City of Harrison, Ohio

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HARRISON
OHIO

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2013

CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Issued by:
Finance Department

Angelina Burton
Finance Director

CITY OF HARRISON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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INTRODUCTORY

SECTION

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

www.harrisonohio.org

June 30, 2014

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

Ladies and Gentlemen:
Presented is the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City). This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2013, developed to detail the status of the City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

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

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

Ohio law requires independent audits to be performed on all financial operations of the City, either by the Auditor of State or, if permitted by the Auditor of State, an independent public accounting firm. Balestra, Harr & Scherer, CPAs, Inc. performed the audit for the year ended December 31, 2013. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

THE REPORTING ENTITY

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

THE CITY OF HARRISON

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

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

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

The City employs 77 full-time employees and 31 part-time employees. The United Steelworkers (USW), the Fraternal Order of Police (FOP) and the Harrison Professional Firefighters IAFF represent non-exempt employees, depending on department. Each contract is for a period of 3 years, though in 2014, each union agreed to an extension of their respective contract through 2017. The contract extensions reflect flat wage increases.

ECONOMIC CONDITION AND OUTLOOK

Harrison has experienced a 32% increase in population in the last decade and, in 2013, was recognized as the fastest growing community in Hamilton County (in terms of residential units), largely due to the success of the Parks of Whitewater community. The City has annexed over 700 acres in the past several years, bringing our total land area to approximately 5 square miles.

After many years of conversations with local business owners and garnering their support, the City of Harrison formed the Greater Harrison Chamber of Commerce in 2013. An exploratory committee spent the better part of 8 months meeting to discuss the vision and mission of the Chamber. They accomplished much of the groundwork in order for the Chamber to get started, including the creation of bylaws, a mission statement, a vision statement and program of work.

Concerning business recruitment and retention, 2013 was a year that saw some major industrial projects. The City welcomed Cincinnati Test Systems and their new facility to Harrison. The Economic Development department was able to secure a grant to extend Biggs Blvd across New Haven to access the site. This investment will create additional opportunities to attract business development in that area. Cincinnati West Airport constructed a new hangar which doubled the hangar capacity at the airport.

On the retail/restaurant front, 2013 saw a new, larger Skyline Chili built. Long John Silver took the former Skyline space and renovated it. Orange Leaf Yogurt opened on New Haven. Monk's Kitchen opened up their new dining room. Supreme Nut and Candy reopened in their former location. Schoch Tile and Goody's Department Store both opened in the fourth quarter of 2013. The former Executive Inn began a major renovation in 2013. The reopened as a completely remodeled hotel and under the Best Western brand. Downtown Harrison welcomed Broadway Arts and Chic Décor.

Single family residential growth continued at Parks of Whitewater. Multi-family housing also grew with the addition of Liberty Square Townhomes on West Road. Legacy Condos by Fischer Homes also added new units in 2013. All of these projects contributed to our status as the fastest growing community in Hamilton County.

MAJOR INITIATIVES

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

The resurfacing of Elaine Drive, Brooks Lane, Grandview Street and Constance Place will be completed in 2014, as well as Lyness Avenue. Additional residential street improvements for 2014 include the resurfacing of Featherwood Drive. These projects are financed through a combination of OPWC loans and grants.

The cooperative project between the Ohio Department of Transportation and the City of Harrison for the reconstruction of State Street continues through 2014, with an estimated project completion date in 2016. The project is being funded with a combination of federal, state and local funds.

LONG-TERM FINANCIAL PLANNING

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

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

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

The City agreed to pursue a Safety Services Levy as a part of the three union contract extensions. A 4.8 Mil Safety Service Levy will go before City voters on November 4, 2014. The City will consider financing a tax anticipation note upon the levy's passage to fund operations until levy collections are distributed.

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

Equipment and vehicle replacements are financed through local institutions, for a maximum of 5 years depending on rotation schedule, and are included in a department's annual budget submission.

USE OF THE REPORT

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

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harrison for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2012. This was the 14th consecutive year that the City of Harrison has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

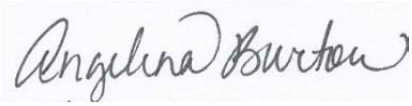
ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,



Angelina Burton
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS .....

Mayor .....JOEL F. MCGUIRE

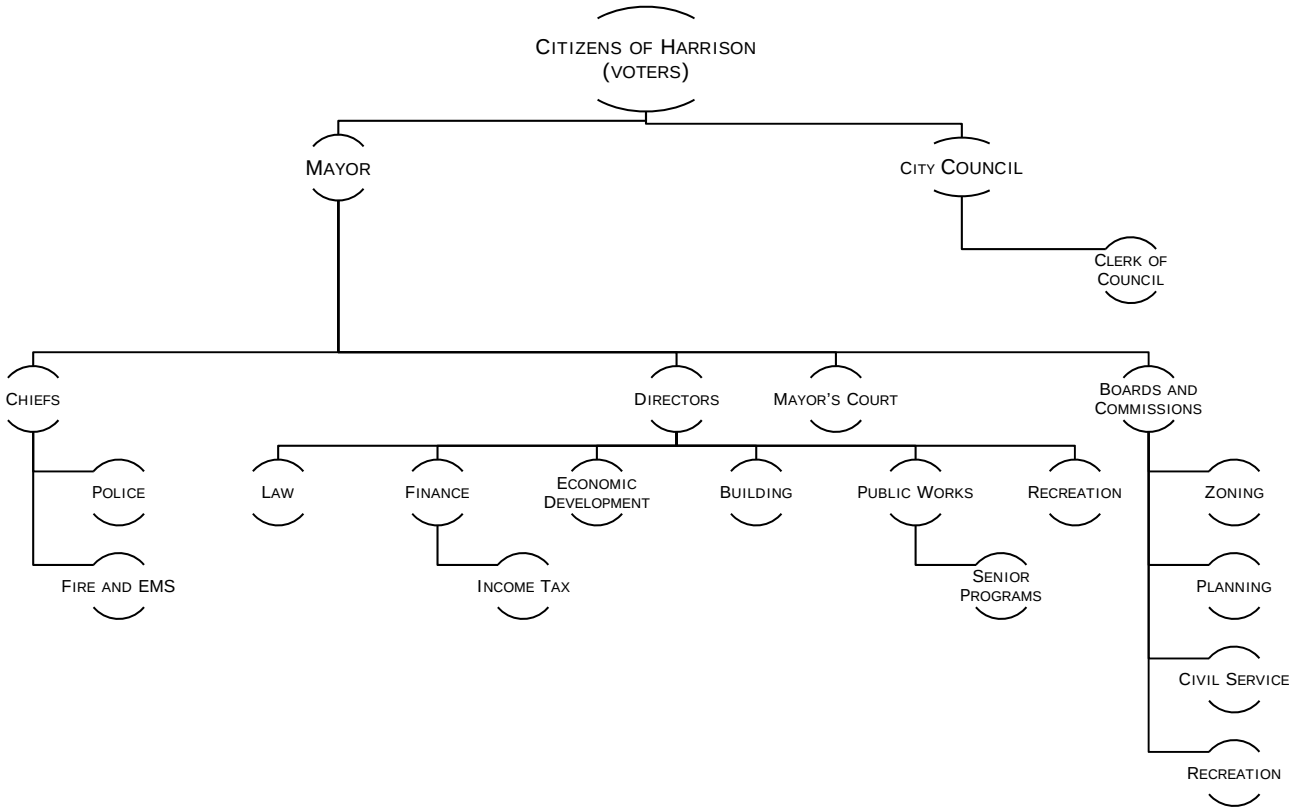
Council Member.....TONY BURKART
Council Member.....RYAN GRUBBS
Council Member.....MARK LOUIS
Council Member..... HANK MENNINGER
Council Member.....WILLIAM NEYER
Council Member..... JAMES ROBERTSON
Council Member.....RANDY SHANK

APPOINTED OFFICIALS .....

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

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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FINANCIAL

SECTION

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Harrison, Hamilton County, Ohio, as of December 31, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Improvement Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the year ended December 31, 2013, the City adopted the provisions of Governmental Accounting Standard No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally

accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
June 27, 2014

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The discussion and analysis of the City of Harrison, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2013 include:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by $24,260,171.
- The City's total net position increased during the year by $98,007, or less than 1%.
- Unrestricted net position was $629,752.
- The City's total expenses were $14,127,675, a decrease of $436,401.
- Program revenues of $7,674,000 reduced the net cost of the City's functions to be financed from the City's general revenues to $6,453,675.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

- Governmental Activities – Most of the City's services are reported here including police and fire protection, parks and recreation, street repair and maintenance, and general government.

- Business-Type Activities – These activities include the water, sewer, storm water, sanitation and water/wastewater deposits operations where the fees charged for these services are based upon the amount of usage and the intent is to recoup operational costs through the user fees.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Harrison, Ohio, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of $24.3 million at December 31, 2013.

Table 1 provides a summary of the City's net position for 2013 compared to 2012:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	*Restated* 2012	2013	*Restated* 2012	2013	*Restated* 2012
Current and other assets	$ 6,429,479	8,083,959	3,645,224	4,207,324	10,074,703	12,291,283
Capital assets	18,626,701	17,715,453	35,157,228	36,435,017	53,783,929	54,150,470
Total assets	25,056,180	25,799,412	38,802,452	40,642,341	63,858,632	66,441,753
Deferred outflows of resources	-	-	839,364	895,944	839,364	895,944
Long-term liabilities	7,028,780	7,729,015	27,849,500	29,308,561	34,878,280	37,037,576
Other liabilities	2,310,708	3,110,858	307,963	287,480	2,618,671	3,398,338
Total liabilities	9,339,488	10,839,873	28,157,463	29,596,041	37,496,951	40,435,914
Deferred inflows of resources	2,940,874	2,739,619	-	-	2,940,874	2,739,619
Net position:						
Net investment in capital assets	11,201,136	10,749,393	8,321,936	8,173,930	19,523,072	18,923,323
Restricted	2,221,537	1,036,007	1,885,810	2,131,205	4,107,347	3,167,212
Unrestricted	(646,855)	434,520	1,276,607	1,637,109	629,752	2,071,629
Total net position	$ 12,775,818	12,219,920	11,484,353	11,942,244	24,260,171	24,162,164

As displayed in Table 1, total net position of the City increased by $98,007 from 2012 to 2013. Although total assets decreased by approximately 4%, total liabilities decreased more by approximately 7%. The majority of the decrease in assets occurred in cash and investments as the City continued to spend down BAN proceeds and capital grants on various road improvement projects that began in 2012. This also led to the decreases in other liabilities. Long-term liabilities decreased as the City made its scheduled debt payments, including the initial payment on its 2012 revenue bonds.

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

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

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2013 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	*Restated* 2012	2013	*Restated* 2012	2013	*Restated* 2012
Program revenues:						
Charges for services	$ 1,381,953	1,448,922	5,259,517	5,194,725	6,641,470	6,643,647
Operating grants and contributions	692,625	706,475	-	-	692,625	706,475
Capital grants and contributions	339,905	1,313,600	-	-	339,905	1,313,600
Total program revenues	2,414,483	3,468,997	5,259,517	5,194,725	7,674,000	8,663,722
General revenues:						
Income taxes	3,138,686	3,212,378	-	-	3,138,686	3,212,378
Property and other taxes	2,813,464	2,898,579	-	-	2,813,464	2,898,579
Grants and contributions not restricted to specific programs	498,626	479,451	-	-	498,626	479,451
Investment earnings	21,841	28,313	820	948	22,661	29,261
Miscellaneous	76,036	171,181	2,209	5,947	78,245	177,128
Total general revenues	6,548,653	6,789,902	3,029	6,895	6,551,682	6,796,797
Total revenues	8,963,136	10,258,899	5,262,546	5,201,620	14,225,682	15,460,519
Expenses:						
Security of persons and property	6,085,651	6,261,278	-	-	6,085,651	6,261,278
Public health services	250,573	316,702	-	-	250,573	316,702
Leisure time activities	216,324	266,164	-	-	216,324	266,164
Community and economic development	33,721	104,288	-	-	33,721	104,288
Transportation	807,923	919,283	-	-	807,923	919,283
General government	793,184	1,138,495	-	-	793,184	1,138,495
Interest on long-term debt	248,331	239,783	-	-	248,331	239,783
Water	-	-	1,951,365	1,601,191	1,951,365	1,601,191
Sewer	-	-	3,193,149	3,253,152	3,193,149	3,253,152
Storm water	-	-	46,813	46,613	46,813	46,613
Water/wastewater deposit	-	-	1,166	2,500	1,166	2,500
Sanitation	-	-	499,475	414,627	499,475	414,627
Total expenses	8,435,707	9,245,993	5,691,968	5,318,083	14,127,675	14,564,076
Transfers	28,469	28,469	(28,469)	(28,469)	-	-
Change in net position	555,898	1,041,375	(457,891)	(144,932)	98,007	896,443
Beginning net position	12,219,920	11,178,545	11,942,244	12,087,176	24,162,164	23,265,721
Ending net position	$ 12,775,818	12,219,920	11,484,353	11,942,244	24,260,171	24,162,164

Governmental Activities

Total governmental activities revenue decreased by $1,295,763, or 13%. The majority of this decrease was experienced in capital grants and contributions where the City secured more grant funding from State agencies for infrastructures projects in 2012. Total governmental activities expenses decreased by $810,286, or 9%. The decrease was attributable to increased reimbursement from the utility funds under a cost allocation plan that was expanded during 2013.

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

Table 3
Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	*Restated* Total Cost of Services 2012	*Restated* Net Cost of Services 2012
Security of persons and property	$ 6,085,651	$ 5,195,059	$ 6,261,278	$ 5,363,423
Public health services	250,573	70,399	316,702	122,438
Leisure time activities	216,324	161,353	266,164	202,389
Community and economic development	33,721	(99,505)	104,288	(672)
Transportation	807,923	(39,297)	919,283	(903,711)
General government	793,184	484,884	1,138,495	753,346
Interest on long-term debt	248,331	248,331	239,783	239,783
Total cost of services	$ 8,435,707	$ 6,021,224	$ 9,245,993	$ 5,776,996

It should be noted that 29% of the cost of services for governmental activities are derived from program revenues, including charges for services and operating and capital grants. As shown by the total net costs of $6,021,224, the majority of the City's programs are funded by general revenues. A significant portion of the total general revenues consists of income and property taxes.

Business-Type Activities

The City's major business-type activities include water and sewer operations. The Water Fund had an operating loss of $248,461. The Sewer Fund had operating income of $772,084, a decrease of $292,298. The decrease in both of these funds was attributable to an increased amount of reimbursements to the General Fund for shared services under an expanded cost allocation plan.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of $10 million, expenditures of $10.1 million, and net other financing sources of approximately $28,000. During 2013, total fund balance of the governmental funds decreased by $33,716 to a total fund balance at year-end of $248,010. While capital assets are included in the statement of net position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund experienced a decrease in fund balance during 2013. The General Fund is the primary fund that finances government services to citizens. Expenditures decreased from 2012 by $520,214, or 15%, primarily attributable to increased reimbursements by the utility funds for shared costs.

The Fire Improvement Fund experienced an increase in fund balance of $125,704, or 28%, which decreased the fund balance deficit to $323,096. The increase over the prior year was due to purchases of ambulances and vehicles in 2012.

The Home Depot TIF Fund experienced an increase in fund balance of $168,844 due to continued work on several road improvement projects. These projects are being financed with State grants and loans and bond anticipation notes.

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

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the budgets of each department within the General Fund and other funds, and then adopts the budget. The legal level of budgetary control is at the object level. During 2013, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, the Finance Director may make small line item adjustments within the budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

Actual revenues came in approximately $256,000 lower than budgeted due to lower than expected property and income tax collections as the local economy was slow to recover.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures came in approximately $182,000 less than the $3.1 million included in the final budget for 2013.

Capital Assets

At the end of fiscal year 2013, the City had a total of $75.6 million invested in capital assets less accumulated depreciation of $21.8 million resulting in total capital assets, net of accumulated depreciation of $53.8 million.

The City continued its efforts to upgrade its capital assets during 2013. The City acquired several vehicles, as well as increased construction in progress for several infrastructure projects. Projects completed during 2013 include improvements to Campbell Road, Whippoorwill Drive, New Haven Road and State Street and completion of the Cincinnati Testing System expansion project. Ongoing work continues on the Elaine/Brooks/Grandview improvements.

Table 4 shows 2013 balances compared to those of 2012:

Table 4

Capital Assets at Year-End

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 3,015,891	3,015,891	485,420	485,420	3,501,311	3,501,311
Construction in progress	692,049	1,127,456	-	452,702	692,049	1,580,158
Land improvements	42,502	65,728	-	-	42,502	65,728
Buildings and improvements	2,085,246	2,153,256	6,831,680	6,840,150	8,916,926	8,993,406
Equipment	237,211	245,405	2,410,336	2,851,030	2,647,547	3,096,435
Vehicles	1,182,779	1,366,375	135,204	142,392	1,317,983	1,508,767
Infrastructure	11,371,023	9,741,342	25,294,588	25,663,323	36,665,611	35,404,665
Totals	$ 18,626,701	17,715,453	35,157,228	36,435,017	53,783,929	54,150,470

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

Debt Administration

At December 31, 2013, the City had a total of $33.5 million of long-term debt obligations compared with $35.7 million reported at December 31, 2012. Table 5 shows outstanding debt obligations of the City at December 31, 2013 compared with 2012:

Table 5

Outstanding Long-term Debt Obligations at Year end

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds $	3,195,000	3,455,000	5,360,000	5,530,000	8,555,000	8,985,000
Capital Leases	1,193,771	1,499,017	43,891	70,676	1,237,662	1,569,693
OPWC Loans	1,574,976	1,670,599	1,618,283	1,731,621	3,193,259	3,402,220
ODOT Loans	190,770	263,188	-	-	190,770	263,188
OWDA Loans	-	-	4,917,615	5,288,295	4,917,615	5,288,295
Revenue Bonds	-	-	15,370,000	16,150,000	15,370,000	16,150,000
Total $	6,154,517	6,887,804	27,309,789	28,770,592	33,464,306	35,658,396

Of the City's general obligation bonds outstanding at December 31, 2013, $3.2 million are accounted for within the governmental activities and the remaining $5.4 million are reported in the Sewer Fund. Revenue bonds are recorded in the Sewer Fund and are paid with charges for services of that fund.

The City issued $16,550,000 in Sewer Revenue Refunding Bonds to refund the Series 2003 Sewer Revenue Improvement and Refunding Bonds during 2012 and saved the City over $1 million. The first payment on these bonds came due during 2013.

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

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

Contacting the City's Finance Department

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

Basic Financial Statements

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CITY OF HARRISON, OHIO
Statement of Net Position
December 31, 2013

		Governmental Activities	Business-Type Activities	Total
Assets				
Equity in pooled cash and investments	$	1,376,847	1,373,840	2,750,687
Cash in segregated accounts		12,872	-	12,872
Receivables:				
Property and other taxes		2,359,089	-	2,359,089
Payment in lieu of taxes		710,617	-	710,617
Income taxes		980,090		980,090
Accounts		187,134	394,031	581,165
Intergovernmental		652,838	-	652,838
Prepaid items		24,935	19,291	44,226
Materials and supplies inventory		10,057	87,252	97,309
Internal balances		115,000	(115,000)	-
Restricted cash and investments with fiscal agent		-	1,885,810	1,885,810
Non-depreciable capital assets		3,707,940	485,420	4,193,360
Depreciable capital assets, net		14,918,761	34,671,808	49,590,569
Total assets		25,056,180	38,802,452	63,858,632
Deferred Outflow of Resources				
Deferred charge on refunding		-	839,364	839,364
Liabilities				
Accounts payable		83,900	71,666	155,566
Retainage payable		39,701	-	39,701
Accrued salaries		139,310	18,934	158,244
Intergovernmental payable		173,369	19,895	193,264
Accrued interest payable		44,428	197,468	241,896
Notes payable		1,830,000	-	1,830,000
Long-term liabilities:				
Due within one year		837,879	1,517,382	2,355,261
Due in more than one year		6,190,901	26,332,118	32,523,019
Total liabilities		9,339,488	28,157,463	37,496,951
Deferred Inflows of Resources				
Property taxes and payment in lieu of taxes		2,940,874	-	2,940,874
Net Position				
Net investment in capital assets		11,201,136	8,321,936	19,523,072
Restricted for:				
Capital projects		1,243,568	-	1,243,568
Debt service		-	1,885,810	1,885,810
Streets and Highways		193,356	-	193,356
Recreation		496,461	-	496,461
Other purposes		288,152	-	288,152
Unrestricted		(646,855)	1,276,607	629,752
Total net position	$	12,775,818	11,484,353	24,260,171

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO
Statement of Activities
Year Ended December 31, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
Security of persons and property	$ 6,085,651	868,095	22,497	-	(5,195,059)	-	(5,195,059)
Public health services	250,573	36,320	143,854	-	(70,399)	-	(70,399)
Leisure time activities	216,324	53,471	1,500	-	(161,353)	-	(161,353)
Community and economic development	33,721	133,226	-	-	99,505	-	99,505
Transportation	807,923	-	507,315	339,905	39,297	-	39,297
General government	793,184	290,841	17,459	-	(484,884)	-	(484,884)
Interest on long-term debt	248,331	-	-	-	(248,331)	-	(248,331)
Total governmental activities	8,435,707	1,381,953	692,625	339,905	(6,021,224)	-	(6,021,224)
Business-type activities:							
Water	1,951,365	1,509,511	-	-	-	(441,854)	(441,854)
Sewer	3,193,149	3,165,519	-	-	-	(27,630)	(27,630)
Other business-type activities:							
Storm Water	46,813	112,006	-	-	-	65,193	65,193
Water/Wastewater deposit	1,166	9,745	-	-	-	8,579	8,579
Sanitation	499,475	462,736	-	-	-	(36,739)	(36,739)
Total business-type activities	5,691,968	5,259,517	-	-	-	(432,451)	(432,451)
Total	$ 14,127,675	6,641,470	692,625	339,905	(6,021,224)	(432,451)	(6,453,675)
General revenues and transfers:							
Income taxes levied for general purposes					$ 3,138,686	-	3,138,686
Property taxes levied for:							
General purposes					1,074,061	-	1,074,061
Fire improvements					1,130,567	-	1,130,567
Police pension					57,150	-	57,150
Recreation					19,200	-	19,200
Capital projects					70,016	-	70,016
Payments in lieu of taxes					462,470	-	462,470
Grants and contributions not restricted to specific programs					498,626	-	498,626
Investment earnings					21,841	820	22,661
Miscellaneous					76,036	2,209	78,245
Transfers					28,469	(28,469)	-
Total general revenues and transfers					6,577,122	(25,440)	6,551,682
Change in net position					555,898	(457,891)	98,007
Net position beginning of year, *restated*					12,219,920	11,942,244	24,162,164
Net position end of year					$ 12,775,818	11,484,353	24,260,171

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Balance Sheet
Governmental Funds
December 31, 2013

		General	Fire Improvement	Home Depot TIF	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Equity in pooled cash and investments	$	41,833	-	201,271	1,133,743	1,376,847
Cash in segregated accounts		-	-	-	12,872	12,872
Receivables:						
Property and other taxes		1,117,994	1,170,694	-	70,401	2,359,089
Payment in lieu of taxes		-	-	441,814	268,803	710,617
Income taxes		980,090	-	-	-	980,090
Accounts		47,883	125,740	-	13,511	187,134
Intergovernmental		120,059	62,990	251,340	218,449	652,838
Prepaid items		9,371	9,167	-	6,397	24,935
Materials and supplies inventory		-	-	-	10,057	10,057
Advances to other funds		150,411	-	-	-	150,411
Total assets		2,467,641	1,368,591	894,425	1,734,233	6,464,890
Liabilities:						
Accounts payable		46,435	10,541	-	26,924	83,900
Retainage payable		-	-	31,052	8,649	39,701
Accrued salaries		69,971	53,773	-	15,566	139,310
Intergovernmental payable		56,791	75,529	-	41,049	173,369
Advances from other funds		-	-	-	35,411	35,411
Notes payable		-	305,000	1,250,000	275,000	1,830,000
Matured compensated absences		19,888	13,160	-	-	33,048
Total liabilities		193,085	458,003	1,281,052	402,599	2,334,739
Deferred Inflows of Resources:						
Property taxes and payment in lieu of taxes		1,117,994	1,170,694	441,814	327,760	3,058,262
Unavailable revenue		603,484	62,990	15,526	141,879	823,879
Total deferred inflows of resources		1,721,478	1,233,684	457,340	469,639	3,882,141
Fund balances:						
Nonspendable		159,782	9,167	-	16,454	185,403
Restricted		-	-	-	608,767	608,767
Assigned		393,296	-	-	386,152	779,448
Unassigned		-	(332,263)	(843,967)	(149,378)	(1,325,608)
Total fund balances		553,078	(323,096)	(843,967)	861,995	248,010
Total liabilities, deferred inflows of resources and fund balances	$	2,467,641	1,368,591	894,425	1,734,233	6,464,890

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2013

Total governmental fund balances		$ 248,010
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		18,626,701
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.		941,267
In the statement of net position, interest is accrued on outstanding bonds and loan, whereas in governmental funds, interest is accrued when due.		(44,428)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(3,270,236)	
ODOT loan payable	(190,770)	
OPWC loan payable	(1,574,976)	
Capital lease payable	(1,193,771)	
Compensated absences payable	(765,979)	(6,995,732)
Net position of governmental activities		$ 12,775,818

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2013

		General	Fire Improvement	Home Depot TIF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property and other taxes	$	1,082,336	1,140,660	-	146,715	2,369,711
Income taxes		3,146,733	-	-	-	3,146,733
Payment in lieu of taxes		-	-	202,570	251,977	454,547
Intergovernmental		443,520	123,951	844,529	1,246,581	2,658,581
Charges for services		-	853,050	-	11,819	864,869
Fines, costs and forfeitures		114,948	-	-	16,153	131,101
Licenses, permits and inspections		308,476	-	-	-	308,476
Interest		21,841	-	-	-	21,841
Contributions		1,625	-	-	31,983	33,608
Other		20,182	14	4,605	8,019	32,820
Total revenues		5,139,661	2,117,675	1,051,704	1,713,247	10,022,287
Expenditures:						
Current:						
Security of persons and property		2,389,333	3,133,073	-	350,584	5,872,990
Public health services		13,259	-	-	225,515	238,774
Leisure time activities		50,168	-	-	138,907	189,075
Community and economic development		33,680	-	-	-	33,680
Transportation		-	-	-	608,994	608,994
General government		481,748	-	119,745	116,267	717,760
Capital outlay		2,101	-	667,821	764,405	1,434,327
Debt Service:						
Principal retirement		66,070	218,511	-	448,706	733,287
Interest and fiscal charges		3,391	61,089	25,093	166,012	255,585
Total expenditures		3,039,750	3,412,673	812,659	2,819,390	10,084,472
Excess of revenues over (under) expenditures		2,099,911	(1,294,998)	239,045	(1,106,143)	(62,185)
Other financing sources (uses):						
Transfers in		-	1,420,702	-	1,055,306	2,476,008
Transfers out		(2,226,915)	-	(70,201)	(150,423)	(2,447,539)
Total other financing sources (uses)		(2,226,915)	1,420,702	(70,201)	904,883	28,469
Net change in fund balances		(127,004)	125,704	168,844	(201,260)	(33,716)
Fund balance, beginning of year		680,082	(448,800)	(1,012,811)	1,063,255	281,726
Fund balance, end of year	$	553,078	(323,096)	(843,967)	861,995	248,010

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2013

Net change in fund balances - total governmental funds	$	(33,716)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital asset additions		1,448,352
Depreciation expense		(537,104)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are unavailable.		(1,059,151)
Some expenses reported in the statement of activities do not require the use current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences		(3,024)
Interest on long-term debt		4,234
Amortization of bond premiums		3,020
Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. In the current year, theses amounts consisted of general obligation bonds, ODOT, OPWC loans and capital leases.		733,287
Change in net position of governmental activities	$	555,898

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2013

		Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:					
Property and other taxes	$	1,080,030	1,153,529	1,082,336	(71,193)
Income taxes		3,250,000	3,231,000	3,078,874	(152,126)
Intergovernmental		423,274	469,700	443,137	(26,563)
Fines, costs and forfeitures		210,000	115,000	112,781	(2,219)
Licenses, permits and inspections		307,500	298,000	303,753	5,753
Interest		35,000	20,000	22,424	2,424
Contributions		3,500	500	125	(375)
Other		42,500	27,388	15,564	(11,824)
Total revenues		5,351,804	5,315,117	5,058,994	(256,123)
Expenditures:					
Current:					
General government		914,231	572,607	465,328	107,279
Security of persons and property		2,433,539	2,468,539	2,407,356	61,183
Public health services		13,260	13,260	13,259	1
Community and economic development		106,311	36,862	29,270	7,592
Leisure time activity		58,034	48,034	42,191	5,843
Total expenditures		3,525,375	3,139,302	2,957,404	181,898
Excess of revenues over expenditures		1,826,429	2,175,815	2,101,590	(74,225)
Other financing sources (uses):					
Transfers out		(2,131,885)	(2,371,885)	(2,226,915)	144,970
Advances in		50,000	75,000	75,000	-
Total other financing sources (uses)		(2,081,885)	(2,296,885)	(2,151,915)	144,970
Net change in fund balance		(255,456)	(121,070)	(50,325)	70,745
Fund balance, beginning of year		38,999	38,999	38,999	
Prior year encumbrances appropriated		10,584	10,584	10,584	
Fund balance, end of year	$	(205,873)	(71,487)	(742)	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Improvement Fund
Year Ended December 31, 2013

		Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:					
Property and other taxes	$	1,117,745	1,209,174	1,140,659	(68,515)
Intergovernmental		111,090	223,950	123,951	(99,999)
Charges for services		881,152	772,618	766,173	(6,445)
Other		5,000	3,000	1,729	(1,271)
Total revenues		2,114,987	2,208,742	2,032,512	(176,230)
Expenditures:					
Current:					
Security of persons and property					
Fire Department					
Personal services		2,865,543	2,950,543	2,893,126	57,417
Operations/maintenance		550,926	550,926	562,908	(11,982)
Total security of persons and property		3,416,469	3,501,469	3,456,034	45,435
Total expenditures		3,416,469	3,501,469	3,456,034	45,435
Excess of revenues over (under) expenditures		(1,301,482)	(1,292,727)	(1,423,522)	(130,795)
Other financing source (uses):					
Tax anticipation notes issued		310,000	300,000	305,000	5,000
Transfers in		1,460,000	1,448,633	1,420,702	(27,931)
Transfers out		(330,000)	(319,474)	(318,501)	973
Total other financing sources (uses)		1,440,000	1,429,159	1,407,201	(21,958)
Net change in fund balance		138,518	136,432	(16,321)	(152,753)
Fund balance, beginning of year		-	-	-	
Prior year encumbrances appropriated		10,815	10,815	10,815	
Fund balance, end of year	$	149,333	147,247	(5,506)	

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Assets				
Current assets:				
Equity in pooled cash and investments	$ 862,977	244,292	266,571	1,373,840
Receivables:				
Accounts	111,233	231,762	51,036	394,031
Prepaid items	5,958	13,333	-	19,291
Materials and supplies inventory	86,037	1,215	-	87,252
Total current assets	1,066,205	490,602	317,607	1,874,414
Noncurrent assets:				
Restricted assets:				
Cash and investments with fiscal agent	-	1,885,810	-	1,885,810
Advances to other funds	-	17,178	-	17,178
Non-depreciable capital assets	480,860	4,560	-	485,420
Depreciable capital assets, net	13,545,631	19,158,152	1,968,025	34,671,808
Total non-current assets	14,026,491	21,065,700	1,968,025	37,060,216
Total assets	15,092,696	21,556,302	2,285,632	38,934,630
Deferred outflows of resources				
Deferred charge on refunding	-	839,364	-	839,364
Liabilities				
Current liabilities:				
Accounts payable	22,146	46,413	3,107	71,666
Accrued salaries	7,579	11,355	-	18,934
Intergovernmental payable	7,400	12,495	-	19,895
Accrued interest payable	93,852	103,616	-	197,468
Compensated absences payable	4,936	8,262	-	13,198
Advances from other funds	-	-	132,178	132,178
Capital lease payable, current portion of	27,506	-	-	27,506
Revenue bonds payable, current portion of	-	805,000	-	805,000
General obligation bonds payable, current portion of	-	175,000	-	175,000
OPWC loans payable, current portion of	-	92,308	21,030	113,338
OWDA loans payable, current portion of	383,340	-	-	383,340
Total current liabilities	546,759	1,254,449	156,315	1,957,523
Long-term liabilities:				
Capital lease payable, net of current portion	16,385	-	-	16,385
Revenue bonds payable, net of current portion	-	14,791,891	-	14,791,891
General obligation bonds payable, net of current portion	-	5,322,976	-	5,322,976
OPWC loans payable, net of current portion	-	1,200,010	304,935	1,504,945
OWDA loans payable, net of current portion	4,534,275	-	-	4,534,275
Compensated absences payable, net of current portion	59,847	101,799	-	161,646
Total long-term liabilities	4,610,507	21,416,676	304,935	26,332,118
Total liabilities	5,157,266	22,671,125	461,250	28,289,641
Net Position				
Net investment in capital assets	9,064,985	(2,385,109)	1,642,060	8,321,936
Restricted for debt service	-	1,885,810	-	1,885,810
Unrestricted	870,445	223,840	182,322	1,276,607
Total net position	$ 9,935,430	(275,459)	1,824,382	11,484,353

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Operating revenues:				
Charges for services	$ 1,509,511	3,165,519	584,487	5,259,517
Other	2,674	371	-	3,045
Total operating revenues	1,512,185	3,165,890	584,487	5,262,562
Operating expenses:				
Personnel services	428,625	586,458	-	1,015,083
Contractual services	282,153	469,048	499,675	1,250,876
Supplies and materials	293,882	196,025	-	489,907
Other	333,688	334,233	1,166	669,087
Depreciation	422,298	808,042	46,613	1,276,953
Total operating expenses	1,760,646	2,393,806	547,454	4,701,906
Operating income (loss)	(248,461)	772,084	37,033	560,656
Non-operating revenues (expenses):				
Loss on disposal of assets	(836)	-	-	(836)
Interest revenue	-	820	-	820
Interest expense and fiscal charges	(190,719)	(799,343)	-	(990,062)
Total non-operating revenues (expenses)	(191,555)	(798,523)	-	(990,078)
Income (loss) before transfers	(440,016)	(26,439)	37,033	(429,422)
Transfers out	-	-	(28,469)	(28,469)
Change in net position	(440,016)	(26,439)	8,564	(457,891)
Net position, beginning of year, *restated*	10,375,446	(249,020)	1,815,818	11,942,244
Net position, end of year	$ 9,935,430	(275,459)	1,824,382	11,484,353

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Non-major	Total
Cash flows from operating activities:				
Cash received from customers	$ 1,492,586	3,181,595	584,989	5,259,170
Cash payments for employee services and benefits	(418,517)	(571,516)	-	(990,033)
Cash payments to suppliers for goods and services	(559,011)	(637,198)	(496,768)	(1,692,977)
Cash payments for other operating expenses	(333,688)	(334,233)	(1,166)	(669,087)
Cash received from other operating revenue	4,638	371	-	5,009
Net cash provided by operating activities	186,008	1,639,019	87,055	1,912,082
Cash flows from noncapital financing activities:				
Transfers	-	-	(28,469)	(28,469)
Return advances to other funds	-	-	(75,000)	(75,000)
Net cash used by noncapital financing activities	-	-	(103,469)	(103,469)
Cash flows from capital and related financing activities:				
Principal retirement	(397,465)	(1,042,308)	(21,030)	(1,460,803)
Interest paid	(198,727)	(768,564)	-	(967,291)
Net cash used by capital and related financing activities	(596,192)	(1,810,872)	(21,030)	(2,428,094)
Cash flows from investing activities:				
Interest	-	820	-	820
Net change	(410,184)	(171,033)	(37,444)	(618,661)
Cash and pooled investments beginning of year	1,273,161	2,301,135	304,015	3,878,311
Cash and pooled investments end of year	862,977	2,130,102	266,571	3,259,650
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(248,461)	772,084	37,033	560,656
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	422,298	808,042	46,613	1,276,953
Changes in assets and liabilities:				
Receivables	(14,961)	16,076	502	1,617
Prepaid items	(541)	(1,250)	-	(1,791)
Materials and supplies inventory	19,137	(524)	-	18,613
Accounts payable	(1,572)	29,649	2,907	30,984
Accrued salaries	(830)	1,319	-	489
Intergovernmental payable	246	1,001	-	1,247
Compensated absences payable	10,692	12,622	-	23,314
Net cash provided by operating activities	$ 186,008	1,639,019	87,055	1,912,082

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

Assets		
Cash in segregated accounts	$	14,397
Equity in pooled cash and investments		26,667
Receivables:		
Income taxes		49,974
Total assets		91,038
Liabilities		
Intergovernmental payable		91,038
Total liabilities	$	91,038

See accompanying notes to the basic financial statements.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District
In an effort to facilitate economic development and to create and preserve jobs, the City has entered into a contract with Harrison Township to create a Joint Economic Development District (JEDD). In accordance with State law, the District's Board of Trustees levied a 1% income tax. The proceeds of that tax are allocated, in accordance with the contract, to the City and the Township. The City and the Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement in the District. The City received $128,626 in revenues through the JEDD in 2013.

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

B. Basis of Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

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

B. Basis of Presentation - *continued*

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

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

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

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

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

C. Measurement Focus - *continued*

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

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

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

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

C. Measurement Focus - *continued*

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Receivables for property taxes and payments in lieu of taxes represent amounts that are measureable as of December 31, 2013, but are intended to finance 2014 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after year-end).

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

D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During 2013, investments were limited to STAR Ohio and U.S. Government money market mutual funds.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2013.

Following Ohio Statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During 2013, interest revenue credited to the general fund amounted to $21,841, which includes $21,577 assigned from other funds.

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

D. Cash and Investments - *continued*

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

At year end, the City had $1,885,810 held by a trustee as designated by bond indenture. This amount is reported as "restricted cash and investments with fiscal agent" in the financial statements. An analysis of the City's deposits and investments at year end is provided in Note 3.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

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

G. Capital Assets

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

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

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

G. Capital Assets - *continued*

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

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

H. Restricted Assets

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

I. Accrued Liabilities and Long-Term Obligations

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

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

J. Interfund Balances

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

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

K. Deferred Outflow of Resources

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

L. Compensated Absences

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

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

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

M. Accounting Estimates

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

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

N. Grants and Other Intergovernmental Revenues

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

O. Fund Balances

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

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

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

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

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

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

O. Fund Balances - *continued*

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

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

P. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when the limitations imposed on its use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2013, none of the City's net position was restricted by enabling legislation.

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

Q. Budgetary Process

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

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is at the object level. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted supplemental appropriations during 2013.

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

Q. Budgetary Process - *continued*

Tax Budget

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

Estimated Resources

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

Appropriations

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

Encumbrances

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

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

Q. Budgetary Process - *continued*

Lapsing of Appropriations

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

4. Advances in and advances out are operating transactions (budget basis) rather than as an interfund receivables/payables (GAAP basis).

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING *–continued*

The adjustments necessary to convert the results of operations for the year ended December 31, 2013, on the GAAP basis to the budget basis are as follows:

		General Fund	Fire Improvement
Net change in fund balance - ***GAAP Basis***	$	(127,004)	125,704
Net adjustment for revenue accruals		(80,667)	(85,163)
Net adjustment for expenditure accruals		90,033	(37,855)
Encumbrances		(7,687)	(5,506)
Other sources (uses)		75,000	(13,501)
Net change in fund balance - ***Budget Basis***	$	(50,325)	(16,321)

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS – ***continued***

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

(3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily and that the term of the agreement must not exceed thirty days;

(4) Bonds and other obligations of the State of Ohio;

(5) No-load money market funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

(6) The State Treasury Assets Reserve of Ohio (STAR Ohio);

(7) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and

(8) Under limited circumstance, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS – ***continued***

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

At December 31, 2013, the carrying amount of all City deposits was $2,113,051. $866,339 of the City's bank balance of $2,097,107 was exposed to custodial risk as discussed above, while $1,230,768 was covered by FDIC.

Investments: The City's investments at December 31, 2013 are summarized as follows:

Investment Type		Fair Value	Maturity 6 months or less
STAR Ohio	$	9,832	9,832
Money Market		2,567,550	2,567,550
	$	2,577,382	2,577,382

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2013:

Investment Type		Fair Value	Percent of Total
STAR Ohio	$	9,832	0.4%
Money Market		2,567,550	99.6%
	$	2,577,382	100.0%

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

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2013 on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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

Public utility tangible personal property current is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes, which became a lien December 31, 2012 are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The Hamilton County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Harrison. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2013 operations and the collection of the delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as deferred inflows of resources.

NOTE 5 - INCOME TAX

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

NOTE 6 - INTERFUND ACTIVITY

Interfund activity as reported in the fund financial statements includes transfers, advances to/from funds and interfund rececivable/payable. The following represent the transfers during 2013:

		Transfers In	Transfers Out
General Fund	$	-	2,226,915
Fire Improvement		1,420,702	-
Home Depot TIF			70,201
Nonmajor governmental funds		1,055,306	150,423
Nonmajor enterprise fund		-	28,469
	$	2,476,008	2,476,008

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

The following represent the outstanding advances to/from other funds as of December 31, 2013:

		Advances to Other Funds	Advances from Other Funds
General Fund	$	150,411	-
Nonmajor governmental funds		-	35,411
Sewer		17,178	-
Nonmajor enterprise funds		-	132,178
	$	167,589	167,589

NOTE 6 - INTERFUND ACTIVITY – *continued*

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

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

		Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	$	3,015,891	-	-	3,015,891
Construction in progress		1,127,456	1,405,022	(1,840,429)	692,049
Total capital assets not being depreciated		4,143,347	1,405,022	(1,840,429)	3,707,940
Capital assets being depreciated:					
Land improvements		804,817	-	-	804,817
Buildings and improvements		3,946,240	8,750	-	3,954,990
Furniture and equipment		737,046	12,323	(19,800)	729,569
Vehicles		2,687,974	22,257	(104,408)	2,605,823
Infrastructure		10,573,042	1,840,429	-	12,413,471
Total capital assets being depreciated		18,749,119	1,883,759	(124,208)	20,508,670
Less accumulated depreciation:					
Land improvements		(739,089)	(23,226)	-	(762,315)
Buildings and improvements		(1,792,984)	(76,760)	-	(1,869,744)
Furniture and equipment		(491,641)	(20,517)	19,800	(492,358)
Vehicles		(1,321,599)	(205,853)	104,408	(1,423,044)
Infrastructure		(831,700)	(210,748)	-	(1,042,448)
Total accumulated depreciation		(5,177,013)	(537,104)	124,208	(5,589,909)
Total capital assets being depreciated, net		13,572,106	1,346,655	-	14,918,761
Capital assets, net	$	17,715,453	2,751,677	(1,840,429)	18,626,701

NOTE 7 - CAPITAL ASSETS – ***continued***

Depreciation expense was charged to governmental functions as follows:

General government	$	91,142
Security of persons and property		246,666
Public health services		3,975
Transportation		171,082
Leisure time activities		24,239
Total depreciation expense	$	537,104

		Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities					
Capital assets not being depreciated:					
Land	$	485,420	-	-	485,420
Construction in progress		452,702	-	(452,702)	-
Total capital assets not being depreciated		938,122	-	(452,702)	485,420
Capital assets being depreciated:					
Land improvements		24,474	-	-	24,474
Buildings and improvements		10,030,905	191,000	(41,803)	10,180,102
Furniture and equipment		7,517,309	-	-	7,517,309
Vehicles		456,407	-	-	456,407
Infrastructure		32,480,737	261,702	-	32,742,439
Total capital assets being depreciated		50,509,832	452,702	(41,803)	50,920,731
Less accumulated depreciation:					
Land improvements		(24,474)	-	-	(24,474)
Buildings and improvements		(3,190,755)	(198,634)	40,967	(3,348,422)
Furniture and equipment		(4,666,279)	(440,694)		(5,106,973)
Vehicles		(314,015)	(7,188)	-	(321,203)
Infrastructure		(6,817,414)	(630,437)	-	(7,447,851)
Total accumulated depreciation		(15,012,937)	(1,276,953)	40,967	(16,248,923)
Total capital assets being depreciated, net		35,496,895	(824,251)	(836)	34,671,808
Capital assets, net	$	36,435,017	(824,251)	(453,538)	35,157,228

NOTE 7 - CAPITAL ASSETS – *continued*

Depreciation expense was charged to segments as follows:

Major enterprise funds		
Water	$	422,298
Sewer		808,042
Nonmajor enterprise fund		
Storm water		46,613
Total depreciation expense	$	1,276,953

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. The 2013 member contribution rates were 10% of their annual salary for members in state and local classifications. The City was required to contribute 14% of covered payroll for employees. The City's required contributions to OPERS for pension obligations for the years ended December 31, 2013, 2012, and 2011 were $268,000, $188,000, and $213,000 respectively; 92% has been contributed for 2013 and 100% for 2012 and 2011.

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Ohio Police and Fire Pension Fund

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

From January 1, 2013 thru July 1, 2013, plan members were required to contribute 10.0% of their annual covered salary. From July 2, 2013 thru December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, the City is required to contribution 19.5% and 24.0%, respectively for police officers and firefighters. The City's required contributions for pension obligations to OP&F for the years ended December 31, 2013, 2012, and 2011 were $691,000, $493,000 and $475,000, respectively; 93% has been contributed for 2013 and 100% for 2012 and 2011.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14% of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

NOTE 9 - POSTEMPLOYMENT BENEFITS – ***continued***

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

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of the employer contributions allocated to health care was raised to 2% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for 2013, 2012 and 2011 which were used to fund postemployment benefits were $21,000, $75,000, and $85,000, respectively; 92% has been contributed for 2013 and 100% for 2012 and 2011.

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

Ohio Police and Fire Pension Fund

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

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

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

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

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

Ohio Police and Fire Pension Fund – *continued*

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85% of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The City's actual contributions for 2013, 2012 and 2011 that were used to fund post-employment benefits were $146,000, $222,000 and $214,000, respectively; 93% has been contributed for 2013 and 100% for 2012 and 2011.

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

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation time for the City as a whole amounted to $79,642 at December 31, 2013.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the varying rates. Sick leave is cumulative without limit. In the event of death or separation, an employee is paid for a percentage of their accumulated sick leave up to a maximum. The obligation for accrued unpaid sick leave for the City as a whole amounted to $861,181 at December 31, 2013.

NOTE 11 - RISK MANAGEMENT

Risk Pool Membership

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

NOTE 11 - RISK MANAGEMENT – ***continued***

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 50% (effective November 1, 2012 and 41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first $250,000 casualty treaty and 10% of the first $1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011, respectively. Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform to accounting principles generally accepted in the United States of America and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (latest available):

	2012	2011
Assets	$ 13,100,381	$ 12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	$ 6,413,188	$ 7,172,519

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

Health Insurance
During 2013, the City provided employees insurance for medical, dental, and life through Humana Insurance. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one-hundred percent of the cost up to $797.00 per employee. Anything above this cap amount is split by the City and the employees per union contracts. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

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

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

NOTE 12 - LONG-TERM LIABILITIES

The following is a summary of changes during 2013 and balances for governmental activities' long-term liabilities of the City as of December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds					
2005 Road and safety refunding bonds	$ 1,700,000	$ -	$ (210,000)	$ 1,490,000	$ 220,000
2009 Various purpose - Harrison Ave bike trail	1,125,000	-	(25,000)	1,100,000	25,000
2009 Various purpose - sidewalks	630,000	-	(25,000)	605,000	25,000
Add premium on issuance	78,256	-	(3,020)	75,236	-
OPWC loans					
2006 Jefferson Avenue project	318,891	-	(23,622)	295,269	23,622
2009 Kater Street improvements	498,203	-	(28,469)	469,734	28,469
2011 Carolina Trace improvements	668,762	-	(34,295)	634,467	34,296
2012 Harrison Avenue improvements	184,743	-	(9,237)	175,506	9,237
ODOT loan					
2006 New Haven bridge	263,188	-	(72,418)	190,770	74,608
Other long-term obligations					
Capital leases	1,499,017	-	(305,246)	1,193,771	298,155
Compensated absences	762,955	103,263	(67,191)	799,027	99,492
Total governmental activities long-term obligations	$ 7,729,015	$ 103,263	$ (803,498)	$ 7,028,780	$ 837,879

General Obligation Bonds

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

General Obligation Various Purpose Improvement Bonds

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

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

NOTE 12 - LONG-TERM LIABILITIES – ***continued***

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

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

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

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

	Governmental Activities						
	Various Purpose Series - 2009		Refunding Series - 2005		ODOT Loan		OPWC
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2014	$ 50,000	$ 80,612	$ 220,000	$ 65,575	$ 74,608	$ 5,168	$ 95,624
2015	50,000	79,362	230,000	55,125	76,863	2,913	95,624
2016	50,000	77,863	245,000	44,200	39,299	598	95,624
2017	55,000	76,362	255,000	33,788	-	-	95,624
2018	55,000	74,575	265,000	22,950	-	-	95,624
2019-2023	310,000	339,650	275,000	11,688	-	-	478,116
2024-2028	395,000	258,563	-	-	-	-	419,057
2029-2033	400,000	147,001	-	-	-	-	199,683
2034-2038	340,000	55,388	-	-	-	-	-
Total	$ 1,705,000	$ 1,189,376	$ 1,490,000	$ 233,326	$ 190,770	$ 8,679	$ 1,574,976

NOTE 12 - LONG-TERM LIABILITIES – *continued*

The following is a summary of changes during 2013 and balances for business-type activities' long-term liabilities of the City as of December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General Obligation Bonds					
2005 Sanitary Sewer Improvements	$ 330,000	$ -	$ (20,000)	$ 310,000	$ 20,000
2010 Sanitary Sewer Improvements	5,200,000	-	(150,000)	5,050,000	155,000
Add premium on issuance	144,248	-	(6,272)	137,976	-
Revenue bond					
2012 Revenue Refunding	16,150,000	-	(780,000)	15,370,000	805,000
Add premium on issuance	242,191	-	(15,300)	226,891	-
OPWC loans					
State Street/Campbell Road sewer	1,384,626	-	(92,308)	1,292,318	92,308
Etta, Lellan and Joyce Avenue improvement	346,995	-	(21,030)	325,965	21,030
OWDA loans					
Water treatment plant	598,168	-	(57,049)	541,119	59,071
New Biddinger Rd./Caroline Trace Rd. water mains	1,417,556	-	(83,553)	1,334,003	85,942
Wellfield/transmission water mains	292,396	-	(67,753)	224,643	70,241
Marvin Rd./Carolina Trace water mains	1,465,981	-	(65,471)	1,400,510	67,876
New Haven/Baughman Rd. water mains	66,999	-	(32,994)	34,005	34,005
Elevated water storage tank	1,447,195	-	(63,860)	1,383,335	66,205
Other long-term obligations					
Capital leases	70,676	-	(26,785)	43,891	27,506
Compensated absences	151,530	34,443	(11,129)	174,844	13,198
Total business-type activities long-term obligations	$ 29,308,561	$ 34,443	$ (1,493,504)	$ 27,849,500	$ 1,517,382

General Obligation Bonds

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

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

NOTE 12 - LONG-TERM LIABILITIES – ***continued***

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

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

The general obligation bonds and mortgage revenue bonds are expected to be retired with revenues of the sewer fund. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within the limitations of Ohio law. The City has pledged future sewer customer revenues, net of specified operating expenses, to repay $16,550,000 in Series 2012 wastewater system revenue refunding bonds. Principal and interest paid for the current year and net revenue available for debt service were $1,305,581 and $1,580,946, respectively.

OPWC Loans
Improvements to the City's water treatment facilities and State Street/Campbell Road and Etta, Lellan and Joyce Ave. improvements were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2013, the City has two interest-free loans outstanding through the OPWC payable from business-type activities. The loans are payable in semi-annual installments of principal. The amounts due to the OPWC are payable solely from sewer and storm water revenues.

OWDA Loans
The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2013, the City has outstanding borrowings of $4,917,615. The loans are payable in semi-annual payments with interest rates ranging from 2.84% to 3.64%. The future annual debt service principal and interest requirements disclosed were based on the balances outstanding as of December 31, 2013.

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

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Principal and interest requirements to retire the City's outstanding obligations at December 31, 2013 were:

	Business-Type Activities						
	General Obligation Bonds		Revenue Refunding Bonds		OPWC	OWDA	
Year Ending December 31,	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2014	$ 175,000	$ 239,033	$ 805,000	$ 502,181	$ 113,338	$ 383,340	$ 200,121
2015	180,000	234,982	835,000	468,181	113,338	361,385	171,592
2016	185,000	230,308	870,000	436,581	113,338	373,853	159,122
2017	190,000	225,245	905,000	401,781	113,338	314,574	171,957
2018	195,000	219,232	940,000	365,581	113,338	318,964	121,119
2019-2023	1,085,000	991,065	5,115,000	1,414,606	566,692	1,612,175	470,402
2024-2028	1,175,000	754,819	5,900,000	623,306	474,386	1,389,992	231,102
2029-2033	1,475,000	423,937	-	-	10,515	163,332	73,311
2034-2038	700,000	55,650	-	-	-	-	-
Total	$ 5,360,000	$ 3,374,271	$ 15,370,000	$ 4,212,217	$1,618,283	$ 4,917,615	$ 1,598,726

NOTE 13 – SHORT-TERM OBLIGATIONS

	Issue Date	Maturity Date	Interest Rate	Balance 12/31/2012	Increase	Decrease	Balance 12/31/2013
Governmental Activities:							
Bond anticipation note	10/25/12	10/24/13	1.65%	$ 1,525,000	$ -	$ (1,525,000)	$ -
Tax anticipation note	10/25/12	10/24/13	2.75%	310,000	-	(310,000)	-
Bond anticipation note	10/24/13	10/23/14	1.75%	-	1,525,000	-	1,525,000
Tax anticipation note	10/24/13	10/23/14	2.625%	-	305,000	-	305,000
Total				$ 1,835,000	$ 1,830,000	$ (1,835,000)	$ 1,830,000

On October 25, 2012, the City retired $320,000 in tax anticipation notes and reissued $310,000 notes in anticipation of taxes from the fire improvement levy for providing ambulance, paramedic and emergency medical services. The notes had an interest rate of 2.75%. On October 24, 2013, the City issued $305,000 in tax anticipation notes that provided funding to rollover the October 2012 tax anticipation notes. These notes bear an interest rate of 2.625% and mature on October 23, 2014.

On October 25, 2012, the City issued $1,525,000 in bond anticipation notes, $1,250,000 in the Home Depot TIF Fund and $275,000 in the Capital Improvements Fund, to finance the construction of new roads and infrastructure. The notes bear had an interest rate of 1.65%. On October 24, 2013, the City issued $1,525,000 in bond anticipation notes that provided funding to rollover the October 2012 bond anticipation notes. These notes bear an interest rate of 1.75% and mature on October 23, 2014.

NOTE 14 – CAPITAL LEASES

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

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of $1,997,494 for the governmental activities and $81,623 in the business-type activities.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2013.

Year Ending December 32,	Governmental Activities	Business-Type Activities
2014	$ 344,404	$ 28,338
2015	296,052	16,530
2016	181,551	-
2017	114,975	-
2018	88,327	-
2019-2022	356,332	-
Total	$ 1,381,641	$ 44,868
Less: amount representing interest	(187,870)	(977)
Present value of net minimum lease payments	$ 1,193,771	$ 43,891

NOTE 15 - CONTRACTUAL COMMITMENTS

The City has active projects as of December 31, 2013 for items such as improvements to sewer and water systems, street improvements, architectural and design contracts among others. The City has approximately $806,000 remaining on these active projects that were encumbered in the Capital Improvement and Home Depot TIF funds.

NOTE 16 - CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

NOTE 17 - FUND BALANCES

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

Fund Balances		General Fund	Fire Improvement	Home Depot TIF	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Prepaids	$	9,371	9,167	-	6,397	24,935
Inventory		-	-	-	10,057	10,057
Advances		150,411	-	-	-	150,411
Total Nonspendable		159,782	9,167	-	16,454	185,403
Restricted for						
Public safety		-	-	-	5,854	5,854
Senior Center		-	-	-	14,040	14,040
Recreation		-	-	-	484,113	484,113
Transportation		-	-	-	54,007	54,007
Municipal court		-	-	-	13,532	13,532
Special assessments		-	-	-	23,228	23,228
Capital projects		-	-	-	10,227	10,227
Other purposes		-	-	-	3,766	3,766
Total Restricted		-	-	-	608,767	608,767
Assigned to						
Public safety		-	-	-	913	913
Debt service		-	-	-	385,239	385,239
Recreational activities		34,888	-	-	-	34,888
Encumbrances		6,348	-	-	-	6,348
Budget resource		352,060	-	-	-	352,060
Total Assigned		393,296	-	-	386,152	779,448
Unassigned (Deficit)		-	(332,263)	(843,967)	(149,378)	(1,325,608)
Total Fund Balance	$	553,078	(323,096)	(843,967)	861,995	248,010

NOTE 17 - FUND BALANCES – ***continued***

At December 31, 2013, the following deficit fund balances were reported:

Fund	Deficit
Fire Improvement	$ 323,096
Home Depot TIF	843,967
Nonmajor Govermental Funds:	
State Highway Improvements	13,259
Fire Memorial	7,364
Community Center	2,005
Police Pension	25,334
Capital Improvements	99,499
Sewer	275,459

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

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses/expenditures) or inflows of resources (revenues). GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports.

The implementation of GASB Statement No. 61 and No. 66 did not have an effect on the financial statements of the City. The implementation of GASB Statement No. 65 had the following effect on beginning net position in the proprietary fund and government-wide financial statements:

		Sewer
Net Position at December 31, 2012	$	213,650
Recognition of bond issue costs as outflows		(462,670)
Restated Net Position at December 31, 2012	$	(249,020)

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT – ***continued***

		Governmental Activities	Business-Type Activities
Net Position at December 31, 2012	$	12,298,176	12,404,914
Recognition of bond issue costs as outflows		(78,256)	(462,670)
Restated Net Position at December 31, 2012	$	12,219,920	11,942,244

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Combining Financial Statements And Individual Fund Schedules

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CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2013

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Revenues:				
Property and other taxes	$ 1,080,030	1,153,529	1,082,336	(71,193)
Income taxes	3,250,000	3,231,000	3,078,874	(152,126)
Intergovernmental	423,274	469,700	443,137	(26,563)
Fines, costs and forfeitures	210,000	115,000	112,781	(2,219)
Licenses, permits and inspections	307,500	298,000	303,753	5,753
Interest	35,000	20,000	22,424	2,424
Contributions	3,500	500	125	(375)
Other	42,500	27,388	15,564	(11,824)
Total revenues	5,351,804	5,315,117	5,058,994	(256,123)
Expenditures:				
Current:				
General government				
Planning commission				
Personal Services	55	55	41	14
Operations/maintenance	500	500	-	500
Total planning commission	555	555	41	514
Information technology				
Operations/maintenance	40,524	13,810	10,142	3,668
Income tax				
Personal services	66,831	66,831	62,164	4,667
Operations/maintenance	114,153	114,153	98,736	15,417
Refunds/reimbursements	8,717	8,717	8,717	-
Total income tax	189,701	189,701	169,617	20,084
Mayor				
Personal services	25,111	10,566	10,497	69
Operations/maintenance	1,294	517	436	81
Total mayor	26,405	11,083	10,933	150
Council				
Personal services	48,218	22,523	22,140	383
Operations/maintenance	41,603	21,095	20,697	398
Total council	89,821	43,618	42,837	781
Economic development				
Personal services	89,439	16,765	16,472	293
Operations/maintenance	62,719	28,436	6,674	21,762
Capital improvements	1,000	1,000	-	1,000
Total economic development	153,158	46,201	23,146	23,055

(Continued)

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2013

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Finance				
Personal services	145,571	59,571	56,869	2,702
Operations/maintenance	54,012	24,639	18,522	6,117
Total finance	199,583	84,210	75,391	8,819
Custodian				
Operations/maintenance	5,000	5,000	4,948	52
Total custodian	5,000	5,000	4,948	52
Civil service				
Personal services	36	43	40	3
Operations/maintenance	2,449	1,591	713	878
Total civil service	2,485	1,634	753	881
Law director				
Personal services	38,952	16,350	5,121	11,229
Operations/maintenance	38,952	16,350	2,751	13,599
Total law director	77,904	32,700	7,872	24,828
Magistrate				
Personal services	66,103	82,103	79,970	2,133
Operations/maintenance	7,132	6,132	4,370	1,762
Total magistrate	73,235	88,235	84,340	3,895
General government				
Operations/maintenance	53,860	53,860	35,308	18,552
Elections				
Operations/maintenance	2,000	2,000	-	2,000
Total general government	914,231	572,607	465,328	107,279
Security of persons and property				
Law enforcement				
Personal services	2,030,154	2,065,154	2,020,288	44,866
Operations/maintenance	323,296	323,296	309,071	14,225
Capital improvements	500	500	580	(80)
Total law enforcement	2,353,950	2,388,950	2,329,939	59,011
Street lighting				
Operations/maintenance	79,589	79,589	77,417	2,172
Total security of persons and property	2,433,539	2,468,539	2,407,356	61,183

(Continued)

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2013

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	From Final Budget
Public heath and welfare				
Board of health				
Operations/maintenance	13,260	13,260	13,259	1
Total public health services	13,260	13,260	13,259	1
Community and economic development				
Building department				
Personal services	36,414	14,798	12,314	2,484
Operations/maintenance	67,892	20,059	16,174	3,885
Total building department	104,306	34,857	28,488	6,369
Zoning department				
Personal services	55	55	37	18
Operations/maintenance	1,950	1,950	745	1,205
Total zoning department	2,005	2,005	782	1,223
Total community and economic development	106,311	36,862	29,270	7,592
Leisure time activity				
Parks and recreation				
Personal services	17,134	17,134	16,542	592
Operations/maintenance	39,900	29,900	25,243	4,657
Capital improvements	1,000	1,000	406	594
Total parks and recreation	58,034	48,034	42,191	5,843
Total leisure time activity	58,034	48,034	42,191	5,843
Total expenditures	3,525,375	3,139,302	2,957,404	181,898
Excess of revenues over expenditures	1,826,429	2,175,815	2,101,590	(74,225)
Other financing sources (uses):				
Transfers out	(2,131,885)	(2,371,885)	(2,226,915)	144,970
Advances in	50,000	75,000	75,000	-
Total other financing sources (uses)	(2,081,885)	(2,296,885)	(2,151,915)	144,970
Net change in fund balance	(255,456)	(121,070)	(50,325)	70,745
Fund balance, beginning of year	38,999	38,999	38,999	
Prior year encumbrances appropriated	10,584	10,584	10,584	
Fund balance, end of year	$ (205,873)	(71,487)	(742)	

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS

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

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

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

Street and Safety Construction
This fund accounts for the construction of various street improvements.

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

		Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and investments	$	540,576	408,467	184,700	1,133,743
Cash in segregated accounts		12,872	-	-	12,872
Receivables:					
Property and other taxes		58,957	-	11,444	70,401
Payment in lieu of taxes		-	-	268,803	268,803
Accounts		13,511	-	-	13,511
Intergovernmental		218,449	-	-	218,449
Prepaid items		6,397	-	-	6,397
Materials and supplies inventory		10,057	-	-	10,057
Total assets		860,819	408,467	464,947	1,734,233
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable		25,157	-	1,767	26,924
Retainage payable		-	-	8,649	8,649
Accrued salaries		15,566	-	-	15,566
Intergovernmental payable		41,049	-	-	41,049
Advances from other funds		35,411	-	-	35,411
Notes payable		-	-	275,000	275,000
Total liabilities		117,183	-	285,416	402,599
Deferred Inflows of Resources:					
Property taxes and payment in lieu of taxes		58,957	-	268,803	327,760
Unavailable revenue		141,879	-	-	141,879
Total deferred inflows of resources		200,836	-	268,803	469,639
Fund balances:					
Nonspendable		16,454	-	-	16,454
Restricted		575,312	23,228	10,227	608,767
Assigned		913	385,239	-	386,152
Unassigned		(49,879)	-	(99,499)	(149,378)
Total fund balances		542,800	408,467	(89,272)	861,995
Total liabilities, deferred inflows of resources and fund balances	$	860,819	408,467	464,947	1,734,233

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2013

		Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Property and other taxes	$	76,699	-	70,016	146,715
Payments in lieu of taxes		-	-	251,977	251,977
Intergovernmental		703,731	-	542,850	1,246,581
Charges for services		11,819	-	-	11,819
Fines, costs and forfeitures		16,153	-	-	16,153
Contributions		31,983	-	-	31,983
Other		8,019	-	-	8,019
Total revenues		848,404	-	864,843	1,713,247
Expenditures:					
Current:					
Security of persons and property		350,584	-	-	350,584
Public health services		225,515	-	-	225,515
Leisure time activity		138,907	-	-	138,907
Transportation		608,994			608,994
General government		-	-	116,267	116,267
Capital outlay		-	-	764,405	764,405
Debt service:					
Principal retirement		20,665	428,041	-	448,706
Interest and fiscal charges		1,493	164,519	-	166,012
Total expenditures		1,346,158	592,560	880,672	2,819,390
Excess of revenues over (under) expenditures		(497,754)	(592,560)	(15,829)	(1,106,143)
Other financing sources (uses):					
Transfers in		462,746	592,560	-	1,055,306
Transfers out		-	-	(150,423)	(150,423)
Total other financing sources (uses)		462,746	592,560	(150,423)	904,883
Net change in fund balance		(35,008)	-	(166,252)	(201,260)
Fund balance at beginning of year		577,808	408,467	76,980	1,063,255
Fund balance at end of year	$	542,800	408,467	(89,272)	861,995

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

		Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Assets:								
Equity in pooled cash and investments	$	5,232	15,814	7,636	-	4,202	1,192	1,641
Cash in segregated accounts		-	-	-	-	-	12,872	-
Receivables:								
Property and other taxes		-	-	-	-	-	-	-
Accounts		1,500	-	-	9,267	-	2,744	-
Intergovernmental		197,417	15,570	-	-	-	1,967	-
Prepaid items		4,167			1,917		313	-
Materials and supplies inventory		10,057	-	-	-	-	-	-
Total assets		218,373	31,384	7,636	11,184	4,202	19,088	1,641
Liabilities, Deferred Inflows of Resources and Fund Balances:								
Liabilities:								
Accounts payable		2,413	13,852	-	8,540	-	137	215
Accrued salaries		10,287	-	-	2,381	-	2,898	-
Intergovernmental payable		9,438	-	-	2,268	-	2,630	496
Advances from other funds		-	20,411	15,000	-	-	-	-
Total liabilities		22,138	34,263	15,000	13,189	-	5,665	711
Deferred Inflows of Resources:								
Property taxes and payment in lieu of taxes		-	-	-	-	-	-	-
Unavailable revenue		128,004	10,380	-	-	-	-	-
Total deferred inflows of resources		128,004	10,380	-	-	-	-	-
Fund Balances:								
Nonspendable		14,224	-	-	1,917	-	313	-
Restricted		54,007	-	-	-	4,202	13,110	930
Assigned		-	-	-	-	-	-	-
Unassigned		-	(13,259)	(7,364)	(3,922)	-	-	-
Total fund balances		68,231	(13,259)	(7,364)	(2,005)	4,202	13,423	930
Total liabilities, deferred inflows of resources and fund balances	$	218,373	31,384	7,636	11,184	4,202	19,088	1,641

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts		TOTAL
-	1,652	883	11,862	1,087	583	3,766	913	484,113	$	540,576
-	-	-	-	-	-	-	-	-		12,872
-	-	58,957	-	-	-	-	-	-		58,957
-	-	-	-	-	-	-	-	-		13,511
-	-	3,495	-	-	-	-	-	-		218,449
-	-	-	-	-	-	-	-	-		6,397
-	-	-	-	-	-	-	-	-		10,057
-	1,652	63,335	11,862	1,087	583	3,766	913	484,113		860,819
-	-	-	-	-	-	-	-	-		25,157
-	-	-	-	-	-	-	-	-		15,566
-	-	26,217	-	-	-	-	-	-		41,049
-	-	-	-	-	-	-	-	-		35,411
-	-	26,217	-	-	-	-	-	-		117,183
-	-	58,957	-	-	-	-	-	-		58,957
-	-	3,495	-	-	-	-	-	-		141,879
-	-	62,452	-	-	-	-	-	-		200,836
-	-	-	-	-	-	-	-	-		16,454
-	1,652	-	11,862	1,087	583	3,766	-	484,113		575,312
-	-	-	-	-	-	-	913	-		913
-	-	(25,334)	-	-	-	-	-	-		(49,879)
-	1,652	(25,334)	11,862	1,087	583	3,766	913	484,113		542,800
-	1,652	63,335	11,862	1,087	583	3,766	913	484,113	$	860,819

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

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

CITY OF HARRISON, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

		Capital Improvements	Harrison Avenue TIF	Street and Safety Construction	TOTAL
Assets:					
Equity in pooled cash and investments	$	174,473	7,340	2,887	184,700
Receivables:					
Property and other taxes		11,444	-	-	11,444
Payment in lieu of taxes		-	268,803	-	268,803
Total assets		185,917	276,143	2,887	464,947
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable		1,767	-	-	1,767
Retainage payable		8,649	-	-	8,649
Notes payable		275,000	-	-	275,000
Total liabilities		285,416	-	-	285,416
Deferred Inflows of Resources:					
Property taxes and payment in lieu of taxes		-	268,803	-	268,803
Total deferred inflows of resources		-	268,803	-	268,803
Fund Balances:					
Restricted		-	7,340	2,887	10,227
Unassigned		(99,499)	-	-	(99,499)
Total fund balances		(99,499)	7,340	2,887	(89,272)
Total liabilities, deferred inflows of resources and fund balances	$	185,917	276,143	2,887	464,947

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2013

		Street Maintenance and Repair	State Highway Improvements	Fire Memorial	Community Center	Fire Capital Reserve	Senior Center	Passport Account
Revenues:								
Property and other taxes	$	-	-	-	-	-	-	-
Intergovernmental		464,132	40,967	-	47,910	-	131,674	12,180
Charges for services		4,992	-	-	-	-	-	6,827
Fines, costs and forfeitures		-	-	-	-	-	-	-
Contributions		-	-	1,517	-	-	29,493	-
Other		7,561	-	-	458	-	-	-
Total revenues		476,685	40,967	1,517	48,368	-	161,167	19,007
Expenditures:								
Current:								
Security of persons and property		-	-	-	-	-	-	-
Public health services		-	-	-	-	-	203,124	22,391
Leisure time activity		-	-	-	138,907	-	-	-
Transportation		560,331	48,663	-	-	-	-	-
Debt service								
Principal retirement		20,665	-	-	-	-	-	-
Interest and fiscal charges		1,493	-	-	-	-	-	-
Total expenditures		582,489	48,663	-	138,907	-	203,124	22,391
Excess of revenues over (under) expenditures		(105,804)	(7,696)	1,517	(90,539)	-	(41,957)	(3,384)
Other financing sources								
Transfers in		12,340	-	-	88,084	-	35,815	-
Total other financing sources		12,340	-	-	88,084	-	35,815	-
Net change in fund balance		(93,464)	(7,696)	1,517	(2,455)	-	(6,142)	(3,384)
Fund balance at beginning of year		161,695	(5,563)	(8,881)	450	4,202	19,565	4,314
Fund balance at end of year	$	68,231	(13,259)	(7,364)	(2,005)	4,202	13,423	930

continued

Court Computer	Project Lifesaver	Police Pension	Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	FEMA	Police Memorial	Recreation Tax Receipts	TOTAL
-	-	57,499	-	-	-	-	-	19,200	$ 76,699
-	-	6,868	-	-	-	-	-	-	703,731
-	-	-	-	-	-	-	-	-	11,819
1,048	-	-	13,308	1,737	60	-	-	-	16,153
-	973	-	-	-	-	-	-	-	31,983
-	-	-	-	-	-	-	-	-	8,019
1,048	973	64,367	13,308	1,737	60	-	-	19,200	848,404
1,542	943	343,286	4,110	665	38	-	-	-	350,584
-	-	-	-	-	-	-	-	-	225,515
-	-	-	-	-	-	-	-	-	138,907
-	-	-	-	-	-	-	-	-	608,994
-	-	-	-	-	-	-	-	-	20,665
-	-	-	-	-	-	-	-	-	1,493
1,542	943	343,286	4,110	665	38	-	-	-	1,346,158
(494)	30	(278,919)	9,198	1,072	22	-	-	19,200	(497,754)
-	-	326,507	-	-	-	-	-	-	462,746
-	-	326,507	-	-	-	-	-	-	462,746
(494)	30	47,588	9,198	1,072	22	-	-	19,200	(35,008)
494	1,622	(72,922)	2,664	15	561	3,766	913	464,913	577,808
-	1,652	(25,334)	11,862	1,087	583	3,766	913	484,113	$ 542,800

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended December 31, 2013

		Debt Service	Special Assessment	TOTAL
Revenues:				
Other	$	-	-	-
Total revenues		-	-	-
Expenditures:				
Debt Service:				
Principal retirement	$	428,041	-	428,041
Interest and fiscal charges		164,519	-	164,519
Total expenditures		592,560	-	592,560
Excess of revenues over (under) expenditures		(592,560)	-	(592,560)
Other financing sources				
Transfers in		592,560	-	592,560
Total other financing sources		592,560	-	592,560
Net change in fund balances		-	-	-
Fund balance at beginning of year		385,239	23,228	408,467
Fund balance at end of year	$	385,239	23,228	408,467

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2013

		Capital Improvements	Harrison Avenue TIF	Street and Safety Construction	TOTAL
Revenues:					
Property and other taxes	$	70,016	-	-	70,016
Payments in lieu of taxes		-	251,977	-	251,977
Intergovernmental		542,850	-	-	542,850
Total revenues		612,866	251,977	-	864,843
Expenditures:					
Current:					
General government		-	116,267	-	116,267
Capital outlay		764,405	-	-	764,405
Total expenditures		764,405	116,267	-	880,672
Excess of revenues over (under) expenditures		(151,539)	135,710	-	(15,829)
Other financing uses:					
Transfers out		(18,810)	(131,613)	-	(150,423)
Total other financing uses		(18,810)	(131,613)	-	(150,423)
Net change in fund balance		(170,349)	4,097	-	(166,252)
Fund balance at beginning of year		70,850	3,243	2,887	76,980
Fund balance at end of year	$	(99,499)	7,340	2,887	(89,272)

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Street Maintenance and Repair
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Intergovernmental	$	455,000	465,459	10,459
Charges for services		2,000	3,992	1,992
Other		8,000	7,933	(67)
Total revenues		465,000	477,384	12,384
Expenditures:				
Current:				
Transportation				
Personal services		489,685	482,297	7,388
Operations/maintenance		107,555	99,982	7,573
Total transportation		597,240	582,279	14,961
Total expenditures		597,240	582,279	14,961
Excess of revenues over (under) expenditures		(132,240)	(104,895)	27,345
Other financing sources:				
Transfers in		42,338	12,340	(29,998)
Net change in fund balance		(89,902)	(92,555)	(2,653)
Fund balance, beginning of year		87,936	87,936	
Prior year encumbrances appropriated		7,265	7,265	
Fund balance, end of year	$	5,299	2,646	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
State Highway Improvements
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Intergovernmental	$	31,100	41,069	9,969
Total revenues		31,100	41,069	9,969
Expenditures:				
Current:				
Transportation				
Operations/maintenance		36,778	36,355	423
Total expenditures		36,778	36,355	423
Net change in fund balance		(5,678)	4,714	10,392
Fund balance, beginning of year		8,517	8,517	
Prior year encumbrances appropriated		1,778	1,778	
Fund balance, end of year	$	4,617	15,009	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Memorial
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Contributions	$	5,000	1,517	(3,483)
Total revenues		5,000	1,517	(3,483)
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance		162	60	102
Total expenditures		162	60	102
Net change in fund balance		4,838	1,457	(3,381)
Fund balance, beginning of year		5,958	5,958	
Prior year encumbrances appropriated		162	162	
Fund balance, end of year	$	10,958	7,577	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Community Center
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Intergovernmental	$	70,867	38,643	(32,224)
Other		-	458	458
Total revenues		70,867	39,101	(31,766)
Expenditures:				
Current:				
Leisure time activity				
Personal services		84,935	81,576	3,359
Operations/maintenance		88,398	47,789	40,609
Total leisure time activity		173,333	129,365	43,968
Total expenditures		173,333	129,365	43,968
Excess of revenues over (under) expenditures		(102,466)	(90,264)	12,202
Other financing sources:				
Transfers in		128,567	88,084	(40,483)
Net change in fund balance		26,101	(2,180)	(28,281)
Fund balance, beginning of year		-	-	
Prior year encumbrances appropriated		1,898	1,898	
Fund balance, end of year	$	27,999	(282)	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Fire Capital Reserve
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year		4,202	4,202	
Fund balance, end of year	$	4,202	4,202	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Senior Center
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Intergovernmental	$	141,242	129,707	(11,535)
Contributions		40,000	29,170	(10,830)
Total revenues		181,242	158,877	(22,365)
Expenditures:				
Current:				
Public health services				
Personal services		175,365	147,884	27,481
Operations/maintenance		74,137	57,960	16,177
Total expenditures		249,502	205,844	43,658
Excess of revenues over (under) expenditures		(68,260)	(46,967)	21,293
Other financing sources:				
Transfers in		65,800	35,815	(29,985)
Net change in fund balance		(2,460)	(11,152)	(8,692)
Fund balance, beginning of year		10,135	10,135	
Prior year encumbrances appropriated		1,017	1,017	
Fund balance, end of year	$	8,692	-	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Passport Account
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Intergovernmental	$	12,050	12,180	130
Charges for services		9,500	6,827	(2,673)
Total revenues		21,550	19,007	(2,543)
Expenditures:				
Current:				
Public health services				
Personal services		6,950	5,610	1,340
Operations/maintenance		22,484	16,651	5,833
Total public health services		29,434	22,261	7,173
Total expenditures		29,434	22,261	7,173
Excess of revenues over (under) expenditures		(7,884)	(3,254)	4,630
Other financing sources:				
Transfers in		3,432	-	(3,432)
Net change in fund balance		(4,452)	(3,254)	1,198
Fund balance, beginning of year		4,311	4,311	
Prior year encumbrances appropriated		584	584	
Fund balance, end of year	$	443	1,641	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Court Computer
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Fines, costs and forfeitures	$	6,500	1,148	(5,352)
Total revenues		6,500	1,148	(5,352)
Expenditures:				
Current:				
General government				
Operations/maintenance		5,000	1,542	3,458
Total expenditures		5,000	1,542	3,458
Net change in fund balance		1,500	(394)	(1,894)
Fund balance, beginning of year		394	394	
Fund balance, end of year	$	1,894	-	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Project Lifesaver
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Contributions	$	2,000	973	(1,027)
Total revenues		2,000	973	(1,027)
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance		2,000	943	1,057
Total expenditures		2,000	943	1,057
Net change in fund balance		-	30	30
Fund balance, beginning of year		1,622	1,622	
Fund balance, end of year	$	1,622	1,652	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Police Pension
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Property and other taxes	$	56,844	57,499	655
Intergovernmental		7,523	6,868	(655)
Total revenues		64,367	64,367	-
Expenditures:				
Current:				
Security of persons and property				
Personal services		391,390	390,706	684
Total expenditures		391,390	390,706	684
Excess of revenues over (under) expenditures		(327,023)	(326,339)	684
Other financing sources:				
Transfers in		337,631	326,507	(11,124)
Net change in fund balance		10,608	168	(10,440)
Fund balance, beginning of year		715	715	
Fund balance, end of year	$	11,323	883	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Drug Law Enforcement
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Fines, costs and forfeitures	$	16,000	13,708	(2,292)
Total revenues		16,000	13,708	(2,292)
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance		5,140	4,446	694
Total expenditures		5,140	4,446	694
Net change in fund balance		10,860	9,262	(1,598)
Fund balance, beginning of year		2,166	2,166	
Prior year encumbrances appropriated		140	140	
Fund balance, end of year	$	13,166	11,568	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Law Enforcement Trust
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Fines, costs and forfeitures	$	1,000	1,752	752
Total revenues		1,000	1,752	752
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance		1,175	840	335
Total expenditures		1,175	840	335
Net change in fund balance		(175)	912	1,087
Fund balance, beginning of year		-	-	
Prior year encumbrances appropriated		175	175	
Fund balance, end of year	$	-	1,087	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Enforcement and Education
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Fines, costs and forfeitures	$	300	60	(240)
Total revenues		300	60	(240)
Expenditures:				
Current:				
Security of persons and property				
Operations/maintenance		300	38	262
Total expenditures		300	38	262
Net change in fund balance		-	22	22
Fund balance, beginning of year		561	561	
Fund balance, end of year	$	561	583	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
FEMA
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year		3,766	3,766	
Fund balance, end of year	$	3,766	3,766	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Police Memorial
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year		913	913	
Fund balance, end of year	$	913	913	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Tax Receipts
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Property and other taxes	$	20,000	19,200	(800)
Total revenues		20,000	19,200	(800)
Net change in fund balance		20,000	19,200	(800)
Fund balance, beginning of year		464,913	464,913	
Fund balance, end of year	$	484,913	484,113	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Recreation Activity Receipts (1)
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Contributions	$	3,500	1,500	(2,000)
Other		8,000	5,561	(2,439)
Total revenues		11,500	7,061	(4,439)
Expenditures:				
Current:				
Leisure time activities				
Operations/maintenance		7,973	7,753	220
Total leisure time activities		7,973	7,753	220
Capital outlay				
Capital improvements		2,027	2,027	-
Total capital outlay		2,027	2,027	-
Total expenditures		10,000	9,780	220
Net change in fund balance		1,500	(2,719)	(4,219)
Fund balance, beginning of year		37,190	37,190	
Fund balance, end of year	$	38,690	34,471	

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

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Debt Service Fund
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Expenditures:				
Debt service:				
Principal	$	3,697,059	3,697,059	-
Interest and fiscal charges		1,417,930	1,417,909	21
Total expenditures		5,114,989	5,114,968	21
Other financing sources:				
Transfers in		5,114,970	5,114,968	(2)
Net change in fund balance		(19)	-	19
Fund balance, beginning of year		385,239	385,239	
Fund balance, end of year	$	385,220	385,239	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Special Assessment
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year		23,228	23,228	
Fund balance, end of year	$	23,228	23,228	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Capital Improvement Fund
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Property and other taxes	$	75,000	74,691	(309)
Intergovernmental		671,040	542,850	(128,190)
Total revenues		746,040	617,541	(128,499)
Expenditures:				
Capital outlay				
Capital improvements		2,041,155	1,410,701	630,454
Total expenditures		2,041,155	1,410,701	630,454
Excess of revenues over (under) expenditures		(1,295,115)	(793,160)	501,955
Other financing sources (uses):				
Bond anticipation notes issued		275,000	275,000	-
OPWC loans issued		300,000	-	(300,000)
Transfers out		(294,440)	-	294,440
Total other financing sources (uses)		280,560	275,000	(5,560)
Net change in fund balance		(1,014,555)	(518,160)	496,395
Fund balance, beginning of year		(313,127)	(313,127)	
Prior year encumbrances appropriated		666,155	666,155	
Fund balance, end of year	$	(661,527)	(165,132)	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Home Depot TIF
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	$	206,000	202,570	(3,430)
Intergovernmental		888,150	468,543	(419,607)
Total revenues		1,094,150	671,113	(423,037)
Expenditures:				
Current:				
General government				
Operations/maintenance		96,000	93,769	2,231
Total general government		96,000	93,769	2,231
Capital outlay				
Capital improvements		1,938,064	1,908,576	29,488
Total capital outlay		1,938,064	1,908,576	29,488
Total expenditures		2,034,064	2,002,345	31,719
Excess of revenues over (under) expenditures		(939,914)	(1,331,232)	(391,318)
Other financing sources (uses):				
Transfers out		(1,349,776)	(1,349,776)	-
Bond anticipation notes issued		1,250,000	1,254,605	4,605
Total other financing sources (uses)		(99,776)	(95,171)	4,605
Net change in fund balance		(1,039,690)	(1,426,403)	(386,713)
Fund balance, beginning of year		76,891	76,891	
Prior year encumbrances appropriated		1,084,134	1,084,134	
Fund balance, end of year	$	121,335	(265,378)	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Harrison Avenue TIF
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Revenues:				
Payments in lieu of taxes	$	246,800	251,977	5,177
Total revenues		246,800	251,977	5,177
Expenditures:				
Current:				
General government				
Operations/maintenance		116,300	116,267	33
Total general government		116,300	116,267	33
Total expenditures		116,300	116,267	33
Excess of revenues over expenditures		130,500	135,710	5,210
Other financing uses:				
Transfers out		(131,613)	(131,613)	-
Total other financing uses		(131,613)	(131,613)	-
Net change in fund balance		(1,113)	4,097	5,210
Fund balance, beginning of year		3,243	3,243	
Fund balance, end of year	$	2,130	7,340	

CITY OF HARRISON, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget (Non-GAAP) Basis
Street and Safety Construction
Year Ended December 31, 2013

		Final Budgeted Amounts	Actual Amounts	Variance From Final Budget
Fund balance, beginning of year		2,887	2,887	
Fund balance, end of year	$	2,887	2,887	

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

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

CITY OF HARRISON, OHIO
Combining Statement of Fund Net Position
Nonmajor Enterprise Funds
December 31, 2013

		Storm Water	Water/Wastewater Deposits	Sanitation	TOTAL
Assets:					
Current assets:					
Equity in pooled cash and investments	$	14,320	84,243	168,008	266,571
Receivables:					
Accounts		9,898	-	41,138	51,036
Total current assets		24,218	84,243	209,146	317,607
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net		1,968,025	-	-	1,968,025
Total assets		1,992,243	84,243	209,146	2,285,632
Liabilities and Net Position:					
Liabilities:					
Current liabilities:					
Accounts payable		100	-	3,007	3,107
Advances from other funds		132,178	-	-	132,178
OPWC loan payable, current portion of		21,030	-	-	21,030
Total current liabilities		153,308	-	3,007	156,315
Long-term liabilities:					
OPWC loan payable, net of current portion		304,935	-	-	304,935
Total long-term liabilities		304,935	-	-	304,935
Total liabilities		458,243	-	3,007	461,250
Net position:					
Net investment in capital assets		1,642,060	-	-	1,642,060
Unrestricted (deficit)		(108,060)	84,243	206,139	182,322
Total net position	$	1,534,000	84,243	206,139	1,824,382

CITY OF HARRISON, OHIO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2013

		Storm Water	Water/Wastewater Deposits	Sanitation	Total
Operating revenues:					
Charges for services	$	112,006	9,745	462,736	584,487
Total operating revenues		112,006	9,745	462,736	584,487
Operating expenses:					
Contractual services		200	-	499,475	499,675
Other		-	1,166	-	1,166
Depreciation		46,613	-	-	46,613
Total operating expenses		46,813	1,166	499,475	547,454
Operating income (loss)		65,193	8,579	(36,739)	37,033
Transfers out		(28,469)	-	-	(28,469)
Change in net position		36,724	8,579	(36,739)	8,564
Net position, beginning of year		1,497,276	75,664	242,878	1,815,818
Net position, end of year	$	1,534,000	84,243	206,139	1,824,382

CITY OF HARRISON, OHIO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2013

		Storm Water	Water/Wastewater Deposits	Sanitation	Total
Cash flows from operating activities:					
Cash received from customers	$	112,366	9,745	462,878	584,989
Cash payments to suppliers for goods and services		(100)	-	(496,668)	(496,768)
Cash payments for other operating expenses		-	(1,166)	-	(1,166)
Net cash provided (used) by operating activities		112,266	8,579	(33,790)	87,055
Cash flows from noncapital financing activities:					
Transfers		(28,469)	-	-	(28,469)
Return advances to other funds		(75,000)	-	-	(75,000)
Net cash used by noncapital financing activities		(103,469)	-	-	(103,469)
Cash flows from capital and related financing activities:					
Principal retirement		(21,030)	-	-	(21,030)
Net cash used by capital and related financing activities		(21,030)	-	-	(21,030)
Net change		(12,233)	8,579	(33,790)	(37,444)
Cash and pooled investments beginning of year		26,553	75,664	201,798	304,015
Cash and pooled investments end of year		14,320	84,243	168,008	266,571
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)		65,193	8,579	(36,739)	37,033
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation		46,613	-	-	46,613
Changes in assets and liabilities:					
Receivables		360	-	142	502
Accounts payable		100	-	2,807	2,907
Net cash provided (used) by operating activities	$	112,266	8,579	(33,790)	87,055

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

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

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

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

CITY OF HARRISON, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended December 31, 2013

		Beginning Balance	Additions	Deductions	Ending Balance
Mayor's Court					
Assets:					
Cash in segregated accounts	$	12,004	181,046	178,653	14,397
Liabilities:					
Intergovernmental payable		12,004	181,046	178,653	14,397
Joint Economic Development District					
Assets:					
Equity in pooled cash and investments		-	105,474	78,807	26,667
Income taxes receivable		-	49,974	-	49,974
Total assets		-	155,448	78,807	76,641
Liabilities:					
Intergovernmental payable		-	155,448	78,807	76,641
TOTAL					
Assets:					
Cash in segregated accounts		12,004	181,046	178,653	14,397
Equity in pooled cash and investments		-	105,474	78,807	26,667
Income taxes receivable		-	49,974	-	49,974
Total assets		12,004	336,494	257,460	91,038
Liabilities:					
Intergovernmental payable		12,004	336,494	257,460	91,038
Total liabilities	$	12,004	336,494	257,460	91,038

STATISTICAL

SECTION

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STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF HARRISON, OHIO

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

	2013 [1]	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital assets	$ 11,201,136	$ 10,827,649	$ 9,273,676	$ 8,613,002	$ 8,700,582	$ 8,188,666	$ 7,218,367	$ 6,208,120	$ 6,305,598	$ 4,996,494
Restricted:										
Capital Projects	1,243,568	70,399	320,110	463,089	246,153	802,220	833,089	1,147,150	430,814	3,107,785
Debt Service	-	-	-	349,409	381,877	607,608	879,953	1,097,636	1,087,694	1,164,296
Streets and Highways	193,356	302,855	434,498	618,134	807,072	779,370	547,732	438,369	354,940	231,962
Recreation	496,461	490,505	529,826	441,070	293,901	194,023	104,032	89,697	236,584	65,182
Other Purposes	288,152	172,248	172,805	253,799	579,115	769,187	973,782	837,138	1,022,544	890,100
Unrestricted	(646,855)	434,520	528,906	898,341	899,413	2,243,692	2,131,089	1,398,851	1,345,503	994,418
Total Governmental Activities Net Positon	12,775,818	12,298,176	11,259,821	11,636,844	11,908,113	13,584,766	12,688,044	11,216,961	10,783,677	11,450,237
Business Type - Activities										
Net investment in capital assets	8,321,936	8,636,600	8,547,117	6,955,754	8,017,742	8,208,988	8,203,170	8,244,568	6,593,538	5,162,716
Restricted	1,885,810	2,131,205	2,183,434	2,183,465	2,148,863	2,112,293	2,103,523	1,997,344	1,604,388	1,929,871
Unrestricted	1,276,607	1,637,109	2,028,991	3,748,975	2,638,922	3,358,016	3,844,896	3,676,592	5,390,514	4,841,314
Total Business-Type Activities Net Position	11,484,353	12,404,914	12,759,542	12,888,194	12,805,527	13,679,297	14,151,589	13,918,504	13,588,440	11,933,901
Primary Government										
Net investment in capital assets	19,523,072	19,464,249	17,820,793	15,568,756	16,718,324	16,397,654	15,421,537	14,452,688	12,899,136	10,159,210
Restricted	4,107,347	3,167,212	3,640,673	4,308,966	4,456,981	5,264,701	5,442,111	5,607,334	4,736,964	7,389,196
Unrestricted	629,752	2,071,629	2,557,897	4,647,316	3,538,335	5,601,708	5,975,985	5,075,443	6,736,017	5,835,732
Total Primary Government Net Positon	$ 24,260,171	$ 24,703,090	$ 24,019,363	$ 24,525,038	$ 24,713,640	$ 27,264,063	$ 26,839,633	$ 25,135,465	$ 24,372,117	$ 23,384,138

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

Source: City financial records

CITY OF HARRISON, OHIO

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property:	$ 868,095	$ 870,269	$ 745,046	$ 893,571	$ 698,301	$ 595,500	$ 594,535	$ 554,805	$ 563,405	$ 594,816
Public Health Services	36,320	46,240	49,732	25,858	35,097	157,651	161,182	99,866	129,583	19,644
Leisure Time Activities	53,471	58,076	73,529	71,358	72,138	68,899	112,069	-	63,520	39,640
Community and Economic Development	133,226	104,960	117,564	47,195	152,332	86,114	161,103	178,519	192,412	93,660
Transportation	-	-	-	-	375	120	480	-	120	390
General Government	290,841	369,377	369,018	369,018	97,079	91,539	88,502	83,194	84,939	71,765
Operating Grants and Contributions	692,625	706,475	680,347	877,907	896,275	756,604	462,771	483,100	547,153	611,410
Capital Grants and Contributions	339,905	1,313,600	489,106	-	265,063	528,547	436,179	243,409	273,327	841,885
Total Governmental Activities Program Revenues	2,414,483	3,468,997	2,524,342	2,284,907	2,216,660	2,284,974	2,016,821	1,642,893	1,854,459	2,273,210
Business-Type Activities:										
Charges for Services:										
Water	1,509,511	1,415,656	1,350,769	1,288,614	1,224,384	1,317,775	1,431,917	1,406,498	1,431,799	1,314,098
Sewer	3,165,519	3,207,159	3,045,977	2,833,348	2,433,320	2,251,507	2,179,071	2,146,156	2,103,560	1,787,499
Storm Water	112,006	111,424	118,253	105,247	179,977	94,862	27,146	-	-	-
Water/Wastewater Deposits	9,745	7,126	5,622	5,578	8,916	4,660	8,055	10,221	5,805	2,531
Sanitation	462,736	453,360	444,775	424,907	377,239	365,055	375,069	387,944	334,833	295,695
Operating Grants and Contributions	-	-	-	-	8,047	58,837	8,377	3,566	-	-
Capital Grants and Contributions	-	-	-	-	-	185,022	-	-	-	748,957
Total Business-Type Activities Program Revenues	5,259,517	5,194,725	4,965,396	4,657,694	4,231,883	4,277,718	4,029,635	3,954,385	3,875,997	4,148,780
Total Primary Government	$ 7,674,000	$ 8,663,722	$ 7,489,738	$ 6,942,601	$ 6,448,543	$ 6,562,692	$ 6,046,456	$ 5,597,278	$ 5,730,456	$ 6,421,990
Expenses:										
Governmental Activities:										
Security of Persons and Property	$ 6,085,651	$ 6,261,278	$ 6,436,476	$ 5,841,459	$ 6,743,223	$ 4,965,899	$ 4,683,372	$ 4,536,986	$ 4,572,970	$ 4,128,525
Public Health Services	250,573	316,702	314,128	339,855	400,154	313,537	281,603	264,800	302,458	242,285
Leisure Time Activities	216,324	266,164	303,402	315,334	369,208	332,381	308,959	304,242	225,342	244,658
Community and Economic Development	33,721	104,288	127,997	138,115	150,035	110,453	125,886	108,382	103,838	95,444
Transportation	807,923	919,283	914,534	971,886	889,189	738,160	685,405	629,650	564,912	640,357
General Government	793,184	1,138,495	1,291,876	1,299,480	1,526,678	1,011,755	839,493	1,138,392	884,336	1,030,510
Interest and Fiscal Charges	248,331	242,803	244,701	295,479	230,125	214,254	108,342	195,440	187,483	175,737
Total Governmental Activities Expenses	8,435,707	9,249,013	9,633,114	9,201,608	10,308,612	7,686,439	7,033,060	7,177,892	6,841,339	6,557,516
Business-Type Activities:										
Water	1,951,365	1,601,191	1,564,893	1,387,114	1,826,364	1,117,172	941,915	1,069,343	1,124,409	974,473
Sewer	3,193,149	3,462,848	3,076,759	2,653,586	2,931,737	2,776,374	2,551,359	2,511,568	2,561,278	2,077,687
Storm Water	46,813	46,613	114,987	129,183	50,123	617,408	38,301	39,663	24,211	404
Water/Wastewater Deposits	1,166	2,500	2,240	3,098	1,824	848	959	774	529	92
Sanitation	499,475	414,627	446,402	423,451	434,487	355,800	384,917	376,338	317,682	268,014
Total Business-Type Activities Expenses	5,691,968	5,527,779	5,205,281	4,596,432	5,244,535	4,867,602	3,917,451	3,997,686	4,028,109	3,320,670
Total Primary Government	$ 14,127,675	$ 14,776,792	$ 14,838,395	$ 13,798,040	$ 15,553,147	$ 12,554,041	$ 10,950,511	$ 11,175,578	$ 10,869,448	$ 9,878,186
Net (Expense) Revenue:										
Governmental Activities	$ (6,021,224)	$ (5,780,016)	$ (7,108,772)	$ (6,916,701)	$ (8,091,952)	$ (5,401,465)	$ (5,016,239)	$ (5,534,999)	$ (4,986,880)	$ (4,284,306)
Business-Type Activities	(432,451)	(333,054)	(239,885)	61,262	(1,012,652)	(589,884)	112,184	(43,301)	(152,112)	828,110
Total Primary Government Net Expense	$ (6,453,675)	$ (6,113,070)	$ (7,348,657)	$ (6,855,439)	$ (9,104,604)	$ (5,991,349)	$ (4,904,055)	$ (5,578,300)	$ (5,138,992)	$ (3,456,196)

continued

CITY OF HARRISON, OHIO

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes Levied For:										
General Purposes	$ 1,074,061	$ 1,133,971	$ 1,177,650	$ 1,114,994	$ 1,257,994	$ 1,175,925	$ 1,182,350	$ 1,154,940	$ 1,105,350	$ 966,908
Fire Improvements	1,130,567	1,141,133	1,174,922	1,151,918	739,772	857,520	915,426	902,383	896,472	844,740
Police Pension	57,150	57,978	62,067	58,466	54,489	60,085	58,283	65,937	61,785	51,934
Recreation	19,200	19,600	6,541	18,318	14,800	8,500	32,400	34,300	42,489	44,900
Capital Projects	70,016	92,683	60,951	62,672	255,008	244,635	233,431	210,660	199,490	194,815
Municipal Income Taxes levied for:										
General Purposes	3,138,686	3,212,378	2,956,342	2,927,295	2,860,771	3,034,376	2,951,057	2,794,284	2,586,428	2,635,151
Payment in Lieu of Taxes	462,470	453,214	436,412	259,559	-	-	-	-	-	-
Grants and Entitlements not Restricted to Specific Programs	498,626	479,451	719,408	903,534	1,013,554	575,158	655,461	478,657	680,472	518,308
Investment Earnings	21,841	28,313	34,474	56,698	67,215	201,017	321,019	217,467	161,035	47,149
Miscellaneous	76,036	171,181	74,513	99,419	151,696	60,817	107,742	100,066	250,567	104,679
Transfers	28,469	28,469	28,469	-	-	80,154	30,153	9,589	(1,663,768)	2,459,261
Total Governmental Activities	6,577,122	6,818,371	6,731,749	6,652,873	6,415,299	6,298,187	6,487,322	5,968,283	4,320,320	7,867,845
Business-Type Activities:										
Investment Earnings	820	948	1,882	2,233	13,472	187,861	140,535	136,586	90,501	54,368
Miscellaneous	2,209	5,947	137,820	19,172	125,410	9,885	10,519	246,368	52,382	28,717
Transfers	(28,469)	(28,469)	(28,469)	-	-	(80,154)	(30,153)	(9,589)	1,663,768	(2,459,261)
Total Business-Type Activities	(25,440)	(21,574)	111,233	21,405	138,882	117,592	120,901	373,365	1,806,651	(2,376,176)
Total Primary Government	$ 6,551,682	$ 6,796,797	$ 6,842,982	$ 6,674,278	$ 6,554,181	$ 6,415,779	$ 6,608,223	$ 6,341,648	$ 6,126,971	$ 5,491,669
Changes in Net Position:										
Governmental Activities	$ 555,898	$ 1,038,355	$ (377,023)	$ (263,828)	$ (1,676,653)	$ 896,722	$ 1,471,083	$ 433,284	$ (666,560)	$ 3,583,539
Business-Type Activities	(457,891)	(354,628)	(128,652)	82,667	(873,770)	(472,292)	233,085	330,064	1,654,539	(1,548,066)
Total Primary Government	$ 98,007	$ 683,727	$ (505,675)	$ (181,161)	$ (2,550,423)	$ 424,430	$ 1,704,168	$ 763,348	$ 987,979	$ 2,035,473

Source: City financial records

CITY OF HARRISON, OHIO

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	$ -	$ -	$ -	$ 107,219	$ 138,909	$ 94,110	$ 89,890	$ 74,089	$ 249,579	$ 226,613
Unreserved	-	-	-	973,409	1,372,342	1,937,901	1,787,588	1,171,804	738,136	462,452
Nonspendable	159,782	44,307	61,155	-	-	-	-	-	-	-
Assigned	393,296	562,112	256,401	-	-	-	-	-	-	-
Unassigned	-	73,663	560,025	-	-	-	-	-	-	-
Total General Fund	$ 553,078	$ 680,082	$ 877,581	$ 1,080,628	$ 1,511,251	$ 2,032,011	$ 1,877,478	$ 1,245,893	$ 987,715	$ 689,065
All Other Governmental Funds:										
Reserved	$ -	$ -	$ -	$ 276,219	$ 350,647	$ 77,949	$ 66,766	$ 23,728	$ 1,623,732	$ 755,549
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	787,787	1,047,477	1,458,594	1,402,143	1,280,852	1,337,329	934,137
Debt Service Funds	-	-	-	410,733	394,074	620,316	923,848	1,108,321	1,098,117	1,176,283
Capital Projects Funds	-	-	-	723,045	666,249	787,220	818,482	1,147,150	(1,020,609)	2,499,405
Nonspendable	25,621	27,702	38,999	-	-	-	-	-	-	-
Restricted	608,767	675,513	1,039,070	-	-	-	-	-	-	-
Committed	-	70,850	-	-	-	-	-	-	-	-
Assigned	386,152	386,152	386,152	-	-	-	-	-	-	-
Unassigned	(1,325,608)	(1,558,573)	(544,843)	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ (305,068)	$ (398,356)	$ 919,378	$ 2,197,784	$ 2,458,447	$ 2,944,079	$ 3,211,239	$ 3,560,051	$ 3,038,569	$ 5,365,374

Source: City financial records

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

CITY OF HARRISON, OHIO

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	$ 5,516,444	$ 5,566,501	$ 5,349,136	$ 5,310,372	$ 5,183,896	$ 5,375,433	$ 5,299,259	$ 5,194,401	$ 4,895,233	$ 4,656,975
Payment in Lieu of Taxes	454,547	452,863	441,506	240,736	-	-	-	-	-	-
Intergovernmental	2,658,581	1,589,536	1,891,845	1,736,023	2,192,876	1,766,443	1,431,545	1,201,142	1,533,268	1,947,015
Charges for Services	864,869	881,137	747,078	968,302	692,342	697,907	750,671	499,626	562,232	439,505
Fines, Costs and Forfeitures	131,101	197,051	196,021	229,666	117,904	126,519	108,891	162,032	202,606	219,915
Licenses, Permits and Inspections	308,476	213,233	223,341	177,223	245,031	172,878	245,275	254,726	269,141	160,495
Interest	21,841	28,313	34,474	58,205	66,941	217,625	321,019	217,467	166,572	56,434
Contributions	33,608	47,270	50,749	6,783	17,680	40	-	-	-	-
Other	32,820	337,962	152,887	127,934	211,186	89,008	151,685	77,014	250,567	100,111
Total Revenues	10,022,287	9,313,866	9,087,037	8,855,244	8,727,856	8,445,853	8,308,345	7,606,408	7,879,619	7,580,450
Expenditures										
Current:										
Security of persons and property	5,872,990	6,024,562	5,917,133	5,652,619	5,601,881	4,725,957	4,507,623	4,271,258	4,203,191	3,938,018
Public health services	238,774	306,401	292,932	338,848	371,429	307,502	279,541	258,999	288,470	229,006
Leisure time activities	189,075	200,297	220,659	251,512	294,920	275,595	251,698	238,886	170,999	192,253
Community and economic development	33,680	100,612	124,383	134,578	143,679	109,590	124,646	104,374	100,599	94,084
Transportation	608,994	632,330	677,233	780,692	667,450	579,366	555,511	506,502	470,473	478,557
General government	717,760	1,125,019	1,311,725	1,209,228	1,435,916	1,002,167	836,722	1,011,017	867,722	1,028,792
Capital outlay	1,434,327	2,448,443	1,971,979	785,017	3,143,530	1,105,557	2,379,123	623,455	3,999,031	2,286,541
Debt Service:										
Principal Retirement	733,287	627,520	573,628	518,871	431,811	395,220	327,701	324,850	289,668	287,601
Interest and Fiscal Charges	255,585	247,899	252,270	265,646	195,695	185,481	37,416	160,022	188,312	176,118
Issuance Costs	-	-	-	-	87,316	2,493	-		71,824	-
Total Expenditures	10,084,472	11,713,083	11,341,942	9,937,011	12,373,627	8,688,928	9,299,981	7,499,363	10,650,289	8,710,970
Excess of Revenues Over (Under) Expenditures	(62,185)	(2,399,217)	(2,254,905)	(1,081,767)	(3,645,771)	(243,075)	(991,636)	107,045	(2,770,670)	(1,130,520)
Other Financing Sources (Uses)										
Bond Issuance	-	-	-	-	1,810,000	-	-	-	2,135,000	-
Premium on Bond Issue	-	-	-	-	87,316	-	-	-	123,247	-
Premium on Note Issue	-	-	-	-	-	3,281	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	(2,189,078)	-
Accrued Interest on Bond Issue	-	-	-	-	-	-	-	-	2,655	-
Inception of Capital Lease	-	503,048	226,798	325,430	237,739	47,013	1,244,256	68,856	-	346,484
Loan Issuance	-	352,467	518,185	65,051	504,324	-	-	564,170	476,673	-
Transfers In	2,476,008	2,334,505	1,719,732	2,115,734	2,007,615	1,754,524	1,615,721	1,654,093	1,842,926	4,836,898
Transfers Out	(2,447,539)	(2,306,036)	(1,691,263)	(2,115,734)	(2,007,615)	(1,674,370)	(1,585,568)	(1,614,504)	(1,648,908)	(1,617,413)
Total Other Financing Sources (Uses)	28,469	883,984	773,452	390,481	2,639,379	130,448	1,274,409	672,615	742,515	3,565,969
Net Change in Fund Balances	$ (33,716)	$ (1,515,233)	$ (1,481,453)	$ (691,286)	$ (1,006,392)	$ (112,627)	$ 282,773	$ 779,660	$ (2,028,155)	$ 2,435,449
Debt Service as a Percentage of Noncapital Expenditures	11.45%	9.39%	8.57%	8.47%	7.51%	8.01%	5.38%	7.05%	8.27%	7.22%

Source: City financial records

CITY OF HARRISON, OHIO

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

	Real Property		Public Utility Property		Tangible Personal Property (a)		Total		
Tax Year	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Ratio
2013	$ 214,369,500	$ 612,484,286	$ 5,952,950	$ 5,952,950	$ -	$ -	$ 220,322,450	$ 618,437,236	35.63%
2012	211,208,850	603,453,857	5,433,520	5,433,520	-	-	216,642,370	608,887,377	35.58%
2011	212,591,880	607,405,371	5,275,410	5,275,410	-	-	217,867,290	612,680,781	35.56%
2010	228,938,580	654,110,229	4,854,870	4,854,870	132,640	707,413	233,926,090	659,672,512	35.46%
2009	223,533,270	638,666,486	4,314,400	4,314,400	250,870	1,337,973	228,098,540	644,318,859	35.40%
2008	220,529,210	630,083,457	3,986,460	3,986,460	5,421,080	28,912,427	229,936,750	674,941,724	34.07%
2007	211,870,220	605,343,486	3,858,280	3,858,280	11,914,930	63,546,293	227,643,430	684,322,899	33.27%
2006	202,509,130	578,597,514	4,117,220	4,117,220	16,313,010	46,608,600	222,939,360	629,323,334	35.43%
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600	215,347,130	629,803,030	34.19%
2004	160,124,090	457,497,400	4,591,770	4,591,770	20,541,290	82,165,160	185,257,150	544,254,330	34.04%

Source: Hamilton County Auditor's Office
Note: Tax collections are one year in arrears (i.e. Tax Year 2013, Collection Year 2014)

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

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

CITY OF HARRISON, OHIO

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

Collection Year	City Levy			Township Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Hamilton County Park District Levy	Library Levy	Total Direct and Overlapping Rates
	General	Police Pension	Fire								
2013	5.70	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	1.00	82.50
2012	5.70	0.30	8.50	0.06	44.18	19.03	-	2.70	1.03	1.00	82.50
2011	5.70	0.30	8.50	0.06	44.68	19.45	-	2.70	1.03	1.00	83.42
2010	5.70	0.30	8.50	0.06	44.98	20.48	-	2.70	1.03	1.00	84.75
2009	5.70	0.30	7.00	0.06	45.14	20.63	1.25	2.70	1.03	1.00	84.81
2008	5.70	0.30	7.00	0.06	45.30	20.56	1.25	2.70	1.03	1.00	84.90
2007	5.70	0.30	7.00	0.06	45.30	20.18	1.25	2.70	1.03	1.00	84.52
2006	5.70	0.30	7.00	0.06	46.68	19.78	1.25	2.70	1.03	1.03	85.53
2005	5.70	0.30	7.00	0.06	47.08	20.03	1.25	2.70	1.03	1.03	86.18
2004	5.70	0.30	7.00	0.06	47.25	20.48	1.25	2.70	1.03	1.03	86.80

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2013 AND DECEMBER 31, 2004

	December 31, 2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Assessed Value**
Duke Energy Ohio Inc	$ 5,845,830	1	2.65%
Hurbert North American	3,066,690	2	1.39%
Indian Footprint	2,523,780	3	1.15%
Maas Enterprises Ltd	2,079,940	4	0.94%
Harrison Center LLC	1,972,080	5	0.90%
Broad Properties LLC	1,681,420	6	0.76%
Mercy Health Plaza	1,608,140	7	0.73%
Toebben LTD	1,575,010	8	0.71%
McKenna & Friedmann	1,257,280	9	0.57%
Broad Capital Group Ltd	1,236,070	10	0.56%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	$ 22,846,240		10.36%
Total City Real Estate and Tangible Personal Property Valuation	$ 220,322,450		

	December 31, 2004		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Assessed Value**
Cincinnati Gas & Electric Company	$ 2,557,810	1	1.38%
F & M MAFCO Inc.	2,291,750	2	1.24%
JTM Provisions Co. Inc.	1,605,900	3	0.87%
Campbell Hausfeld Scott	1,542,940	4	0.83%
Supervalue Holdings Inc.	1,201,580	5	0.65%
Home Depot USA, Inc.	1,134,470	6	0.61%
Cronin Ford Inc.	1,128,410	7	0.61%
Wayne Scott Fetzer Co.	1,063,140	8	0.57%
Harrison Division of MII	1,045,820	9	0.56%
Hubert Company LLC	989,620	10	0.53%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	$ 14,561,440		7.85%
Total City Real Estate and Tangible Personal Property Valuation	$ 185,257,150		

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

REAL AND PUBLIC UTILILTY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Total Levy	Current Collections	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy
2013	$ 3,165,713	$ 2,981,765	94.19%	$ 71,749	$ 3,053,514	96.46%
2012	2,874,394	2,621,375	91.20%	91,399	2,712,774	94.38%
2011	2,826,368	2,614,364	92.50%	75,266	2,689,630	95.16%
2010	2,782,684	2,565,609	92.20%	92,270	2,657,879	95.51%
2009	2,390,528	2,283,163	95.51%	104,583	2,387,746	99.88%
2008	2,289,118	2,183,719	95.40%	95,053	2,278,772	99.55%
2007	2,158,045	1,689,521	78.29%	44,064	1,733,585	80.33%
2006	1,977,533	1,904,381	96.30%	54,448	1,958,829	99.05%
2005	1,997,347	1,906,140	95.43%	58,022	1,964,162	98.34%
2004	1,871,491	1,819,037	97.20%	87,009	1,906,046	101.85%

Source: Hamilton County Auditor's Office

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

CITY OF HARRISON, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2013	1.00%	$ 3,292,815	$ 2,321,760	70.51%	$ 417,624	12.68%	$ 553,431	16.81%
2012	1.00%	3,182,141	2,224,239	69.90%	428,202	13.46%	529,700	16.65%
2011	1.00%	3,074,018	2,187,382	71.16%	424,190	13.80%	462,446	15.04%
2010	1.00%	2,948,728	2,096,429	71.10%	391,585	13.28%	460,714	15.62%
2009	1.00%	2,918,823	2,065,074	70.75%	333,367	11.42%	520,382	17.83%
2008	1.00%	3,057,959	2,121,702	69.38%	444,277	14.53%	491,980	16.09%
2007	1.00%	2,899,733	2,039,149	70.32%	386,780	13.34%	473,804	16.34%
2006	1.00%	2,749,563	1,903,448	69.23%	330,223	12.01%	515,892	18.76%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%	489,707	18.62%
2004	1.00%	2,528,475	1,795,862	71.03%	299,820	11.86%	432,793	17.12%

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities					Business-Type Activities	
Year	**General Obligation Bonds**	**OPWC Loans**	**ODOT Loan**	**Bond Anticipation Notes**	**Capital Leases**	**General Obligation Bonds**	**Revenue Bonds**
2013	$ 3,270,236	$ 1,574,976	$ 190,770	$ 1,830,000	$ 1,193,771	$ 5,497,976	$ 15,596,891
2012	3,533,256	1,670,599	263,188	1,835,000	1,499,017	5,674,248	16,392,191
2011	3,781,276	1,387,370	333,481	320,000	1,238,958	5,845,520	16,051,562
2010	3,989,296	921,275	401,713	400,000	1,260,466	6,016,792	16,627,691
2009	4,157,497	894,080	467,943	445,000	1,169,821	390,000	17,183,820
2008	2,414,015	413,378	532,230	450,000	1,105,984	410,000	17,674,948
2007	2,557,848	436,999	564,170	-	1,238,630	435,000	18,106,077
2006	2,681,682	448,810	564,170	-	170,264	460,000	18,332,205
2005	2,800,516	476,673	-	-	263,395	510,000	18,558,333
2004	2,860,000	-	-	-	423,063	35,000	18,928,313

continued

CITY OF HARRISON, OHIO

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

	Business-Type Activities								
Year	**Bond Anticipation Notes**	**Capital Leases**	**OPWC Loans**	**OWDA Loans**	**(a) Total Primary Government**	**(c) Per Capita Personal Income**	**Percentage of Personal Income**	**(b) Population**	**Per Capita**
2013	$ -	$ 43,891	$ 1,618,283	$ 4,917,615	$ 35,734,409	N/A	N/A	10,292	$ 3,472
2012	-	70,676	1,731,621	5,288,295	37,958,091	43,454	9%	10,103	3,757
2011	-	-	1,844,959	5,631,096	36,432,211	41,738	9%	9,979	3,651
2010	-	15,183	1,958,297	5,956,905	37,547,618	39,306	10%	9,897	3,794
2009	5,000,000	29,509	2,071,635	5,996,693	37,805,998	38,771	10%	9,980	3,788
2008	5,000,000	43,027	2,199,085	3,078,609	33,321,276	40,152	8%	9,980	3,339
2007	5,000,000	55,782	1,937,994	3,181,172	33,513,672	39,356	9%	9,980	3,400
2006	-	-	1,764,056	1,919,103	26,340,290	38,458	7%	9,950	2,647
2005	-	-	200,694	1,602,468	24,412,079	36,620	7%	9,950	2,453
2004	-	-	270,929	1,698,171	24,320,476	35,422	7%	9,885	2,460

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

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

CITY OF HARRISON, OHIO

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt (3)	Ratio of General Bonded Debt to Estimated Actual Value of Taxable Property	General Bonded Debt Per Capital
2013	10,292	$ 618,437,236	$ 8,768,212	1.42%	$ 852
2012	10,103	608,887,377	9,207,504	1.51%	911
2011	9,979	612,680,781	9,626,796	1.57%	965
2010	9,987	659,672,512	10,006,088	1.52%	1,002
2009	9,980	657,262,059	4,547,497	0.69%	456
2008	9,980	674,941,724	2,824,015	0.42%	283
2007	9,980	684,322,899	2,992,848	0.44%	300
2006	9,950	682,285,114	3,141,682	0.46%	316
2005	9,950	629,803,030	3,310,516	0.53%	333
2004	9,885	544,254,330	2,895,000	0.53%	293

Sources:

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

CITY OF HARRISON, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
Direct - City of Harrison			
General Obligation Bonds	$ 3,270,236	100.00%	$ 3,270,236
OPWC Loans	1,574,976	100.00%	1,574,976
ODOT Loan	190,770	100.00%	190,770
Capital Leases	1,193,771	100.00%	1,193,771
Total Direct Debt	6,229,753		6,229,753
Overlapping			
Hamilton County	64,345,000	1.19%	765,706
Crosby Township	69,000	6.02%	4,154
Southwest Local School District	15,230,000	42.20%	6,427,060
Great Oaks Institute of Technology	14,695,000	1.22%	179,279
Total Overlapping Debt	94,339,000		7,376,199
Total Direct and Overlapping Debt	$ 100,568,753		$ 13,605,952

Source: Ohio Municipal Advisry Council

CITY OF HARRISON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Value	$ 220,322,450	$ 216,642,370	$ 217,867,290	$ 233,926,090	$ 228,098,540	$ 229,936,750	$ 227,643,430	$ 222,939,360	$ 215,347,130	$ 185,257,150
Legal Debt Margin										
Debt Limitation - 10.5% of Assessed Value	23,133,857	22,747,449	22,876,065	24,562,239	23,950,347	24,143,359	23,902,560	23,408,633	22,611,449	19,452,001
Total Indebtedness	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000	2,895,000
Debt Within 10.5% Limitation	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000	2,895,000
Overall Legal Debt Margin Within 10.5% Limitation	$ 14,578,857	$ 13,762,449	$ 13,481,065	$ 14,797,239	$ 19,475,347	$ 21,288,359	$ 20,862,560	$ 20,203,633	$ 19,221,449	$ 16,557,001
Unvoted Debt Limitation - 5.5% of Assessed Value	$ 12,117,735	$ 11,915,330	$ 11,982,701	$ 12,865,935	$ 12,545,420	$ 12,646,521	$ 12,520,389	$ 12,261,665	$ 11,844,092	$ 10,189,143
Indebtedness Authorized by Council	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000	2,895,000
Debt Within 5.5% Limitation	8,555,000	8,985,000	9,395,000	9,765,000	4,475,000	2,855,000	3,040,000	3,205,000	3,390,000	2,895,000
Unvoted Legal Debt Margin Within 5.5% Limitation	$ 3,562,735	$ 2,930,330	$ 2,587,701	$ 3,100,935	$ 8,070,420	$ 9,791,521	$ 9,480,389	$ 9,056,665	$ 8,454,092	$ 7,294,143

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

PLEDGED REVENUE BOND COVERAGE - SEWER FUND
LAST TEN YEARS

Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2013	$ 3,166,710	$ 1,585,764	$ 1,580,946	$ 780,000	$ 525,581	$ 1,305,581	1.21
2012	3,208,589	1,332,757	1,875,832	400,000	243,076	643,076	2.92
2011	3,182,876	1,203,679	1,979,197	570,000	774,500	1,344,500	1.47
2010	2,835,441	1,096,588	1,738,853	550,000	792,925	1,342,925	1.29
2009	2,565,446	1,138,387	1,427,059	485,000	807,475	1,292,475	1.10
2008	2,466,866	981,777	1,485,089	425,000	818,738	1,243,738	1.19
2007	2,273,290	889,830	1,383,460	220,000	823,798	1,043,798	1.33
2006	2,436,476	842,703	1,593,773	220,000	828,197	1,048,197	1.52
2005	2,168,819	1,008,062	1,160,757	170,000	831,598	1,001,598	1.16
2004	2,434,206	1,332,503	1,101,703	160,000	941,466	1,101,466	1.00

Source: City of Harrison, Finance Director's Office

(1) Includes both operating and certain nonoperating revenues (i.e. investment earnings and intergovernmental grants) of the sewer fund.
(2) Total operating expenses exclusive of depreciation.
(3) The requied coverage ratio is 1.10.

CITY OF HARRISON, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

				Unemployment Rates (2)		
Year	**Population (1)**	**Per Capita Personal Income (2)**	**School Enrollment (3)**	**Hamilton County**	**Ohio**	**United States**
2013	10,292	N/A	3,589	6.2%	7.1%	6.7%
2012	10,103	43,454	3,589	7.0%	7.2%	8.1%
2011	9,979	41,738	3,306	8.6%	8.6%	8.9%
2010	9,897	39,306	3,521	9.4%	10.1%	9.6%
2009	9,980	38,771	3,726	8.8%	10.1%	9.3%
2008	9,980	40,152	3,800	5.6%	6.6%	5.8%
2007	9,980	39,356	3,742	5.0%	5.6%	4.6%
2006	9,950	38,458	3,705	5.2%	5.5%	4.6%
2005	9,950	36,620	3,907	5.4%	5.9%	5.1%
2004	9,885	35,422	3,965	6.2%	6.2%	5.5%

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

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

CITY OF HARRISON, OHIO

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Kroger Limited Partnership	400-450	1	4.59%	300-350	6	2.77%
Hubert North America	400-450	2	4.59%	300-350	5	2.77%
J.T.M. Provisions Company Inc.	350-400	3	4.05%	400-450	3	3.62%
Southwest Local School District	300-350	4	3.51%	450-500	2	4.04%
F&M Mafco Inc.	200-250	5	2.43%	150-200	n/a	1.49%
Wayne Scott Fetzer Company	150-200	6	1.89%	0	n/a	0.00%
City of Harrison, Ohio	100-150	7	1.35%	100-150	n/a	1.06%
Cincinnati Test Systems	100-150	8	1.35%	0	n/a	0.00%
Campbell Hausfeld/Scott Fetzer	100-150	9	1.35%	650-700	1	5.74%
Cronin Ford Sales, Inc.	50-100	10	0.81%	50-100	n/a	0.64%
Total	2,150-2,650		25.95%	2,400-2,800		22.13%
Total City Employment	9000-9500			11,500-12,000		

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

CITY OF HARRISON, OHIO

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government											
Clerk of Council	1	1	1	1	1	1	1	1	1	1	1
Municipal Court Magistrate	1	1	1	1	1	1	1	1	1	1	1
Municipal Clerk of Courts	1	1	1	1	1	1	1	1	1	1	1
Mayor	1	1	1	1	1	1	1	1	1	1	1
Service Director	1	1	1	1	1	1	1	1	1	1	1
Finance	1	1	1	1	2	1	1	1	1	2	2
Law	1	1	1	1	1	1	1	1	1	1	1
Safety Director	1	1	1	1	1	1	1	1	1	1	1
Income Tax	1	1	1	1	1	1	1	1	1	1	1
Other	9	9	9	9	11	9	9	9	9	8	6
Public Safety											
Police	27	26	27	27	28	28	25	25	20	25	22
Fire	32	35	36	36	36	42	46	51	46	36	36
Health and Welfare											
Senior Center	4	4	4	4	4	4	4	4	4	4	3
Transportation											
Streets	6	6	6	6	6	6	8	8	8	8	7
Community Environment											
Planning	1	1	1	1	1	1	3	3	3	-	-
Building/Zoning	6	6	6	6	6	6	5	5	5	1	1
Leisure Time Activity											
Parks Administration	1	1	1	1	1	1	1	1	1	2	1
Community Center	1	1	1	1	3	-	2	2	2	2	2
Utility Services											
Water	5	5	6	6	6	6	6	6	6	5	5
Sewer	7	9	8	8	7	8	6	6	6	7	7
Total	108	112	114	114	119	120	124	129	119	108	100

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Positions Filled	-	-	-	7	10	4	3	10	0	2
Building Permits Issued	186	161	115	187	186	244	178	220	177	215
Building Inspections Performe	607	800	849	654	436	648	486	588	620	938
Ordinances & Resolutions	82	70	68	64	85	122	76	77	76	44
Public Safety										
Police:										
Physical Arrests	882	892	930	1,400	1,308	1,293	1,241	1,219	1,050	853
Offense Reports	1,365	1,381	1,381	1,420	1,267	1,196	1,255	1,242	1,072	1,001
Traffic Citations	414	402	410	1,732	1,762	1,711	3,544	2,792	2,745	1,858
Fire:										
Emergency Responses	1,271	1,453	1,522	1,628	1,641	1,663	1,755	1,846	1,636	1,647
Fire Responses	399	566	619	401	437	407	408	427	425	557
Inspections conducted	397	633	823	931	843	765	479	647	612	419
Leisure Time Activities										
Senior Center Attendance	8,162	9,045	8,950	8,200	7,997	8,873	7,659	7,172	6,969	7,686
Senior Center Membership	167	190	201	223	233	223	201	186	185	208
Transportation										
Street Resurfacing (miles)	2.0	-	1.0	2.6	1.1	1.1	1.1	4.0	0.2	1.1
Tons of salt used	824	805	386	990	936	690	813	362	511	313
Water										
New Connections	124	124	87	94	29	20	17	51	52	62
Water Main Breaks	7	8	10	12	15	8	15	9	8	9

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	4	4	4	4	4	5	5	5	5	5
Park Acreage	63.5	63.5	63.5	63.5	63.5	69.5	69.5	69.5	69.5	69.5
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball /Softball fields	3	3	3	3	3	3	3	3	3	3
Transportation										
Streets (Paved Miles)	40	40	40	40	40	40	40	42	42	44
Water										
Water Mains (miles)	31.1	31.1	33.1	35	35	37	37	40	40	40
Sewer										
Sanitary Sewers (miles)	25	25	25	25	25	27	27	34	34	34

Source: City of Harrison Finance Director Office