

CITY OF HARRISON, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

Year ended December 31, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Harrison, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 2, 2009

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Harrison, Ohio (City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Harrison, Ohio in a separate letter dated June 18, 2009.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 18, 2009

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

PREPARED BY:

GAYLE GRUBBS, FINANCE DIRECTOR

*300 GEORGE STREET
HARRISON, OHIO 45030*

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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INTRODUCTORY SECTION



City of Harrison

Finance Office

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

June 22, 2009

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2008, and has been developed to accurately detail the status of City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is being presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

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

The Comprehensive Annual Financial Report consists of three sections.

1. The Introductory Section contains the Table of Contents, Letter of Transmittal, list of elected and appointed City officials, the Organizational Chart, and the GFOA Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial Section contains the Independent Accountants' Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for Non-major Funds, and other schedules providing detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents financial, economic, social and demographic information about the City for the last ten years.

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Clark, Schaefer, Hackett & Co. performed the audit for the year ended December 31, 2008. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

THE REPORTING ENTITY

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units." For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City of Harrison, the primary government.

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

The City provides the full range of municipal services including police and fire protection, parks, recreation, public works highways, street, and waste collection, health and social services, culture, public improvement, planning and zoning, general administrative. The reputation for high safety standards our police department of 22 officers currently is in the process of the 6th re-accreditation and continues to be among the ranks of those police agencies throughout the country that have chosen to meet the highest standards of law enforcement excellence. "The mission of this Police Department is to work in Partnership with the members of the community, striving to develop the mutual respect, trust and pride necessary to achieve the goal of a safer community." The Fire department operates out of two fire stations with 23 full-time and 20 part-time firemen. The City operates its own water and wastewater treatment plants.

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

ECONOMIC CONDITION AND OUTLOOK

The City benefits from its location in northwestern Hamilton County and borders the State of Indiana. Harrison is conveniently located in the geographical center of the tri-state area of Ohio, Kentucky and Indiana. The community and its residents have easy access to and benefit from employment, educational, recreational, medical, and cultural facilities afforded by the Greater Cincinnati Metropolitan area. We offer the advantage of a small rural town with 20 minutes access to amenities of Cincinnati. State Route 52 and Interstate 74 serve the City. In recent years, the greater Harrison area has experienced significant growth due in large part to its strategic location relative to I-74 and I-275. These prime location enables residents to be in any part of the Tri-state area within minutes. The ability to be in downtown Cincinnati or the Northern Kentucky /Greater Cincinnati International Airport within 30 minutes makes the City an attractive site for both business and families.

The City of Harrison's population is 9,980. This represents approximately 7% growth in population in the City since 2000. The population is expected to grow at a rate of 3.8% over the next 2 years. In 2008, The City annexed approximately 400 acres from Crosby Township which is being developed for residential use. Because of regional housing conditions and the mortgage crisis, work on this development was delayed, although we expect Phase 1 to begin in spring 2009.

The City hired its first Economic Development Director in May 2008. Projects that were initiated include a new "brand" identity for the City, new website, development of a Harrison Community Improvement Corporation (CIC), initial discussions for a Chamber of Commerce or other Business organization in Harrison, and regional marketing and networking efforts.

The Joint Economic Development District (JEDD) area has received a lot of attention in 2008. Working with Henkle Schueler who owns the Harrison Commerce Center located in the JEDD, the City was able to respond to a number of inquires by prospective companies and continues to work with one light manufacturing prospect. The City has also been able to forge a collaborative effort with Harrison Township regarding the development of the JEDD area.

The most current data indicates that Hamilton Count's unemployment rate is 6.2% while the State of Ohio's rate is 7.6%. These economic factors were considered in preparing the City's budget for fiscal year 2009. With the continuation of conservative budgeting practices, the City's financial position should remain stable in future years.

MAJOR INITIATIVES

The phase III to finish widening New Haven Road to Harrison Avenue was started in the fall of 2007. This project is supplemented with a grant and 10% of the city's matching monies. This project includes two extra lanes, a center turn lane, curbs, sidewalks and retaining walls. In 2008, the City received a Hamilton county community development block grant of \$125,000 to resurface George Street project which included sidewalks and storm sewer upgrade. The City received a 0% interest twenty year OPWC loan to resurface Joyce, Etta, Lellan streets and part of Sunset street which included curves and, storm sewers this work was finished in November 2008. This loan will be paid back through the storm resident and business water fees.

Several future initiatives are planned including a beautification project at the exit and entrance ramps of I-74 at the new bridge. Also, a committee consisting of City of Harrison, OKI, Hamilton Park Districts, and Harrison Township has been formed to design a bikeway called Greater Harrison Bikeway, which will loop from Harrison's State Street to the Whitewater Park of Hamilton County. The City will be constructing a new elevation tower 2009 to improve the Cities water pressure supply. An additional water line on Carolina Trace south and Marvin Rd will also be installed which is funded by the OEPA revolving loan. In April of 2009, the construction will start on installing a sewer line to Dryfork Road, which will service the new annexed area. Also, in the spring of 2009 we will be installing water lines on New Haven Rd and Baughman Rd.

Use of the Report

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

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, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Harrison has received a Certificate of Achievement for the last nine consecutive years (1999-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Acknowledgements

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

Respectfully,



Gayle Grubbs
Finance Director

CITY OF HARRISON, OHIO

ELECTED AND APPOINTED CITY OFFICIALS

Elected Officials:

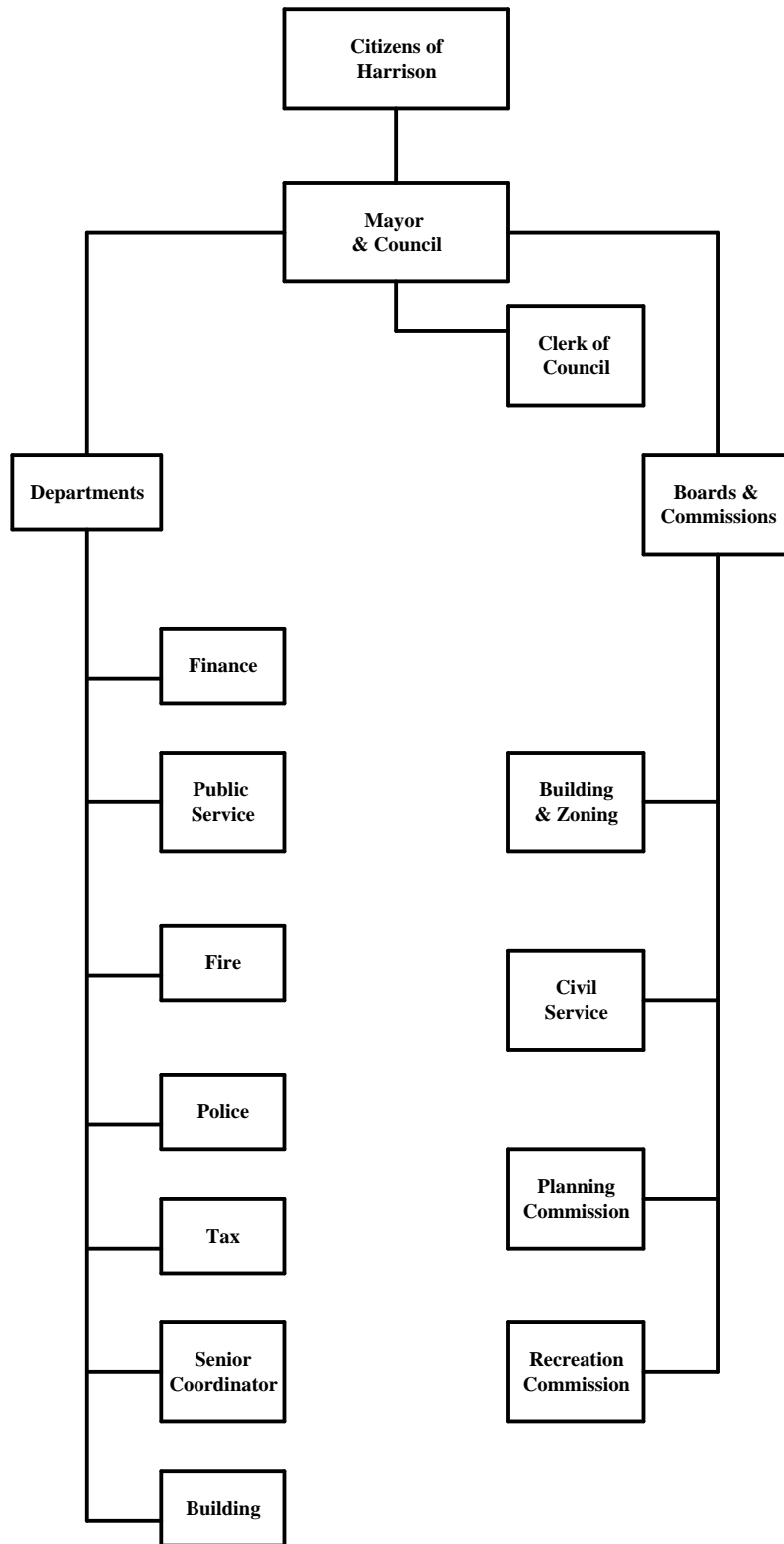
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Joel McGuire	December 31, 2011
Vice Mayor/Member of Council	Debra Acra	December 31, 2009
Members of Council	Tony Burkhard Matt Hiatt Judy Kercheval William Neyer James Robertson Randy Shank	December 31, 2009 December 31, 2011 December 31, 2011 December 31, 2009 December 31, 2011 December 31, 2009

Appointed Officials:

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

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To City Council
City of Harrison, Ohio:

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, Ohio (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Ohio as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund and Fire Improvement Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2009, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages F-3 through F-16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 18, 2009

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

The management's discussion and analysis of the City of Harrison's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total net assets of the City increased \$424,430. Net assets of governmental activities increased \$896,722 or 7.07% from 2007 and net assets of business-type activities decreased \$472,292 or 3.34% from 2007.
- General revenues accounted for \$6,218,033 or 73.13% of total governmental activities revenue. Program specific revenues accounted for \$2,284,974 or 26.87% of total governmental activities revenue.
- The City had \$7,686,439 in expenses related to governmental activities; \$2,284,974 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$5,401,465 were offset by general revenues (primarily income and property taxes and unrestricted grants and entitlements) of \$6,218,033.
- The general fund had revenues and other financing sources of \$5,369,810 in 2008. This represents a decrease from 2007 of \$896,713. The expenditures and other financing uses of the general fund, which totaled \$5,215,277 in 2008, decreased \$419,661 from 2007. The net increase in fund balance for the general fund was \$154,533 or 8.23%.
- The fire improvement fund had revenues and other financing sources of \$2,309,239 in 2008. The expenditures and other financing uses of the fire improvement fund, totaled \$2,423,408 in 2008. The net decrease in fund balance for the fire improvement fund was \$114,169 or 83.53%.
- Net assets for the business-type activities, which are made up of the sewer, water, storm water, Sanitation and water/wastewater deposit enterprise funds, decreased in 2008 by \$472,292.
- In the general fund, the actual revenues sources came in \$76,205 less than they were in the final budget and actual expenditures and other financing uses were \$15,814 less than the amount in the final budget. Budgeted expenditures and other financing uses remained the same from the original to the final budget. Budgeted revenues remained the same from the original to the final budget.

Using this Annual Financial Report

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

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

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and fire improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F20-F25 of this report.

Proprietary Funds

The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water, sanitation and water/wastewater deposit management functions. The City's major enterprise funds are the sewer and water funds. The basic proprietary fund financial statements can be found on pages F26-F29 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the only fiduciary fund type used by the City. The basic fiduciary fund financial statement can be found on page F30 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F31-F64 of this report.

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2008 and 2007.

	Net Assets					
	Governmental Activities		Business-type Activities		2008 Total	2007 Total
	2008	2007	2008	2007		
<u>Assets</u>						
Current and other assets	\$ 8,775,981	\$ 8,679,013	\$ 10,812,318	\$ 12,565,520	\$ 19,588,299	\$ 21,244,533
Capital assets, net	<u>12,626,740</u>	<u>11,974,117</u>	<u>31,614,657</u>	<u>31,260,567</u>	<u>44,241,397</u>	<u>43,234,684</u>
Total assets	<u>21,402,721</u>	<u>20,653,130</u>	<u>42,426,975</u>	<u>43,826,087</u>	<u>63,829,696</u>	<u>64,479,217</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	4,810,120	5,118,103	23,464,706	29,263,419	28,274,826	34,381,522
Other liabilities	<u>3,007,835</u>	<u>2,846,983</u>	<u>5,282,972</u>	<u>411,079</u>	<u>8,290,807</u>	<u>3,258,062</u>
Total liabilities	<u>7,817,955</u>	<u>7,965,086</u>	<u>28,747,678</u>	<u>29,674,498</u>	<u>36,565,633</u>	<u>37,639,584</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	8,188,666	7,218,367	8,208,988	8,203,170	16,397,654	15,421,537
Restricted	3,152,408	3,338,588	-	-	3,152,408	3,338,588
Unrestricted	<u>2,243,692</u>	<u>2,131,089</u>	<u>5,470,309</u>	<u>5,948,419</u>	<u>7,714,001</u>	<u>8,079,508</u>
Total net assets	<u>\$ 13,584,766</u>	<u>\$ 12,688,044</u>	<u>\$ 13,679,297</u>	<u>\$ 14,151,589</u>	<u>\$ 27,264,063</u>	<u>\$ 26,839,633</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$27,264,063. At year-end, net assets were \$13,584,766 and \$13,679,297 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 69.31% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$8,188,666 and \$8,208,988 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$3,152,408, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$7,714,001 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF HARRISON, OHIO

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The table below shows the changes in net assets for years 2008 and 2007.

	Change in Net Assets					
	Governmental Activities		Business-type Activities		2008	2007
	2008	2007	2008	2007	Total	Total
Revenues						
Program revenues:						
Charges for services	\$ 999,823	\$ 1,117,871	\$ 4,033,859	\$ 4,021,258	\$ 5,033,682	\$ 5,139,129
Operating grants and contributions	756,604	462,771	58,837	8,377	815,441	471,148
Capital grants and contributions	528,547	436,179	185,022	-	713,569	436,179
Total program revenues	<u>2,284,974</u>	<u>2,016,821</u>	<u>4,277,718</u>	<u>4,029,635</u>	<u>6,562,692</u>	<u>6,046,456</u>
General revenues:						
Property taxes	2,346,665	2,421,890	-	-	2,346,665	2,421,890
Income taxes	3,034,376	2,951,057	-	-	3,034,376	2,951,057
Unrestricted grants and entitlements	575,158	655,461	-	-	575,158	655,461
Investment earnings	201,017	321,019	187,861	140,535	388,878	461,554
Miscellaneous	60,817	107,742	9,885	10,519	70,702	118,261
Total general revenues	<u>6,218,033</u>	<u>6,457,169</u>	<u>197,746</u>	<u>151,054</u>	<u>6,415,779</u>	<u>6,608,223</u>
Total revenues	<u>8,503,007</u>	<u>8,473,990</u>	<u>4,475,464</u>	<u>4,180,689</u>	<u>12,978,471</u>	<u>12,654,679</u>
Expenses:						
General government	1,011,755	839,493	-	-	1,011,755	839,493
Security of persons and property	4,965,899	4,683,372	-	-	4,965,899	4,683,372
Public health and welfare	313,537	281,603	-	-	313,537	281,603
Transportation	738,160	685,405	-	-	738,160	685,405
Community environment	110,453	125,886	-	-	110,453	125,886
Leisure time activity	332,381	308,959	-	-	332,381	308,959
Interest and fiscal charges	214,254	108,342	-	-	214,254	108,342
Sewer	-	-	2,776,374	2,551,359	2,776,374	2,551,359
Water	-	-	1,117,172	941,915	1,117,172	941,915
Storm Water	-	-	617,408	38,301	617,408	38,301
Sanitation	-	-	355,800	384,917	355,800	384,917
Water/Wastewater Deposit	-	-	848	959	848	959
Total expenses	<u>7,686,439</u>	<u>7,033,060</u>	<u>4,867,602</u>	<u>3,917,451</u>	<u>12,554,041</u>	<u>10,950,511</u>
Increase (decrease) in net assets before transfers	816,568	1,440,930	(392,138)	263,238	424,430	1,704,168
Transfers	80,154	30,153	(80,154)	(30,153)	-	-
Change in net assets	<u>896,722</u>	<u>1,471,083</u>	<u>(472,292)</u>	<u>233,085</u>	<u>424,430</u>	<u>1,704,168</u>
Net assets at beginning of year	<u>12,688,044</u>	<u>11,216,961</u>	<u>14,151,589</u>	<u>13,918,504</u>	<u>26,839,633</u>	<u>25,135,465</u>
Net assets at end of year	<u>\$ 13,584,766</u>	<u>\$ 12,688,044</u>	<u>\$ 13,679,297</u>	<u>\$ 14,151,589</u>	<u>\$ 27,264,063</u>	<u>\$ 26,839,633</u>

CITY OF HARRISON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Governmental activities net assets increased \$896,722 in 2008. This increase was the result of increasing revenues, including grants, taxes, and investment income combined with expenses that increased 9.29% from 2007.

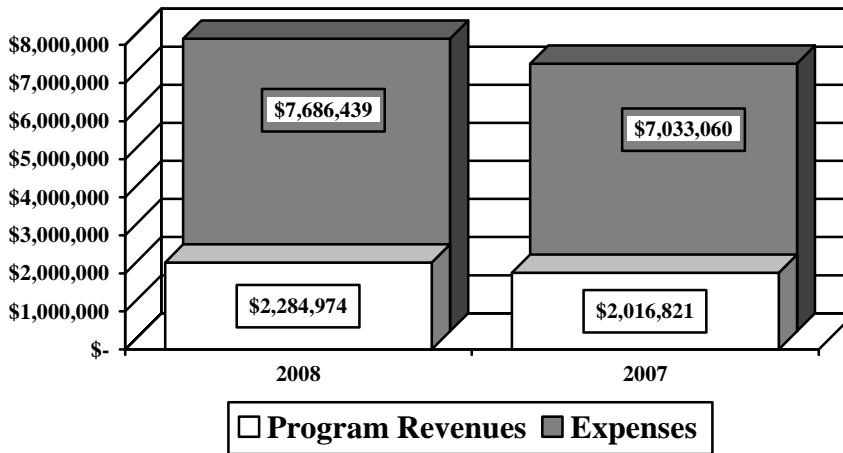
Security of persons and property which primarily supports the operations of the police and fire department accounted for \$4,965,899 or 64.61% of the total expenses of the City's governmental activities. Security of persons and property expenses were partially funded by \$595,500 in direct charges to users of the services. General government expenses totaled \$1,011,755. General government expenses were partially funded by \$91,539 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$756,604 in operating grants and contributions and \$528,547 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$6,218,033, and amounted to 73.13% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$5,381,041. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$575,158.

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

Governmental Activities - Program Revenues vs. Total Expenses



CITY OF HARRISON, OHIO

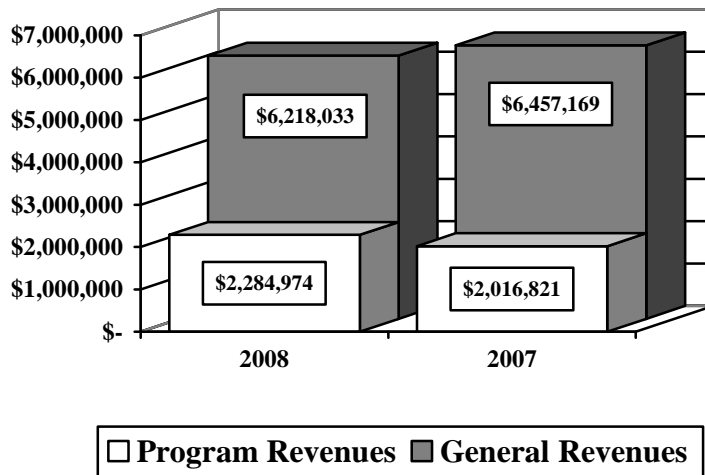
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program Expenses:				
General government	\$ 1,011,755	\$ 920,216	\$ 839,493	\$ 750,991
Security of persons and property	4,965,899	4,298,343	4,683,372	4,066,173
Public health and welfare	313,537	41,538	281,603	85,910
Transportation	738,160	(359,579)	685,405	(156,850)
Community environment	110,453	24,339	125,886	(35,217)
Leisure time activity	332,381	262,354	308,959	196,890
Interest and fiscal charges	<u>214,254</u>	<u>214,254</u>	<u>108,342</u>	<u>108,342</u>
Total	<u>\$ 7,686,439</u>	<u>\$ 5,401,465</u>	<u>\$ 7,033,060</u>	<u>\$ 5,016,239</u>

The dependence upon general revenues for governmental activities is apparent, with 70.27% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2008 and 2007.

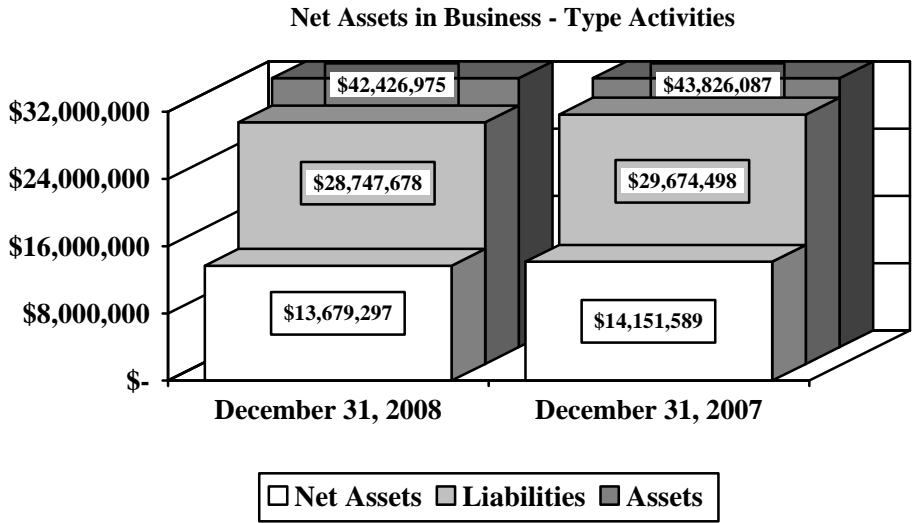
Governmental Activities - General and Program Revenues



Business-type Activities

Business-type activities include the sewer, water, storm water, sanitation, and water/wastewater deposit enterprise funds. These programs had program revenues of \$4,277,718, general revenues of \$197,746, transfers out of \$80,154 and expenses of \$4,867,602 for 2008. The graph below shows the business-type activities assets, liabilities and net assets for 2008 and 2007.

CITY OF HARRISON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$4,976,090 which is \$112,627 lower than last year's total of \$5,088,717. The schedule below indicates the fund balances and the total change in fund balances for all major and non-major governmental funds.

	Fund Balances <u>12/31/08</u>	Fund Balances <u>12/31/07</u>	Increase (Decrease)
Major funds:			
General	\$ 2,032,011	\$ 1,877,478	\$ 154,533
Fire improvement	22,510	136,679	(114,169)
Other nonmajor governmental funds	<u>2,921,569</u>	<u>3,074,560</u>	<u>(152,991)</u>
Total	<u>\$ 4,976,090</u>	<u>\$ 5,088,717</u>	<u>\$ (112,627)</u>

The fund balance increased in the general fund \$154,533 due to a decrease in expenses incurred by the general fund, specifically capital outlay. The fund balance of the fire improvement fund decreased \$114,169 due to a decrease in charges for service, tax revenues and transfers in from the general fund.

CITY OF HARRISON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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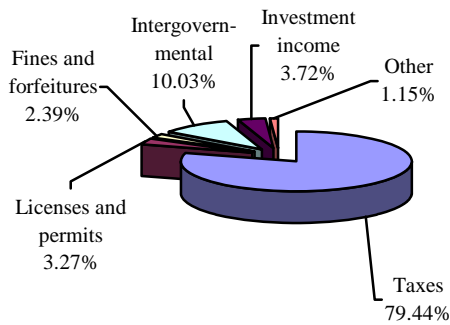
General Fund

The City's general fund balance increased \$154,533. The table below illustrates the revenues of the general fund.

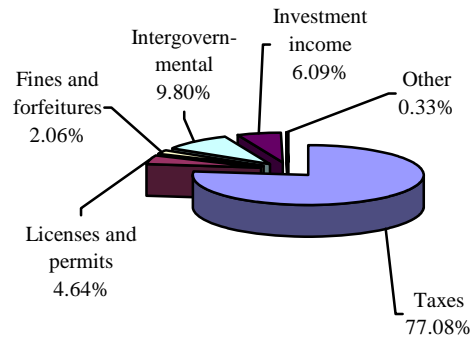
	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Taxes	\$ 4,202,372	\$ 4,064,863	3.38 %
Licenses and permits	172,758	244,795	(29.43) %
Fines and forfeitures	126,519	108,891	16.19 %
Intergovernmental	530,393	517,119	2.57 %
Investment income	199,784	321,019	(37.77) %
Other	<u>60,817</u>	<u>17,519</u>	247.15 %
Total	<u>\$ 5,292,643</u>	<u>\$ 5,274,206</u>	0.35 %

Tax revenue represents 79.40% of all general fund revenue. Tax revenue increased 3.38% from the prior year. The decrease in the amount of licenses and permits is due to a decrease in the amount of licenses and permits issued by the City throughout the year. The increase in the amount of fines and forfeitures is due to an increased number of fines assessed by the City throughout the year. The increase in intergovernmental revenue is due to an increase in the number of grants the City received. The decrease in investment income is due to the amount of funds in the City's investment portfolio throughout the year and the decrease in interest rates. The increase in other income is a large percentage, but is immaterial compared to total revenues.

Revenues - 2008



Revenues - 2007



CITY OF HARRISON, OHIO

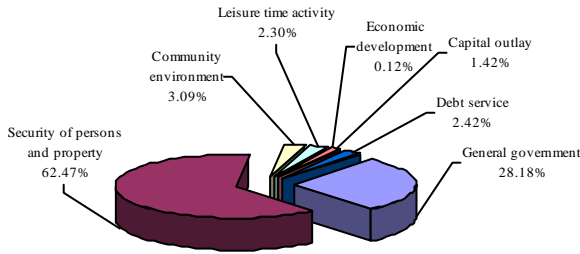
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table that follows assists in illustrating the expenditures of the general fund.

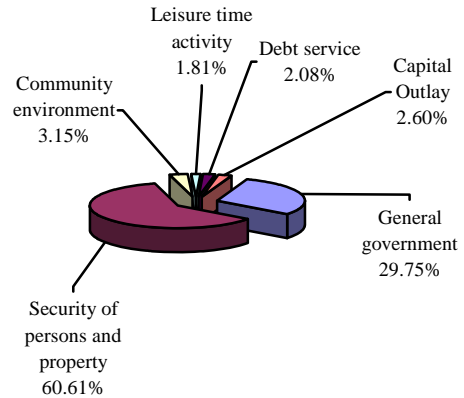
	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 1,002,167	\$ 836,722	19.77 %
Security of persons and property	2,211,568	2,005,031	10.30 %
Community environment	109,590	124,646	(12.08) %
Leisure time activity	81,561	54,184	50.53 %
Capital outlay	50,195	962,164	(94.78) %
Debt service	<u>85,826</u>	<u>66,623</u>	28.82 %
Total	<u>\$ 3,540,907</u>	<u>\$ 4,049,370</u>	(12.56) %

The City decreased total expenditures by 12.56% or \$508,463. The largest decrease was in capital outlay, which decreased by \$911,969. During 2008, the City entered into one capital lease for two new police vehicles and in 2007, the City entered into multiple lease agreements for the acquisition of a new fire truck, two new emergency vehicles and two new staff vehicles and as a result capital outlay expenditures decreased in 2008 compared to 2007.

Expenditures - 2008



Expenditures - 2007



Budgeting Highlights - General Fund

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

In the general fund, the actual revenues came in \$76,205 less than they were in the final budget and actual expenditures and other financing uses were \$15,814 less than the amount in the final budget. Budgeted expenditures and other financing uses remained the same from the original to the final budget. Budgeted revenues remained the same from the original to the final budget.

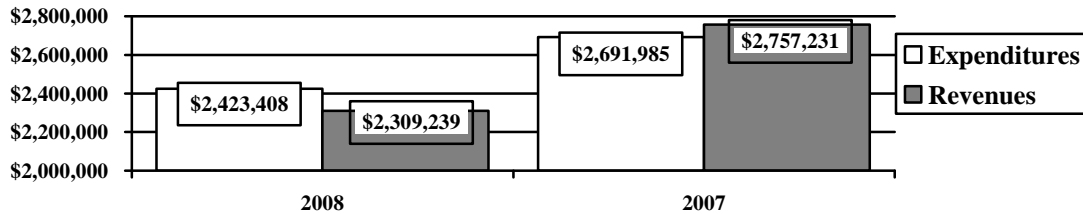
CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Fire Improvement Fund

The fire improvement fund had revenues and other financing sources of \$2,309,239 in 2008. The expenditures and other financing uses of the fire improvement fund, totaled \$2,423,408 in 2008. The net decrease in fund balance for the fire improvement fund was \$114,169 or 83.53%.

Fire Improvement Fund



Proprietary Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. Net assets of the Sewer fund decreased \$459,662 during 2008. Net assets of the Water fund increased \$422,528 during 2008. Nonmajor proprietary funds net assets decreased \$435,158 during 2008.

Capital Assets and Debt Administration

Capital Assets

At the end of 2008, the City had \$44,241,397 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress (CIP). Of this total, \$12,626,740 was reported in governmental activities and \$31,614,657 was reported in business-type activities. The following table shows 2008 balances compared to 2007:

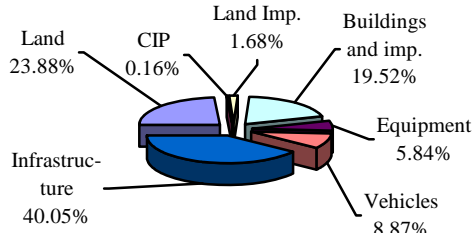
**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 3,015,891	\$ 3,001,921	\$ 485,420	\$ 485,420	\$ 3,501,311	\$ 3,487,341
Construction in progress	20,000	743,037	321,460	4,040,253	341,460	4,783,290
Land improvements	212,626	250,585	234	390	212,860	250,975
Buildings and improvements	2,464,290	2,521,080	7,642,249	7,815,716	10,106,539	10,336,796
Equipment	737,610	620,887	4,689,962	5,109,866	5,427,572	5,730,753
Vehicles	1,119,452	1,446,936	100,406	83,112	1,219,858	1,530,048
Infrastructure	5,056,871	3,389,671	18,374,926	13,725,810	23,431,797	17,115,481
Totals	\$ 12,626,740	\$ 11,974,117	\$ 31,614,657	\$ 31,260,567	\$ 44,241,397	\$ 43,234,684

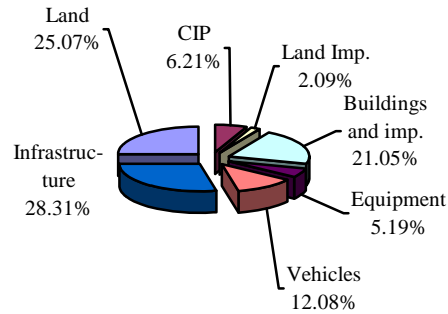
See Note 9 for further information on the City's capital assets. The following graphs show the breakdown of governmental capital assets by category for 2008 and 2007.

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**Capital Assets - Governmental Activities
2008**



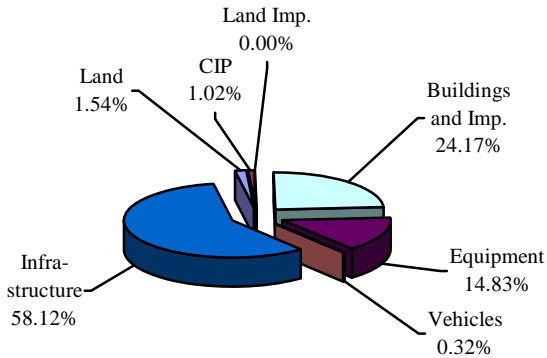
**Capital Assets - Governmental Activities
2007**



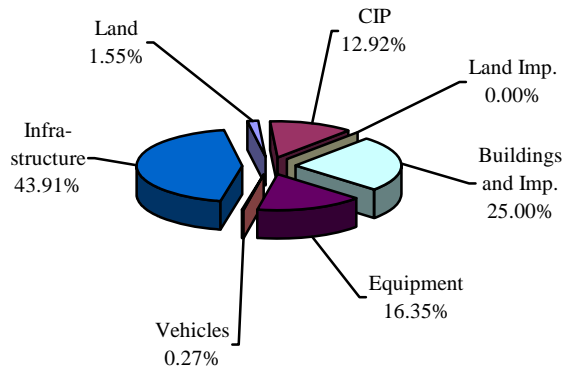
The City's infrastructure is the largest capital asset category. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 40.05% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2008 and 2007.

Capital Assets - Business-Type Activities 2008



Capital Assets - Business-Type Activities 2007



The City's largest business-type capital asset category is infrastructure, which include water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 58.12% of the City's total business-type capital assets.

CITY OF HARRISON, OHIO

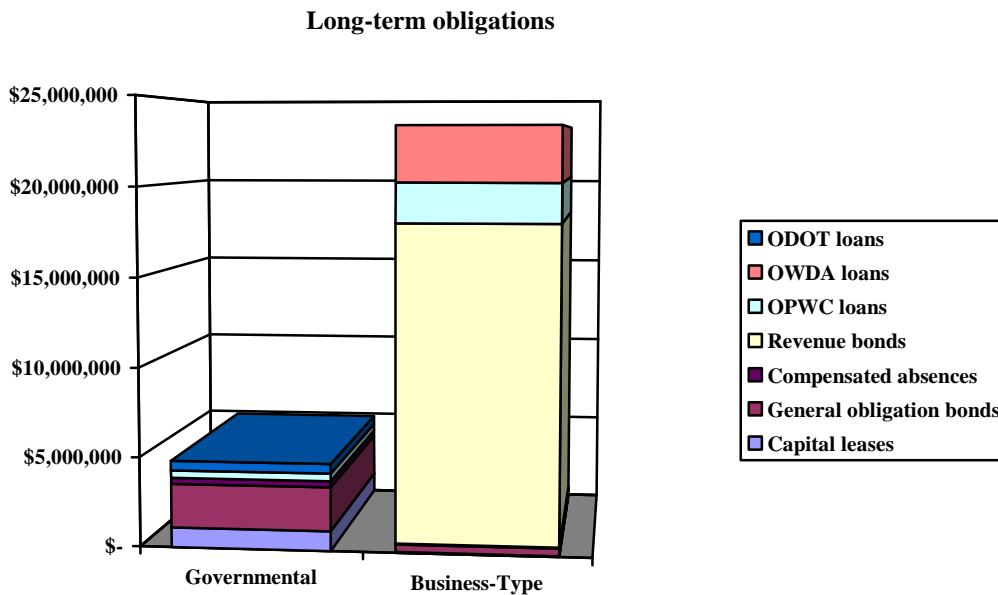
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt Administration

The City had the following long-term obligations outstanding at December 31, 2008 and 2007:

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Capital leases	\$ 1,105,984	\$ 1,238,630
General obligation bonds	2,445,000	2,605,000
OPWC loans	413,378	436,999
ODOT loans	532,230	564,170
Compensated absences	<u>344,513</u>	<u>320,456</u>
Total long-term obligations	<u>\$ 4,841,105</u>	<u>\$ 5,165,255</u>
	Business-type Activities	
	<u>2008</u>	<u>2007</u>
Revenue bonds	\$ 17,555,000	\$ 17,980,000
OPWC loans	2,199,085	1,937,994
OWDA loans	3,078,609	3,181,172
General obligation bonds	410,000	435,000
Capital lease obligation	43,027	55,782
Compensated absences	<u>59,037</u>	<u>47,394</u>
Total long-term obligations	<u>\$ 23,344,758</u>	<u>\$ 23,637,342</u>

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



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

CITY OF HARRISON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

Economic Conditions and Outlook

The City of Harrison's population is 9,980. This represents approximately 7% growth in population in the City since 2000. The population is expected to grow at a rate of 3.8% over the next 2 years. In 2008, the City annexed approximately 400 acres from Crosby Township which is being developed for residential use. Because of regional housing conditions and the mortgage crisis, work on this development was delayed, although we expect Phase I to begin in spring 2009.

The City hired its first Economic Development Director in May 2008. Projects that were initiated include a new "brand" identity for the City, new website, development of a Harrison Community Improvement Corporation (CIC), initial discussions for a Chamber of Commerce or other business organization in Harrison, and regional marketing and networking efforts.

The Joint Economic Development District (JEDD) area has received a lot of attention in 2008. Working with Henkle Schueler who owns the Harrison Commerce Center located in the JEDD, the City was able to respond to a number of inquiries by prospective companies and continues to work with one light manufacturing prospect. The City has also been able to forge a collaborative effort with Harrison Township regarding the development of the JEDD area.

The most current data indicates that Hamilton County's unemployment rate is 6.2%, while the State of Ohio's rate is 7.6%. These economic factors were considered in preparing the City's budget for 2009. With the continuation of conservative budgeting practices, the City's financial position should remain stable in future years.

Contacting the City's Financial Management

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

**BASIC
FINANCIAL STATEMENTS**

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CITY OF HARRISON, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 4,897,478	\$ 7,980,892	\$ 12,878,370
Cash in segregated accounts	10,576	-	10,576
Receivables (net of allowances for uncollectibles):			
Income taxes	652,292	-	652,292
Real and other taxes	2,101,169	-	2,101,169
Accounts	22,727	429,339	452,066
Due from other governments	566,282	54,516	620,798
Accrued interest	5,322	-	5,322
Internal balance	441,936	(441,936)	-
Prepayments	27,892	8,803	36,695
Materials and supplies inventory	22,774	41,578	64,352
Unamortized bond issue costs	27,533	626,833	654,366
Restricted assets:			
Cash and cash equivalents with fiscal agent	-	2,112,293	2,112,293
Capital assets:			
Land and construction in progress	3,035,891	806,880	3,842,771
Depreciable capital assets, net	9,590,849	30,807,777	40,398,626
Total capital assets	<u>12,626,740</u>	<u>31,614,657</u>	<u>44,241,397</u>
Total assets	<u>21,402,721</u>	<u>42,426,975</u>	<u>63,829,696</u>
Liabilities:			
Accounts payable	39,848	2,046	41,894
Contracts payable	-	25,337	25,337
Accrued wages and benefits	205,437	30,600	236,037
Due to other governments	285,528	23,476	309,004
Unearned revenue	1,970,051	-	1,970,051
Accrued interest payable	56,383	201,513	257,896
Claims payable	588	-	588
Tax anticipation note payable	450,000	-	450,000
Bond anticipation note payable	-	5,000,000	5,000,000
Long-term liabilities:			
Due within one year	432,598	838,917	1,271,515
Due in more than one year	4,377,522	22,625,789	27,003,311
Total liabilities	<u>7,817,955</u>	<u>28,747,678</u>	<u>36,565,633</u>
Net assets:			
Invested in capital assets, net of related debt	8,188,666	8,208,988	16,397,654
Restricted for:			
Capital projects	802,220	-	802,220
Debt service	607,608	-	607,608
Street maintenance and repair	642,587	-	642,587
State highway	136,783	-	136,783
Law enforcement	29,028	-	29,028
Fire	103,754	-	103,754
Senior center	194,023	-	194,023
Other purposes	636,405	-	636,405
Unrestricted	<u>2,243,692</u>	<u>5,470,309</u>	<u>7,714,001</u>
Total net assets	<u>\$ 13,584,766</u>	<u>\$ 13,679,297</u>	<u>\$ 27,264,063</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 1,011,755	\$ 91,539	\$ -	\$ -
Security of persons and property	4,965,899	595,500	72,056	-
Public health and welfare	313,537	157,651	114,348	-
Transportation	738,160	120	569,072	528,547
Community environment.	110,453	86,114	-	-
Leisure time activity	332,381	68,899	1,128	-
Interest and fiscal charges	214,254	-	-	-
Total governmental activities	7,686,439	999,823	756,604	528,547
Business-type Activities:				
Sewer	2,776,374	2,251,507	41,300	-
Water	1,117,172	1,317,775	13,216	185,022
Other business-type activities:				
Storm Water	617,408	94,862	-	-
Sanitation	355,800	365,055	4,321	-
Water/Wastewater Deposit	848	4,660	-	-
Total business-type activities	4,867,602	4,033,859	58,837	185,022
Total primary government.	\$ 12,554,041	\$ 5,033,682	\$ 815,441	\$ 713,569

General Revenues:

Property taxes levied for:

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

Income taxes levied for:

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

Total general revenues.

Transfers.

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (920,216)	\$ -	\$ (920,216)
(4,298,343)	-	(4,298,343)
(41,538)	-	(41,538)
359,579	-	359,579
(24,339)	-	(24,339)
(262,354)	-	(262,354)
(214,254)	-	(214,254)
<u>(5,401,465)</u>	<u>-</u>	<u>(5,401,465)</u>
-	(483,567)	(483,567)
-	398,841	398,841
-	(522,546)	(522,546)
-	13,576	13,576
-	3,812	3,812
<u>-</u>	<u>(589,884)</u>	<u>(589,884)</u>
<u>(5,401,465)</u>	<u>(589,884)</u>	<u>(5,991,349)</u>
1,175,925	-	1,175,925
857,520	-	857,520
60,085	-	60,085
8,500	-	8,500
244,635	-	244,635
3,034,376	-	3,034,376
575,158	-	575,158
201,017	187,861	388,878
60,817	9,885	70,702
<u>6,218,033</u>	<u>197,746</u>	<u>6,415,779</u>
<u>80,154</u>	<u>(80,154)</u>	<u>-</u>
896,722	(472,292)	424,430
<u>12,688,044</u>	<u>14,151,589</u>	<u>26,839,633</u>
<u>\$ 13,584,766</u>	<u>\$ 13,679,297</u>	<u>\$ 27,264,063</u>

CITY OF HARRISON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,321,236	\$ 649,148	\$ 2,927,094	\$ 4,897,478
Cash in segregated accounts	-	-	10,576	10,576
Receivables (net of allowance for uncollectibles):				
Income taxes	652,292	-	-	652,292
Real and other taxes	1,172,899	858,807	69,463	2,101,169
Accounts	22,687	-	40	22,727
Due from other governments	174,888	57,944	333,450	566,282
Interfund loans	420,000	-	-	420,000
Accrued interest	5,322	-	-	5,322
Advances to other funds	57,347	-	-	57,347
Prepayments	9,559	9,333	9,000	27,892
Materials and supplies inventory	4,318	958	17,498	22,774
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,840,548</u>	<u>\$ 1,576,190</u>	<u>\$ 3,367,121</u>	<u>\$ 8,783,859</u>
Liabilities:				
Accounts payable	\$ 38,650	\$ 946	\$ 252	\$ 39,848
Accrued wages and benefits	105,494	74,328	25,615	205,437
Accrued interest payable	-	801	-	801
Compensated absences payable	-	-	4,983	4,983
Due to other governments	66,414	119,761	99,353	285,528
Advances from other funds	-	-	35,411	35,411
Unearned revenue	1,107,530	804,230	58,291	1,970,051
Deferred revenue	490,449	103,026	221,647	815,122
Tax anticipation note payable	-	450,000	-	450,000
Claims payable	-	588	-	588
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities.	<u>1,808,537</u>	<u>1,553,680</u>	<u>445,552</u>	<u>3,807,769</u>
Fund Balances:				
Reserved for encumbrances	22,886	2,951	38,209	64,046
Reserved for materials and supplies inventory	4,318	958	17,498	22,774
Reserved for prepaids	9,559	9,333	9,000	27,892
Reserved for advances	57,347	-	-	57,347
Unreserved, undesignated, reported in:				
General fund	1,937,901	-	-	1,937,901
Special revenue funds	-	9,268	1,449,326	1,458,594
Debt service funds	-	-	620,316	620,316
Capital projects funds	-	-	787,220	787,220
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>2,032,011</u>	<u>22,510</u>	<u>2,921,569</u>	<u>4,976,090</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 3,840,548</u>	<u>\$ 1,576,190</u>	<u>\$ 3,367,121</u>	<u>\$ 8,783,859</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total governmental fund balances		\$ 4,976,090
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		12,626,740
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 123,397	
Income taxes	291,693	
Intergovernmental revenues	398,799	
Accrued interest	1,233	
Total		815,122
Unamortized bond issuance costs are not recognized in the funds.		27,533
Deferred amounts on the refundings of bonds are not recognized in the funds.		78,230
Unamortized bond premiums are not recognized in the funds.		(47,245)
In the statement of activities interest is accrued on outstanding bonds and loans, whereas in governmental funds, interest expenditures are reported when due.		(55,582)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	339,530	
Refunding bonds payable	2,125,000	
ODOT loan payable	532,230	
OPWC loan payable	413,378	
General obligation bonds payable	320,000	
Capital leases payable	1,105,984	
Total		(4,836,122)
Net assets of governmental activities		\$ 13,584,766

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Income taxes	\$ 3,025,651	\$ -	\$ -	\$ 3,025,651
Real and other taxes	1,176,721	859,780	313,281	2,349,782
Charges for services	-	473,876	224,031	697,907
Licenses and permits.	172,758	-	120	172,878
Fines and forfeitures	126,519	-	-	126,519
Intergovernmental	530,393	81,317	1,154,733	1,766,443
Investment income	199,784	-	17,841	217,625
Contributions and donations	-	-	40	40
Other	60,817	12,786	15,405	89,008
Total revenues	<u>5,292,643</u>	<u>1,427,759</u>	<u>1,725,451</u>	<u>8,445,853</u>
Expenditures:				
Current:				
General government	1,002,167	-	-	1,002,167
Security of persons and property	2,211,568	2,239,562	274,827	4,725,957
Public health and welfare	-	-	307,502	307,502
Transportation	-	-	579,366	579,366
Community environment	109,590	-	-	109,590
Leisure time activity	81,561	-	194,034	275,595
Capital outlay	50,195	118,226	937,136	1,105,557
Debt service:				
Principal retirement	81,859	50,806	262,555	395,220
Interest and fiscal charges	3,967	12,321	169,193	185,481
Note issue costs	-	2,493	-	2,493
Total expenditures	<u>3,540,907</u>	<u>2,423,408</u>	<u>2,724,613</u>	<u>8,688,928</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,751,736</u>	<u>(995,649)</u>	<u>(999,162)</u>	<u>(243,075)</u>
Other financing sources (uses):				
Premium on note issue	-	3,281	-	3,281
Transfers in	30,154	878,199	846,171	1,754,524
Transfers out	(1,674,370)	-	-	(1,674,370)
Capital lease transaction	47,013	-	-	47,013
Total other financing sources (uses)	<u>(1,597,203)</u>	<u>881,480</u>	<u>846,171</u>	<u>130,448</u>
Net change in fund balances	154,533	(114,169)	(152,991)	(112,627)
Fund balances at beginning of year	<u>1,877,478</u>	<u>136,679</u>	<u>3,074,560</u>	<u>5,088,717</u>
Fund balances at end of year	<u>\$ 2,032,011</u>	<u>\$ 22,510</u>	<u>\$ 2,921,569</u>	<u>\$ 4,976,090</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
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balances - total governmental funds \$ (112,627)

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

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,408,286	
Current year depreciation	(560,423)	
Total		847,863

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Capital asset disposals	(276,520)	
Accumulated depreciation on disposals	81,280	
Total		(195,240)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(3,117)	
Income taxes	8,725	
Intergovernmental revenues	50,313	
Accrued interest	1,233	
Total		57,154

Capital lease transactions are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.

(47,013)

Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

395,220

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:

Decrease in accrued interest payable	970	
Amortization of bond premiums	24,649	
Amortization of bond issue costs	(14,364)	
Amortization of deferred charges of refundings	(40,816)	
		(29,561)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(19,074)

Change in net assets of governmental activities \$ 896,722

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 3,061,000	\$ 3,061,000	\$ 3,057,958	\$ (3,042)
Real and other taxes	1,199,556	1,199,556	1,176,721	(22,835)
Licenses and permits	485,700	485,700	170,996	(314,704)
Fines and forfeitures	128,000	128,000	123,100	(4,900)
Intergovernmental	474,192	474,192	613,200	139,008
Investment income	100,000	100,000	184,051	84,051
Other	14,600	14,600	60,817	46,217
Total revenues	<u>5,463,048</u>	<u>5,463,048</u>	<u>5,386,843</u>	<u>(76,205)</u>
Expenditures:				
Current:				
General government	1,184,725	1,208,491	1,063,287	145,204
Security of persons and property.	2,364,284	2,364,284	2,218,745	145,539
Public health and welfare	11,040	11,040	-	11,040
Community environment.	311,992	311,992	122,553	189,439
Leisure time activity	89,916	89,916	86,378	3,538
Capital outlay.	3,500	3,500	3,182	318
Total expenditures	<u>3,965,457</u>	<u>3,989,223</u>	<u>3,494,145</u>	<u>495,078</u>
Excess of revenues over expenditures	<u>1,497,591</u>	<u>1,473,825</u>	<u>1,892,698</u>	<u>418,873</u>
Other financing uses:				
Advances out	-	-	(420,000)	(420,000)
Transfers out	<u>(1,638,872)</u>	<u>(1,638,872)</u>	<u>(1,674,370)</u>	<u>(35,498)</u>
Total other financing uses	<u>(1,638,872)</u>	<u>(1,638,872)</u>	<u>(2,094,370)</u>	<u>(455,498)</u>
Net change in fund balance	(141,281)	(165,047)	(201,672)	(36,625)
Fund balance at beginning of year	1,371,759	1,371,759	1,371,759	-
Prior year encumbrances appropriated.	<u>64,292</u>	<u>64,292</u>	<u>64,292</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,294,770</u>	<u>\$ 1,271,004</u>	<u>\$ 1,234,379</u>	<u>\$ (36,625)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 924,546	\$ 924,546	\$ 859,780	\$ (64,766)
Charges for services	454,950	454,950	508,226	53,276
Intergovernmental	64,956	64,956	79,910	14,954
Other	5,000	5,000	13,036	8,036
Total revenues	<u>1,449,452</u>	<u>1,449,452</u>	<u>1,460,952</u>	<u>11,500</u>
Expenditures:				
Current:				
Security of persons and property	2,379,905	2,379,905	2,344,338	35,567
Capital outlay	119,022	119,022	118,641	381
Debt service:				
Note issuance costs	-	-	2,493	(2,493)
Total expenditures	<u>2,498,927</u>	<u>2,498,927</u>	<u>2,465,472</u>	<u>33,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,049,475)</u>	<u>(1,049,475)</u>	<u>(1,004,520)</u>	<u>44,955</u>
Other financing sources:				
Proceeds from sale of notes	-	-	450,000	450,000
Premium on note issuance	-	-	3,281	3,281
Transfers in	878,199	878,199	878,199	-
Total other financing sources	<u>878,199</u>	<u>878,199</u>	<u>1,331,480</u>	<u>453,281</u>
Net change in fund balance	(171,276)	(171,276)	326,960	498,236
Fund balance at beginning of year	<u>273,572</u>	<u>273,572</u>	<u>273,572</u>	<u>-</u>
Prior year encumbrances appropriated	<u>44,719</u>	<u>44,719</u>	<u>44,719</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147,015</u>	<u>\$ 147,015</u>	<u>\$ 645,251</u>	<u>\$ 498,236</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2008

	Business-type Activities -Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 5,312,861	\$ 2,377,606	\$ 290,425	\$ 7,980,892
Receivables (net of allowance for uncollectibles):				
Accounts	249,265	123,543	56,531	429,339
Due from other governments	41,300	13,216	-	54,516
Advances to other funds	17,178	-	-	17,178
Prepayments	5,470	3,333	-	8,803
Materials and supplies inventory	1,281	40,297	-	41,578
Total current assets	<u>5,627,355</u>	<u>2,557,995</u>	<u>346,956</u>	<u>8,532,306</u>
Noncurrent assets:				
Unamortized bond issuance costs	626,833	-	-	626,833
Restricted assets:				
Cash and cash equivalents with fiscal agent	2,112,293	-	-	2,112,293
Capital assets:				
Land and construction in progress	326,020	480,860	-	806,880
Depreciable capital assets, net	16,924,576	11,682,111	2,201,090	30,807,777
Total capital assets	<u>17,250,596</u>	<u>12,162,971</u>	<u>2,201,090</u>	<u>31,614,657</u>
Total noncurrent assets	<u>19,989,722</u>	<u>12,162,971</u>	<u>2,201,090</u>	<u>34,353,783</u>
Total assets	<u>25,617,077</u>	<u>14,720,966</u>	<u>2,548,046</u>	<u>42,886,089</u>
Liabilities:				
Current liabilities:				
Accounts payable	2,046	-	-	2,046
Contracts payable	-	25,337	-	25,337
Accrued wages	17,731	12,869	-	30,600
Compensated absences	5,334	6,134	-	11,468
Due to other governments	14,205	9,271	-	23,476
Advances from other funds	8,976	12,960	17,178	39,114
Accrued interest payable	143,672	57,841	-	201,513
Interfund loans payable	-	-	420,000	420,000
Bond anticipation notes payable	5,000,000	-	-	5,000,000
Current portion of general obligation bonds	20,000	-	-	20,000
Current portion of revenue bonds	485,000	-	-	485,000
Current portion of OWDA loans	-	181,481	-	181,481
Current portion of OPWC loans	92,308	24,627	10,515	127,450
Current portion of capital lease obligation	6,759	6,759	-	13,518
Total current liabilities	<u>5,796,031</u>	<u>337,279</u>	<u>447,693</u>	<u>6,581,003</u>
Long-term liabilities:				
Revenue bonds	17,189,948	-	-	17,189,948
General obligation bonds	390,000	-	-	390,000
OWDA loans	-	2,897,128	-	2,897,128
OPWC loans	1,661,550	-	410,085	2,071,635
Capital lease obligation	14,755	14,754	-	29,509
Compensated absences	19,615	27,954	-	47,569
Total long-term liabilities	<u>19,275,868</u>	<u>2,939,836</u>	<u>410,085</u>	<u>22,625,789</u>
Total liabilities	<u>25,071,899</u>	<u>3,277,115</u>	<u>857,778</u>	<u>29,206,792</u>
Net assets:				
Invested in capital assets, net of related debt (deficit)	(2,609,724)	9,038,222	1,780,490	8,208,988
Unrestricted	<u>3,154,902</u>	<u>2,405,629</u>	<u>(90,222)</u>	<u>5,470,309</u>
Total net assets	<u>\$ 545,178</u>	<u>\$ 11,443,851</u>	<u>\$ 1,690,268</u>	<u>\$ 13,679,297</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Operating revenues:				
Charges for services	\$ 2,251,507	\$ 1,317,775	\$ 464,577	\$ 4,033,859
Other	4,594	5,291	-	9,885
Total operating revenues	<u>2,256,101</u>	<u>1,323,066</u>	<u>464,577</u>	<u>4,043,744</u>
Operating expenses:				
Personal services	506,741	320,237	1,830	828,808
Contract services	224,860	169,378	916,434	1,310,672
Materials and supplies	65,539	69,874	-	135,413
Depreciation	725,745	339,988	42,407	1,108,140
Utilities	184,637	93,254	-	277,891
Other	-	-	13,385	13,385
Total operating expenses	<u>1,707,522</u>	<u>992,731</u>	<u>974,056</u>	<u>3,674,309</u>
Operating income (loss)	<u>548,579</u>	<u>330,335</u>	<u>(509,479)</u>	<u>369,435</u>
Nonoperating revenues (expenses):				
Interest revenue	169,465	18,396	-	187,861
Intergovernmental	41,300	13,216	4,321	58,837
Loss on disposal of capital assets	(4,155)	(4,978)	-	(9,133)
Interest expense and fiscal charges	<u>(1,064,697)</u>	<u>(119,463)</u>	<u>-</u>	<u>(1,184,160)</u>
Total nonoperating revenues (expenses)	<u>(858,087)</u>	<u>(92,829)</u>	<u>4,321</u>	<u>(946,595)</u>
Income (loss) before transfers	(309,508)	237,506	(505,158)	(577,160)
Capital contributions	-	185,022	-	185,022
Transfers in	-	-	70,000	70,000
Transfers out	<u>(150,154)</u>	<u>-</u>	<u>-</u>	<u>(150,154)</u>
Changes in net assets	(459,662)	422,528	(435,158)	(472,292)
Net assets at beginning of year	<u>1,004,840</u>	<u>11,021,323</u>	<u>2,125,426</u>	<u>14,151,589</u>
Net assets at end of year	<u>\$ 545,178</u>	<u>\$ 11,443,851</u>	<u>\$ 1,690,268</u>	<u>\$ 13,679,297</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,310,916	\$ 1,366,338	\$ 502,897	\$ 4,180,151
Cash received from other operations	4,912	6,437	-	11,349
Cash payments for personal services	(496,821)	(316,179)	(1,830)	(814,830)
Cash payments for contract services	(293,907)	(151,728)	(949,053)	(1,394,688)
Cash payments for materials and supplies	(68,002)	(74,662)	-	(142,664)
Cash payments for utilities	(201,716)	(102,676)	-	(304,392)
Cash payments for other expenses	-	-	(13,402)	(13,402)
Net cash provided by (used in) operating activities	<u>1,255,382</u>	<u>727,530</u>	<u>(461,388)</u>	<u>1,521,524</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	-	-	8,511	8,511
Advances in from other funds	-	-	443,000	443,000
Advances out to other funds	-	-	(23,000)	(23,000)
Transfers in from other funds	-	-	70,000	70,000
Transfers out to other funds	(150,154)	-	-	(150,154)
Net cash provided by (used in) noncapital financing activities	<u>(150,154)</u>	<u>-</u>	<u>498,511</u>	<u>348,357</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(639,542)	(226,199)	(420,600)	(1,286,341)
Principal retirement	(6,048,685)	(250,702)	-	(6,299,387)
Bond anticipation notes	5,000,000	-	-	5,000,000
OPWC loan	-	-	420,600	420,600
OWDA loan	-	74,560	-	74,560
Note issuance costs	(8,778)	-	-	(8,778)
Interest and fiscal charges	(1,040,223)	(123,447)	-	(1,163,670)
Net cash (used in) capital and related financing activities	<u>(2,737,228)</u>	<u>(525,788)</u>	<u>-</u>	<u>(3,263,016)</u>
Cash flows from investing activities:				
Interest received	169,465	18,396	-	187,861
Net cash provided by investing activities	<u>169,465</u>	<u>18,396</u>	<u>-</u>	<u>187,861</u>
Net increase (decrease) in cash and cash equivalents . .	(1,462,535)	220,138	37,123	(1,205,274)
Cash and cash equivalents at beginning of year	<u>8,887,689</u>	<u>2,157,468</u>	<u>253,302</u>	<u>11,298,459</u>
Cash and cash equivalents at end of year	<u>\$ 7,425,154</u>	<u>\$ 2,377,606</u>	<u>\$ 290,425</u>	<u>\$ 10,093,185</u>

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CITY OF HARRISON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 548,579	\$ 330,335	\$ (509,479)	\$ 369,435
Adjustments:				
Depreciation.	725,745	339,988	42,407	1,108,140
Changes in assets and liabilities:				
Decrease in accounts receivable	59,727	49,709	38,320	147,756
(Increase) in materials and supplies inventory.	(126)	(2,034)	-	(2,160)
Decrease in prepayments.	363	500	-	863
(Decrease) in accounts payable	(35,456)	(16,730)	(32,536)	(84,722)
Increase (decrease) in contracts payable	(53,370)	21,704	-	(31,666)
Increase in accrued wages and benefits	2,867	3,696	-	6,563
(Decrease) in due to other governments	(2,237)	(1,991)	(100)	(4,328)
Increase in compensated absences payable	9,290	2,353	-	11,643
Net cash provided by (used in) operating activities	<u>\$ 1,255,382</u>	<u>\$ 727,530</u>	<u>\$ (461,388)</u>	<u>\$ 1,521,524</u>

Noncash transactions:
 The water fund received \$185,022 in capital contributions.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2008

	<u>Agency</u>
Assets:	
Cash in segregated accounts	\$ 2,279
Total assets	<u>\$ 2,279</u>
Liabilities:	
Due to other governments	\$ 2,279
Total liabilities	<u>\$ 2,279</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

JOINTLY GOVERNED ORGANIZATION

Harrison Township-City of Harrison Joint Economic Development District - In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received \$36,293 in revenues through the JEDD in 2008.

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

The agency fund does not report a measurement focus as it does not report operations.

C. Fund Accounting

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

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

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

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

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

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

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

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

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. The City's agency fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations. The City's agency funds account for monies held by the Mayor's Court in a fiduciary capacity and to account for the administering and collection of income taxes related to the Joint Economic Development District.

D. Measurement Focus and Basis of Accounting

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

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

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

E. Basis of Accounting

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance 2009 operations, and other revenues received in advance of the year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2008 are recorded as deferred revenue.

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

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

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

F. Budgetary Data

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City can make transfers within the funds without seeking the approval of City Council. The City legally adopted supplemental appropriations during 2008.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Tax Budget

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

Estimated Resources

The City Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificates of estimated resources issued during 2008.

Appropriations

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

Lapsing of Appropriations

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

G. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

During 2008, investments were limited to STAR Ohio, Federal agency securities, U. S. Government money market mutual funds, negotiable certificates of deposit and non-negotiable certificates of deposit.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2008.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2008, interest revenue credited to the general fund amounted to \$199,784 which includes \$165,231 assigned from other City funds.

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

At year-end, the City had \$2,112,293 held by a trustee as designated by bond indenture. This amount is reported as "restricted cash and cash equivalents with fiscal agent" in the financial statements.

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

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

H. Capital Assets

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

I. Compensated Absences

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

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least fifteen (15) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

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

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

K. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Restricted Assets

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

N. Interfund Balances

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

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

O. Interfund Activity

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

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

P. Fund Balance Reserves

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

Q. Estimates

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

R. Net Assets

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

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

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

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 15) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the City at December 31, 2008.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

The following funds had deficit fund balances as of December 31, 2008:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Fire memorial	\$ 3,503
Police pension	70,166

These funds complied with Ohio State law, which does not permit a cash basis deficit at year-end. The deficit fund balances resulted from recognition of accrued liabilities. The general fund is responsible for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Compliance

The following funds had disbursements in excess of appropriations for the year ended December 31, 2008 in noncompliance with Ohio Revised Code Section 5705.41(B):

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>Governmental activities:</u>			
Nonmajor governmental funds:			
Fire memorial	\$ 2,000	\$ 6,051	\$ 4,051
Police pension	275,000	287,667	12,667
Drug law enforcement	10,372	34,924	24,552
Law enforcement trust	1,000	3,510	2,510
Street / safety construction	294,607	899,859	605,252

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

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

B. Cash in Segregated Accounts

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Cash with Fiscal Agent

At year-end, the City had \$2,112,293 held by a trustee as designated by bond indenture. This amount is included in the City's "investments" below.

D. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits was \$3,705,102. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$2,385,017 of the City's bank balance of \$3,886,803 was exposed to custodial risk as discussed below, while \$1,501,786 was covered by the Federal Deposit Insurance Corporation.

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

E. Investments

As of December 31, 2008, the City had the following investments and maturities:

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
STAR Ohio	\$ 2,594,547	\$ 2,594,547	\$ -	\$ -	\$ -
Negotiable CD's	202,473	\$ -	-	102,067	100,406
FHLB	5,012,290	4,513,440	498,850	-	-
U.S. Government money market mutual funds	<u>3,488,581</u>	<u>3,488,581</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,297,891</u>	<u>\$ 10,596,568</u>	<u>\$ 498,850</u>	<u>\$ 102,067</u>	<u>\$ 100,406</u>

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The City's investments, except for STAR Ohio and the US Government money market mutual funds were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the US Government money market funds an AAAM money market rating. The City's investment policy limits its investments to those authorized by State statute.

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

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 2,594,547	22.96
Negotiable CD's	202,473	1.79
FHLB	5,012,290	44.37
U.S. Government money market mutual funds	<u>3,488,581</u>	<u>30.88</u>
	<u>\$ 11,297,891</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,705,102
Investments	11,297,891
Cash on hand	<u>525</u>
Total	<u>\$ 15,003,518</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 4,908,054
Business-type activities	10,093,185
Agency fund	<u>2,279</u>
Total	<u>\$ 15,003,518</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - INTERNAL TRANSACTIONS

- A.** Interfund transfers for the year ended December 31, 2008, consisted of the following, as reported in the fund financial statements:

Transfers to general fund from:

Sewer fund	\$ 30,154
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Transfers to nonmajor governmental funds from:

General fund	796,171
Sewer fund	50,000

Transfers to fire improvement fund from:

General fund	878,199
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Transfers to nonmajor enterprise fund from:

Sewer fund	<u>70,000</u>
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Total	<u><u>\$ 1,824,524</u></u>
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Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

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

- B.** Advances to/from other funds consisted of the following at December 31, 2008, as reported on the fund financial statements:

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - INTERNAL TRANSACTIONS - (Continued)

- C. Interfund loans consisted of the following at December 31, 2008, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Storm water fund	\$ 420,000

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

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the County due to the phasing out of the tax. In calendar years 2008-2010, the County will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The full tax rate for all City operations for the year ended December 31, 2008 was \$13.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

Real property tax	\$ 220,529,210
Public utility tangible personal property	3,986,460
Tangible personal property	<u>5,421,080</u>
Total assessed valuation	<u>\$ 229,936,750</u>

Property taxes receivables represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008. Although total property tax collections for the next year are measurable, they are generally not collected during the available period. The exception to this is any advances received by the City in the first sixty days of the year are credited as property tax revenues with the remainder being credited to unearned revenue.

NOTE 7 - LOCAL INCOME TAX

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2008, as well as intended to finance 2008 operations.

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

	<u>Amounts</u>
<u>Governmental activities:</u>	
Income taxes	\$ 652,292
Real and other taxes	2,101,169
Accounts	22,727
Due from other governments	566,282
Accrued interest	5,322
<u>Business-type activities:</u>	
Accounts	429,339
Due from other governments	54,516

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - CAPITAL ASSETS

Governmental activities capital asset activity for 2008 is as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,001,921	\$ 13,970	\$ -	\$ 3,015,891
Construction in progress	<u>743,037</u>	<u>643,727</u>	<u>(1,366,764)</u>	<u>20,000</u>
Total capital assets, not being depreciated	<u>3,744,958</u>	<u>657,697</u>	<u>(1,366,764)</u>	<u>3,035,891</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	858,417	-	-	858,417
Buildings and improvements	3,932,256	19,700	-	3,951,956
Furniture and equipment	1,308,942	238,199	(11,079)	1,536,062
Vehicles	2,422,023	82,693	(265,441)	2,239,275
Infrastructure	<u>3,529,260</u>	<u>1,776,761</u>	<u>-</u>	<u>5,306,021</u>
Total capital assets, being depreciated	<u>12,050,898</u>	<u>2,117,353</u>	<u>(276,520)</u>	<u>13,891,731</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(607,832)	(37,959)	-	(645,791)
Buildings	(1,411,176)	(76,490)	-	(1,487,666)
Furniture and equipment	(688,055)	(117,124)	6,727	(798,452)
Vehicles	(975,087)	(219,289)	74,553	(1,119,823)
Infrastructure	<u>(139,589)</u>	<u>(109,561)</u>	<u>-</u>	<u>(249,150)</u>
Total accumulated depreciation	<u>(3,821,739)</u>	<u>(560,423)</u>	<u>81,280</u>	<u>(4,300,882)</u>
Total capital assets, being depreciated, net	<u>8,229,159</u>	<u>1,556,930</u>	<u>(195,240)</u>	<u>9,590,849</u>
Governmental activities capital assets, net	<u>\$ 11,974,117</u>	<u>\$ 2,214,627</u>	<u>\$ (1,562,004)</u>	<u>\$ 12,626,740</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,992
Security of persons and property	331,867
Public health and welfare	4,652
Transportation	163,263
Leisure time activity	56,786
Community environment	<u>863</u>
Total depreciation expense	<u>\$ 560,423</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for 2008 is as follows:

<u>Business-type activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Construction in progress	<u>4,040,253</u>	<u>543,898</u>	<u>(4,262,691)</u>	<u>321,460</u>
Total capital assets, not being depreciated	<u>4,525,673</u>	<u>543,898</u>	<u>(4,262,691)</u>	<u>806,880</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	32,386	-	-	32,386
Buildings	10,013,997	26,190	-	10,040,187
Furniture and equipment	7,582,124	48,101	(1,950)	7,628,275
Vehicles	322,096	40,567	(26,542)	336,121
Infrastructure	<u>18,158,212</u>	<u>5,075,298</u>	<u>(2,893)</u>	<u>23,230,617</u>
Total capital assets, being depreciated	<u>36,108,815</u>	<u>5,190,156</u>	<u>(31,385)</u>	<u>41,267,586</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(31,996)	(156)	-	(32,152)
Buildings	(2,198,281)	(199,657)	-	(2,397,938)
Furniture and equipment	(2,472,258)	(467,360)	1,305	(2,938,313)
Vehicles	(238,984)	(16,659)	19,928	(235,715)
Infrastructure	<u>(4,432,402)</u>	<u>(424,308)</u>	<u>1,019</u>	<u>(4,855,691)</u>
Total accumulated depreciation	<u>(9,373,921)</u>	<u>(1,108,140)</u>	<u>22,252</u>	<u>(10,459,809)</u>
Total capital assets, being depreciated, net	<u>26,734,894</u>	<u>4,082,016</u>	<u>(9,133)</u>	<u>30,807,777</u>
Business-type activities capital assets, net	<u>\$ 31,260,567</u>	<u>\$ 4,625,914</u>	<u>\$ (4,271,824)</u>	<u>\$ 31,614,657</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Major enterprise funds</u>	
Sewer	\$ 725,745
Water	339,988
<u>Nonmajor enterprise fund</u>	
Storm water	<u>42,407</u>
Total depreciation expense	<u>\$ 1,108,140</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - CAPITAL LEASES

In 2008, the City entered into capitalized lease agreements for the acquisition of two new police vehicles. In prior years, the City entered into capitalized leases for police vehicles, fire trucks, an ambulance, emergency vehicles, staff vehicles and various equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Fund capital assets acquired by capital lease and the related liability and interest expense have been reported in the general fund, the fire improvement fund, the sewer fund and the water fund.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net assets in the amount of \$1,412,380 for the governmental funds and \$71,873 for the enterprise funds. Accumulated depreciation as of December 31, 2008 was \$430,534 for the governmental funds and \$13,476 for the enterprise funds, leaving a current book value of \$981,846 for the governmental funds and \$58,397 for the enterprise funds. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the funds. Principal payments in 2008 totaled \$81,859 made from the general fund, \$50,806 made from the fire improvement fund, \$46,994 made from the fire capital reserve fund, \$6,378 made from the water fund and \$6,377 made from the sewer fund.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2008:

Year Ending <u>December 31,</u>	Governmental		Enterprise	
	Activities		Water <u>fund</u>	Sewer <u>fund</u>
	General <u>fund</u>	Fire Improvement <u>fund</u>		
2009	\$ 21,189	\$ 150,652	\$ 8,046	\$ 8,045
2010	21,188	150,652	8,045	8,046
2011	4,872	150,652	8,046	8,045
2012	-	88,327	-	-
2013	-	88,328	-	-
2014 - 2018	-	441,638	-	-
2019 - 2022	-	353,309	-	-
Total	47,249	1,423,558	24,137	24,136
Less: amount representing interest	(3,345)	(361,478)	(2,623)	(2,623)
Present value of net minimum lease payments	\$ 43,904	\$ 1,062,080	\$ 21,514	\$ 21,513

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During 2008, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/08</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
<i>General obligation bonds</i>					
Road and safety bonds	\$ 470,000	\$ -	\$ (150,000)	\$ 320,000	\$ 155,000
Refunding bonds	<u>2,135,000</u>	<u>-</u>	<u>(10,000)</u>	<u>2,125,000</u>	<u>15,000</u>
Total general obligation bonds	<u>2,605,000</u>	<u>-</u>	<u>(160,000)</u>	<u>2,445,000</u>	<u>170,000</u>
<i>OPWC Loan</i>					
Jefferson Ave. project	<u>436,999</u>	<u>-</u>	<u>(23,621)</u>	<u>413,378</u>	<u>23,622</u>
Total OPWC loan	<u>436,999</u>	<u>-</u>	<u>(23,621)</u>	<u>413,378</u>	<u>23,622</u>
<i>ODOT Loan</i>					
New Haven bridge	<u>564,170</u>	<u>-</u>	<u>(31,940)</u>	<u>532,230</u>	<u>64,287</u>
Total ODOT loan	<u>564,170</u>	<u>-</u>	<u>(31,940)</u>	<u>532,230</u>	<u>64,287</u>
<i>Other long-term obligations</i>					
Compensated absences	320,456	365,378	(341,321)	344,513	55,380
Capital leases	<u>1,238,630</u>	<u>47,013</u>	<u>(179,659)</u>	<u>1,105,984</u>	<u>119,309</u>
Total other long-term obligations	<u>1,559,086</u>	<u>412,391</u>	<u>(520,980)</u>	<u>1,450,497</u>	<u>174,689</u>
Total governmental activities long-term obligations	<u>\$ 5,165,255</u>	<u>\$ 412,391</u>	<u>\$ (736,541)</u>	4,841,105	<u>\$ 432,598</u>
				Add: Unamortized premium on bond issue	47,245
				Less: Unamortized deferred charges on refunding	<u>(78,230)</u>
				Total reported on statement of net assets	<u>\$ 4,810,120</u>

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

General Obligation Refunding Bonds: On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds. The bonds bear interest at rates ranging from 3.00% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the callable portion (\$1,985,000) of the Series 2000 various purpose general obligation bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the refunded bonds at December 31, 2008 was \$1,975,000.

OPWC Loan: The City's Jefferson Avenue project was financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2008, the City has one loan outstanding through the OPWC payable from governmental activities. The loan is interest free and payable in semi-annual installments that began in 2006.

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

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ending December 31,	General Obligation Bonds - 2000 Series			Refunding Bonds - 2005 Series		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 155,000	\$ 17,362	\$ 172,362	\$ 15,000	\$ 95,258	\$ 110,258
2010	165,000	8,992	173,992	15,000	94,792	109,792
2011	-	-	-	195,000	94,313	289,313
2012	-	-	-	200,000	85,050	285,050
2013	-	-	-	210,000	75,550	285,550
2014 - 2018	-	-	-	1,215,000	221,638	1,436,638
2019	-	-	-	275,000	11,687	286,687
Total	<u>\$ 320,000</u>	<u>\$ 26,354</u>	<u>\$ 346,354</u>	<u>\$ 2,125,000</u>	<u>\$ 678,288</u>	<u>\$ 2,803,288</u>

Year Ending December 31,	OPWC Loan			ODOT Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 23,622	\$ -	\$ 23,622	\$ 64,287	\$ 15,488	\$ 79,775
2010	23,622	-	23,622	66,230	13,545	79,775
2011	23,622	-	23,622	68,232	11,544	79,776
2012	23,622	-	23,622	70,294	9,481	79,775
2013	23,621	-	23,621	72,419	7,357	79,776
2014 - 2018	118,108	-	118,108	190,768	8,670	199,438
2019 - 2023	118,108	-	118,108	-	-	-
2024 - 2026	59,053	-	59,053	-	-	-
Total	<u>\$ 413,378</u>	<u>\$ -</u>	<u>\$ 413,378</u>	<u>\$ 532,230</u>	<u>\$ 66,085</u>	<u>\$ 598,315</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During 2008, the following changes occurred in business-type activities long-term obligations:

	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/08</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Business-type activities:						
<i>General Obligation Bond</i>						
Sanitary sewer improvements - 2005	3.00-4.75%	\$ 435,000	\$ -	\$ (25,000)	\$ 410,000	\$ 20,000
Total general obligation bond		<u>435,000</u>	<u>-</u>	<u>(25,000)</u>	<u>410,000</u>	<u>20,000</u>
<i>Mortgage Revenue Bond</i>						
Revenue improvement and refundings - 2003	4.75%	17,980,000	-	(425,000)	17,555,000	485,000
Total mortgage revenue bond		<u>17,980,000</u>	<u>-</u>	<u>(425,000)</u>	<u>17,555,000</u>	<u>485,000</u>
<i>OPWC Loans</i>						
OPWC loan - water transmission lines	3.00%	19,033	-	(19,033)	-	-
OPWC loan - Water Reservoir	3.00%	72,795	-	(48,168)	24,627	24,627
OPWC loan - State Street/Campbell Rd. sewer	0.00%	1,846,166	-	(92,308)	1,753,858	92,308
OPWC loan - Etta, Lellan and Joyce Ave. Imp.	0.00%	-	420,600	-	420,600	10,515
Total OPWC loans		<u>1,937,994</u>	<u>420,600</u>	<u>(159,509)</u>	<u>2,199,085</u>	<u>127,450</u>
<i>OWDA Loans</i>						
OWDA loan - water treatment plant	3.49%	855,602	-	(47,987)	807,615	49,247
OWDA loan - New Biddinger Rd./ Caroline Trace Rd. Water Mains	2.84%	1,728,763	72,974	(72,565)	1,729,172	74,114
OWDA loan - Wellfield/transmission water mains	3.64%	596,807	-	(56,571)	540,236	58,120
OWDA loan - Water main improvements	2.90%	-	1,586	-	1,586	-
Total OWDA loans		<u>3,181,172</u>	<u>74,560</u>	<u>(177,123)</u>	<u>3,078,609</u>	<u>181,481</u>
Capital lease obligation		55,782	-	(12,755)	43,027	13,518
Compensated absences		47,394	59,779	(48,136)	59,037	11,468
Total business-type activities long-term obligations		<u>\$ 23,637,342</u>	<u>\$ 554,939</u>	<u>\$ (847,523)</u>	23,344,758	<u>\$ 838,917</u>
					Add: Unamortized premium on bond issue	200,659
					Less: Unamortized deferred charges on bond issue	<u>(80,711)</u>
					Total reported on statement of net assets	<u>\$ 23,464,706</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 3.000% to 4.125% per annum and mature in various installments through December 1, 2024.

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Mortgage revenue bonds: On September 15, 2003, the City issued \$18,750,000 in waste water system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes which matured on December 20, 2003, and refunding bonds of \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds (principal \$2,860,000; interest rate 4.6%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the financial statements. The principal balance of the refunded wastewater system mortgage revenue bonds at December 31, 2008 was \$1,770,000.

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

The City has pledged future waste water customer revenues, net of specified operating expenses, to repay \$18,750,000 in Series 2003 waste water system revenue improvement and refunding bonds. Proceeds of the waste water system revenue improvement and refunding bonds were used for waste water improvements and to refund the outstanding balance of previously issued Series 1993 waste water general obligation improvement notes. The Series 2003 waste water revenue improvement and refunding bonds are payable solely from waste water customer net revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require less than 86.14 percent of net revenues. The total principal and interest remaining to be paid on the Series 2003 waste water system revenue improvement and refunding bonds is \$27,802,007. Principal and interest paid for the current year and total customer net revenues were \$1,243,738 and \$1,443,789, respectively.

OPWC loans: Improvements to the City's water treatment facilities and State Street/Campbell Road were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2008, the City has four loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal and interest. The amounts due to the OPWC are payable solely from water and sewer revenues.

OWDA loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2008, the City has outstanding borrowings of \$3,078,609. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The projects financed through OWDA loans are not closed out as of December 31, 2008. Future annual debt service principal and interest requirements for these loans are not available.

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ending December 31,	General Obligation Bonds			Revenue Refunding Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,000	\$ 17,310	\$ 37,310	\$ 485,000	\$ 807,475	\$ 1,292,475
2010	20,000	16,690	36,690	550,000	792,925	1,342,925
2011	20,000	16,050	36,050	570,000	774,500	1,344,500
2012	20,000	15,100	35,100	590,000	753,980	1,343,980
2013	20,000	14,150	34,150	615,000	730,380	1,345,380
2014 - 2018	120,000	55,450	175,450	3,615,000	3,250,122	6,865,122
2019 - 2023	155,000	26,850	181,850	5,050,000	2,244,625	7,294,625
2024 - 2028	<u>35,000</u>	<u>1,444</u>	<u>36,444</u>	<u>6,080,000</u>	<u>893,000</u>	<u>6,973,000</u>
Total	<u>\$ 410,000</u>	<u>\$ 163,044</u>	<u>\$ 573,044</u>	<u>\$ 17,555,000</u>	<u>\$ 10,247,007</u>	<u>\$ 27,802,007</u>

Year Ending December 31,	OPWC Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 127,450	\$ 369	\$ 127,819
2010	113,338	-	113,338
2011	113,338	-	113,338
2012	113,338	-	113,338
2013	113,338	-	113,338
2014 - 2018	566,692	-	566,692
2019 - 2023	566,692	-	566,692
2024 - 2028	474,384	-	474,384
2029	<u>10,515</u>	<u>-</u>	<u>10,515</u>
Total	<u>\$ 2,199,085</u>	<u>\$ 369</u>	<u>\$ 2,199,454</u>

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 12 - SHORT-TERM NOTES PAYABLE

A. Tax Anticipation Notes

A summary of the governmental activities short-term notes payable transactions for 2008 follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance 12/31/2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/2008</u>
Tax Anticipation Notes:							
Tax Anticipation Note	12/11/08	12/10/09	3.25	\$ -	\$ 450,000	\$ -	\$ 450,000
Total				<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>

On December 11, 2008, the City issued \$450,000 in notes in anticipation of taxes produced by a new levy for the purpose of providing ambulance, paramedic, and emergency medical services, to be operated by the fire department of the City. The notes bear an interest rate of 3.25% and mature on December 10, 2009. The notes are booked as a fund liability in the fire improvement fund (a major governmental fund).

B. Bond Anticipation Notes

A summary of the business-type activities short-term notes payable transactions for 2008 follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance 12/31/2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/2008</u>
Bond Anticipation Notes:							
Bond Anticipation Note	12/11/2008	12/10/09	2.70	\$ 5,500,000	\$ 5,000,000	\$ (5,500,000)	\$ 5,000,000
Total				<u>\$ 5,500,000</u>	<u>\$ 5,000,000</u>	<u>\$ (5,500,000)</u>	<u>\$ 5,000,000</u>

On December 11, 2008 the City issued \$5,000,000 bond anticipation note bearing a 2.70% interest rate. This note matures on December 10, 2009. The notes were unspent at year end.

NOTE 13 - RISK MANAGEMENT

The City has the following insurance coverage's related to risk management:

A. Risk Pool Membership

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - RISK MANAGEMENT - (Continued)

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

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

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006, the latest information available:

	2007	2006	
Assets	\$ 11,136,455	\$ 9,620,148	
Liabilities	(4,273,553)	(3,329,620)	
Members' Equity	\$ 6,862,902	\$ 6,290,528	

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

B. Employee Health Insurance

During 2008, the City provided employees insurance for medical through Humana Insurance, for dental through Assurant and life through Hartford. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

C. Workers' Compensation

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

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

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 14 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$118,476, \$132,089 and \$141,460, respectively; 92.11% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 14 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$183,625 and \$176,091 for the year ended December 31, 2008, \$168,648 and \$171,323 for the year ended December 31, 2007 and \$164,570 and \$157,559, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 71.27% has been contributed for police and 71.27% has been contributed for firefighters for 2008.

NOTE 15 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but 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.

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

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$118,476, \$87,068 and \$69,193, respectively; 92.11% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

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

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

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

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

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

CITY OF HARRISON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$97,213 and \$68,905 for the year ended December 31, 2008, \$89,224 and \$66,957 for the year ended December 31, 2007 and \$108,348 and \$75,172, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 71.27% has been contributed for police and 71.27% has been contributed for firefighters for 2008.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (Non-GAAP budgetary basis) presented for the general fund and the fire improvement fund, a major special revenue fund, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); and,
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

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

CITY OF HARRISON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>	<u>Fire Improvement</u>
Budget basis	\$ (201,672)	\$ 326,960
Net adjustment for revenue accruals	(94,200)	(33,193)
Net adjustment for expenditure accruals	(99,222)	38,167
Net adjustment for other financing sources/(uses)	497,167	(450,000)
Adjustment for encumbrances	<u>52,460</u>	<u>3,897</u>
GAAP basis	<u>\$ 154,533</u>	<u>\$ (114,169)</u>

NOTE 17 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2008.

B. Litigation

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

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 3,061,000	\$ 3,061,000	\$ 3,057,958	\$ (3,042)
Real and other taxes	1,199,556	1,199,556	1,176,721	(22,835)
Licenses and permits	485,700	485,700	170,996	(314,704)
Fines and forfeitures	128,000	128,000	123,100	(4,900)
Intergovernmental	474,192	474,192	613,200	139,008
Investment income	100,000	100,000	184,051	84,051
Other	14,600	14,600	60,817	46,217
Total revenues.	<u>5,463,048</u>	<u>5,463,048</u>	<u>5,386,843</u>	<u>(76,205)</u>
Expenditures:				
Current:				
General Government:				
Planning Commission:				
Personal services	4,390	4,390	3,416	974
Operations/maintenance.	600	600	560	40
Total planning commission	<u>4,990</u>	<u>4,990</u>	<u>3,976</u>	<u>1,014</u>
Income Tax:				
Personal services	82,374	82,374	59,750	22,624
Operations/maintenance.	146,401	167,167	161,859	5,308
Capital improvements	5,000	5,000	5,000	-
Total income tax	<u>233,775</u>	<u>254,541</u>	<u>226,609</u>	<u>27,932</u>
Mayor:				
Personal services	35,000	35,000	34,170	830
Operations/maintenance.	4,725	4,725	2,836	1,889
Total mayor	<u>39,725</u>	<u>39,725</u>	<u>37,006</u>	<u>2,719</u>
Council:				
Personal services	68,681	68,681	68,094	587
Operations/maintenance.	48,550	48,550	29,420	19,130
Capital improvements	25,000	25,000	2,250	22,750
Total council	<u>142,231</u>	<u>142,231</u>	<u>99,764</u>	<u>42,467</u>
Economic Development:				
Personal services	81,550	81,550	64,045	17,505
Operations/maintenance.	96,450	96,450	86,426	10,024
Total economic development	<u>178,000</u>	<u>178,000</u>	<u>150,471</u>	<u>27,529</u>
Finance:				
Personal services	161,930	161,930	153,209	8,721
Operations/maintenance.	141,616	141,616	123,236	18,380
Capital improvements	8,000	8,000	7,971	29
Total finance	<u>311,546</u>	<u>311,546</u>	<u>284,416</u>	<u>27,130</u>
Custodian:				
Personal services	45,408	48,408	47,979	429
Operations/maintenance.	1,200	1,200	1,032	168
Total custodian	<u>46,608</u>	<u>49,608</u>	<u>49,011</u>	<u>597</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Civil Service:				
Personal services	\$ 4,225	\$ 4,225	\$ 3,934	\$ 291
Operations/maintenance.	5,140	5,140	3,359	1,781
Total civil service	<u>9,365</u>	<u>9,365</u>	<u>7,293</u>	<u>2,072</u>
Law Director:				
Personal services	52,026	52,536	52,365	171
Operations/maintenance.	56,325	55,815	54,526	1,289
Total law director	<u>108,351</u>	<u>108,351</u>	<u>106,891</u>	<u>1,460</u>
Magistrate:				
Personal services	77,661	77,661	68,645	9,016
Operations/maintenance.	8,835	8,835	8,527	308
Total magistrate	<u>86,496</u>	<u>86,496</u>	<u>77,172</u>	<u>9,324</u>
Administration Coordinator:				
Personal services	20,838	20,838	20,178	660
Total administration coordinator	<u>20,838</u>	<u>20,838</u>	<u>20,178</u>	<u>660</u>
Elections:				
Operations/maintenance.	2,800	2,800	500	2,300
Total elections	<u>2,800</u>	<u>2,800</u>	<u>500</u>	<u>2,300</u>
Total General Government	<u>1,184,725</u>	<u>1,208,491</u>	<u>1,063,287</u>	<u>145,204</u>
Security of Persons and Property				
Law Enforcement:				
Personal services	1,896,058	1,896,058	1,806,766	89,292
Operations/maintenance.	378,070	378,070	338,579	39,491
Capital improvements	7,695	7,695	7,628	67
Total law enforcement	<u>2,281,823</u>	<u>2,281,823</u>	<u>2,152,973</u>	<u>128,850</u>
Street Lighting:				
Operations/maintenance.	82,461	82,461	65,772	16,689
Total street lighting	<u>82,461</u>	<u>82,461</u>	<u>65,772</u>	<u>16,689</u>
Total Security of Persons and Property.	<u>2,364,284</u>	<u>2,364,284</u>	<u>2,218,745</u>	<u>145,539</u>
Public Health and Welfare:				
Board of Health:				
Operations/maintenance.	11,040	11,040	-	11,040
Total board of health	<u>11,040</u>	<u>11,040</u>	<u>-</u>	<u>11,040</u>
Total Public Health and Welfare	<u>11,040</u>	<u>11,040</u>	<u>-</u>	<u>11,040</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community Environment				
Building Department:				
Personal services	\$ 43,827	\$ 43,827	\$ 12,364	\$ 31,463
Operations/maintenance.	256,860	256,860	96,336	160,524
Capital improvements	1,600	1,600	1,513	87
Total building department	<u>302,287</u>	<u>302,287</u>	<u>110,213</u>	<u>192,074</u>
Zoning Department:				
Personal services	6,655	3,655	3,128	527
Operations/maintenance.	3,050	6,050	9,212	(3,162)
Total zoning department	<u>9,705</u>	<u>9,705</u>	<u>12,340</u>	<u>(2,635)</u>
Total Community Environment.	<u>311,992</u>	<u>311,992</u>	<u>122,553</u>	<u>189,439</u>
Leisure Time Activity:				
Parks and Recreation:				
Personal services	19,188	19,188	19,169	19
Operations/maintenance.	50,655	50,655	47,419	3,236
Capital improvements	20,073	20,073	19,790	283
Total parks and recreation	<u>89,916</u>	<u>89,916</u>	<u>86,378</u>	<u>3,538</u>
Total Leisure Time Activities.	<u>89,916</u>	<u>89,916</u>	<u>86,378</u>	<u>3,538</u>
Capital Outlay:				
Capital improvements	<u>3,500</u>	<u>3,500</u>	<u>3,182</u>	<u>318</u>
Total capital outlay	<u>3,500</u>	<u>3,500</u>	<u>3,182</u>	<u>318</u>
Total expenditures	<u>3,965,457</u>	<u>3,989,223</u>	<u>3,494,145</u>	<u>495,078</u>
Excess of revenues over expenditures.	<u>1,497,591</u>	<u>1,473,825</u>	<u>1,892,698</u>	<u>418,873</u>
Other financing uses:				
Advance out	-	-	(420,000)	(420,000)
Transfers out	(1,638,872)	(1,638,872)	(1,674,370)	(35,498)
Total other financing uses	<u>(1,638,872)</u>	<u>(1,638,872)</u>	<u>(2,094,370)</u>	<u>(455,498)</u>
Net change in fund balance	(141,281)	(165,047)	(201,672)	(36,625)
Fund balance at beginning of year.	<u>1,371,759</u>	<u>1,371,759</u>	<u>1,371,759</u>	<u>-</u>
Prior year encumbrances appropriated	<u>64,292</u>	<u>64,292</u>	<u>64,292</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,294,770</u>	<u>\$ 1,271,004</u>	<u>\$ 1,234,379</u>	<u>\$ (36,625)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 924,546	\$ 924,546	\$ 859,780	\$ (64,766)
Charges for services	454,950	454,950	508,226	53,276
Intergovernmental	64,956	64,956	79,910	14,954
Other	5,000	5,000	13,036	8,036
Total revenues	<u>1,449,452</u>	<u>1,449,452</u>	<u>1,460,952</u>	<u>11,500</u>
Expenditures:				
Current:				
Security of persons and property:				
Personal services	1,988,173	1,988,173	1,958,535	29,638
Operations/maintenance	391,732	391,732	385,803	5,929
Capital outlay:				
Capital improvements	119,022	119,022	118,641	381
Debt service:				
Note issuance costs	-	-	2,493	(2,493)
Total expenditures	<u>2,498,927</u>	<u>2,498,927</u>	<u>2,465,472</u>	<u>33,455</u>
Excess expenditures over revenues	<u>(1,049,475)</u>	<u>(1,049,475)</u>	<u>(1,004,520)</u>	<u>44,955</u>
Other financing sources:				
Proceeds from sale of notes	-	-	450,000	450,000
Premium on sale of notes	-	-	3,281	3,281
Transfers in	878,199	878,199	878,199	-
Total other financing sources	<u>878,199</u>	<u>878,199</u>	<u>1,331,480</u>	<u>453,281</u>
Net change in fund balance	(171,276)	(171,276)	326,960	498,236
Fund balance at beginning of year	<u>273,572</u>	<u>273,572</u>	<u>273,572</u>	<u>-</u>
Prior year encumbrances appropriated .	<u>44,719</u>	<u>44,719</u>	<u>44,719</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147,015</u>	<u>\$ 147,015</u>	<u>\$ 645,251</u>	<u>\$ 498,236</u>

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Police Pension

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

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 grants received to make repairs at the wastewater treatment plant.

Police Memorial

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

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.

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.

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Fire Capital Reserve

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

Drug Law Enforcement

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

Law Enforcement Trust

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

Recreation Tax Receipts

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

Recreation Activity Receipts

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

NONMAJOR DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Improvements

This fund accounts for property and other tax income and transfers from other funds for the various improvements within the City.

Home Depot/TIF

This fund accounts for the Home Depot tax increment financing.

Street/Safety Construction

This fund accounts for the construction of various street improvements.

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,512,279	\$ 620,316	\$ 794,499	\$ 2,927,094
Cash in segregated accounts	10,576	-	-	10,576
Receivables (net of allowances of uncollectibles):				
Real and other taxes	61,742	-	7,721	69,463
Accounts	40	-	-	40
Due from other governments	333,450	-	-	333,450
Prepayments	9,000	-	-	9,000
Materials and supplies inventory	17,498	-	-	17,498
Total assets	\$ 1,944,585	\$ 620,316	\$ 802,220	\$ 3,367,121
Liabilities:				
Accounts payable	\$ 252	\$ -	\$ -	\$ 252
Accrued wages and benefits	25,615	-	-	25,615
Compensated absences payable	4,983	-	-	4,983
Due to other governments	99,353	-	-	99,353
Advances from other funds	35,411	-	-	35,411
Unearned revenue	58,291	-	-	58,291
Deferred revenue	221,647	-	-	221,647
Total liabilities	445,552	-	-	445,552
Fund Balances:				
Reserved for encumbrances	23,209	-	15,000	38,209
Reserved for materials and supplies inventory	17,498	-	-	17,498
Reserved for prepaids	9,000	-	-	9,000
Unreserved, undesignated, reported in:				
Special revenue funds	1,449,326	-	-	1,449,326
Debt service funds	-	620,316	-	620,316
Capital projects funds	-	-	787,220	787,220
Total fund balances	1,499,033	620,316	802,220	2,921,569
Total liabilities and fund equity	\$ 1,944,585	\$ 620,316	\$ 802,220	\$ 3,367,121

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Real and other taxes	\$ 68,646	\$ -	\$ 244,635	\$ 313,281
Charges for services	224,031	-	-	224,031
Licenses and permits	120	-	-	120
Intergovernmental	626,186	-	528,547	1,154,733
Investment income	17,841	-	-	17,841
Contributions and donations	40	-	-	40
Other	15,405	-	-	15,405
Total revenues	<u>952,269</u>	<u>-</u>	<u>773,182</u>	<u>1,725,451</u>
Expenditures:				
Current:				
Security of persons and property.	274,827	-	-	274,827
Public health and welfare	307,502	-	-	307,502
Transportation	579,366	-	-	579,366
Leisure time activity	194,034	-	-	194,034
Capital outlay.	93,973	-	843,163	937,136
Debt service:				
Principal retirement.	46,994	183,621	31,940	262,555
Interest and fiscal charges	41,334	119,911	7,948	169,193
Total expenditures	<u>1,538,030</u>	<u>303,532</u>	<u>883,051</u>	<u>2,724,613</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(585,761)</u>	<u>(303,532)</u>	<u>(109,869)</u>	<u>(999,162)</u>
Other financing sources:				
Transfers in.	767,171	-	79,000	846,171
Total other financing sources	<u>767,171</u>	<u>-</u>	<u>79,000</u>	<u>846,171</u>
Net change in fund balances	181,410	(303,532)	(30,869)	(152,991)
Fund balances at beginning of year	<u>1,317,623</u>	<u>923,848</u>	<u>833,089</u>	<u>3,074,560</u>
Fund balances at end of year	<u>\$ 1,499,033</u>	<u>\$ 620,316</u>	<u>\$ 802,220</u>	<u>\$ 2,921,569</u>

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Assets:			
Equity in pooled cash and cash equivalents	\$ 409,637	\$ 142,834	\$ 11,457
Cash in segregated accounts	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	-
Accounts	-	-	40
Due from other governments	255,726	14,360	-
Prepayments	4,583	-	-
Materials and supplies inventory	16,233	-	-
Total assets	\$ 686,179	\$ 157,194	\$ 11,497
 Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	14,903	-	-
Compensated absences payable	4,983	-	-
Due to other governments	11,309	-	-
Advances from other funds	-	20,411	15,000
Unearned revenue	-	-	-
Deferred revenue	201,654	9,976	-
Total liabilities	232,849	30,387	15,000
 Fund Balances:			
Reserved for encumbrances	3,207	3,993	-
Reserved for materials and supplies inventory	16,233	-	-
Reserved for prepaids	4,583	-	-
Unreserved, undesignated (deficit), reported in:			
Special revenue funds	429,307	122,814	(3,503)
Total fund balances	453,330	126,807	(3,503)
Total liabilities and fund equity	\$ 686,179	\$ 157,194	\$ 11,497

<u>Police Pension</u>	<u>Enforcement and Education</u>	<u>FEMA</u>	<u>Police Memorial</u>	<u>Senior Center</u>	<u>Passport Account</u>
\$ 9,572	\$ 2,221	\$ 3,766	\$ 227	\$ 153,336	\$ 84,003
-	-	-	-	10,576	-
61,742	-	-	-	-	-
-	-	-	-	-	-
3,318	621	-	-	53,111	-
-	-	-	-	250	-
-	-	-	-	439	-
<u>\$ 74,632</u>	<u>\$ 2,842</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 217,712</u>	<u>\$ 84,003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,633	-
-	-	-	-	-	-
79,798	-	-	-	5,201	-
-	-	-	-	-	-
58,291	-	-	-	-	-
6,709	-	-	-	-	-
<u>144,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,834</u>	<u>-</u>
-	-	-	-	10,084	3,000
-	-	-	-	439	-
-	-	-	-	250	-
<u>(70,166)</u>	<u>2,842</u>	<u>3,766</u>	<u>227</u>	<u>195,105</u>	<u>81,003</u>
<u>(70,166)</u>	<u>2,842</u>	<u>3,766</u>	<u>227</u>	<u>205,878</u>	<u>84,003</u>
<u>\$ 74,632</u>	<u>\$ 2,842</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 217,712</u>	<u>\$ 84,003</u>

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CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008

	Community Center	Fire Capital Reserve	Drug Law Enforcement	Law Enforcement Trust
Assets:				
Equity in pooled cash and cash equivalents	\$ 139,356	\$ 124,246	\$ 17,617	\$ 8,049
Cash in segregated accounts	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Real and other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	5,769	-	545	-
Prepayments	4,167	-	-	-
Materials and supplies inventory	826	-	-	-
Total assets	\$ 150,118	\$ 124,246	\$ 18,162	\$ 8,049
 Liabilities:				
Accounts payable	\$ -	\$ -	\$ 252	\$ -
Accrued wages and benefits	4,079	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	3,045	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deferred revenue	3,308	-	-	-
Total liabilities	10,432	-	252	-
 Fund Balances:				
Reserved for encumbrances	675	-	2,250	-
Reserved for materials and supplies inventory	826	-	-	-
Reserved for prepaids	4,167	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	134,018	124,246	15,660	8,049
Total fund balances	139,686	124,246	17,910	8,049
Total liabilities and fund equity	\$ 150,118	\$ 124,246	\$ 18,162	\$ 8,049

Recreation Tax Receipts	Recreation Activity	Nonmajor Special Revenue Funds
\$ 392,455	\$ 13,503	\$ 1,512,279
-	-	10,576
-	-	61,742
-	-	40
-	-	333,450
-	-	9,000
-	-	17,498
<u>\$ 392,455</u>	<u>\$ 13,503</u>	<u>\$ 1,944,585</u>
\$ -	\$ -	\$ 252
-	-	25,615
-	-	4,983
-	-	99,353
-	-	35,411
-	-	58,291
-	-	221,647
-	-	445,552
-	-	23,209
-	-	17,498
-	-	9,000
<u>392,455</u>	<u>13,503</u>	<u>1,449,326</u>
<u>392,455</u>	<u>13,503</u>	<u>1,499,033</u>
<u>\$ 392,455</u>	<u>\$ 13,503</u>	<u>\$ 1,944,585</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvements</u>	<u>Fire Memorial</u>
Revenues:			
Real and other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Licenses and permits	120	-	-
Intergovernmental	434,751	32,375	-
Investment income	-	-	-
Contributions and donations	-	-	40
Other	8,505	-	5,541
	<hr/>	<hr/>	<hr/>
Total revenues	443,376	32,375	5,581
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of persons and property	-	-	5,871
Public health and welfare	-	-	-
Transportation	552,202	27,164	-
Leisure time activity	-	-	-
Capital outlay	41,910	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	594,112	27,164	5,871
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(150,736)	5,211	(290)
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in	279,253	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources	279,253	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	128,517	5,211	(290)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	324,813	121,596	(3,213)
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 453,330</u>	<u>\$ 126,807</u>	<u>\$ (3,503)</u>

Police Pension	Enforcement and Education	FEMA	Police Memorial	Senior Center	Passport Account
\$ 60,146	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	144,589	10,543
-	-	-	-	-	-
6,576	2,241	-	-	114,348	2,519
17,841	-	-	-	-	-
-	-	-	-	-	-
231	-	-	-	-	-
<u>84,794</u>	<u>2,241</u>	<u>-</u>	<u>-</u>	<u>258,937</u>	<u>13,062</u>
264,309	1,137	-	-	-	-
-	-	-	-	267,293	40,209
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>264,309</u>	<u>1,137</u>	<u>-</u>	<u>-</u>	<u>267,293</u>	<u>40,209</u>
<u>(179,515)</u>	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>(8,356)</u>	<u>(27,147)</u>
<u>209,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,730</u>	<u>-</u>
<u>209,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,730</u>	<u>-</u>
29,796	1,104	-	-	91,374	(27,147)
<u>(99,962)</u>	<u>1,738</u>	<u>3,766</u>	<u>227</u>	<u>114,504</u>	<u>111,150</u>
<u>\$ (70,166)</u>	<u>\$ 2,842</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 205,878</u>	<u>\$ 84,003</u>

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CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Community Center	Fire Capital Reserve	Drug Law Enforcement	Law Enforcement Trust
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	55,396	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	24,795	8,581
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	1,128	-	-	-
Total revenues	56,524	-	24,795	8,581
Expenditures:				
Current:				
Security of persons and property	-	-	-	3,510
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Leisure time activity	194,034	-	-	-
Capital outlay	19,509	-	32,554	-
Debt service:				
Principal retirement	-	46,994	-	-
Interest and fiscal charges	-	41,334	-	-
Total expenditures	213,543	88,328	32,554	3,510
Excess (deficiency) of revenues over (under) expenditures	(157,019)	(88,328)	(7,759)	5,071
Other financing sources:				
Transfers in	170,377	-	-	-
Total other financing sources	170,377	-	-	-
Net change in fund balances	13,358	(88,328)	(7,759)	5,071
Fund balances at beginning of year	126,328	212,574	25,669	2,978
Fund balances at end of year	\$ 139,686	\$ 124,246	\$ 17,910	\$ 8,049

Recreation Tax Receipts	Recreation Activity	Nonmajor Special Revenue Funds
\$ 8,500	\$ -	\$ 68,646
-	13,503	224,031
-	-	120
-	-	626,186
-	-	17,841
-	-	40
-	-	15,405
<u>8,500</u>	<u>13,503</u>	<u>952,269</u>
-	-	274,827
-	-	307,502
-	-	579,366
-	-	194,034
-	-	93,973
-	-	46,994
-	-	41,334
<u>-</u>	<u>-</u>	<u>1,538,030</u>
<u>8,500</u>	<u>13,503</u>	<u>(585,761)</u>
<u>8,500</u>	<u>-</u>	<u>767,171</u>
<u>8,500</u>	<u>-</u>	<u>767,171</u>
17,000	13,503	181,410
<u>375,455</u>	<u>-</u>	<u>1,317,623</u>
<u>\$ 392,455</u>	<u>\$ 13,503</u>	<u>\$ 1,499,033</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 100	\$ 100	\$ 120	\$ 20
Intergovernmental	315,000	315,000	439,494	124,494
Other	16,000	16,000	8,587	(7,413)
Total revenues	<u>331,100</u>	<u>331,100</u>	<u>448,201</u>	<u>117,101</u>
Expenditures:				
Current:				
Transportation:				
Personal services	433,059	433,059	409,980	23,079
Operations/maintenance.	178,616	178,616	144,180	34,436
Capital outlay:				
Capital improvements	58,792	58,792	41,910	16,882
Total expenditures.	<u>670,467</u>	<u>670,467</u>	<u>596,070</u>	<u>74,397</u>
Excess expenditures over revenues	<u>(339,367)</u>	<u>(339,367)</u>	<u>(147,869)</u>	<u>191,498</u>
Other financing sources:				
Transfers in	<u>279,253</u>	<u>279,253</u>	<u>279,253</u>	<u>-</u>
Total other financing sources	<u>279,253</u>	<u>279,253</u>	<u>279,253</u>	<u>-</u>
Net change in fund balance	(60,114)	(60,114)	131,384	191,498
Fund balance at beginning of year	266,815	266,815	266,815	-
Prior year encumbrances appropriated	<u>8,231</u>	<u>8,231</u>	<u>8,231</u>	<u>-</u>
Fund balance at end of year	<u>\$ 214,932</u>	<u>\$ 214,932</u>	<u>\$ 406,430</u>	<u>\$ 191,498</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 26,000	\$ 26,000	\$ 33,759	\$ 7,759
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>33,759</u>	<u>7,759</u>
Expenditures:				
Current:				
Transportation:				
Operations/maintenance.	34,000	34,000	31,157	2,843
Total expenditures.	<u>34,000</u>	<u>34,000</u>	<u>31,157</u>	<u>2,843</u>
Net change in fund balance	(8,000)	(8,000)	2,602	10,602
Fund balance at beginning of year	<u>136,239</u>	<u>136,239</u>	<u>136,239</u>	<u>-</u>
Fund balance at end of year	<u>\$ 128,239</u>	<u>\$ 128,239</u>	<u>\$ 138,841</u>	<u>\$ 10,602</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE MEMORIAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 2,000	\$ 2,000	\$ 5,541	\$ 3,541
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>5,541</u>	<u>3,541</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	2,000	2,000	6,051	(4,051)
Total expenditures.	<u>2,000</u>	<u>2,000</u>	<u>6,051</u>	<u>(4,051)</u>
Net change in fund balance	-	-	(510)	(510)
Fund balance at beginning of year	<u>11,967</u>	<u>11,967</u>	<u>11,967</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,967</u>	<u>\$ 11,967</u>	<u>\$ 11,457</u>	<u>\$ (510)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 87,443	\$ 87,443	\$ 60,086	\$ (27,357)
Intergovernmental	12,826	12,826	6,576	(6,250)
Investment income	8,843	8,843	17,841	8,998
Other	577	577	231	(346)
Total revenues	<u>109,689</u>	<u>109,689</u>	<u>84,734</u>	<u>(24,955)</u>
Expenditures:				
Current:				
Security of persons and property:				
Personal services	<u>275,000</u>	<u>287,667</u>	<u>287,667</u>	<u>-</u>
Total expenditures.	<u>275,000</u>	<u>287,667</u>	<u>287,667</u>	<u>-</u>
Excess expenditures over revenues	<u>(165,311)</u>	<u>(177,978)</u>	<u>(202,933)</u>	<u>(24,955)</u>
Other financing sources:				
Transfers in	<u>162,311</u>	<u>162,311</u>	<u>209,311</u>	<u>47,000</u>
Total other financing sources	<u>162,311</u>	<u>162,311</u>	<u>209,311</u>	<u>47,000</u>
Net change in fund balance	(3,000)	(15,667)	6,378	22,045
Fund balance at beginning of year	<u>3,194</u>	<u>3,194</u>	<u>3,194</u>	<u>-</u>
Fund balance (deficit) at end of year. . .	<u>\$ 194</u>	<u>\$ (12,473)</u>	<u>\$ 9,572</u>	<u>\$ 22,045</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 1,769	\$ (1,231)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>1,769</u>	<u>(1,231)</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	3,000	3,000	1,137	1,863
Total expenditures.	<u>3,000</u>	<u>3,000</u>	<u>1,137</u>	<u>1,863</u>
Net change in fund balance	-	-	632	632
Fund balance at beginning of year	<u>1,589</u>	<u>1,589</u>	<u>1,589</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,589</u></u>	<u><u>\$ 1,589</u></u>	<u><u>\$ 2,221</u></u>	<u><u>\$ 632</u></u>

CITY OF HARRISON, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 3,766</u></u>	<u><u>\$ 3,766</u></u>	<u><u>\$ 3,766</u></u>	<u><u>\$ -</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE MEMORIAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 115,700	\$ 115,700	\$ 144,453	\$ 28,753
Intergovernmental	70,800	70,800	88,932	18,132
Total revenues	<u>186,500</u>	<u>186,500</u>	<u>233,385</u>	<u>46,885</u>
Expenditures:				
Current:				
Public health and welfare:				
Personal services	170,616	170,616	167,087	3,529
Operations/maintenance.	117,885	117,885	114,209	3,676
Capital improvements	1,000	1,000	835	165
Total expenditures.	<u>289,501</u>	<u>289,501</u>	<u>282,131</u>	<u>7,370</u>
Excess expenditures over revenues	<u>(103,001)</u>	<u>(103,001)</u>	<u>(48,746)</u>	<u>54,255</u>
Other financing sources:				
Transfers in	<u>99,730</u>	<u>99,730</u>	<u>99,730</u>	<u>-</u>
Total other financing sources	<u>99,730</u>	<u>99,730</u>	<u>99,730</u>	<u>-</u>
Net change in fund balance	(3,271)	(3,271)	50,984	54,255
Fund balance at beginning of year	88,997	88,997	88,997	-
Prior year encumbrances appropriated .	<u>3,271</u>	<u>3,271</u>	<u>3,271</u>	<u>-</u>
Fund balance at end of year	<u>\$ 88,997</u>	<u>\$ 88,997</u>	<u>\$ 143,252</u>	<u>\$ 54,255</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PASSPORT ACCOUNT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 11,100	\$ 11,100	\$ 10,543	\$ (557)
Intergovernmental	5,400	5,400	3,402	(1,998)
Total revenues	<u>16,500</u>	<u>16,500</u>	<u>13,945</u>	<u>(2,555)</u>
Expenditures:				
Current:				
Public health and welfare:				
Personal services	14,393	14,393	7,093	7,300
Operations/maintenance.	20,533	20,533	18,547	1,986
Capital improvements	17,600	17,600	17,574	26
Total expenditures.	<u>52,526</u>	<u>52,526</u>	<u>43,214</u>	<u>9,312</u>
Net change in fund balance	(36,026)	(36,026)	(29,269)	6,757
Fund balance at beginning of year	101,879	101,879	101,879	-
Prior year encumbrances appropriated .	<u>8,393</u>	<u>8,393</u>	<u>8,393</u>	<u>-</u>
Fund balance at end of year	<u>\$ 74,246</u>	<u>\$ 74,246</u>	<u>\$ 81,003</u>	<u>\$ 6,757</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 56,000	\$ 56,000	\$ 61,880	\$ 5,880
Other	-	-	1,128	1,128
Total revenues	<u>56,000</u>	<u>56,000</u>	<u>63,008</u>	<u>7,008</u>
Expenditures:				
Current:				
Leisure time activity:				
Personal services	120,087	120,087	110,524	9,563
Operations/maintenance.	106,579	106,579	98,091	8,488
Capital improvements	32,371	32,371	29,793	2,578
Total expenditures.	<u>259,037</u>	<u>259,037</u>	<u>238,408</u>	<u>20,629</u>
Excess expenditures over revenues	<u>(203,037)</u>	<u>(203,037)</u>	<u>(175,400)</u>	<u>27,637</u>
Other financing sources:				
Transfers in	<u>170,377</u>	<u>170,337</u>	<u>170,377</u>	<u>40</u>
Total other financing sources	<u>170,377</u>	<u>170,337</u>	<u>170,377</u>	<u>40</u>
Net change in fund balance	(32,660)	(32,700)	(5,023)	27,677
Fund balance at beginning of year	131,044	131,044	131,044	-
Prior year encumbrances appropriated .	<u>12,660</u>	<u>12,660</u>	<u>12,660</u>	<u>-</u>
Fund balance at end of year	<u>\$ 111,044</u>	<u>\$ 111,004</u>	<u>\$ 138,681</u>	<u>\$ 27,677</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 46,994	\$ 46,994	\$ 46,994	\$ -
Interest and fiscal charges	41,334	41,334	41,334	-
Total expenditures.	<u>88,328</u>	<u>88,328</u>	<u>88,328</u>	<u>-</u>
Net change in fund balance	(88,328)	(88,328)	(88,328)	-
Fund balance at beginning of year	<u>212,574</u>	<u>212,574</u>	<u>212,574</u>	<u>-</u>
Fund balance at end of year	<u>\$ 124,246</u>	<u>\$ 124,246</u>	<u>\$ 124,246</u>	<u>\$ -</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 24,860	\$ 14,860
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>24,860</u>	<u>14,860</u>
Expenditures:				
Capital outlay:				
Capital improvements	10,372	10,372	34,924	(24,552)
Total expenditures.	<u>10,372</u>	<u>10,372</u>	<u>34,924</u>	<u>(24,552)</u>
Net change in fund balance	(372)	(372)	(10,064)	(9,692)
Fund balance at beginning of year	25,059	25,059	25,059	-
Prior year encumbrances appropriated .	<u>372</u>	<u>372</u>	<u>372</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,059</u>	<u>\$ 25,059</u>	<u>\$ 15,367</u>	<u>\$ (9,692)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 8,581	\$ 7,581
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>8,581</u>	<u>7,581</u>
Expenditures:				
Current:				
Security of persons and property:				
Operations/maintenance.	1,000	1,000	3,510	(2,510)
Total expenditures.	<u>1,000</u>	<u>1,000</u>	<u>3,510</u>	<u>(2,510)</u>
Net change in fund balance	-	-	5,071	5,071
Fund balance at beginning of year	<u>2,978</u>	<u>2,978</u>	<u>2,978</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,978</u></u>	<u><u>\$ 2,978</u></u>	<u><u>\$ 8,049</u></u>	<u><u>\$ 5,071</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION TAX RECEIPTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 40,000	\$ 40,000	\$ 8,500	\$ (31,500)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>8,500</u>	<u>(31,500)</u>
Expenditures:				
Current:				
Leisure time activity:				
Capital improvements	1,000	1,000	-	1,000
Total expenditures.	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess revenues over expenditures	<u>39,000</u>	<u>39,000</u>	<u>8,500</u>	<u>(30,500)</u>
Other financing sources:				
Transfers in	-	-	8,500	8,500
Total other financing sources	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>
Net change in fund balance	39,000	39,000	17,000	(22,000)
Fund balance at beginning of year	<u>375,455</u>	<u>375,455</u>	<u>375,455</u>	<u>-</u>
Fund balance at end of year	<u>\$ 414,455</u>	<u>\$ 414,455</u>	<u>\$ 392,455</u>	<u>\$ (22,000)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION ACTIVITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ 13,503	\$ 13,503
Total revenues	<u>-</u>	<u>-</u>	<u>13,503</u>	<u>13,503</u>
Net change in fund balance	-	-	13,503	13,503
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,503</u></u>	<u><u>\$ 13,503</u></u>

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2008

	<u>Debt Service</u>	<u>Special Assesment</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 600,701	\$ 19,615	\$ 620,316
Total assets	<u>\$ 600,701</u>	<u>\$ 19,615</u>	<u>\$ 620,316</u>
 Fund Balances:			
Unreserved, undesignated, reported in:			
Debt service funds	\$ 600,701	\$ 19,615	\$ 620,316
Total fund balances	<u>600,701</u>	<u>19,615</u>	<u>620,316</u>
Total liabilities and fund equity	<u>\$ 600,701</u>	<u>\$ 19,615</u>	<u>\$ 620,316</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Debt Service</u>	<u>Special Assesment</u>	<u>Total Nonmajor Debt Service Funds</u>
Expenditures:			
Debt service:			
Principal retirement	\$ 183,621	\$ -	\$ 183,621
Interest and fiscal charges	119,911	-	119,911
	<hr/>	<hr/>	<hr/>
Total expenditures	303,532	-	303,532
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	(303,532)	-	(303,532)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	904,233	19,615	923,848
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 600,701</u>	<u>\$ 19,615</u>	<u>\$ 620,316</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 208,622	\$ 208,622	\$ 183,621	\$ 25,001
Interest and fiscal charges	137,970	137,970	119,911	18,059
Total expenditures.	<u>346,592</u>	<u>346,592</u>	<u>303,532</u>	<u>43,060</u>
Net change in fund balance	(346,592)	(346,592)	(303,532)	43,060
Fund balance at beginning of year	<u>904,233</u>	<u>904,233</u>	<u>904,233</u>	<u>-</u>
Fund balance at end of year	<u>\$ 557,641</u>	<u>\$ 557,641</u>	<u>\$ 600,701</u>	<u>\$ 43,060</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008

	<u>Capital Improvements</u>	<u>Home Depot TIF</u>	<u>Street/Safety Construction</u>	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 447,966	\$ 312,152	\$ 34,381	\$ 794,499
Receivables (net of allowances for uncollectibles):				
Real and other taxes.	<u>7,721</u>	<u>-</u>	<u>-</u>	<u>7,721</u>
Total assets	<u>\$ 455,687</u>	<u>\$ 312,152</u>	<u>\$ 34,381</u>	<u>\$ 802,220</u>
 Fund Balances:				
Reserved for encumbrances.	-	15,000	-	15,000
Unreserved, undesignated, reported in:				
Capital projects funds.	<u>455,687</u>	<u>297,152</u>	<u>34,381</u>	<u>787,220</u>
Total fund balances	<u>455,687</u>	<u>312,152</u>	<u>34,381</u>	<u>802,220</u>
Total liabilities and fund equity.	<u>\$ 455,687</u>	<u>\$ 312,152</u>	<u>\$ 34,381</u>	<u>\$ 802,220</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Capital Improvements</u>	<u>Home Depot TIF</u>	<u>Street/Safety Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Real and other taxes	\$ 80,056	\$ 164,579	\$ -	\$ 244,635
Intergovernmental	-	-	528,547	528,547
 Total revenues	<u>80,056</u>	<u>164,579</u>	<u>528,547</u>	<u>773,182</u>
Expenditures:				
Capital outlay	105,425	77,516	660,222	843,163
Debt service:				
Principal retirement.	-	31,940	-	31,940
Interest and fiscal charges	-	7,948	-	7,948
 Total expenditures	<u>105,425</u>	<u>117,404</u>	<u>660,222</u>	<u>883,051</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(25,369)</u>	<u>47,175</u>	<u>(131,675)</u>	<u>(109,869)</u>
Other financing sources:				
Transfers in.	79,000	-	-	79,000
 Total other financing sources.	<u>79,000</u>	<u>-</u>	<u>-</u>	<u>79,000</u>
 Net change in fund balances	53,631	47,175	(131,675)	(30,869)
 Fund balances at beginning of year	<u>402,056</u>	<u>264,977</u>	<u>166,056</u>	<u>833,089</u>
 Fund balances at end of year	<u><u>\$ 455,687</u></u>	<u><u>\$ 312,152</u></u>	<u><u>\$ 34,381</u></u>	<u><u>\$ 802,220</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 105,000	\$ 105,000	\$ 98,212	\$ (6,788)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>98,212</u>	<u>(6,788)</u>
Expenditures:				
Capital outlay:				
Capital improvements	155,100	155,100	105,532	49,568
Total expenditures.	<u>155,100</u>	<u>155,100</u>	<u>105,532</u>	<u>49,568</u>
Excess expenditures over revenues	<u>(50,100)</u>	<u>(50,100)</u>	<u>(7,320)</u>	<u>42,780</u>
Other financing sources:				
Transfers in	-	-	79,000	79,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>79,000</u>	<u>79,000</u>
Net change in fund balance	(50,100)	(50,100)	71,680	121,780
Fund balance at beginning of year	376,186	376,186	376,186	-
Prior year encumbrances appropriated .	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund balance at end of year	<u>\$ 326,186</u>	<u>\$ 326,186</u>	<u>\$ 447,966</u>	<u>\$ 121,780</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HOME DEPOT/TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 140,000	\$ 140,000	\$ 164,579	\$ 24,579
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>164,579</u>	<u>24,579</u>
Expenditures:				
Capital outlay:				
Capital improvements	335,000	335,000	132,404	202,596
Total expenditures.	<u>335,000</u>	<u>335,000</u>	<u>132,404</u>	<u>202,596</u>
Net change in fund balance	(195,000)	(195,000)	32,175	227,175
Fund balance at beginning of year	<u>264,977</u>	<u>264,977</u>	<u>264,977</u>	<u>-</u>
Fund balance at end of year	<u>\$ 69,977</u>	<u>\$ 69,977</u>	<u>\$ 297,152</u>	<u>\$ 227,175</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/SAFETY CONTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 635,661	\$ 635,661	\$ 685,857	\$ 50,196
Total revenues	<u>635,661</u>	<u>635,661</u>	<u>685,857</u>	<u>50,196</u>
Expenditures:				
Capital outlay:				
Capital improvements	294,607	484,607	876,859	(392,252)
Total expenditures.	<u>294,607</u>	<u>484,607</u>	<u>876,859</u>	<u>(392,252)</u>
Excess expenditures over revenues	<u>341,054</u>	<u>151,054</u>	<u>(191,002)</u>	<u>(342,056)</u>
Other financing sources (uses):				
Advances in	-	-	23,000	23,000
Advances out	-	-	(23,000)	(23,000)
Total other financing sources (uses). . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	341,054	151,054	(191,002)	(342,056)
Fund balance at beginning of year	190,776	190,776	190,776	-
Prior year encumbrances appropriated .	<u>34,607</u>	<u>34,607</u>	<u>34,607</u>	<u>-</u>
Fund balance at end of year	<u>\$ 566,437</u>	<u>\$ 376,437</u>	<u>\$ 34,381</u>	<u>\$ (342,056)</u>

CITY OF HARRISON, OHIO

FUND DESCRIPTIONS - NONMAJOR PROPRIETARY FUNDS

NONMAJOR ENTERPRISE FUNDS

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

Storm Water

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

Sanitation

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

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2008

	Storm Water	Sanitation	Water/Wastewater Deposits	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents. . .	\$ 24,531	\$ 207,810	\$ 58,084	\$ 290,425
Receivables (net of allowance for uncollectibles):				
Accounts	12,376	44,155	-	56,531
Total current assets	<u>36,907</u>	<u>251,965</u>	<u>58,084</u>	<u>346,956</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net.	2,201,090	-	-	2,201,090
Total capital assets.	<u>2,201,090</u>	<u>-</u>	<u>-</u>	<u>2,201,090</u>
Total noncurrent assets	<u>2,201,090</u>	<u>-</u>	<u>-</u>	<u>2,201,090</u>
Total assets	<u>2,237,997</u>	<u>251,965</u>	<u>58,084</u>	<u>2,548,046</u>
Liabilities:				
Current liabilities:				
Interfund loans payable.	420,000	-	-	420,000
Advances from other funds.	17,178	-	-	17,178
Current portion of OPWC loans	10,515	-	-	10,515
Total current liabilities	<u>447,693</u>	<u>-</u>	<u>-</u>	<u>447,693</u>
Long-term liabilities:				
OPWC loans.	410,085	-	-	410,085
Total long-term liabilities	<u>410,085</u>	<u>-</u>	<u>-</u>	<u>410,085</u>
Total liabilities	<u>857,778</u>	<u>-</u>	<u>-</u>	<u>857,778</u>
Net assets:				
Invested in capital assets, net of related debt .	1,780,490	-	-	1,780,490
Unrestricted	(400,271)	251,965	58,084	(90,222)
Total net assets	<u>\$ 1,380,219</u>	<u>\$ 251,965</u>	<u>\$ 58,084</u>	<u>\$ 1,690,268</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Water/Wastewater Deposits</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Charges for services	\$ 94,862	\$ 365,055	\$ 4,660	\$ 464,577
Total operating revenues	<u>94,862</u>	<u>365,055</u>	<u>4,660</u>	<u>464,577</u>
Operating expenses:				
Personal services	1,830	-	-	1,830
Contract services	560,634	355,800	-	916,434
Depreciation	42,407	-	-	42,407
Other	<u>12,537</u>	<u>-</u>	<u>848</u>	<u>13,385</u>
Total operating expenses.	<u>617,408</u>	<u>355,800</u>	<u>848</u>	<u>974,056</u>
Operating income (loss)	<u>(522,546)</u>	<u>9,255</u>	<u>3,812</u>	<u>(509,479)</u>
Nonoperating revenues:				
Intergovernmental.	<u>-</u>	<u>4,321</u>	<u>-</u>	<u>4,321</u>
Total nonoperating revenues	<u>-</u>	<u>4,321</u>	<u>-</u>	<u>4,321</u>
Income (loss) before transfers	(522,546)	13,576	3,812	(505,158)
Transfers in	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Changes in net assets	(452,546)	13,576	3,812	(435,158)
Net assets at beginning of year.	<u>1,832,765</u>	<u>238,389</u>	<u>54,272</u>	<u>2,125,426</u>
Net assets at end of year	<u>\$ 1,380,219</u>	<u>\$ 251,965</u>	<u>\$ 58,084</u>	<u>\$ 1,690,268</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Water/Wastewater Deposits</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities:				
Cash received from customers	\$ 109,624	\$ 388,613	\$ 4,660	\$ 502,897
Cash payments for personal services	(1,830)	-	-	(1,830)
Cash payments for contract services	(560,734)	(388,319)	-	(949,053)
Cash payments for other expenses	(12,537)	-	(865)	(13,402)
Net cash provided by (used in) operating activities.	<u>(465,477)</u>	<u>294</u>	<u>3,795</u>	<u>(461,388)</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	-	8,511	-	8,511
Advances in from other funds	443,000	-	-	443,000
Advances out to other funds	(23,000)	-	-	(23,000)
Transfers in from other funds	70,000	-	-	70,000
Net cash provided by noncapital financing activities	<u>490,000</u>	<u>8,511</u>	<u>-</u>	<u>498,511</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	(420,600)	-	-	(420,600)
OPWC loan.	420,600	-	-	420,600
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents.	24,523	8,805	3,795	37,123
Cash and cash equivalents at beginning of year	8	199,005	54,289	253,302
Cash and cash equivalents at end of year	<u><u>\$ 24,531</u></u>	<u><u>\$ 207,810</u></u>	<u><u>\$ 58,084</u></u>	<u><u>\$ 290,425</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (522,546)	\$ 9,255	\$ 3,812	\$ (509,479)
Adjustments:				
Depreciation	42,407	-	-	42,407
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	14,762	23,558	-	38,320
Increase in accounts payable	-	(32,519)	(17)	(32,536)
Increase in due to other governments	(100)	-	-	(100)
Net cash provided by (used in) operating activities	<u><u>\$ (465,477)</u></u>	<u><u>\$ 294</u></u>	<u><u>\$ 3,795</u></u>	<u><u>\$ (461,388)</u></u>

CITY OF HARRISON, OHIO

FUND DESCRIPTION - AGENCY FUND

Agency Fund

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

Mayor's Court

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

Joint Economic Development District

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

CITY OF HARRISON, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Mayor's Court				
Assets:				
Cash in segregated accounts	\$ 605	\$ 1,674	\$ -	\$ 2,279
Total assets	<u>\$ 605</u>	<u>\$ 1,674</u>	<u>\$ -</u>	<u>\$ 2,279</u>
Liabilities:				
Due to other governments	\$ 605	\$ 1,674	\$ -	\$ 2,279
Total liabilities	<u>\$ 605</u>	<u>\$ 1,674</u>	<u>\$ -</u>	<u>\$ 2,279</u>
Joint Economic Development District				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 36,293	\$ 36,293	\$ -
Total assets	<u>\$ -</u>	<u>\$ 36,293</u>	<u>\$ 36,293</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 36,293	\$ 36,293	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 36,293</u>	<u>\$ 36,293</u>	<u>\$ -</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 605	\$ 37,967	\$ 36,293	\$ 2,279
Total assets	<u>\$ 605</u>	<u>\$ 37,967</u>	<u>\$ 36,293</u>	<u>\$ 2,279</u>
Liabilities:				
Deposits held and due to others	\$ 605	\$ 37,967	\$ 36,293	\$ 2,279
Total liabilities	<u>\$ 605</u>	<u>\$ 37,967</u>	<u>\$ 36,293</u>	<u>\$ 2,279</u>

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STATISTICAL SECTION

CITY OF HARRISON, OHIO
STATISTICAL SECTION

This part of the City of Harrison's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S 2 - 8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	S 9 - 15
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S 16 - 22
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S 23 - 24
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S 25 - 29

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

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CITY OF HARRISON, OHIO

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

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

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

CITY OF HARRISON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 91,539	\$ 88,502	\$ 83,194	\$ 84,939	\$ 71,765
Security of persons and property	595,500	594,535	554,805	563,405	594,816
Public health and welfare	157,651	161,182	99,866	129,583	19,644
Transportation	120	480	-	120	390
Community environment	86,114	161,103	178,519	192,412	93,660
Leisure time activities	68,899	112,069	-	63,520	39,640
Operating grants and contributions	756,604	462,771	483,100	547,153	611,410
Capital grants and contributions	528,547	436,179	243,409	273,327	841,885
Total governmental activities program revenues	<u>2,284,974</u>	<u>2,016,821</u>	<u>1,642,893</u>	<u>1,854,459</u>	<u>2,273,210</u>
Business-type activities:					
Charges for services:					
Water	1,317,775	1,431,917	1,406,498	1,431,799	1,314,098
Sewer	2,251,507	2,179,071	2,146,156	2,103,560	1,787,499
Storm Water	94,862	27,146	-	-	-
Sanitation	365,055	375,069	387,944	334,833	295,695
Water/Wastewater Deposit	4,660	8,055	10,221	5,805	2,531
Operating grants & contributions	58,837	8,377	3,566	-	-
Capital grants and contributions	185,022	-	-	-	748,957
Total business-type activities program revenues	<u>4,277,718</u>	<u>4,029,635</u>	<u>3,954,385</u>	<u>3,875,997</u>	<u>4,148,780</u>
Total primary government	<u>\$ 6,562,692</u>	<u>\$ 6,046,456</u>	<u>\$ 5,597,278</u>	<u>\$ 5,730,456</u>	<u>\$ 6,421,990</u>
Expenses:					
Governmental activities:					
General government	\$ 1,011,755	\$ 839,493	\$ 1,138,392	\$ 884,336	\$ 1,030,510
Security of persons and property	4,965,899	4,683,372	4,536,986	4,572,970	4,128,525
Public health and welfare	313,537	281,603	264,800	302,458	242,285
Transportation	738,160	685,405	629,650	564,912	640,357
Community environment	110,453	125,886	108,382	103,838	95,444
Leisure time activities	332,381	308,959	304,242	225,342	244,658
Interest and fiscal charges	214,254	108,342	195,440	187,483	175,737
Total governmental activities expenses	<u>7,686,439</u>	<u>7,033,060</u>	<u>7,177,892</u>	<u>6,841,339</u>	<u>6,557,516</u>
Business-type activities:					
Water	1,117,172	941,915	1,069,343	1,124,409	974,473
Sewer	2,776,374	2,551,359	2,511,568	2,561,278	2,077,687
Storm Water	617,408	38,301	39,663	24,211	404
Sanitation	355,800	384,917	376,338	317,682	268,014
Water/Wastewater Deposit	848	959	774	529	92
Total business-type activities expenses	<u>4,867,602</u>	<u>3,917,451</u>	<u>3,997,686</u>	<u>4,028,109</u>	<u>3,320,670</u>
Total primary government	<u>\$ 12,554,041</u>	<u>\$ 10,950,511</u>	<u>\$ 11,175,578</u>	<u>\$ 10,869,448</u>	<u>\$ 9,878,186</u>
Net (Expense) Revenue:					
Governmental activities	\$ (5,401,465)	\$ (5,016,239)	\$ (5,534,999)	\$ (4,986,880)	\$ (4,284,306)
Business-type activities	(589,884)	112,184	(43,301)	(152,112)	828,110
Total primary government net expense	<u>\$ (5,991,349)</u>	<u>\$ (4,904,055)</u>	<u>\$ (5,578,300)</u>	<u>\$ (5,138,992)</u>	<u>\$ (3,456,196)</u>

CITY OF HARRISON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets:					
Governmental activities					
Taxes:					
Property taxes levied for:					
General purposes	\$ 1,175,925	\$ 1,182,350	\$ 1,154,940	\$ 1,105,350	\$ 966,908
Fire Improvements	857,520	915,426	902,383	896,472	844,740
Police pension	60,085	58,283	65,937	61,785	51,934
Recreation	8,500	32,400	34,300	42,489	44,900
Capital Projects	244,635	233,431	210,660	199,490	194,815
Municipal income taxes levied for:					
General Purposes	3,034,376	2,951,057	2,794,284	2,586,428	2,635,151
Grants and entitlements					
not restricted to specific programs	575,158	655,461	478,657	680,472	518,308
Investment earnings	201,017	321,019	217,467	161,035	47,149
Other	60,817	107,742	100,066	250,567	104,679
Transfers	80,154	30,153	9,589	(1,663,768)	2,459,261
Total governmental activities	<u>6,298,187</u>	<u>6,487,322</u>	<u>5,968,283</u>	<u>4,320,320</u>	<u>7,867,845</u>
Business-type activities					
Investment earnings	187,861	140,535	136,586	90,501	54,368
Other	9,885	10,519	246,368	52,382	28,717
Transfers	(80,154)	(30,153)	(9,589)	1,663,768	(2,459,261)
Total business-type activities	<u>117,592</u>	<u>120,901</u>	<u>373,365</u>	<u>1,806,651</u>	<u>(2,376,176)</u>
Total primary government	<u>\$ 6,415,779</u>	<u>\$ 6,608,223</u>	<u>\$ 6,341,648</u>	<u>\$ 6,126,971</u>	<u>\$ 5,491,669</u>
Change in Net Assets:					
Governmental activities	\$ 896,722	\$ 1,471,083	\$ 433,284	\$ (666,560)	\$ 3,583,539
Business-type activities	(472,292)	233,085	330,064	1,654,539	(1,548,066)
Total primary government	<u>\$ 424,430</u>	<u>\$ 1,704,168</u>	<u>\$ 763,348</u>	<u>\$ 987,979</u>	<u>\$ 2,035,473</u>

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

CITY OF HARRISON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:					
Reserved	\$ 94,110	\$ 89,890	\$ 74,089	\$ 249,579	\$ 226,613
Unreserved	<u>1,937,901</u>	<u>1,787,588</u>	<u>1,171,804</u>	<u>738,136</u>	<u>462,452</u>
Total general fund	<u>\$2,032,011</u>	<u>\$1,877,478</u>	<u>\$ 1,245,893</u>	<u>\$ 987,715</u>	<u>\$ 689,065</u>
All Other Governmental Funds:					
Reserved	\$ 77,949	\$ 66,766	\$ 23,728	\$ 1,623,732	\$ 755,549
Unreserved, reported in:					
Special revenue funds	1,458,594	1,402,143	1,280,852	1,337,329	934,137
Capital projects funds	787,220	818,482	1,147,150	(1,020,609)	2,499,405
Debt service funds	<u>620,316</u>	<u>923,848</u>	<u>1,108,321</u>	<u>1,098,117</u>	<u>1,176,283</u>
Total all other governmental funds	<u>\$2,944,079</u>	<u>\$3,211,239</u>	<u>\$ 3,560,051</u>	<u>\$ 3,038,569</u>	<u>\$ 5,365,374</u>

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 146,752	\$ 70,127	\$ 140,341	\$ 86,580	\$ 88,857
<u>695,381</u>	<u>1,190,893</u>	<u>1,320,777</u>	<u>1,295,313</u>	<u>1,083,264</u>
<u>\$ 842,133</u>	<u>\$ 1,261,020</u>	<u>\$ 1,461,118</u>	<u>\$ 1,381,893</u>	<u>\$ 1,172,121</u>
\$ 1,300,573	\$ 1,298,780	\$ 1,373,589	\$ 2,258,186	\$ 1,142,665
1,033,084	823,849	616,100	553,479	698,098
426,008	3,899	(163,598)	721,997	2,243,886
-	-	-	-	-
<u>\$ 2,759,665</u>	<u>\$ 2,126,528</u>	<u>\$ 1,826,091</u>	<u>\$ 3,533,662</u>	<u>\$ 4,084,649</u>

CITY OF HARRISON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
Taxes	\$ 5,375,433	\$ 5,299,259	\$ 5,194,401	\$ 4,895,233	\$ 4,656,975
Charges for services	697,907	750,671	499,626	562,232	439,505
Licenses and permits	172,878	245,275	254,726	269,141	160,495
Fines and forfeitures	126,519	108,891	162,032	202,606	219,915
Intergovernmental	1,766,443	1,431,545	1,201,142	1,533,268	1,947,015
Investment income	217,625	321,019	217,467	166,572	56,434
Contributions and donations	40	-	-	-	-
Other	89,008	151,685	77,014	250,567	100,111
Total revenues	<u>8,445,853</u>	<u>8,308,345</u>	<u>7,606,408</u>	<u>7,879,619</u>	<u>7,580,450</u>
Expenditures					
Current:					
General government	1,002,167	836,722	1,011,017	867,722	1,028,792
Security of persons and property	4,725,957	4,507,623	4,271,258	4,203,191	3,938,018
Public health and welfare	307,502	279,541	258,999	288,470	229,006
Transportation	579,366	555,511	506,502	470,473	478,557
Community environment	109,590	124,646	104,374	100,599	94,084
Leisure time activity	275,595	251,698	238,886	170,999	192,253
Capital outlay	1,105,557	2,379,123	623,455	3,999,031	2,286,541
Debt service:					
Principal retirement	395,220	327,701	324,850	289,668	287,601
Interest and fiscal charges	185,481	37,416	160,022	188,312	176,118
Bond issuance cost	-	-	-	71,824	-
Note issuance cost	2,493	-	-	-	-
Total expenditures	<u>8,688,928</u>	<u>9,299,981</u>	<u>7,499,363</u>	<u>10,650,289</u>	<u>8,710,970</u>
Excess of revenues over (under) expenditures	<u>(243,075)</u>	<u>(991,636)</u>	<u>107,045</u>	<u>(2,770,670)</u>	<u>(1,130,520)</u>
Other Financing Sources (Uses)					
Sale of bonds	-	-	-	2,135,000	-
Premium on bond issue	-	-	-	123,247	-
Premium on note issue	3,281	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(2,189,078)	-
Accrued interest on bond issue	-	-	-	2,655	-
Capital lease transaction	47,013	1,244,256	68,856	-	346,484
Loan issuance	-	-	564,170	476,673	-
Sale of notes	-	-	-	-	-
Transfers in	1,754,524	1,615,721	1,654,093	1,842,926	4,836,898
Transfers (out)	(1,674,370)	(1,585,568)	(1,614,504)	(1,648,908)	(1,617,413)
Total other financing sources (uses)	<u>130,448</u>	<u>1,274,409</u>	<u>672,615</u>	<u>742,515</u>	<u>3,565,969</u>
Net change in fund balances	<u>\$ (112,627)</u>	<u>\$ 282,773</u>	<u>\$ 779,660</u>	<u>\$ (2,028,155)</u>	<u>\$ 2,435,449</u>
Debt service as a percentage of noncapital	8.01%	5.38%	7.05%	8.27%	7.22%

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 4,651,515	\$ 4,286,217	\$ 3,786,457	\$ 4,171,037	\$ 4,081,936
308,772	227,028	169,161	196,402	87,839
152,472	128,783	88,038	93,690	108,421
128,262	172,016	170,242	218,627	255,767
834,738	1,021,366	1,740,709	869,624	807,184
63,175	114,398	244,910	340,055	172,114
-	-	-	-	-
132,037	148,796	76,883	115,194	59,918
<u>6,270,971</u>	<u>6,098,604</u>	<u>6,276,400</u>	<u>6,004,629</u>	<u>5,573,179</u>
938,940	951,212	692,000	723,126	729,475
3,607,850	3,377,001	3,286,121	3,267,263	2,940,116
188,036	193,196	218,624	226,023	210,613
459,111	336,382	335,088	327,574	314,400
7,233	178,359	38,205	33,325	39,146
155,207	189,981	177,542	170,031	131,863
1,061,626	552,805	2,866,042	611,190	1,194,846
214,362	162,797	172,089	4,133,543	79,112
192,783	183,082	188,704	194,842	32,949
-	-	-	80,000	-
-	-	-	-	-
<u>6,825,148</u>	<u>6,124,815</u>	<u>7,974,415</u>	<u>9,766,917</u>	<u>5,676,959</u>
<u>(554,177)</u>	<u>(26,211)</u>	<u>(1,698,015)</u>	<u>(3,762,288)</u>	<u>(103,780)</u>
-	-	-	3,360,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	6,709	-
322,654	-	62,750	59,721	92,030
-	-	-	-	-
-	-	-	-	3,978,000
2,575,863	1,897,272	1,575,057	2,609,836	2,779,240
<u>(2,130,090)</u>	<u>(1,753,759)</u>	<u>(1,614,857)</u>	<u>(2,609,836)</u>	<u>(2,779,240)</u>
<u>768,427</u>	<u>143,513</u>	<u>22,950</u>	<u>3,426,430</u>	<u>4,070,030</u>
<u>\$ 214,250</u>	<u>\$ 117,302</u>	<u>\$ (1,675,065)</u>	<u>\$ (335,858)</u>	<u>\$ 3,966,250</u>
7.06%	6.21%	7.06%	48.15%	2.50%

CITY OF HARRISON, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property (a)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2008	\$ 220,529,210	\$ 630,083,457	\$ 3,986,460	\$ 15,945,840	\$ 5,421,080	\$ 28,912,427
2007	211,870,220	605,343,486	3,858,280	15,433,120	11,914,930	63,546,293
2006	202,509,130	578,597,514	4,171,220	16,684,880	16,313,010	87,002,720
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600
2004	160,124,090	457,497,400	4,591,770	4,591,770	20,541,290	82,165,160
2003	147,707,370	422,021,057	3,712,380	3,712,380	20,489,080	81,956,320
2002	140,281,390	400,803,971	3,644,230	3,644,230	22,233,920	88,935,680
2001	122,626,630	350,361,800	4,872,000	4,872,000	19,360,790	77,443,160
2000	116,704,100	333,440,286	7,853,370	7,853,370	21,931,100	87,724,400
1999	96,460,940	275,602,686	7,652,880	7,652,880	21,931,100	87,724,400

Source: Hamilton County Auditor's Office

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

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

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

Tangible personal is assessed at 18.75 percent of true value for capital assets and inventory for 2006.

Prior to 2006, tangible personal property was assessed at twenty-five percent.

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

Total

	Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio
\$	229,936,750	13.00%	\$ 674,941,724	34.07%
	227,643,430	13.00%	684,322,899	33.27%
	222,993,360	13.00%	682,285,114	32.68%
	215,347,130	13.00%	629,803,030	34.19%
	185,257,150	13.00%	544,254,330	34.04%
	171,908,830	13.00%	507,689,757	33.86%
	166,159,540	13.00%	493,383,881	33.68%
	146,859,420	13.00%	432,676,960	33.94%
	146,488,570	13.00%	429,018,056	34.15%
	126,044,920	13.00%	370,979,966	33.98%

CITY OF HARRISON, OHIO

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

<u>Collection Year</u>	<u>Township Levy</u>	<u>City of Harrison Levy</u>	<u>School Levy</u>	<u>County Levy</u>	<u>Joint Ambulatory Levy</u>	<u>Joint Vocational Levy</u>	<u>Hamilton County Park District Levy</u>	<u>Total Direct and Overlapping Rates</u>
2008	0.06	13.00	45.30	20.56	1.25	2.70	1.00	83.87
2007	0.06	13.00	45.30	20.18	1.25	2.70	1.00	83.49
2006	0.06	13.00	46.68	19.78	1.25	2.70	1.03	84.50
2005	0.06	13.00	47.08	20.03	1.25	2.70	1.03	85.15
2004	0.06	13.00	47.25	20.48	1.25	2.70	1.03	85.77
2003	0.06	13.00	47.25	20.48	1.25	2.70	1.03	85.77
2002	0.06	13.00	47.75	21.47	1.25	2.70	-	86.23
2001	0.06	13.00	47.88	19.92	1.25	2.70	-	84.81
2000	0.06	13.00	48.22	20.83	1.25	2.70	-	86.06
1999	0.06	13.00	48.22	19.54	1.25	2.70	-	84.77

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

*PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1999*

December 31, 2007 (A)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Hubert Company LLC	\$ 20,509,320	1	9.08%
Home Depot USA Inc.	6,730,800	2	2.98%
Wurster Erlene	6,011,400	3	2.66%
F&M MAFCO Inc.	3,227,540	5	1.43%
Wayne Scott Fetzer Co.	3,160,010	4	1.40%
JTM Provisions Co. Inc.	2,904,830	6	1.29%
Campbell Hausfield Scott	2,829,010	7	1.25%
Cronin Ford Inc.	2,140,000	9	0.95%
Supervalu Holdings Inc.	2,100,000	8	0.93%
Huck Group	1,320,700	10	0.58%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 50,933,610</u>		<u>22.55%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 225,950,290</u>		

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
CINERGY	\$ 3,869,040	1	3.27%
Hyper Shoppes, Inc.	2,797,210	2	2.36%
F&M MAFCO Inc.	2,686,920	3	2.27%
Seasongood Folding Box	2,629,780	4	2.22%
GTE Wireless	2,500,290	5	2.11%
Wurster, Erlene	2,209,870	6	1.87%
Campbell Hausfield Scott	2,071,550	7	1.75%
Hubert Company LLC	1,992,330	8	1.68%
JTM Provisions Co. Inc.	1,891,320	9	1.60%
Hamilton Foundry & Machine Co.	1,515,680	10	1.28%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 24,163,990</u>		<u>20.41%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 118,392,040</u>		

Source: Hamilton County Auditor's Office

(A) Information for the top ten taxpayers for December 31, 2008 is not available.

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 Collection (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections (3)</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2008	N/A	N/A	N/A	N/A	N/A	N/A
2007	\$ 2,158,045	\$ 1,689,521	78.29%	\$ 44,064	\$ 1,733,585	80.33%
2006	1,977,533	1,904,381	96.30%	54,448	1,958,829	99.10%
2005	1,997,347	1,906,140	95.43%	58,022	1,964,162	98.34%
2004	1,871,491	1,819,037	97.20%	87,009	1,906,046	101.85%
2003	1,968,254	1,765,554	89.70%	82,181	1,847,735	93.88%
2002	1,843,626	1,640,099	88.96%	98,331	1,738,430	94.29%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%
1999	1,626,587	1,588,290	97.65%	126,673	1,714,963	105.43%

Source: Hamilton County Auditor's Office

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

CITY OF HARRISON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2008	1.00%	\$ 3,057,959	\$ 2,121,702	69.38%	\$ 444,277	14.53%	\$ 491,980	16.09%
2007	1.00%	2,899,734	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,532	1,903,448	69.23%	330,223	12.01%	515,892	18.76%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%	489,707	18.62%
2004	1.00%	2,528,475	1,795,862	71.03%	299,820	11.86%	432,793	17.11%
2003	1.00%	2,452,028	1,812,200	73.91%	235,234	9.59%	404,594	16.50%
2002	1.00%	2,389,236	1,750,447	73.26%	252,783	10.58%	386,007	16.16%
2001	1.00%	2,459,847	1,789,347	72.74%	258,834	10.52%	411,666	16.74%
2000	1.00%	2,518,540	1,708,537	67.84%	422,860	16.79%	387,143	15.37%
1999	1.00%	2,453,402	1,756,004	71.57%	355,014	14.47%	342,384	13.96%

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 Loan	ODOT Loan	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Mortgage Revenue Bonds	Real Estate Revenue Bonds
2008	\$ 2,445,000	\$ 413,378	\$ 532,230	\$ -	\$ 1,105,984	\$ 410,000	\$ 17,555,000	\$ -	\$ -
2007	2,605,000	436,999	564,170	-	1,238,630	435,000	17,980,000	-	-
2006	2,745,000	448,810	564,170	-	170,264	460,000	18,200,000	-	-
2005	2,880,000	476,673	-	-	263,395	510,000	18,420,000	-	-
2004	2,860,000	-	-	-	423,063	35,000	18,590,000	105,000	-
2003	2,980,000	-	-	-	244,180	75,000	18,750,000	200,000	-
2002	3,095,000	-	-	-	20,888	115,000	-	3,150,000	-
2001	3,205,000	-	-	-	73,685	155,000	-	3,380,000	71,000
2000	3,310,000	-	-	-	78,024	200,000	-	3,595,000	142,000
1999	-	-	-	3,978,000	119,235	260,000	-	3,800,000	213,000

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

Sources:

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

Business-Type Activities				(a)	(c)		(b)	
Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	Total Primary Government	Per Capita Personal Income	Percentage of Personal Income	Population	Per Capita
\$ 5,000,000	\$ 43,027	\$ 2,199,085	\$ 3,078,609	\$32,782,313	N/A	N/A	9,980	\$ 3,285
5,500,000	55,782	1,937,994	3,181,172	33,934,747	N/A	N/A	9,980	3,400
-	-	1,764,056	1,919,103	26,271,403	N/A	N/A	9,950	2,640
-	-	200,694	1,602,468	24,353,230	N/A	N/A	9,950	2,448
-	-	270,929	1,698,171	23,982,163	N/A	N/A	9,885	2,426
-	-	338,919	1,790,545	24,378,644	N/A	N/A	9,885	2,466
10,000,000	-	413,170	1,791,033	18,585,091	35,416	0.19%	9,885	1,880
5,000,000	-	477,230	666,585	13,028,500	34,900	0.27%	9,865	1,321
-	-	569,812	-	7,894,836	34,497	0.44%	9,835	803
-	-	629,276	-	8,999,511	32,962	0.37%	9,750	923

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2008	9,980	\$ 674,941,724	\$ 20,410,000	3.02%	\$ 2,045
2007	9,980	684,322,899	21,020,000	3.07%	2,106
2006	9,950	682,285,114	21,405,000	3.14%	2,151
2005	9,950	629,803,030	21,810,000	3.46%	2,192
2004	9,885	544,254,330	21,590,000	3.97%	2,184
2003	9,885	507,689,757	22,005,000	4.33%	2,226
2002	9,885	493,383,881	6,360,000	1.29%	643
2001	9,865	432,676,960	6,811,000	1.57%	690
2000	9,835	429,018,056	7,247,000	1.69%	737
1999	9,750	370,979,966	4,273,000	1.15%	438

Sources:

(1) United States Bureau of Census

(2) Hamilton County Auditor's Office

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

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2008*

<u>Governmental Unit</u>	<u>Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Harrison	\$ 3,390,608	100.00%	\$ 3,390,608
Overlapping debt:			
Southwest Local School District	16,800,000	42.58%	7,153,440
Great Oaks Career Center	14,630,000	1.16%	169,708
Hamilton County	<u>106,915,000</u>	1.10%	<u>1,176,065</u>
Total direct and overlapping debt	<u>\$ 141,735,608</u>		<u>\$ 11,889,821</u>

Source: Ohio Municipal Advisory Council

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

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

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assesed Value	\$ 229,936,750	\$ 227,643,430	\$ 222,993,360	\$ 215,347,130
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	24,143,359	23,902,560	23,414,303	22,611,449
Debt Applicable to Limitation:				
Total bonded debt	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>
Gross Indebtedness				
(Total Voted and Unvoted Debt)	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>
Less: Debt Outside Limitations				
Debt supported by enterprise fund operations	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>	<u>(18,930,000)</u>
Total Debt Outside Limitations	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>	<u>(18,930,000)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	2,445,000	2,605,000	2,745,000	2,880,000
Net Debt Within 10.5% Limitation	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>	<u>2,880,000</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 21,698,359</u>	<u>\$ 21,297,560</u>	<u>\$ 20,669,303</u>	<u>\$ 19,731,449</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 12,646,521	\$ 12,520,389	\$ 12,264,635	\$ 11,844,092
Debt Applicable to Limitation:				
Total bonded debt	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>
Gross Indebtedness Authorized by Council	<u>20,410,000</u>	<u>21,020,000</u>	<u>21,405,000</u>	<u>21,810,000</u>
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(17,965,000)</u>	<u>(18,415,000)</u>	<u>(18,660,000)</u>	<u>(18,930,000)</u>
Debt Within 5.5% Limitations	2,445,000	2,605,000	2,745,000	2,880,000
Net Debt Within 5.5% Limitation	<u>2,445,000</u>	<u>2,605,000</u>	<u>2,745,000</u>	<u>2,880,000</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 10,201,521</u>	<u>\$ 9,915,389</u>	<u>\$ 9,519,635</u>	<u>\$ 8,964,092</u>

Source: City of Harrison, Finance Director's Office

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 185,257,150	\$ 171,908,830	\$ 166,159,540	\$ 146,859,420	\$ 146,488,570	\$ 126,044,920
19,452,001	18,050,427	17,446,752	15,420,239	15,381,300	13,234,717
<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>
<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>
<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>
<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>
2,860,000	2,980,000	3,095,000	3,205,000	3,310,000	-
<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>	<u>-</u>
<u>\$ 16,592,001</u>	<u>\$ 15,070,427</u>	<u>\$ 14,351,752</u>	<u>\$ 12,215,239</u>	<u>\$ 12,071,300</u>	<u>\$ 13,234,717</u>
\$ 10,189,143	\$ 9,454,986	\$ 9,138,775	\$ 8,077,268	\$ 8,056,871	\$ 6,932,471
<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>
<u>21,590,000</u>	<u>22,005,000</u>	<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>
<u>(18,730,000)</u>	<u>(19,025,000)</u>	<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>
2,860,000	2,980,000	3,095,000	3,205,000	3,310,000	-
<u>2,860,000</u>	<u>2,980,000</u>	<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>	<u>-</u>
<u>\$ 7,329,143</u>	<u>\$ 6,474,986</u>	<u>\$ 6,043,775</u>	<u>\$ 4,872,268</u>	<u>\$ 4,746,871</u>	<u>\$ 6,932,471</u>

CITY OF HARRISON, OHIO

*PLEGDED REVENUE BOND COVERAGE - ENTERPRISE
LAST TEN YEARS*

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2008	\$ 4,290,442	\$ 2,566,169	\$ 1,724,273	\$ 425,000	\$ 818,738	\$ 1,243,738	1.39
2007	4,180,689	2,891,423	1,289,266	220,000	823,798	1,043,798	1.24
2006	4,337,339	3,002,462	1,334,877	220,000	828,197	1,048,197	1.27
2005	4,018,880	3,085,424	933,456	275,000	837,898	1,112,898	0.84
2004	4,231,865	2,653,104	1,578,761	255,000	953,371	1,208,371	1.31
2003	3,210,404	1,692,567	1,517,837	405,157	263,112	668,269	2.27
2002	3,059,797	1,621,015	1,438,782	301,000	190,426	491,426	2.93
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72
1999	2,349,550	1,100,051	1,249,499	261,000	203,584	464,584	2.69

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rates (2)		
					City of Harrison	Ohio	United States
2008	9,980	N/A	N/A	3,800	6.2%	7.6%	5.0%
2007	9,980	N/A	N/A	3,742	5.0%	5.6%	4.6%
2006	9,950	N/A	N/A	3,705	5.2%	5.5%	4.6%
2005	9,950	N/A	N/A	3,907	5.4%	5.9%	5.1%
2004	9,885	N/A	N/A	3,965	6.2%	6.2%	5.5%
2003	9,885	N/A	N/A	3,965	4.7%	6.2%	6.0%
2002	9,885	350,087,160	35,416	4,000	5.0%	5.7%	5.8%
2001	9,865	344,288,500	34,900	4,037	3.2%	4.4%	4.7%
2000	9,835	339,277,995	34,497	4,082	2.9%	4.0%	4.0%
1999	9,750	321,379,500	32,962	4,086	3.0%	4.3%	4.2%

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

Sources:

- (1) U.S. Census Bureau
- (2) Ohio Department of Development, Office of Strategic Research 1993-1997. Bureau of Economic Analysis 1998-2002.
- (3) Southwest Local School District.

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

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Southwest Local School District	476	1	3.70%	432	4	3.65%
Wayne/Scott Fetzer Company	454	2	3.53%	N/A	N/A	N/A
J.T.M. Provisions Company Inc.	431	3	3.35%	417	5	3.52%
Hubert Company	365	4	2.84%	407	6	3.44%
Shawneespring Heath Care Center	307	5	2.39%	N/A	N/A	N/A
Kroger Limited Partnership	279	6	2.17%	N/A	N/A	N/A
F & M Mafco Inc.	226	7	1.76%	232	8	1.96%
Superval Holdings Inc.	216	8	1.68%	448	3	3.78%
Campbell Hausfield/Scott Fetzer Co.	166	9	1.29%	932	1	7.87%
City of Harrison	141	10	1.10%	138	10	1.16%
MII Inc.	N/A	N/A	N/A	454	2	3.83%
Hamilton Foundry & Machine Co.	N/A	N/A	N/A	275	7	2.32%
Seasongood Folding Box Co.	N/A	N/A	N/A	186	9	1.57%
Total	<u>2,131</u>		<u>23.78%</u>	<u>3,489</u>		<u>26.16%</u>
Total City Employment	<u>12,871</u>			<u>11,847</u>		

Source: City of Harrison, Finance Director's Office

Note: Information on principal employers prior to 1998 was not available.

CITY OF HARRISON, OHIO

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Municipal Court - Magistrate	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1
Finance	1	2	1	1	1	1	1	1	1	1
Law	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	1
Other	9	11	9	9	9	9	9	9	9	9
Security of Persons and Property										
Police	28	28	27	27	26	27	27	27	28	27
Fire	42	36	36	36	35	32	35	37	40	42
Public Health and Welfare										
Senior Center	4	4	4	4	4	4	4	4	4	4
Transportation										
Streets	6	6	6	6	6	6	7	6	6	6
Community Environment										
Planning	1	1	1	1	1	1	1	1	1	1
Building/Zoning	6	6	6	6	6	6	6	6	6	6
Leisure Time Activity										
Parks Administration	1	1	1	1	1	1	1	1	1	1
Community Center	-	3	1	1	1	1	1	1	1	1
Utility Services										
Water	6	6	6	6	5	5	6	6	6	6
Sewer	8	7	8	8	9	7	7	6	7	7
Total	120	119	114	114	112	108	113	113	118	119

Source: City of Harrison, Finance Director's Office

Note: Information prior to 1999 was not available.

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	1999	2000	2001	2002	2003	2004
General Government						
Building Permits Issued	105	141	119	173	233	186
Building Inspections Performed	274	232	215	374	733	607
Ordinances & Resolutions	76	61	70	50	79	82
Security of Persons and Property						
Police:						
Physical Arrests	1,110	1,287	907	877	863	882
Parking Violations	1,495	1,685	1,560	1,423	1,384	1,365
Traffic Violations	432	427	477	458	436	414
Fire:						
Emergency Responses	1,421	1,418	1,249	1,351	N/A	1,271
Fire Responses	339	278	304	382	N/A	399
Inspections conducted	465	369	567	569	N/A	397
Public Health and Welfare						
Senior Center Attendance	8,156	8,542	8,059	8,347	8,377	8,162
Senior Center Memberships	N/A	N/A	148	148	129	167
Transportation						
Street Resurfacing (miles)	N/A	0.5	0.5	0	0	2
Tons of salt used	N/A	N/A	N/A	245	1,117	824
Water						
New Connections	14	11	7	67	147	124
Water Main Breaks	5	7	9	8	9	7

Source: City of Harrison, Finance Director's Office

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

2005	2006	2007	2008
161	115	187	186
800	849	654	436
70	68	64	85
892	930	1,400	1,308
1,381	1,381	1,420	1,267
402	410	1,732	1,762
1,453	1,522	1,628	1,641
566	619	401	437
633	823	931	843
9,045	8,950	8,200	7,997
190	201	223	233
0	1	2.57	110
805	386	990	936
124	87	94	29
8	10	12	15

CITY OF HARRISON, OHIO

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	1999	2000	2001	2002	2003	2004	2005
Security of Persons and Property							
Police:							
Stations	1	1	1	1	1	1	1
Fire:							
Stations	1	1	1	1	1	1	1
Leisure Time Activities							
Parks	3	3	3	4	4	4	4
Park Acreage	58.50	58.50	58.50	63.50	63.50	63.50	63.50
Tennis Courts	2	2	2	2	2	2	2
Baseball/Softball Fields	3	3	3	3	3	3	3
Transportation							
Streets (Paved Miles)	N/A	40	40	40	40	40	40
Water							
Water Mains (miles)	26.00	26.00	27.50	27.80	31.10	31.10	31.10
Sewer							
Sanitary Sewers (miles)	25.00	25.00	25.00	25.00	25.00	25.00	25.00

Source: City of Harrison, Finance Director's Office

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

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

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Mary Taylor, CPA
Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 16, 2009