855	\$ 468,103	\$ 592,769
Cash payments to suppliers for goods and services	(301)	-	(428,177)	(428,478)
Cash payments for other operating expenses	-	(3,667)	-	(3,667)
Net cash from operating activities	<u>112,510</u>	<u>8,188</u>	<u>39,926</u>	<u>160,624</u>
Cash flows from noncapital financing activities:				
Transfers	(28,468)	-	-	(28,468)
Return advances to other funds	(75,000)	-	-	(75,000)
Net cash from noncapital financing activities	<u>(103,468)</u>	<u>-</u>	<u>-</u>	<u>(103,468)</u>
Cash flows from capital and related financing activities:				
Principal retirement	(21,030)	-	-	(21,030)
Net cash from capital and related financing activities	<u>(21,030)</u>	<u>-</u>	<u>-</u>	<u>(21,030)</u>
Net change	(11,988)	8,188	39,926	36,126
Cash and pooled investments beginning of year	<u>14,320</u>	<u>84,243</u>	<u>168,008</u>	<u>266,571</u>
Cash and pooled investments end of year	<u>\$ 2,332</u>	<u>\$ 92,431</u>	<u>\$ 207,934</u>	<u>\$ 302,697</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 63,943	\$ 8,188	\$ (5,235)	\$ 66,896
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	46,613	-	-	46,613
Changes in assets and liabilities:				
Receivables	1,954	-	8,817	10,771
Accounts payable	-	-	36,344	36,344
Net cash from by operating activities	<u>\$ 112,510</u>	<u>\$ 8,188</u>	<u>\$ 39,926</u>	<u>\$ 160,624</u>

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

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

Mayor's Court

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

Joint Economic Development District

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

Benefit Clearing

This fund accounts for employee pension and flexible spending account contributions.

CITY OF HARRISON, OHIO

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Mayor's Court				
Assets:				
Cash in segregated accounts	\$ 14,397	\$ 212,834	\$ 213,988	\$ 13,243
Liabilities:				
Intergovernmental payable	14,397	212,834	213,988	13,243
<hr/>				
Joint Economic Development District				
Assets:				
Equity in pooled cash and investments	26,667	219,190	219,415	26,442
Income taxes receivable	49,974	43,063	49,974	43,063
Total assets	76,641	262,253	269,389	69,505
Liabilities:				
Intergovernmental payable	76,641	262,253	269,389	69,505
<hr/>				
Benefit Clearing				
Assets:				
Equity in pooled cash and investments	-	39,099	27,238	11,861
Total assets	-	39,099	27,238	11,861
Liabilities:				
Intergovernmental payable	-	39,099	27,238	11,861
<hr/>				
TOTAL				
Assets:				
Cash in segregated accounts	14,397	212,834	213,988	13,243
Equity in pooled cash and investments	26,667	258,289	246,653	38,303
Income taxes receivable	49,974	43,063	49,974	43,063
Total assets	91,038	514,186	510,615	94,609
Liabilities:				
Intergovernmental payable	91,038	514,186	510,615	94,609
Total liabilities	\$ 91,038	\$ 514,186	\$ 510,615	\$ 94,609

**STATISTICAL
SECTION**

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STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF HARRISON, OHIO

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

	2014	2013 ⁽¹⁾	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$ 12,002,240	\$ 11,201,136	\$ 10,827,649	\$ 9,273,676	\$ 8,613,002	\$ 8,700,582	\$ 8,188,666	\$ 7,218,367	\$ 6,208,120	\$ 6,305,598
Restricted:										
Capital Projects	1,472,849	1,243,568	70,399	320,110	463,089	246,153	802,220	833,089	1,147,150	430,814
Debt Service	-	-	-	-	349,409	381,877	607,608	879,953	1,097,636	1,087,694
Streets and Highways	163,568	193,356	302,855	434,498	618,134	807,072	779,370	547,732	438,369	354,940
Recreation	493,991	496,461	490,505	529,826	441,070	293,901	194,023	104,032	89,697	236,584
Other Purposes	-	288,152	172,248	172,805	253,799	579,115	769,187	973,782	837,138	1,022,544
Unrestricted	184,806	(646,855)	434,520	528,906	898,341	899,413	2,243,692	2,131,089	1,398,851	1,345,503
Total Governmental Activities Net Position	14,317,454	12,775,818	12,298,176	11,259,821	11,636,844	11,908,113	13,584,766	12,688,044	11,216,961	10,783,677
Business Type - Activities										
Net investment in capital assets	8,685,415	8,321,936	8,636,600	8,547,117	6,955,754	8,017,742	8,208,988	8,203,170	8,244,568	6,593,538
Restricted	1,525,963	1,885,810	2,131,205	2,183,434	2,183,465	2,148,863	2,112,293	2,103,523	1,997,344	1,604,388
Unrestricted	1,238,278	1,276,607	1,637,109	2,028,991	3,748,975	2,638,922	3,358,016	3,844,896	3,676,592	5,390,514
Total Business-Type Activities Net Position	11,449,656	11,484,353	12,404,914	12,759,542	12,888,194	12,805,527	13,679,297	14,151,589	13,918,504	13,588,440
Primary Government										
Net investment in capital assets	20,687,655	19,523,072	19,464,249	17,820,793	15,568,756	16,718,324	16,397,654	15,421,537	14,452,688	12,899,136
Restricted	3,656,371	4,107,347	3,167,212	3,640,673	4,308,966	4,456,981	5,264,701	5,442,111	5,607,334	4,736,964
Unrestricted	1,423,084	629,752	2,071,629	2,557,897	4,647,316	3,538,335	5,601,708	5,975,985	5,075,443	6,736,017
Total Primary Government Net Position	\$ 25,767,110	\$ 24,260,171	\$ 24,703,090	\$ 24,019,363	\$ 24,525,038	\$ 24,713,640	\$ 27,264,063	\$ 26,839,633	\$ 25,135,465	\$ 24,372,117

(1) 2013 was the first year the City implemented GASB 65; the City elected to apply the standard prospectively.

Source: City financial records

CITY OF HARRISON, OHIO

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	\$ 759,496	\$ 868,095	\$ 870,269	\$ 745,046	\$ 893,571	\$ 698,301	\$ 595,500	\$ 594,535	\$ 554,805	\$ 563,405
Public Health Services	27,548	36,320	46,240	49,732	25,858	35,097	157,651	161,182	99,866	129,583
Leisure Time Activities	37,754	53,471	58,076	73,529	71,358	72,138	68,899	112,069	-	63,520
Community and Economic Development	152,164	133,226	104,960	117,564	47,195	152,332	86,114	161,103	178,519	192,412
Transportation	-	-	-	-	375	-	120	480	-	120
General Government	297,033	290,841	369,377	369,018	369,018	97,079	91,539	88,502	83,194	84,939
Operating Grants and Contributions	677,047	692,625	706,475	680,347	877,907	896,275	756,604	462,771	483,100	547,153
Capital Grants and Contributions	439,529	339,905	1,313,600	489,106	-	265,063	528,547	243,409	243,409	273,327
Total Governmental Activities Program Revenues	2,390,571	2,414,483	3,468,997	2,524,342	2,284,907	2,216,660	2,284,974	2,016,821	1,642,893	1,854,459
Business-Type Activities:										
Charges for Services:										
Water	1,568,955	1,509,511	1,415,656	1,350,769	1,288,614	1,224,384	1,317,775	1,431,917	1,406,498	1,431,799
Sewer	3,284,457	3,165,519	3,207,159	3,045,977	2,833,348	2,433,320	2,251,507	2,179,071	2,146,156	2,103,560
Storm Water	110,857	112,006	111,424	118,253	105,247	179,977	94,862	27,146	-	-
Water/Wastewater Deposits	11,855	9,745	7,126	5,622	5,578	8,916	4,660	8,055	10,221	5,805
Sanitation	459,286	462,736	453,360	444,775	424,907	377,239	365,055	375,069	387,944	334,833
Operating Grants and Contributions	-	-	-	-	-	8,047	58,837	8,377	3,566	-
Capital Grants and Contributions	-	-	-	-	-	-	185,022	-	-	-
Total Business-Type Activities Program Revenues	5,435,410	5,259,517	5,194,725	4,965,396	4,657,694	4,231,883	4,277,718	4,029,635	3,954,385	3,875,997
Total Primary Government	7,825,981	7,674,000	8,663,722	7,489,738	6,942,601	6,448,543	6,562,692	6,046,456	5,597,278	5,730,456
Expenses:										
Governmental Activities:										
Security of Persons and Property	\$ 5,890,076	\$ 6,085,651	\$ 6,261,278	\$ 6,436,476	\$ 5,841,459	\$ 6,743,223	\$ 4,965,899	\$ 4,683,372	\$ 4,536,986	\$ 4,572,970
Public Health Services	234,620	250,573	316,702	314,128	339,855	400,154	313,537	281,603	264,800	302,458
Leisure Time Activities	205,074	216,324	266,164	303,402	315,334	369,208	332,381	308,959	304,242	225,342
Community and Economic Development	43,944	33,721	104,288	127,997	138,115	150,035	110,453	125,886	108,382	103,838
Transportation	834,448	807,923	919,283	914,534	971,886	889,189	738,160	685,405	629,650	564,912
General Government	827,579	793,184	1,138,495	1,291,876	1,299,480	1,526,678	1,011,755	839,493	1,138,392	884,336
Interest and Fiscal Charges	221,787	248,331	242,803	244,701	295,479	230,125	214,254	108,342	195,440	187,483
Total Governmental Activities Expenses	8,257,528	8,435,707	9,249,013	9,633,114	9,201,608	10,308,612	7,686,439	7,033,060	7,177,892	6,841,339
Business-Type Activities:										
Water	1,737,239	1,951,365	1,601,191	1,564,893	1,387,114	1,826,364	1,117,172	941,915	1,069,343	1,124,409
Sewer	3,371,585	3,193,149	3,462,848	3,076,759	2,653,586	2,931,737	2,776,374	2,551,359	2,511,568	2,561,278
Storm Water	46,914	46,813	46,613	114,987	129,183	50,123	617,408	38,301	39,663	24,211
Water/Wastewater Deposits	3,667	1,166	2,500	2,240	3,098	1,824	848	959	774	529
Sanitation	464,521	499,475	414,627	446,402	423,451	434,487	355,800	384,917	376,338	317,682
Total Business-Type Activities Expenses	5,623,926	5,691,968	5,527,779	5,205,281	4,596,432	5,244,535	4,867,602	3,917,451	3,997,686	4,028,109
Total Primary Government	13,881,454	14,127,675	14,776,792	14,838,395	13,798,040	15,553,147	12,554,041	10,950,511	11,175,578	10,869,448
Net (Expense) Revenue:										
Governmental Activities	\$ (5,866,957)	\$ (6,021,224)	\$ (5,780,016)	\$ (7,108,772)	\$ (6,916,701)	\$ (8,091,952)	\$ (5,401,465)	\$ (5,016,239)	\$ (5,534,999)	\$ (4,986,880)
Business-Type Activities	(188,516)	(432,451)	(333,054)	(239,885)	61,262	(1,012,652)	(589,884)	112,184	(43,301)	(152,112)
Total Primary Government Net Expense	\$ (6,055,473)	\$ (6,453,675)	\$ (6,113,070)	\$ (7,348,657)	\$ (6,855,439)	\$ (9,104,604)	\$ (5,991,349)	\$ (4,904,055)	\$ (5,578,300)	\$ (5,138,992)

continued

CITY OF HARRISON, OHIO

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	\$ 1,102,619	\$ 1,074,061	\$ 1,133,971	\$ 1,177,650	\$ 1,114,994	\$ 1,257,994	\$ 1,175,925	\$ 1,182,350	\$ 1,154,940	\$ 1,105,350
Fire Improvements	1,165,037	1,130,567	1,141,133	1,174,922	1,151,918	739,772	857,520	915,426	902,383	896,472
Police Pension	58,693	57,150	57,978	62,067	58,466	54,489	60,085	58,283	65,937	61,785
Recreation	28,100	19,200	19,600	18,318	14,800	14,800	14,800	32,400	34,300	42,489
Capital Projects	97,283	70,016	92,683	60,951	62,672	255,008	244,635	233,431	210,660	199,490
Municipal Income Taxes levied for:										
General Purposes	3,967,772	3,138,686	3,212,378	2,956,342	2,927,295	2,860,771	3,034,376	2,951,057	2,794,284	2,586,428
Payment in Lieu of Taxes	454,961	462,470	453,214	436,412	259,559	-	-	-	-	-
Grants and Entitlements not Restricted to Specific Programs	483,551	498,626	479,451	719,408	903,534	1,013,554	575,158	655,461	478,657	680,472
Investment Earnings	16,071	21,841	28,313	34,474	56,698	67,215	201,017	321,019	217,467	161,035
Miscellaneous	92,860	76,036	171,181	74,513	99,419	151,696	60,817	107,742	100,066	250,567
Transfers	28,468	28,469	28,469	28,469	-	-	80,154	30,153	9,589	(1,663,768)
Total Governmental Activities	7,495,415	6,577,122	6,818,371	6,731,749	6,652,873	6,415,299	6,298,187	6,487,322	5,968,283	4,320,320
Business-Type Activities:										
Investment Earnings	611	820	948	1,882	2,233	13,472	187,861	140,535	136,586	90,501
Miscellaneous	1,812	2,209	5,947	137,820	19,172	125,410	9,885	10,519	246,368	52,382
Transfers	(28,468)	(28,469)	(28,469)	(28,469)	-	-	(80,154)	(30,153)	(9,589)	1,663,768
Total Business-Type Activities	(26,045)	(25,440)	(21,574)	111,233	21,405	138,882	117,592	120,901	373,365	1,806,651
Total Primary Government	\$ 7,469,370	\$ 6,551,682	\$ 6,796,797	\$ 6,842,982	\$ 6,674,278	\$ 6,554,181	\$ 6,415,779	\$ 6,608,223	\$ 6,341,648	\$ 6,126,971
Changes in Net Position:										
Governmental Activities	\$ 1,628,458	\$ 555,898	\$ 1,038,355	\$ (377,023)	\$ (263,828)	\$ (1,676,653)	\$ 896,722	\$ 1,471,083	\$ 433,284	\$ (666,560)
Business-Type Activities	(214,561)	(457,891)	(354,628)	(128,652)	82,667	(873,770)	(472,292)	233,085	330,064	1,654,539
Total Primary Government	\$ 1,413,897	\$ 98,007	\$ 683,727	\$ (505,675)	\$ (181,161)	\$ (2,550,423)	\$ 424,430	\$ 1,704,168	\$ 763,348	\$ 987,979

Source: City financial records

CITY OF HARRISON, OHIO

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 107,219	\$ 138,909	\$ 94,110	\$ 89,890	\$ 74,089	\$ 249,579
Unreserved	-	-	-	-	973,409	1,372,342	1,937,901	1,787,588	1,171,804	738,136
Nonspendable	81,661	159,782	44,307	61,155	-	-	-	-	-	-
Assigned	64,667	393,296	562,112	256,401	-	-	-	-	-	-
Unassigned	740,820	-	73,663	560,025	-	-	-	-	-	-
Total General Fund	\$ 887,148	\$ 553,078	\$ 680,082	\$ 877,581	\$ 1,080,628	\$ 1,511,251	\$ 2,032,011	\$ 1,877,478	\$ 1,245,893	\$ 987,715

All Other Governmental Funds:

Reserved	\$ -	\$ -	\$ -	\$ -	\$ 276,219	\$ 350,647	\$ 77,949	\$ 66,766	\$ 23,728	\$ 1,623,732
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	-	787,787	1,047,477	1,458,594	1,402,143	1,280,852	1,337,329
Debt Service Funds	-	-	-	-	410,733	394,074	620,316	923,848	1,108,321	1,098,117
Capital Projects Funds	-	-	-	-	723,045	666,249	787,220	818,482	1,147,150	(1,020,609)
Nonspendable	26,291	25,621	27,702	38,999	-	-	-	-	-	-
Restricted	680,849	608,767	675,513	1,039,070	-	-	-	-	-	-
Committed	-	-	70,850	-	-	-	-	-	-	-
Assigned	386,152	386,152	386,152	386,152	-	-	-	-	-	-
Unassigned	(1,666,725)	(1,325,608)	(1,558,573)	(544,843)	-	-	-	-	-	-
Total All Other Governmental Funds	\$ (573,433)	\$ (305,068)	\$ (398,356)	\$ 919,378	\$ 2,197,784	\$ 2,458,447	\$ 2,944,079	\$ 3,211,239	\$ 3,560,051	\$ 3,038,569

Source: City financial records

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

CITY OF HARRISON, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 6,042,919	\$ 5,516,444	\$ 5,566,501	\$ 5,349,136	\$ 5,310,372	\$ 5,183,896	\$ 5,375,433	\$ 5,299,259	\$ 5,194,401	\$ 4,895,233
Payment in Lieu of Taxes	476,964	454,547	452,863	441,506	240,736	-	-	-	-	-
Intergovernmental	1,679,228	2,658,581	1,589,536	1,891,845	1,736,023	2,192,876	1,766,443	1,431,545	1,201,142	1,533,268
Charges for Services	769,224	864,869	881,137	747,078	968,302	692,342	697,907	750,671	499,626	562,232
Fines, Costs and Forfeitures	152,163	131,101	197,051	196,021	229,666	117,904	126,519	108,891	162,032	202,606
Licenses, Permits and Inspections	298,993	308,476	213,233	223,341	177,223	245,031	172,878	245,275	254,726	269,141
Interest	16,071	21,841	28,313	34,474	58,205	66,941	217,625	321,019	217,467	166,572
Contributions	26,105	33,608	47,270	50,749	6,783	17,680	40	-	-	-
Other	46,681	32,820	337,962	152,887	127,934	211,186	89,008	151,685	77,014	250,567
Total Revenues	9,508,348	10,022,287	9,313,866	9,087,037	8,855,244	8,727,856	8,445,853	8,308,345	7,606,408	7,879,619
Expenditures										
Current:										
Security of persons and property	5,665,366	5,872,990	6,024,562	5,917,133	5,652,619	5,601,881	4,725,957	4,507,623	4,271,258	4,203,191
Public health services	237,289	238,774	306,401	292,932	338,848	371,429	307,502	279,541	258,999	288,470
Leisure time activities	177,236	189,075	200,297	220,659	251,512	294,920	275,595	251,698	238,886	170,999
Community and economic development	43,646	33,680	100,612	124,383	134,578	143,679	109,590	124,646	104,374	100,599
Transportation	613,396	608,994	632,330	677,233	780,692	667,450	579,366	555,511	506,502	470,473
General government	779,533	717,760	1,125,019	1,311,725	1,209,228	1,435,916	1,002,167	836,722	1,011,017	867,722
Capital outlay	1,234,142	1,434,327	2,448,443	1,971,979	785,017	3,143,530	1,105,557	2,379,123	623,455	3,999,031
Debt Service:										
Principal Retirement	743,128	733,287	627,520	573,628	518,871	431,811	395,220	327,701	324,850	289,668
Interest and Fiscal Charges	232,916	255,585	247,899	252,270	265,646	195,481	185,481	37,416	160,022	188,312
Issuance Costs	-	-	-	-	-	87,316	2,493	-	-	71,824
Total Expenditures	9,726,652	10,084,472	11,713,083	11,341,942	9,937,011	12,373,627	8,688,928	9,299,981	7,499,363	10,650,289
Excess of Revenues Over (Under) Expenditures	(218,304)	(62,185)	(2,399,217)	(2,254,905)	(1,081,767)	(3,645,771)	(243,075)	(991,636)	107,045	(2,770,670)
Other Financing Sources (Uses)										
Bond Issuance	-	-	-	-	-	1,810,000	-	-	-	2,135,000
Premium on Bond Issue	-	-	-	-	-	87,316	-	-	-	123,247
Premium on Note Issue	-	-	-	-	-	-	3,281	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(2,189,078)
Accrued Interest on Bond Issue	-	-	-	-	-	-	-	-	-	2,655
Inception of Capital Lease	24,651	-	503,048	226,798	325,430	237,739	47,013	1,244,256	68,856	-
Loan Issuance	317,712	-	352,467	518,185	65,051	504,324	-	-	564,170	476,673
Transfers In	2,504,385	2,476,008	2,334,505	1,719,732	2,115,734	2,007,615	1,754,524	1,615,721	1,654,093	1,842,926
Transfers Out	(2,475,917)	(2,447,539)	(2,306,036)	(1,691,263)	(2,115,734)	(2,007,615)	(1,674,370)	(1,585,568)	(1,614,504)	(1,648,908)
Total Other Financing Sources (Uses)	370,831	28,469	883,984	773,452	390,481	2,639,379	130,448	1,274,409	672,615	742,515
Net Change in Fund Balances	\$ 152,527	\$ (33,716)	\$ (1,515,233)	\$ (1,481,453)	\$ (691,286)	\$ (1,006,392)	\$ (112,627)	\$ 282,773	\$ 779,660	\$ (2,028,155)
Debt Service as a Percentage of Noncapital Expenditures	11.46%	11.45%	9.39%	8.57%	8.47%	7.51%	8.01%	5.38%	7.05%	8.27%

Source: City financial records

CITY OF HARRISON, OHIO

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

Tax Year	Real Property		Public Utility Property		Tangible Personal Property (a)			Total	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Direct Tax Rate
2014	\$ 216,762,780	\$ 619,322,229	\$ 6,397,520	\$ 6,397,520	\$ -	\$ -	\$ 223,160,300	\$ 625,719,749	\$ 14.50
2013	214,369,500	612,484,286	5,952,950	5,952,950	-	-	220,322,450	618,437,236	14.50
2012	211,208,850	603,453,857	5,433,520	5,433,520	-	-	216,642,370	608,887,377	14.50
2011	212,591,880	607,405,371	5,275,410	5,275,410	-	-	217,867,290	612,680,781	14.50
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	14.50
2009	223,533,270	638,666,486	4,314,400	4,314,400	250,870	1,337,973	228,098,540	644,318,859	13.00
2008	220,529,210	630,083,457	3,986,460	3,986,460	5,421,080	28,912,427	229,936,750	674,941,724	13.00
2007	211,870,220	605,343,486	3,858,280	3,858,280	11,914,930	63,546,293	227,643,430	684,322,899	13.00
2006	202,509,130	578,597,514	4,117,220	4,117,220	16,313,010	46,608,600	222,939,360	629,323,334	13.00
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600	215,347,130	629,803,030	13.00

Source: Hamilton County Auditor's Office

Note: Tax collections are one year in arrears (i.e. Tax Year 2013, Collection Year 2014)

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

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

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

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

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

CITY OF HARRISON, OHIO

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

Collection Year	City Levy			Township Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Pension	Police								
2014	5.70	0.30	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	82.50
2013	5.70	0.30	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	82.50
2012	5.70	0.30	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	82.50
2011	5.70	0.30	0.30	8.50	0.06	44.68	19.45	-	2.70	1.03	83.42
2010	5.70	0.30	0.30	8.50	0.06	44.98	20.48	-	2.70	1.03	84.75
2009	5.70	0.30	0.30	7.00	0.06	45.14	20.63	1.25	2.70	1.03	84.81
2008	5.70	0.30	0.30	7.00	0.06	45.30	20.56	1.25	2.70	1.03	84.90
2007	5.70	0.30	0.30	7.00	0.06	45.30	20.18	1.25	2.70	1.03	84.52
2006	5.70	0.30	0.30	7.00	0.06	46.68	19.78	1.25	2.70	1.03	85.53
2005	5.70	0.30	0.30	7.00	0.06	47.08	20.03	1.25	2.70	1.03	86.18

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2014 AND DECEMBER 31, 2005*

December 31, 2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Duke Energy Ohio Inc	\$ 6,310,200	1	2.83%
Hurbert North American	3,066,690	2	1.37%
Indian Footprint	2,504,330	3	1.12%
Maas Enterprises Ltd	2,070,740	4	0.93%
Harrison Center LLC	2,046,100	5	0.92%
Broad Properties LLC	1,681,420	6	0.75%
Mercy Health Plaza	1,559,890	7	0.70%
Toebben LTD	1,512,000	8	0.68%
10700 New Haven LLC	1,303,550	9	0.58%
Broad Capital Group Ltd	1,236,060	10	0.55%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 23,290,980</u>		<u>10.43%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 223,160,300</u>		

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
F & M MAFCO Inc.	\$ 2,616,170	1	1.21%
Wayne Scott Fetzer Co.	1,538,770	2	0.71%
JTM Provisions Co. Inc.	1,428,100	3	0.66%
Campbell Hausfeld Scott	1,330,250	4	0.62%
Cronin Ford Inc.	1,263,790	5	0.59%
Hubert Company LLC	1,175,090	6	0.55%
Supervalu Holdings Inc.	1,122,670	7	0.52%
Harrison Division of MII	1,060,320	8	0.49%
Ilsco Corporation	624,710	9	0.29%
Crown Plastics Co. Inc.	527,940	10	0.25%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 12,687,810</u>		<u>5.89%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 215,347,130</u>		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2014	\$ 3,185,852	\$ 3,083,571	96.79%	\$ 102,281	\$ 3,185,852	100.00%
2013	3,165,713	2,981,765	94.19%	71,749	3,053,514	96.46%
2012	2,874,394	2,621,375	91.20%	91,399	2,712,774	94.38%
2011	2,826,368	2,614,364	92.50%	75,266	2,689,630	95.16%
2010	2,782,684	2,565,609	92.20%	92,270	2,657,879	95.51%
2009	2,390,528	2,283,163	95.51%	104,583	2,387,746	99.88%
2008	2,289,118	2,183,719	95.40%	95,053	2,278,772	99.55%
2007	2,158,045	1,689,521	78.29%	44,064	1,733,585	80.33%
2006	1,977,533	1,904,381	96.30%	54,448	1,958,829	99.05%
2005	1,997,347	1,906,140	95.43%	58,022	1,964,162	98.34%

Source: Hamilton County Auditor's Office

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>
2014	1.00%	\$ 3,822,703	\$ 2,473,014	64.69%	\$ 756,821	19.80%	\$ 592,868	15.51%
2013	1.00%	3,292,815	2,321,760	70.51%	417,624	12.68%	553,431	16.81%
2012	1.00%	3,182,141	2,224,239	69.90%	428,202	13.46%	529,700	16.65%
2011	1.00%	3,074,018	2,187,382	71.16%	424,190	13.80%	462,446	15.04%
2010	1.00%	2,948,728	2,096,429	71.10%	391,585	13.28%	460,714	15.62%
2009	1.00%	2,918,823	2,065,074	70.75%	333,367	11.42%	520,382	17.83%
2008	1.00%	3,057,959	2,121,702	69.38%	444,277	14.53%	491,980	16.09%
2007	1.00%	2,899,733	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,563	1,903,448	69.23%	330,223	12.01%	515,892	18.76%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%	489,707	18.62%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities					Business-Type Activities		
	General Obligation Bonds	OPWC Loans	ODOT Loan	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	
2014	\$ 2,997,216	\$ 1,795,691	\$ 116,161	\$ 1,770,000	\$ 916,900	\$ 5,316,705	\$ 14,776,591	
2013	3,270,236	1,574,976	190,770	1,830,000	1,193,771	5,497,976	15,596,891	
2012	3,533,256	1,670,599	263,188	1,835,000	1,499,017	5,674,248	16,392,191	
2011	3,781,276	1,387,370	333,481	320,000	1,238,958	5,845,520	16,051,562	
2010	3,989,296	921,275	401,713	400,000	1,260,466	6,016,792	16,627,691	
2009	4,157,497	894,080	467,943	445,000	1,169,821	390,000	17,183,820	
2008	2,414,015	413,378	532,230	450,000	1,105,984	410,000	17,674,948	
2007	2,557,848	436,999	564,170	-	1,238,630	435,000	18,106,077	
2006	2,681,682	448,810	564,170	-	170,264	460,000	18,332,205	
2005	2,800,516	476,673	-	-	263,395	510,000	18,558,333	

continued

CITY OF HARRISON, OHIO

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

Year	Business-Type Activities						(a) Total Primary Government	(c) Per Capita Personal Income	Percentage of Personal Income	(b) Population	Per Capita
	Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans							
2014	\$ -	\$ 16,385	\$ 1,504,945	\$ 4,354,369	\$ 33,564,963	N/A	N/A	N/A	10,479	\$ 3,203	
2013	-	43,891	1,618,283	4,917,615	35,734,409	43,923	8%	10,292	3,472		
2012	-	70,676	1,731,621	5,288,295	37,958,091	43,454	9%	10,103	3,757		
2011	-	-	1,844,959	5,631,096	36,432,211	41,738	9%	9,979	3,651		
2010	-	15,183	1,958,297	5,956,905	37,547,618	39,306	10%	9,897	3,794		
2009	5,000,000	29,509	2,071,635	5,996,693	37,805,998	38,771	10%	9,980	3,788		
2008	5,000,000	43,027	2,199,085	3,078,609	33,321,276	40,152	8%	9,980	3,339		
2007	5,000,000	55,782	1,937,994	3,181,172	33,513,672	39,356	9%	9,980	3,400		
2006	-	-	1,764,056	1,919,103	26,340,290	38,458	7%	9,950	2,647		
2005	-	-	200,694	1,602,468	24,412,079	36,620	7%	9,950	2,453		

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

Sources:

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

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Bonded Debt (3)</u>	<u>Ratio of General Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>General Bonded Debt Per Capital</u>
2014	10,479	\$ 625,719,749	\$ 8,313,921	1.33%	\$ 793
2013	10,292	618,437,236	8,768,212	1.42%	852
2012	10,103	608,887,377	9,207,504	1.51%	911
2011	9,979	612,680,781	9,626,796	1.57%	965
2010	9,987	659,672,512	10,006,088	1.52%	1,002
2009	9,980	657,262,059	4,547,497	0.69%	456
2008	9,980	674,941,724	2,824,015	0.42%	283
2007	9,980	684,322,899	2,992,848	0.44%	300
2006	9,950	682,285,114	3,141,682	0.46%	316
2005	9,950	629,803,030	3,310,516	0.53%	333

Sources:

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

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
Direct - City of Harrison			
General Obligation Bonds	\$ 2,997,216	100.00%	\$ 2,997,216
OPWC Loans	1,795,691	100.00%	1,795,691
ODOT Loan	116,161	100.00%	116,161
Capital Leases	<u>916,900</u>	100.00%	<u>916,900</u>
Total Direct Debt	<u>5,825,968</u>		<u>5,825,968</u>
Overlapping			
Hamilton County	72,460,000	1.21%	876,766
Crosby Township	35,000	10.06%	3,521
Southwest Local School District	14,335,000	42.36%	6,072,306
Great Oaks Institute of Technology	<u>12,985,000</u>	1.23%	<u>159,716</u>
Total Overlapping Debt	<u>99,815,000</u>		<u>7,112,309</u>
Total Direct and Overlapping Debt	<u>\$ 105,640,968</u>		<u>\$ 12,938,277</u>

Source: Ohio Municipal Advisory Council

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

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Value	\$ 223,160,300	\$ 220,322,450	\$ 216,642,370	\$ 217,867,290	\$ 233,926,090	\$ 228,098,540	\$ 229,936,750	\$ 227,643,430	\$ 222,939,360	\$ 215,347,130
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	23,431,832	23,133,857	22,747,449	22,876,065	24,562,239	23,950,347	24,143,359	23,902,560	23,408,633	22,611,449
Total Indebtedness	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000
Debt Within 10.5% Limitation	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000
Overall Legal Debt Margin Within 10.5% Limitation	\$ 15,321,832	\$ 14,578,857	\$ 13,762,449	\$ 13,481,065	\$ 14,797,239	\$ 19,475,347	\$ 21,288,359	\$ 20,862,560	\$ 20,203,633	\$ 19,221,449
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 12,273,817	\$ 12,117,735	\$ 11,915,330	\$ 11,982,701	\$ 12,865,935	\$ 12,545,420	\$ 12,646,521	\$ 12,520,389	\$ 12,261,665	\$ 11,844,092
Indebtedness Authorized by Council	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000
Debt Within 5.5% Limitation	8,110,000	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000
Unvoted Legal Debt Margin Within 5.5% Limitation	\$ 4,163,817	\$ 3,562,735	\$ 2,930,330	\$ 2,587,701	\$ 3,100,935	\$ 8,070,420	\$ 9,791,521	\$ 9,480,389	\$ 9,056,665	\$ 8,454,092

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage (3)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 3,285,941	\$ 1,682,416	\$ 1,603,525	\$ 805,000	\$ 502,181	\$ 1,307,181	1.23
2013	3,166,710	1,585,764	1,580,946	780,000	525,581	1,305,581	1.21
2012	3,208,589	1,332,757	1,875,832	400,000	243,076	643,076	2.92
2011	3,182,876	1,203,679	1,979,197	570,000	774,500	1,344,500	1.47
2010	2,835,441	1,096,588	1,738,853	550,000	792,925	1,342,925	1.29
2009	2,565,446	1,138,387	1,427,059	485,000	807,475	1,292,475	1.10
2008	2,466,866	981,777	1,485,089	425,000	818,738	1,243,738	1.19
2007	2,273,290	889,830	1,383,460	220,000	823,798	1,043,798	1.33
2006	2,436,476	842,703	1,593,773	220,000	828,197	1,048,197	1.52
2005	2,168,819	1,008,062	1,160,757	170,000	831,598	1,001,598	1.16

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

(3) The required coverage ratio is 1.10.

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (1)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rates (2)		
				Hamilton County	Ohio	United States
2014	10,479	N/A	3,724	4.0%	4.8%	5.6%
2013	10,292	43,923	3,589	6.2%	7.1%	6.7%
2012	10,103	43,454	3,589	7.0%	7.2%	8.1%
2011	9,979	41,738	3,306	8.6%	8.6%	8.9%
2010	9,897	39,306	3,521	9.4%	10.1%	9.6%
2009	9,980	38,771	3,726	8.8%	10.1%	9.3%
2008	9,980	40,152	3,800	5.6%	6.6%	5.8%
2007	9,980	39,356	3,742	5.0%	5.6%	4.6%
2006	9,950	38,458	3,705	5.2%	5.5%	4.6%
2005	9,950	36,620	3,907	5.4%	5.9%	5.1%

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

Sources:

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

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Southwest Local School District	400-450	1	4.36%	450-500	6	2.77%
Kroger Limited Partnership	400-450	2	4.36%	300-350	5	2.77%
J.T.M. Provisions Company Inc.	400-450	3	4.36%	400-450	3	3.62%
Hubert North America	300-350	4	3.33%	300-350	2	4.04%
F&M Mafco Inc.	200-250	5	2.31%	150-200	n/a	1.49%
Wayne Scott Fetzer Company	150-200	6	1.79%	0	n/a	0.00%
Cincinnati Test Systems	150-200	7	1.79%	0	n/a	1.06%
City of Harrison, Ohio	100-150	8	1.28%	100-150	n/a	0.00%
Campbell Hausfeld/Scott Fetzer	100-150	9	1.28%	650-700	1	5.74%
Fresh Sausage Specialists	<u>50-100</u>	10	<u>0.77%</u>	<u>0</u>	n/a	<u>0.64%</u>
Total	<u>2,250-2,750</u>		<u>25.64%</u>	<u>2,350-2,700</u>		<u>22.13%</u>
Total City Employment	<u>9,500-10,000</u>			<u>11,500-12,000</u>		

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

CITY OF HARRISON, OHIO

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government											
Clerk of Council	1	1	1	1	1	1	1	1	1	1	1
Municipal Court Magistrate	1	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1	1
Finance	1	1	1	2	1	1	1	1	2	2	2
Law	1	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	1	1
Other	9	9	9	11	9	9	9	9	8	6	6
Public Safety											
Police	26	27	27	28	28	25	25	20	25	22	21
Fire	35	36	36	36	42	46	51	46	36	36	39
Health and Welfare											
Senior Center	4	4	4	4	4	4	4	4	4	3	3
Transportation											
Streets	6	6	6	6	6	8	8	8	8	7	6
Community Environment											
Planning	1	1	1	1	1	3	3	3	-	-	-
Building/Zoning	6	6	6	6	6	5	5	5	1	1	2
Leisure Time Activity											
Parks Administration	1	1	1	1	1	1	1	1	2	1	1
Community Center	1	1	1	3	-	2	2	2	2	2	2
Utility Services											
Water	5	6	6	6	6	6	6	6	5	5	4
Sewer	9	8	8	7	8	6	6	6	7	7	9
Total	112	114	114	119	120	124	129	119	108	100	103

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Positions Filled	-	-	7	10	4	3	10	0	2	-
Building Permits Issued	161	115	187	186	244	178	220	177	215	210
Building Inspections Performed	800	849	654	436	648	486	588	620	938	-
Ordinances & Resolutions	70	68	64	85	122	76	77	76	44	33
Public Safety										
Police:										
Physical Arrests	892	930	1,400	1,308	1,293	1,241	1,219	1,050	853	911
Offense Reports	1,381	1,381	1,420	1,267	1,196	1,255	1,242	1,072	1,001	1,018
Traffic Citations	402	410	1,732	1,762	1,711	3,544	2,792	2,745	1,858	1,987
Fire:										
Emergency Responses	1,453	1,522	1,628	1,641	1,663	1,755	1,846	1,636	1,647	1,799
Fire Responses	566	619	401	437	407	408	427	425	557	484
Inspections conducted	633	823	931	843	765	479	647	612	419	594
Leisure Time Activities										
Senior Center Attendance	9,045	8,950	8,200	7,997	8,873	7,659	7,172	6,969	7,686	7,400
Senior Center Membership	190	201	223	233	223	201	186	185	208	241
Transportation										
Street Resurfacing (miles)	-	1.0	2.6	1.1	1.1	1.1	4.0	0.2	1.1	0.5
Tons of salt used	805	386	990	936	690	813	362	511	313	389
Water										
New Connections	124	87	94	29	20	17	51	52	62	61
Water Main Breaks	8	10	12	15	8	15	9	8	9	3

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	4	4	4	4	5	5	5	5	5	5
Park Acreage	63.5	63.5	63.5	63.5	69.5	69.5	69.5	69.5	69.5	69.5
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball/Softball fields	3	3	3	3	3	3	3	3	3	3
Transportation										
Streets (Paved Miles)	40	40	40	40	40	40	42	42	44	44
Water										
Water Mains (miles)	31.1	33.1	35	35	37	37	40	40	40	40
Sewer										
Sanitary Sewers (miles)	25	25	25	25	27	27	34	34	34	34

Source: City of Harrison Finance Director Office



Dave Yost • Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 8, 2015**