

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

CITY OF HARRISON, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2000

PREPARED BY
FINANCE DIRECTOR'S OFFICE
MARY LOU DAWSON, FINANCE DIRECTOR

112 N. WALNUT STREET

HARRISON, OHIO 45030



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Members of Council and Mayor
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We have reviewed the independent auditor's report of the City of Harrison, Hamilton County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

July 5, 2001

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INTRODUCTORY SECTION

CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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City of Harrison

112 N. Walnut Street • Harrison, Ohio 45030 • 513-367-3730

May 30, 2001

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio ("City") for the year ended December 31, 2000. This report is prepared in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section, contains a table of contents, this letter of transmittal, a list of elected and appointed City officials, an organizational chart of the City government, and the City's 1999 Certificate of Achievement for Excellence in Financial Reporting. The Financial section is comprised of the independent auditor's report, the general purpose financial statements (GPFS) and the combining and individual fund and account group financial statements and schedules. The Statistical section provides various financial, economic, and demographic data about the City, generally on a multi-year basis.

REPORTING ENTITY

The City is the only governmental unit in the reporting entity; it has no component units. In determining what constitutes the City's reporting entity, criteria established by GASB Statement No. 14, "The Financial Reporting Entity", were used. The City is not financially accountable for any potential component units. Hamilton County, Harrison Township and the Southwest Ohio School District are separate governmental jurisdictions that overlap the City's boundaries. These entities are not included in the City's financial reports. The City's reporting entity is further described in Note 2 A of the GPFS.

The City provides the full range of municipal services including police and fire protection, parks, recreation, public works (highways, street, and waste collection), health and social services, culture, public improvement, planning and zoning, general administrative, water and sewer services.

The City covers approximately four square miles and is located in southwest Ohio, approximately 20 miles northwest of Cincinnati along Interstate 74.

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

ECONOMIC CONDITIONS AND OUTLOOK

The City benefits from its location in southwestern Hamilton County in that the community and its residents have easy access to and benefit from employment, educational, recreational, medical, and cultural facilities afforded by the Greater Cincinnati Metropolitan area. The sustained economic growth during the past four years in Hamilton County has additionally increased the opportunity for a sizable number of new business and residential developments within the City.

In recent years, the City has gained three new housing subdivisions with homes ranging in value from \$125,000 to \$300,000. During 2000, residential growth continued with approximately 127 acres annexed into the City. Carolina Pines, a subdivision consisting of 68 acres will be developed over the next two years, resulting in 112 homes. Another 75 acres called Hickory Flats will consist of 200 homes to be built over the next three to four years. Hickory Flats was approved by the City for annexation in April 2001.

Commercial development in the City has increased in recent years, as evidenced by the addition in 2000 of a Gold Star Chile and a strip mall containing Wood Craft Furniture, Hollywood Video, Sassy's Hair Salon and BW3's. Also, Home Depot applied for a building permit and construction began in early 2001. Home Depot will employ 150 to 200 employees. The building will consist of 116,000 square feet. The Wiwi property of 59 acres will be developed over the next several years and is zoned for business and light industry.

Other activities within the City include the extensive renewal of the City's downtown. A non-profit organization, Main Street Harrison, Inc., with assistance from the City, provides grant funds to local businesses to encourage reinvestment in the downtown area. In addition, the City has committed \$1,300,000 to the refurbishment and reconstruction of Harrison Avenue, the City's central business district.

MAJOR INITIATIVES

A water wellfield has been acquired to assure an adequate water source for future growth. Over the past twenty years, the City's annual population increase has ranged from 2.0% to 2.5%. Commercial development has also increased steadily. During 2000, bids were awarded for construction of the water wellfield and main water transmission lines. This construction and expansion of the existing Water Plant will be completed in the summer of 2001.

Studies are underway to widen the New Haven Road bridge over Interstate 74 to six lanes and to widen New Haven Road from Harrison Avenue to Carolina Trace, a project length of approximately one mile. The project is in a rapidly growing business area in the City as well as the primary access to/from I-74. The project is estimated to cost over \$10,000,000. The source of funding is federal, state, county and local funds.

Police Department Accreditation

The Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) was formed in 1979 to establish a body of national professional standards for law enforcement agencies. The voluntary accreditation program is a joint effort of CALEA and law enforcement's major membership associations:

- International Association of Chiefs of Police
- National Organization of Black Law Enforcement Executives
- National Sheriff's Association
- Police Executive Research Forum

The Harrison Police Department was originally accredited in 1992 and re-accredited in 1997. The Harrison Police department complies with 436 national police standards in operations, management and service delivery. There are 368 accredited law enforcement agencies in the United States. The Harrison Police Department is one of only 59 accredited agencies in the State of Ohio. The accreditation process ensures that the Harrison Police Department has written policies and procedures that have been tested and accepted nationally, and a process that allows for these policies and procedures to be updated and reviewed on a regular basis.

Street Revitalization

Broadway Avenue, a major east-west street was reconstructed in 1999, including curbs and sidewalks. Reconstruction of Harrison Avenue, a parallel street started in the fall of 2000. The street is being widened, trees added and sidewalks and curbs replaced. The electric and telephone wires are also being placed underground in the first three blocks of Harrison Avenue.

Main Street Harrison, Inc.

Main Street Harrison, Inc. is a non-profit organization that was first organized in 1991 to promote and revitalize downtown Harrison. Its mission statement is both optimistic and realistic in its content. It seeks to create an atmosphere in downtown Harrison that attracts and encourages new business development, promotes a renewed sense of community pride, and provides a healthy environment for people to live, work, shop, conduct business, invest, and recreate. The organization's activities are ongoing.

Beautification

The City initiated a clean-up and beautification program, which included motorized street sweeping, landscaping of public buildings, and the strategic placement of waste receptacles.

FINANCIAL INFORMATION

Basis of Accounting

The City accounting system is organized on a fund basis. Each fund or account group is a distinct, self-balancing accounting entity. Although the City maintains its day-to-day accounting records on a basis other than GAAP, for the year ended December 31, 2000, the City prepared its CAFR on a modified accrual basis of accounting for the governmental and agency funds, and on an accrual basis of accounting for proprietary funds in accordance with GAAP. The modified accrual basis of accounting recognizes revenue when measurable and available and expenditures when goods or services are received. The accrual basis of accounting recognizes revenue when measurable and available and expenditures when incurred. The basis of accounting for the various funds and account groups is fully described in Note 2 C of the GPFS.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse to ensure that adequate accounting data is compiled to allow for the preparation of GPFS in conformity with GAAP. Management believes that the City's internal control provides reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed. The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the expected benefit. An important element of the City's control structure is the ongoing program to promote control consciousness throughout the City. Management's commitment to this program is emphasized through adherence to cash handling procedures prescribed by the Auditor of State and a well qualified financial staff.

Budgetary Control

An operating budget is adopted each fiscal year for the general fund, special revenue funds, debt service funds, capital projects funds and enterprise funds. For each budgeted expenditure classification, the level of budgetary control is at the object level within each department (i.e., personal service, contractual service, supplies and materials, debt service and capital outlay). All revisions made outside of the legal level of budgetary control may only be made by ordinance of City Council. Encumbrances do not lapse at year-end and are included as expenditures in the current year budget (Non-GAAP Budgetary Basis).

Virtually all of the general services of the City have been financed with resources from the general fund and special revenue funds. General fund revenues include property taxes, the City income tax, and other revenues provided by the citizens of this community. The special revenue funds used for general services include property taxes for fire services and intergovernmental revenues for street construction, maintenance and repair.

General Government Functions

The following schedule presents a summary of revenue by source for the year ended December 31, 2000, for the general fund. Also, presented are the amounts and percentages of revenue by source as well as the increases and decreases from December 31, 1999.

<u>Revenue by Source</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Taxes	\$3,315,699	78.44%	\$3,238,722	79.43%	\$76,977
Charges for services	3,415	0.08	870	0.02	2,545
Licenses, permits and fees	93,255	2.21	108,160	2.65	(14,905)
Fines and forfeitures	218,627	5.17	255,767	6.27	(37,140)
Intergovernmental	372,437	8.81	330,179	8.10	42,258
Investment Income	142,433	3.37	124,553	3.05	17,880
Other	81,012	1.92	19,096	0.48	61,916
Total revenue	<u>\$4,226,878</u>	<u>100.00%</u>	<u>\$4,077,347</u>	<u>100.00%</u>	<u>\$149,531</u>

Taxes and intergovernmental revenues are the major components of the City's total revenue and represent \$3,688,136 or 87.25% and \$3,568,901 or 87.53% of fiscal 2000 and 1999 revenues, respectively. Taxes include real estate, personal property, hotel, and income tax. During 2000, income tax collections decreased by \$18,478 or .72% and real estate and personal property taxes increased \$95,455 or 14.15% over 1999. The slight decrease in income tax revenue was due to \$34,165 of income tax refunds issued in the available period. These refunds were recorded net of income tax revenue. Real estate and personal property taxes in 2000 increased \$95,455 or 14.15% over 1999 as a result of increased tax revenue generated from the development of both residential and commercial establishments in the City. Intergovernmental revenue consists primarily of State and Federal grants, motor vehicle license taxes, and other State shared revenues designed to assist the City with major undertakings for the benefit of the citizens of the City. Intergovernmental revenues increased by \$42,258 or 12.80% from 1999 to 2000 due to an increase in state and local government assistance funding. Licenses, permits and fees revenue decreased primarily due to fewer building permits issued during 2000. Although the City is maintaining growth, more new building permits were issued in 1999 than in 2000. Fines and forfeitures revenue decreased primarily due to a decrease in Mayors Court fines. The increase in investment income is attributable to an increase in the amount available for investment and to an increase in interest rates. The City makes an effort to maximize earnings while maintaining safety in all investments. Other revenue increased \$61,916 or 324.23% from 1999 to 2000 primarily due to the receipt of approximately \$40,000 in reimbursements and donations and a \$20,874 Bureau of Workers' Compensation refund.

The following schedule presents a summary of expenditures by function for the year ended December 31, 2000, for the general fund. Also, presented are the amounts and percentages of expenditures by function as well as increases and decreases from December 31, 1999.

<u>Expenditures by Function</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General government	\$723,126	23.82%	\$729,475	31.84%	\$(6,349)
Security of persons and property	1,651,000	54.40	1,416,129	61.81	234,871
Public health and welfare	1,884	0.06	13,367	0.58	(11,483)
Community environment	33,325	1.10	39,146	1.71	(5,821)
Leisure time activity	49,894	1.64	36,940	1.61	12,954
Capital outlay	59,721	1.98	41,340	1.80	18,381
Debt service:					
Principal retirement	514,272	16.94	14,768	0.65	499,504
Interest and fiscal charges	<u>1,954</u>	<u>0.06</u>	<u>0</u>	<u>0.00</u>	<u>1,954</u>
Total expenditures	<u>\$3,035,176</u>	<u>100.00%</u>	<u>\$2,291,165</u>	<u>100.00%</u>	<u>\$744,011</u>

General government and security of persons and property expenditures are the major components of the City's expenditures representing \$2,374,126 or 78.22% and \$2,145,604 or 93.65% of fiscal 2000 and 1999 expenditures, respectively. During 1999, general government expenditures included costs associated with the Master Plan, Community Clean Up and Mosquito Control projects. During 2000, general government expenditures decreased slightly by \$6,349 or 0.28% because these projects were expended in 1999. Although fewer projects were paid out of general government in 2000, this decrease in expenditures is partially offset by standard wage increases. Security of persons and property expenditures increased \$234,871 or 16.59% from 1999 to 2000 due to law enforcement wage increases and an increase in health care insurance costs. Leisure time activity expenditures increased primarily due to summer programs, a yard sale and ball field maintenance which added approximately \$11,000 to contract services. The increase in capital outlay expenditures is attributable to the inception of a capital lease of \$59,721 for a police cruiser. Principal retirement increased \$499,504 due to the \$480,000 payment to retire a portion of the bond anticipation notes issued in 1999.

General Fund

General fund revenues under the modified accrual basis of accounting totaled \$4,226,878 during 2000. The largest sources of revenue to the general fund were taxes (both income taxes and real/personal property taxes) which amounted to \$3,315,699 or 78.44% of total revenue.

General fund expenditures under the modified accrual basis of accounting totaled \$3,035,176 during 2000. General government and security of persons and property functions accounted for \$723,126 or 23.82% and \$1,651,000 or 54.40% of general fund expenditures, respectively.

General fund other financing sources and uses include \$480,000 in proceeds from the sale of bonds and \$59,721 in proceeds from capital lease transactions. During 2000, the general fund made operating transfers out of \$1,522,558 to various funds.

General fund balance increased \$209,772 from \$1,172,121 at December 31, 1999 to \$1,381,893 at December 31, 2000.

Special Revenue Funds

Revenues under the modified accrual basis of accounting for the special revenue funds totaled \$1,540,049 for 2000. Of this total, taxes and intergovernmental revenues represent \$798,069 or 51.82% and \$464,187 or 30.14%, of fiscal 2000 and 1999 expenditures, respectively. Tax revenues consist of real estate and personal property taxes. A majority of the tax revenue is used to fund the City's fire operations. Intergovernmental revenue consisted primarily of \$233,102 in shared license and gas, public utility taxes from the State of Ohio to be used in the repair of local roads and state highways located within the City. The remaining intergovernmental revenues are predominantly State and Federal grants for the security of persons and property and for the senior center.

Expenditures under the modified accrual basis of accounting for the special revenue funds totaled \$2,948,751 during 2000. Support of security of persons and property, transportation and debt service accounted for \$1,616,263 or 54.81%, \$327,574 or 11.10%, and \$486,806 or 16.51%, respectively, of the special revenue funds expenditures. Principal retirement during 2000 in the special revenue funds totaled \$484,993 and included \$450,000 in repayment of bond anticipation notes issued in 1999 reported in the Fire Improvement Fund, \$30,382 in principal payments on a capital lease in the Fire Capital Reserve Fund, and a \$4,611 payment to the Ohio Police and Fire Pension Fund to fully retire the accrued pension liability from the Police Pension Fund.

Other financing sources and uses in the special revenue funds include \$450,000 in proceeds from the sale of bonds. The special revenue funds received operating transfers in of \$923,776 and made operating transfers out of \$87,278.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and payment of, interest and principal on long-term obligations. The major source of revenue and other financing sources of the debt service funds are operating transfers in from the general fund. The debt services fund received operating transfers in of \$286,060 during 2000.

Capital Projects Funds

Revenues under the modified accrual basis of accounting for the capital projects funds totaled \$237,702 for 2000. The primary source of revenue for the capital projects funds is hotel tax receipts and investment income, which represent \$57,269 or 24.09% and \$147,433 or 62.02% of total capital projects revenue, respectively.

Expenditures under the modified accrual basis of accounting for the capital projects funds totaled \$3,496,930 for 2000. Capital outlay expenditures totaled \$377,637 or 10.79% of total capital projects expenditures. Principal retirement payments included \$36,278 paid out of the Capital Improvement Fund for vehicles under capital lease obligation and \$3,000,000 paid out of the Street/Safety Construction Fund to retire the bond anticipation notes issued in 1999. The capital projects funds also recognized expenditures totaling \$80,000 in bond issuance costs.

Other financing sources and uses in the capital projects funds include \$6,709 of accrued interest on bonds sold and \$2,430,000 in proceeds from sale of bonds which will be used to provide long-term financing of various construction improvements related to roads and safety in the City. The capital projects funds also received \$1,400,000 in operating transfers in and made \$1,000,000 in operating transfers out during 2000.

Enterprise Funds

The City operates and maintains a water supply and distribution system that serves approximately 3,500 customers in and around the City. The City's water supply is provided by wells and is treated at a plant that has a 1.1 million gallons per day (mgd) capacity. The distribution system is comprised of 40 miles of lines, ranging in size from ¾" to 14" in diameter. The current treatment system is considered to be in good condition.

The City also operates and maintains a sanitary sewer collection and treatment system that serves approximately 3,500 customers in its service area. The collection system contains about 30 miles of lines, ranging in size from 4" to 24" in diameter. The current system was constructed in 1971 and received major upgrades in 1974 and 1990. The current system is considered to be in good condition.

The City's enterprise operations reported operating income and net income of \$938,502 and \$882,412, respectively, for the year ended December 31, 2000. Retained earnings for the enterprise funds increased \$882,412 from \$5,050,750 at December 31, 1999 to \$5,933,162 at December 31, 2000. Total fund equity for the enterprise funds at December 31, 2000 was \$7,180,829 which includes \$1,247,667 in contributed capital.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent, for individuals, organizations or other funds. The District maintains two agency funds. At December 31, 2000, assets held in the agency funds totaled \$22,828.

General Fixed Assets

The general fixed assets of the City as of December 31, 2000 total \$5,509,301 and include all fixed assets of the City except those recorded in the proprietary funds. Such assets are accounted for at historical cost or estimated historical cost. Depreciation is not recognized on general fixed assets. Infrastructure is not reported in the general fixed asset account group.

Pension Plans

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The City's required contributions for pension obligations to the OP&F for the years ended December 31, 2000, 1999 and 1998 were \$341,451, \$318,590 and \$301,473, respectively.

All other full-time employees of the City participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The City's required contributions for pension obligations to PERS for the years ended December 31, 2000, 1999 and 1998 were \$157,176, \$149,090 and \$91,299, respectively.

These pension plans are further described in Note 16 and Note 17 of the GPFS.

Debt Administration

The City has various debt obligations outstanding at December 31, 2000. On June 1, 2000, the City issued \$3,360,000 in general obligation bonds. On June 15, 2000, the City retired \$3,978,000 in bond anticipation notes with cash payments and the proceeds from the general obligation bonds issued on June 1, 2000.

The City's other long-term debt obligations are reported in the enterprise funds. These include \$200,000 in general obligation bonds, \$3,737,000 in revenue bonds and \$569,812 in loans payable. These obligations are being repaid through enterprise operations and are intended to be self-supporting through those operations.

The City's general obligation bonds are rated A2 by Moody's Investor Services.

Cash Management

The City Finance Director, as custodian of all City monies, is responsible for investing idle funds and directing the investment policies of the City. The City pools its cash for maximum investment efficiency and to simplify accountability.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. During 2000, investments were limited to STAR Ohio (State Treasurer's Investment Pool), U.S. government money market mutual funds, certificates of deposit, U.S. treasury notes, and federal agency securities. Total investment income for 2000 was \$504,271 as compared to \$274,234 for 1999.

Risk Management

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$17,000,000. General liability insurance provides for \$12,000,000 coverage per occurrence with \$12,000,000 aggregate coverage. The per occurrence deductible is \$1,000.

The City changed employee health insurance effective September 1, 2000, from the Buckeye Ohio Risk Management Agency, Inc. (BORMA) to United Health Care for medical insurance, Humana Insurance for dental insurance and Fortis for accident and life insurance. The City pays one hundred percent of the premiums. Worker's Compensation claims are covered through the City's participation in the State of Ohio's program. The City is a member of the Ohio Municipal Treasurer's Association Worker's Compensation Group. This group is composed of twenty cities and the City's rate is based on the entire group's accident history and administrative costs. The benefit of belonging to this group is a reduction in premiums paid to the Ohio Bureau of Worker's Compensation.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's GPFS as of and for the year ended December 31, 2000, by our independent auditor, Trimble, Julian & Grube, Inc. City management plans to continue to subject the GPFS to an annual independent audit as part of the preparation of a CAFR. The auditors' report on the GPFS and combining and individual fund statements and schedules are included in the financial section of this report. The annual audit serves to maintain and strengthen the City's accounting and budgetary controls. The auditors' report related specifically to internal controls and compliance with applicable laws and regulations is presented in a separate report which may be obtained from the City's Finance Department.

Use of the Report

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

Use of this report by the various departments of the City is encouraged when furnishing information. Copies of this report are being placed for public inspection at the City's offices.

Submission to 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 for its CAFR for the year ended December 31, 1999. This was the first year that the City has achieved this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

Respectfully,

A handwritten signature in black ink, consisting of a stylized 'M' followed by a comma and a circular flourish.

Mary Lou Dawson
Finance Director

CITY OF HARRISON, OHIO
ELECTED AND APPOINTED OFFICIALS

Elected Officials:

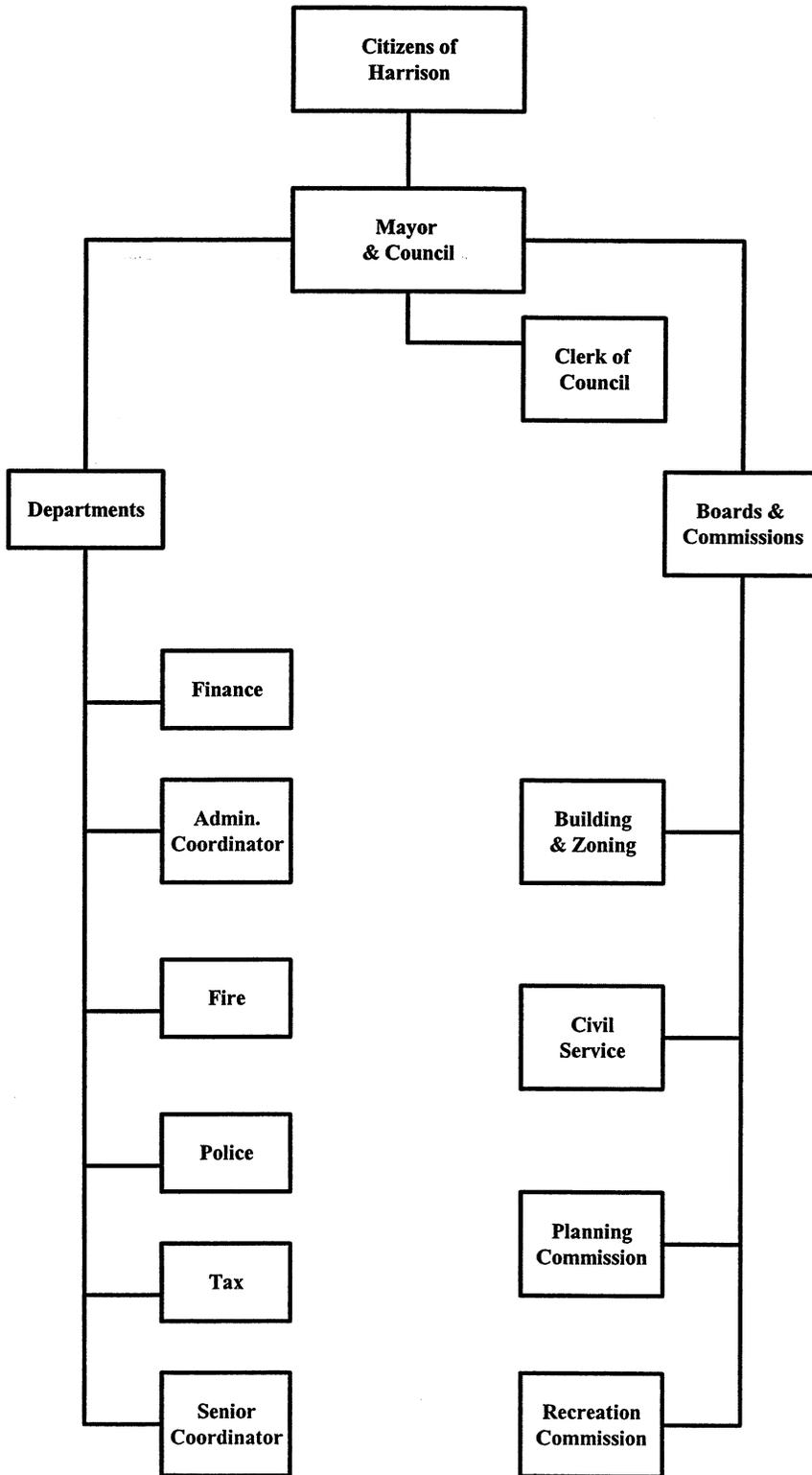
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Daniel J. Gieringer	December 31, 2003
Vice Mayor/Member of Council	Deborah Acra	December 31, 2001
Members of Council	Lee Cook Ruth Glasscock Judith A. Kercheval Barbara Rounds Kugler Walter Powers James E. Robertson	December 31, 2001 December 31, 2003 December 31, 2001 December 31, 2001 December 31, 2003 December 31, 2003

Appointed Officials:

<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Finance Director	Mary Lou Dawson	Pleasure of Mayor/Council
Clerk of Council	Carol Wiwi	Pleasure of Mayor/Council
City Law Director	William M. Deters II	Pleasure of Mayor/Council
Director of Utilities	James Lauver	Pleasure of Mayor/Council

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinney
President

Jeffrey L. Esler
Executive Director

FINANCIAL SECTION

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD
SUITE B
WORTHINGTON, OHIO 43085

TELEPHONE 614.846.1899
FACSIMILE 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
City of Harrison
112 N. Walnut Street
Harrison, Ohio 45030

We have audited the accompanying general purpose financial statements of the City of Harrison, Hamilton County, (the "City"), as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Harrison, Hamilton County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.



Trimble, Julian & Grube, Inc.
May 30, 2001

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**GENERAL PURPOSE FINANCIAL
STATEMENTS**

CITY OF HARRISON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
Assets and Other Debits					
Assets:					
Equity in pooled cash and cash equivalents	\$922,876	\$749,050	\$85,350	\$2,914,205	\$2,300,857
Cash with fiscal agent					
Receivables (net of allowances for uncollectibles):					
Taxes	1,166,401	815,306		10,656	
Accounts	13,163	289			347,970
Accrued interest	136,508				
Interfund loan receivable	15,000				
Advances to other funds	21,936				
Due from other governments	36,058	54,879			5,715
Due from other funds	39,857				
Prepayments	14,589	15,870			8,530
Materials and supplies inventory	12,273	6,112			28,989
Restricted assets:					
Cash and cash equivalents					1,025,507
Investments					79,793
Property, plant and equipment (net of accumulated depreciation where applicable)					8,144,505
Other Debits:					
Amount available in debt service fund					
Amount to be provided for retirement of general long-term obligations					
Total assets and other debits	<u>\$2,378,661</u>	<u>\$1,641,506</u>	<u>\$85,350</u>	<u>\$2,924,861</u>	<u>\$11,941,866</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Agency			
	\$440		\$6,972,778
	22,388		22,388
			1,992,363
			361,422
			136,508
			15,000
			21,936
			96,652
			39,857
			38,989
			47,374
			1,025,507
			79,793
	\$5,509,301		13,653,806
		\$85,350	85,350
		3,391,743	3,391,743
<u>\$22,828</u>	<u>\$5,509,301</u>	<u>\$3,477,093</u>	<u>\$27,981,466</u>

-- Continued

CITY OF HARRISON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
DECEMBER 31, 2000

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
Liabilities, Equity and Other Credits					
Liabilities:					
Accounts payable	\$65,382	\$25,667		\$5,988	\$56,369
Contracts payable					82,707
Accrued wages and benefits	28,176	24,142			6,533
Compensated absences payable	5,863	2,017			19,489
Advances from other funds					21,936
Deferred revenue	853,503	815,306			
Interfund loan payable		15,000			
Due to other governments	43,844	129,089		80,435	14,569
Due to other funds		20,411			
Deposits held and due to others					
Accrued interest payable					52,622
OPWC loans payable					569,812
General obligation bonds payable					200,000
Mortgage revenue bonds payable					3,595,000
Real estate revenue bonds payable					142,000
Capital lease obligations					
Total liabilities	<u>996,768</u>	<u>1,031,632</u>		<u>86,423</u>	<u>4,761,037</u>
Equity and Other Credits:					
Investment in general fixed assets					
Contributed capital					1,247,667
Retained earnings:					
Reserved					1,105,300
Unreserved					4,827,862
Fund balances:					
Reserved for encumbrances	37,782	34,413		2,116,441	
Reserved for prepayments	14,589	15,870			
Reserved for materials and supplies inventory	12,273	6,112			
Reserved for advances	21,936				
Reserved for debt service			\$85,350		
Unreserved-undesignated	1,295,313	553,479		721,997	
Total equity and other credits	<u>1,381,893</u>	<u>609,874</u>	<u>85,350</u>	<u>2,838,438</u>	<u>7,180,829</u>
Total liabilities, equity and other credits	<u>\$2,378,661</u>	<u>\$1,641,506</u>	<u>\$85,350</u>	<u>\$2,924,861</u>	<u>\$11,941,866</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
			\$153,406
			82,707
			58,851
		\$89,069	116,438
			21,936
			1,668,809
			15,000
\$2,942			270,879
19,446			39,857
440			440
			52,622
			569,812
		3,310,000	3,510,000
			3,595,000
			142,000
		78,024	78,024
<u>22,828</u>		<u>3,477,093</u>	<u>10,375,781</u>
	\$5,509,301		5,509,301
			1,247,667
			1,105,300
			4,827,862
			2,188,636
			30,459
			18,385
			21,936
			85,350
			<u>2,570,789</u>
	<u>5,509,301</u>		<u>17,605,685</u>
<u>\$22,828</u>	<u>\$5,509,301</u>	<u>\$3,477,093</u>	<u>\$27,981,466</u>

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CITY OF HARRISON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Taxes	\$3,315,699	\$798,069		\$57,269	\$4,171,037
Charges for services	3,415	192,987			196,402
Licenses, permits and fees	93,255	435			93,690
Fines and forfeitures	218,627				218,627
Intergovernmental	372,437	464,187		33,000	869,624
Investment income	142,433	50,189		147,433	340,055
Other	81,012	34,182			115,194
Total revenue	4,226,878	1,540,049		237,702	6,004,629
Expenditures:					
Current:					
General government	723,126				723,126
Security of persons and property	1,651,000	1,616,263			3,267,263
Public health and welfare	1,884	224,139			226,023
Transportation		327,574			327,574
Community environment	33,325				33,325
Leisure time activity	49,894	120,137			170,031
Capital outlay	59,721	173,832		377,637	611,190
Debt service:					
Principal retirement	514,272	484,993	\$98,000	3,036,278	4,133,543
Interest and fiscal charges	1,954	1,813	188,060	3,015	194,842
Bond issuance costs				80,000	80,000
Total expenditures	3,035,176	2,948,751	286,060	3,496,930	9,766,917
Excess (deficiency) of revenues over (under) expenditures	1,191,702	(1,408,702)	(286,060)	(3,259,228)	(3,762,288)
Other financing sources (uses):					
Proceeds from sale of bonds	480,000	450,000		2,430,000	3,360,000
Accrued interest on bonds sold				6,709	6,709
Proceeds of capital lease transactions	59,721				59,721
Operating transfers in		923,776	286,060	1,400,000	2,609,836
Operating transfers out	(1,522,558)	(87,278)		(1,000,000)	(2,609,836)
Total other financing sources (uses)	(982,837)	1,286,498	286,060	2,836,709	3,426,430
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	208,865	(122,204)	0	(422,519)	(335,858)
Fund balances, January 1	1,172,121	738,342	85,350	3,260,957	5,256,770
Increase (decrease) in reserve for inventory	907	(6,264)			(5,357)
Fund balances, December 31	\$1,381,893	\$609,874	\$85,350	\$2,838,438	\$4,915,555

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$3,236,813	\$3,277,344	\$40,531	\$822,671	\$798,069	(\$24,602)
Charges for services	175	3,415	3,240	253,064	193,390	(59,674)
Licenses, permits and fees	73,100	92,818	19,718	200	435	235
Fines and forfeitures	231,100	217,693	(13,407)			
Intergovernmental	343,509	375,943	32,434	473,076	469,109	(3,967)
Investment income	85,000	93,227	8,227	50,400	50,189	(211)
Other	21,014	60,364	39,350	23,224	17,134	(6,090)
Total revenues	<u>3,990,711</u>	<u>4,120,804</u>	<u>130,093</u>	<u>1,622,635</u>	<u>1,528,326</u>	<u>(94,309)</u>
Expenditures:						
Current:						
General government	791,696	722,845	68,851			
Security of persons and property	1,740,868	1,676,913	63,955	1,670,982	1,611,165	59,817
Public health and welfare	7,900	7,731	169	288,535	238,230	50,305
Transportation				361,478	324,178	37,300
Community environment	65,270	37,095	28,175			
Leisure time activity	80,092	50,212	29,880	146,860	125,021	21,839
Other						
Capital outlay				229,383	214,234	15,149
Debt service:						
Principal retirement	480,000	480,000	0	450,000	450,000	0
Interest and fiscal charges						
Bond issuance costs						
Total expenditures	<u>3,165,826</u>	<u>2,974,796</u>	<u>191,030</u>	<u>3,147,238</u>	<u>2,962,828</u>	<u>184,410</u>
Excess (deficiency) of revenues over (under) expenditures	824,885	1,146,008	321,123	(1,524,603)	(1,434,502)	90,101
Other financing sources (uses):						
Proceeds from sale of bonds	480,000	480,000	0	450,000	450,000	0
Accrued interest on bonds sold						
Operating transfers in				924,442	923,776	(666)
Operating transfers out	(1,522,559)	(1,522,559)	0	(87,278)	(87,278)	0
Advances in				0	15,000	15,000
Advances out	(15,000)	(15,000)	0			
Total other financing sources (uses)	<u>(1,057,559)</u>	<u>(1,057,559)</u>	<u>0</u>	<u>1,287,164</u>	<u>1,301,498</u>	<u>14,334</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(232,674)	88,449	321,123	(237,439)	(133,004)	104,435
Fund balances, January 1	711,422	711,422	0	806,585	806,585	0
Prior year encumbrances appropriated	61,548	61,548	0	32,746	32,746	0
Fund balances, December 31	<u>\$540,296</u>	<u>\$861,419</u>	<u>\$321,123</u>	<u>\$601,892</u>	<u>\$706,327</u>	<u>\$104,435</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Debt Service			Capital Projects			Total (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
			\$50,000	\$59,761	\$9,761	\$4,109,484	\$4,135,174	\$25,690
						253,239	196,805	(56,434)
						73,300	93,253	19,953
						231,100	217,693	(13,407)
			850,000	33,000	(817,000)	1,666,585	878,052	(788,533)
			147,518	147,433	(85)	282,918	290,849	7,931
						44,238	77,498	33,260
			1,047,518	240,194	(807,324)	6,660,864	5,889,324	(771,540)
						791,696	722,845	68,851
						3,411,850	3,288,078	123,772
						296,435	245,961	50,474
						361,478	324,178	37,300
						65,270	37,095	28,175
						226,952	175,233	51,719
\$2,000	\$0	\$2,000				2,000	0	2,000
			3,956,945	2,596,656	1,360,289	4,186,328	2,810,890	1,375,438
493,464	493,464	0	3,000,000	3,000,000	0	4,423,464	4,423,464	0
425,363	425,363	0				425,363	425,363	0
			80,000	80,000	0	80,000	80,000	0
920,827	918,827	2,000	7,036,945	5,676,656	1,360,289	14,270,836	12,533,107	1,737,729
(920,827)	(918,827)	2,000	(5,989,427)	(5,436,462)	552,965	(7,609,972)	(6,643,783)	966,189
			2,351,360	2,430,000	78,640	3,281,360	3,360,000	78,640
			6,713	6,709	(4)	6,713	6,709	(4)
915,490	918,827	3,337	2,400,000	1,400,000	(1,000,000)	4,239,932	3,242,603	(997,329)
			(2,000,000)	(1,000,000)	1,000,000	(3,609,837)	(2,609,837)	1,000,000
						0	15,000	15,000
						(15,000)	(15,000)	0
915,490	918,827	3,337	2,758,073	2,836,709	78,636	3,903,168	3,999,475	96,307
(5,337)	0	5,337	(3,231,354)	(2,599,753)	631,601	(3,706,804)	(2,644,308)	1,062,496
85,350	85,350	0	2,230,737	2,230,737	0	3,834,094	3,834,094	0
0	0	0	1,080,357	1,080,357	0	1,174,651	1,174,651	0
\$80,013	\$85,350	\$5,337	\$79,740	\$711,341	\$631,601	\$1,301,941	\$2,364,437	\$1,062,496

CITY OF HARRISON, OHIO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating revenues:	
Charges for services	\$2,362,980
Other	17,116
	<hr/>
Total operating revenues	2,380,096
	<hr/>
Operating expenses:	
Personal services.	530,106
Contract services.	310,642
Materials and supplies	119,010
Depreciation	231,370
Utilities.	243,062
Other.	7,404
	<hr/>
Total operating expenses	1,441,594
	<hr/>
Operating income	938,502
	<hr/>
Nonoperating revenues (expenses):	
Intergovernmental	11,649
Interest and fiscal charges	(231,955)
Investment earnings	164,216
	<hr/>
Total nonoperating revenues (expenses)	(56,090)
	<hr/>
Net income.	882,412
	<hr/>
Retained earnings, January 1.	5,050,750
	<hr/>
Retained earnings, December 31	5,933,162
	<hr/>
Contributed capital, December 31	1,247,667
	<hr/>
Total fund equity, December 31.	\$7,180,829
	<hr/> <hr/>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HARRISON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$2,361,186
Cash received from other operations	11,492
Cash payments for personal services	(520,663)
Cash payments for contract services	(303,633)
Cash payments for materials and supplies	(110,568)
Cash payments for utilities	(239,286)
Cash payments for other expenses	(7,404)
	<u>1,191,124</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Cash received from operating grants	11,649
Transfers in from other funds	275,000
Transfers out to other funds	(275,000)
	<u>11,649</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(474,806)
Principal retirement	(395,464)
Interest and fiscal charges paid	(237,303)
	<u>(1,107,573)</u>
Net cash used in capital and related financing activities	
Cash flows from investing activities:	
Sale of investments	1,141,132
Interest received	164,216
	<u>1,305,348</u>
Net cash provided by investing activities	
Net increase in cash and cash equivalents	1,400,548
Cash and cash equivalents, January 1	1,925,816
Cash and cash equivalents, December 31	<u>\$3,326,364</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$938,502
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	231,370
Changes in assets and liabilities:	
Increase in materials and supplies inventory	(3,960)
Increase in accounts receivable	(1,703)
Increase in due from other governments	(5,715)
Decrease in prepayments	3,760
Increase in accounts payable	19,742
Increase in accrued wages and benefits	555
Increase in compensated absences payable	779
Increase in due to other governments	7,794
	<u>7,794</u>
Net cash provided by operating activities	<u>\$1,191,124</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - DESCRIPTION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The (GPFS) of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Reporting Entity

The City's reporting entity has been defined according to GASB Statement No. 14, "The Financial Reporting Entity". For financial reporting purposes, the City's GPFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's GPFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units. The City is a member of two insurance purchasing pools which are described in Note 15.

Included as part of the City's primary government in the determination of the City's reporting entity is the Harrison Mayors Court (the "Court"). 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 GPFS.

B. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of fund or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. The various funds are summarized by type in the GPFS.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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

A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund - This fund accounts for the general operating revenues and expenditures of the City not recorded elsewhere.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - These funds are used to account for revenues received and used to pay principal and interest on debt reported to the City's general long-term obligations account group.

Capital Projects Funds - These funds are used to account for the acquisition or construction of major capital assets other than those financed by proprietary funds.

Proprietary Fund Type:

The proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following is the City's proprietary fund type:

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Type:

This fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

Agency Funds - These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The City maintains agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those accounted for in the enterprise funds. General fixed assets include land, buildings, improvements other than buildings and machinery and equipment owned by the City.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary funds.

C. Measurement Focus and Basis of Accounting

The modified accrual basis of accounting is followed for the governmental funds and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the sixty days after year-end to be used to pay liabilities of the current year.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: reimbursements from other governments, amounts receivable from city income tax withholdings, charges for services, interest on investments and state-levied, locally-shared taxes. The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

All proprietary funds are accounted for on the 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 balance sheet. Fund equity (i.e., total net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

D. Budgetary Data

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

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported in the GPFS. The legal level of budgetary control is at the object level within each department (i.e., personal service, contractual service, supplies and materials, debt service and capital outlay). Budgetary modifications made outside of the legal level of budgetary control may only be made by ordinance of City Council.

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. Supplemental appropriations were legally enacted by City Council during the year. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—All Governmental Fund Types are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year-end are reported as expenditures in the budgetary basis statements included in the GPFS. Encumbered funds accrued at year-end are not reported as a reservation of fund balance.

Lapsing of Appropriations

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

E. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During 2000, investments were limited to STAR Ohio, federal agency securities, U. S. government money market mutual funds, certificates of deposit and U.S. treasury notes.

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2000. 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, 2000.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$142,433, which includes \$90,482 assigned from other City funds.

The City has a segregated bank account for the Mayor's Court which is held separate from the City's central bank account. This depository account is presented on the combined balance sheet as "Cash with Fiscal Agent" since they are not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

F. Inventories of Materials and Supplies

Inventories are valued at cost using the first in, first out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in the proprietary funds when used. The total of inventories at year-end is reported as a reservation of fund balance in the governmental funds because it does not represent available, spendable resources.

G. Fixed Assets and Depreciation

1. *General Fixed Assets Account Group*

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year in the general fixed assets account group. The City follows a policy of not capitalizing infrastructure, which is defined as assets that are immovable and of value only to the City, (i.e., roads, bridges, etc.) No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized. The City has established a capitalization criteria of \$300.

General fixed asset values were initially determined at December 31, 1990 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

2. *Enterprise Funds*

Property, plant, and equipment reflected in the enterprise funds are stated at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year. Contributed fixed assets are recorded at their fair market value as of the date donated. The City has established a capitalization criteria of \$300. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Autos and trucks	5
Machinery, equipment, furniture and fixtures	5-20
Buildings	50
Improvements other than buildings	50-65

The City also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on tax exempt debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned, on the proceeds of such debt.

H. **Compensated Absences**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave and compensatory time is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future in accordance with GASB Statement No. 16. Sick leave benefits are accrued using the "vesting" method in accordance with GASB No. 16.

The total liability for vacation leave, compensatory time and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

Accumulated vacation leave, compensatory time and sick leave of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave benefits for employees meeting the above requirements who are paid from proprietary funds are recorded as an expense when earned and the related liability is reported within the fund.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

I. Intergovernmental Revenues

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receivables and revenues when the entitlement occurs (to the extent they are intended to finance the current fiscal year). Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

J. Long-Term Obligations

Long-term obligations for general obligation bonds, real estate revenue bonds, mortgage revenue bonds, Ohio Public Works Commission (OPWC) loans, bond anticipation notes, vested sick and vacation leave, capital leases, accrued pension liability and any other claims or judgements that are expected to be paid from the governmental funds are shown in the general long-term obligations account group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

K. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in or of expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to changes for goods and services rendered, are reflected as "due to/from other funds."
4. Short-term interfund loans and accrued operating transfers are reflected as "interfund loans receivable/payable".
5. Long-term interfund loans that will not be repaid within the next year are termed "advances". They are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The City had long-term advances receivable and payable at December 31, 2000.

An analysis of interfund transactions is presented in Note 5.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

L. Reservations of Fund Balance and Retained Earnings

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports amounts representing encumbrances outstanding, prepayments, materials and supplies inventory, advances made to other funds, and amount available for debt service as reservations of fund balance in the governmental funds.

Reserved retained earnings represent that portion of retained earnings which is not available for current appropriation or use. The City reports funds being held by a trustee in accordance with a bond indenture as a reservation of retained earnings.

M. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

N. Prepayments

Prepayments for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

O. Estimates

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

P. Restricted Assets

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

Q. Bond Discounts, Premiums and Issuance Costs

When the proceeds from general obligation bonded debt are placed in a governmental type fund, any bond issuance costs are shown as "Debt Service - Bond Issuance Costs". Any premium or discount is included in "Other Financing Sources - Proceeds from Sale of Bonds" on the Statement of Revenues, Expenditures and Changes in Fund Balances. The long-term debt that appears in the general long-term obligations account group would always be reported at the bond's face value.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

R. Total Columns on General Purpose Financial Statements

Total columns on the GPFS are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

The following funds had a deficit fund balance as of December 31, 2000:

<u>Special Revenue Funds:</u>	<u>Deficit Fund Balance</u>
Fire Memorial	\$ 1,008
State Highway Improvements	13,889

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end.

The deficit fund balance in the Fire Memorial special revenue fund is a result of the application of GAAP, namely in the recognition of an interfund loan as a fund liability, rather than as an "other financing source". This deficit will be eliminated by intergovernmental revenues and other resources not recognized at December 31.

The deficit fund balance in the State Highway special revenue fund is a result of the application of GAAP, namely in the recognition of a liability for an amount due to other funds as a result of charges for goods and services rendered. This deficit balance will be eliminated through the collection of intergovernmental revenues and subsidies not recognized at December 31.

B. Compliance

The following funds had appropriations in excess of estimated resources for the year ended December 31, 2000, in noncompliance with Ohio Revised Code Section 5705.39.

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund:</u>			
Fire Memorial	\$ 38,454	\$ 39,576	\$ 1,122
<u>Capital Projects Fund:</u>			
Street/Safety Construction	4,504,377	5,080,000	575,623

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

Monies held by the City are classified by State Statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the City treasury. Active 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.

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

Monies held by the City which are not considered active are classified as inactive. Inactive 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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Cash on Hand: At year-end, the City had \$425 in undeposited cash on hand which is included on the combined balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits: At December 31, 2000, the carrying amount of the City's deposits, which includes cash with fiscal agent and nonnegotiable certificates of deposit, was \$2,714,199 and the bank balance was \$2,849,523. Of the bank balance:

1. \$531,384 was covered by federal deposit insurance; and
2. \$2,318,139 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments: The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name. STAR Ohio (an investment pool operated by the Ohio State Treasurer) and U.S. government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

The following is a listing of investments, by category, as of December 31, 2000:

	Category 3	Fair Value
Federal Agency Securities	\$3,696,955	\$3,696,955
U.S. Treasury Notes	369,509	369,509
	\$4,066,464	
U. S. Government Money Market Mutual Funds		1,025,619
State Treasurer's Investment Pool		293,759
Total Investments		\$5,385,842

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and cash equivalents on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
Per GASB Statement No. 9	\$ 8,020,673	\$ 79,793
Investments of the Cash Management Pool:		
State Treasurer's Investment Pool	(293,759)	293,759
U.S. Government Money Market Mutual Funds	(1,025,619)	1,025,619
U.S. Treasury Notes	(369,509)	369,509
Federal Agency Securities	(3,617,162)	3,617,162
Cash on Hand	<u>(425)</u>	<u>---</u>
Per GASB Statement No. 3	<u>\$ 2,714,199</u>	<u>\$5,385,842</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the City's operating transfers for 2000:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ ---	\$1,522,558
<u>Special Revenue Funds:</u>		
Police Pension	190,000	---
Fire Improvement	490,000	87,278
Community Center	92,700	---
Senior Fund	91,500	---
Fire Capital Reserve	50,000	---
Fire Memorial	9,576	---
Debt Service Fund	286,060	---
<u>Capital Projects Funds:</u>		
Capital Improvements	1,400,000	---
Street/Safety Construction	<u>---</u>	<u>1,000,000</u>
Total	<u>\$2,609,836</u>	<u>\$2,609,836</u>

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund balances at December 31, 2000, related to charges for goods and services rendered, consist of the following amounts due to and from other funds:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$39,857	\$ ---
<u>Special Revenue Fund:</u>		
State Highway Improvements	---	20,411
<u>Agency Fund:</u>		
Mayors Court	---	<u>19,446</u>
Total	<u>\$39,857</u>	<u>\$39,857</u>

C. Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2000, consist of the following individual fund receivables and payables:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$15,000	\$ ---
<u>Special Revenue Fund:</u>		
Fire Memorial	---	<u>15,000</u>
Total	<u>\$15,000</u>	<u>\$15,000</u>

D. The City had the following long-term advances outstanding at December 31, 2000:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$21,936	\$ ---
<u>Enterprise Funds:</u>		
Water	---	12,960
Sewer	---	<u>8,976</u>
Total	<u>\$21,936</u>	<u>\$21,936</u>

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. The Hamilton County Auditor reappraises real property every six years with a triennial update. The last update was completed in the tax year 1996. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20.

The full tax rate applied to real property for the fiscal year ended December 31, 2000 was \$13.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$13.00 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$13.00 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback reductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2000 was \$13.00 per \$1,000 of assessed valuation. The assessed valuation upon which 2000 taxes were collected is as follows:

Residential/Agricultural Real Property	\$ 72,240,940
Commercial/Industrial/Public Utility Real Property	44,463,160
Tangible/Public Utility Personal Property	<u>29,784,470</u>
 Total Assessed Value	 <u>\$146,488,570</u>

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their share of the taxes collected.

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2000 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue".

NOTE 7 - LOCAL INCOME TAX

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000, consisted of income taxes, real estate and other taxes, accounts (billings for user charged services), amounts due from other funds, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the combined balance sheet. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2000, as well as intended to finance fiscal 2000 operations.

A summary of the principal items of receivables follows:

<u>Fund Type/Description</u>	<u>Amount</u>
<u>General Fund:</u>	
Income taxes	\$397,103
Real and other taxes	769,298
Accounts	13,163
Accrued interest	136,508
Due from other governments	36,058
Due from other funds	39,857
 <u>Special Revenue Funds:</u>	
Real and other taxes	815,306
Accounts	289
Due from other governments	54,879
 <u>Capital Projects Funds:</u>	
Real and other taxes	10,656
 <u>Enterprise Funds:</u>	
Accounts	347,970
Due from other governments	5,715

NOTE 9 - FIXED ASSETS

A. Enterprise Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2000, follows:

Land	\$ 485,420
Buildings	4,391,626
Improvements	5,416,382
Machinery and equipment	742,903
Accumulated depreciation	<u>(2,891,826)</u>
Total net fixed assets	<u>\$ 8,144,505</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 9 - FIXED ASSETS - (Continued)

B. General Fixed Assets

A summary of the changes in general fixed assets during 2000 follows:

	<u>Balance at</u> <u>1/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/00</u>
Land	\$ 849,190	\$ ---	\$ ---	\$ 849,190
Buildings	1,970,620	---	---	1,970,620
Improvements other than buildings	30,934	---	---	30,934
Machinery and equipment	<u>2,427,259</u>	<u>310,490</u>	<u>(79,192)</u>	<u>2,658,557</u>
Total fixed assets	<u>\$5,278,003</u>	<u>\$310,490</u>	<u>\$(79,192)</u>	<u>\$5,509,301</u>

NOTE 10 - CONTRIBUTED CAPITAL

The following changes to contributed capital were reported by the City:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance at January 1, 2000	\$490,660	\$757,007	\$1,247,667
Current Contributions	<u>---</u>	<u>---</u>	<u>---</u>
Balance at December 31, 2000	<u>\$490,660</u>	<u>\$757,007</u>	<u>\$1,247,667</u>

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the City entered into capitalized leases for the acquisition of a heavy rescue vehicle, a street sweeper, two police cruisers and a dump truck. During fiscal year 2000, the City entered into a capitalized lease for the acquisition of three police cruisers. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease 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 combined GPFs for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group in the amount of \$311,796. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 totaled \$100,932 in the governmental funds.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

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, 2000:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2001	\$50,132
2002	<u>35,363</u>
Total	85,495
Less: amount representing interest	<u>(7,471)</u>
Present value of net minimum lease payments	<u>\$78,024</u>

NOTE 12 - VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group. Vacation and sick leave earned by proprietary fund type employees is expensed when earned.

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2000, vested benefits for sick leave for governmental fund type employees totaled \$88,099, and vested benefits for vacation leave totaled \$970 (these amounts are reported net of payments made using current available resources which are presented as fund liabilities). For proprietary fund types, vested benefits for sick leave totaled \$19,489. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 13 - LONG-TERM OBLIGATIONS

A. Defeased Debt

The City defeased Water Mortgage Revenue Bonds dated May 16, 1963, May 15, 1970, and May 17, 1974, in the amounts of \$259,000, \$100,000, and \$125,000, respectively.

At the time of the defeasance, funds were deposited with the City's trustee, the Chase Manhattan Trust Company, N. A. (formally the PNC Bank), for the Water and Wastewater Issues. The principal and interest on the investments in these escrow funds are used solely to pay the principal and interest requirements on the mortgage revenue bonds as they come due. As of December 31, 2000, there was \$234,959 of principal and interest on deposit with the Chase Manhattan Trust Company, N.A.

As the money on deposit with the trustee is adequate to service the defeased debt, the City is not required to service any portion of this debt directly. Accordingly, the mortgage revenue debt is not included in the long-term obligations schedule or in the water or wastewater funds' balance sheet at December 31, 2000. Similarly, as no obligation is recorded, neither are the funds held on deposit with the trustee, which will be used to service that obligation.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. General Long-Term Obligations

The City's general long-term obligations at year-end consist of the following:

	<u>Balance at</u> <u>1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/00</u>
<u>General Long-Term Obligations</u>				
Compensated Absences Payable	\$ 84,958	\$ 4,111	\$ ---	\$ 89,069
Accrued Pension Liability	6,047	---	(6,047)	0
Capital Lease Obligations	119,235	59,721	(100,932)	78,024
Bond Anticipation Notes	3,978,000	---	(3,978,000)	0
General Obligation Bonds	<u>0</u>	<u>3,360,000</u>	<u>(50,000)</u>	<u>3,310,000</u>
Total General Long-Term Obligations	<u>\$4,188,240</u>	<u>\$3,423,832</u>	<u>\$(4,134,979)</u>	<u>\$3,477,093</u>

Compensated Absences: Sick leave and vacation benefits are presented net of actual increases and decreases because of the practicality of determining these values. Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employee's salaries are paid.

Accrued Pension Liability: During fiscal year 2000, the City retired its police pension liability by taking advantage of a \$1,436 discount and making a payment of \$4,611 to the Ohio Police and Fire Pension Fund. This liability was paid from taxes received into the Police Pension special revenue fund.

Capital Lease Obligations: This amount represents the present value of the future minimum lease payments for capital leases entered into by the City. Capital lease obligations will be paid from the governmental fund which benefitted from the transaction.

Bond Anticipation Notes: On December 9, 1999, the City issued \$3,978,000 in bond anticipation notes for the purpose of paying the cost of constructing various improvements related to roads and safety in the City and to retire prior obligations used for City improvements. These notes had an annual interest rate of 4.63% and matured on June 15, 2000. The bond anticipation notes were retired with the proceeds from the City's general obligation bonds which were issued on June 1, 2000.

General Obligation Bonds: On June 1, 2000, the City issued \$3,360,000 in general obligation bonds. The proceeds of these bonds will be used to provide long term financing of various construction improvements related to roads and safety in the City. These bonds have annual interest rates ranging from 4.850% to 5.950% and mature in fiscal year 2020. During 2000, the City made \$50,000 and \$92,800 in principal and interest payments, respectively, on the general obligation bonds.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the City's future annual debt service requirements to maturity for the general obligation bonds:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 105,000	\$ 183,375	\$ 288,375
2002	110,000	178,230	288,230
2003	115,000	172,730	287,730
2004	120,000	166,923	286,923
2005	130,000	160,803	290,803
2006-2010	745,000	696,138	1,441,138
2011-2015	975,000	468,825	1,443,825
2016-2019	<u>1,010,000</u>	<u>153,475</u>	<u>1,163,475</u>
Total	<u>\$3,310,000</u>	<u>\$2,180,499</u>	<u>\$5,490,499</u>

C. Enterprise Fund Obligations

The City had the following general obligation bonds and long-term loans payable outstanding at year-end related to enterprise fund operations:

	<u>Interest Rates</u>	<u>Balance at 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/00</u>
<u>General Obligation Bonds</u>					
Water System Improvements - 1975	6.75%	\$ 5,000	\$ ---	\$ (5,000)	\$ 0
Water System Improvements - 1995	5.40%	<u>255,000</u>	<u>---</u>	<u>(55,000)</u>	<u>200,000</u>
Total General Obligation Bonds		<u>\$ 260,000</u>	<u>\$ ---</u>	<u>\$ (60,000)</u>	<u>\$ 200,000</u>
<u>Mortgage Revenue Bonds</u>					
Water System Improvements - 1992	3.5-6.0%	\$ 500,000	\$ ---	\$ (65,000)	\$ 435,000
Sewer System Improvements - 1993	2.85-5.4%	<u>3,300,000</u>	<u>---</u>	<u>(140,000)</u>	<u>3,160,000</u>
Total Mortgage Revenue Bonds		<u>\$3,800,000</u>	<u>\$ ---</u>	<u>\$(205,000)</u>	<u>\$3,595,000</u>
<u>Real Estate Revenue Bonds</u>					
Water System Improvements - 1998	4.75%	<u>\$ 213,000</u>	<u>\$ ---</u>	<u>\$ (71,000)</u>	<u>\$ 142,000</u>
<u>OPWC Loans</u>					
OPWC Loan - Transmission Lines	3.00%	\$ 218,680	\$ ---	\$ (21,506)	\$ 197,174
OPWC Loan - Reservoir	3.00%	<u>410,596</u>	<u>---</u>	<u>(37,958)</u>	<u>372,638</u>
Total OPWC Loans		<u>\$ 629,276</u>	<u>\$ ---</u>	<u>\$ (59,464)</u>	<u>\$ 569,812</u>
Total Enterprise Fund Obligations		<u>\$4,902,276</u>	<u>\$ ---</u>	<u>\$(395,464)</u>	<u>\$4,506,812</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The general obligation bonds, mortgage revenue bonds and real estate revenue bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

Improvements to the City's water treatment facilities were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2000, the City has two loans outstanding through the OPWC. The loans are payable in semi-annual installments of principal and interest.

The following is a summary of the City's future annual debt service principal and interest requirements for enterprise fund obligations:

Year Ended	General Obligation Bonds			Mortgage Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 45,000	\$10,635	\$ 55,635	\$ 215,000	\$ 185,148	\$ 400,148
2002	40,000	8,250	48,250	230,000	174,480	404,480
2003	40,000	6,130	46,130	250,000	162,963	412,963
2004	40,000	4,010	44,010	265,000	150,023	415,023
2005	35,000	1,890	36,890	280,000	136,179	416,179
Thereafter	---	---	---	2,355,000	735,902	3,090,902
Total	<u>\$200,000</u>	<u>\$30,915</u>	<u>\$230,915</u>	<u>\$3,595,000</u>	<u>\$1,544,695</u>	<u>\$5,139,695</u>

Year Ended	Real Estate Revenue Bonds			OPWC Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 71,000	\$ 6,745	\$ 77,745	\$ 61,261	\$16,638	\$ 77,899
2002	71,000	3,373	74,373	63,112	14,787	77,899
2003	---	---	---	65,020	12,879	77,899
2004	---	---	---	66,985	10,914	77,899
2005	---	---	---	69,010	8,889	77,899
Thereafter	---	---	---	244,424	14,269	258,693
Total	<u>\$142,000</u>	<u>\$10,118</u>	<u>\$152,118</u>	<u>\$569,812</u>	<u>\$78,376</u>	<u>\$648,188</u>

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers for water operations, sewer operations, sanitation services, and waste/sewer deposits. Segment information for the year ended December 31, 2000, is as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation</u>	<u>Deposit Fund</u>	<u>Total</u>
Operating revenues	\$1,029,588	\$1,117,037	\$ 231,571	\$ 1,900	\$ 2,380,096
Operating expenses before depreciation	448,412	549,785	211,926	101	1,210,224
Depreciation expense	92,632	138,738	---	---	231,370
Operating income	488,544	428,514	19,645	1,799	938,502
Net income	486,261	363,058	31,294	1,799	882,412
Additions to property, plant and equipment	390,904	166,609	---	---	557,513
Operating grants	---	---	11,649	---	11,649
Net working capital	752,795	1,580,899	120,055	24,772	2,478,521
Total assets	4,430,222	7,346,886	139,986	24,772	11,941,866
Bonds and other long term liabilities payable from operating revenues	1,346,812	3,160,000	---	---	4,506,812
Total liabilities	1,499,409	3,241,697	19,931	---	4,761,037
Contributed capital	490,660	757,007	---	---	1,247,667
Total equity	2,930,813	4,105,189	120,055	24,772	7,180,829

NOTE 15 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2000, the City was insured through Arthur J. Gallagher & Co. All coverages were underwritten by Coregis Insurance Co. The City maintains a Management Committee of department directors and Loss Control Guidelines are followed.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 15 - RISK MANAGEMENT - (Continued)

B. Employee Health Insurance

For the period January 1, 2000 through September 1, 2000, the City provided employees health insurance through the Buckeye Ohio Risk Management Agency, Inc. (BORMA). BORMA is a joint insurance pool consisting of thirteen member cities. The premiums for health insurance were paid monthly with the City paying one hundred percent of the cost.

Effective September 1, 2000, the City switched from BORMA to commercial carriers for employee health, dental, accident and life insurance. The change in coverage was the result of the Law Director's opinion that the three unions within the City's employment (if all three unions could agree) had the right to choose their own insurance carrier. An Insurance committee was formed to review the concerns of the employees. The committee and the unions agreed to change health insurance coverage to United Health Care for medical insurance; Humana Insurance for dental insurance; and Fortis for accident and life insurance. The broker for the City of Harrison is Sherrill D. Morgan Agency. Since the City's group has less than 100 subscribers, no experience data is provided.

The premiums for health, dental, accident and life insurance are paid monthly with the City paying one hundred percent of the cost. The entire risk of loss transfers to the commercial carriers.

C. Workers' Compensation

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City is a member of the Ohio Municipal Treasurers' Association Workers' Compensation Group. This group is composed of twenty cities and the City's rate is based on the entire group's accident history and administrative costs. The benefit of belonging to this group is a reduction in premiums paid to the Ohio Bureau of Workers' Compensation. The administrator of the "pool" is Acordia of Northeast Ohio.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance converge in any of the past three fiscal years.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All City full-time employees, other than uniformed employees, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2000 was 8.5 percent for employees other than law enforcement. Law enforcement employees contribute 9.0 percent of covered salary. The PERS Retirement Board instituted a temporary employees contribution rate rollback for calendar year 2000. The rate rollback was 20% for local government divisions and 6% for law enforcement divisions. The employer contribution rate for employees other than law enforcement was 10.84 percent of covered payroll; 6.54 percent was the portion used to fund pension obligations for 2000. The employer contribution rate for law enforcement employees was 15.70 percent of covered payroll; 11.40 percent was the portion used to fund pension obligations for 2000. The City's contributions for pension obligations to the PERS for the years ended December 31, 2000, 1999, and 1998 were \$157,176, \$149,090, and \$91,299, respectively; 93 percent has been contributed for 2000 and 100 percent for 1999 and 1998. \$12,407, representing the unpaid contribution for 2000, is recorded as a liability within the general fund.

B. Ohio Police and Fire Pension Fund (OP&F)

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The 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 Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The City's contributions for pension obligations to the OP&F for the years ended December 31, 2000, 1999, and 1998 were \$341,451, \$318,590, and \$301,473, respectively; 74 percent has been contributed for 2000 and 100 percent for the years 1999 and 1998. \$90,929, representing the unpaid contributions for 2000, is recorded as a liability within the Police Pension and Fire Improvement Special Revenue Funds.

NOTE 17 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Public Employees Retirement System

PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for the year 2000. The 2000 employer contribution rate for local government employers was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care. The law enforcement employer rate for 2000 was 15.70% of covered payroll; 4.30% was the portion used to fund health care.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - (Continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The City's contribution actually made to fund postemployment benefits was \$62,348.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

As of December 31, 1999 (the latest information available), the unaudited estimated net assets available for future OPEB payments were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively, at December 31, 1999 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 1999 (the latest information available), was 401,339.

During 2000, the PERS Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

Additional information on the PERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the PERS December 31, 2000, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers." The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.0 percent and 7.25 percent of covered payroll in 1999 and 2000, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 17 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - (Continued)

The number of participants eligible to receive health care benefits as of December 31, 1999 (the latest information available), is 12,467 for police officers and 9,807 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers and firefighters were \$68,549 and \$45,461, respectively. OP&F's total health care expenses for the year ending December 31, 1999 (the latest information available), was \$95.005 million which was net of member contributions of \$5.518 million.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

The City's budgetary process is based upon accounting for transactions on a cash basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and the expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the City reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis is as follows:

**EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER/(UNDER) EXPENDITURES AND OTHER USES**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget Basis	\$ 88,449	\$(133,004)	\$ 0	\$(2,599,753)
Adjustments:				
Net Adjustment for Revenue Accruals	106,074	11,723	---	(2,492)
Net Adjustment for Expenditure Accruals	(102,055)	(28,646)	632,767	(23,138)
Net adjustment for Other Financing Sources/ (Uses) Accruals	74,722	(15,000)	(632,767)	---
Encumbrances	<u>41,675</u>	<u>42,723</u>	<u>---</u>	<u>2,202,864</u>
GAAP Basis	<u>\$ 208,865</u>	<u>\$(122,204)</u>	<u>\$ 0</u>	<u>\$ (422,519)</u>

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2000.

B. Litigation

There are lawsuits pending against the City. In the opinion of the City's management, any potential liability would not have a material effect on the financial statements.

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**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**

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CITY OF HARRISON, OHIO

GENERAL FUND

The general fund is used to account for all financial resources of the City except as required to be accounted for in another fund. The major revenue sources are municipal income taxes, property taxes, investment earnings and state and local government fund receipts. It is the operating fund of the City.

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Income taxes	\$2,453,825	\$2,518,540	\$64,715
Property and other taxes	782,988	758,804	(24,184)
Charges for service	175	3,415	3,240
Licenses, permits and fees	73,100	92,818	19,718
Fines and forfeitures	231,100	217,693	(13,407)
Intergovernmental	343,509	375,943	32,434
Investment income	85,000	93,227	8,227
Other	21,014	60,364	39,350
Total revenues	<u>3,990,711</u>	<u>4,120,804</u>	<u>130,093</u>
Expenditures:			
Current:			
General government:			
Planning commission			
Personal services	4,936	3,495	1,441
Materials and supplies.	700	253	447
Total planning commission.	<u>5,636</u>	<u>3,748</u>	<u>1,888</u>
Income tax			
Personal services	96,547	93,075	3,472
Contractual services	27,160	16,352	10,808
Materials and supplies.	8,100	8,077	23
Other	55,400	53,835	1,565
Capital outlay	4,000	2,359	1,641
Total income tax	<u>191,207</u>	<u>173,698</u>	<u>17,509</u>
Mayor			
Personal services	26,834	26,705	129
Contractual services	9,000	1,655	7,345
Materials and supplies.	7,900	7,239	661
Capital outlay	7,000	5,015	1,985
Total mayor.	<u>50,734</u>	<u>40,614</u>	<u>10,120</u>
Council			
Personal services	51,981	50,135	1,846
Contractual services	87,644	71,523	16,121
Materials and supplies.	1,600	1,089	511
Other	1,000	726	274
Total council	<u>142,225</u>	<u>123,473</u>	<u>18,752</u>
Finance			
Personal services	61,856	60,789	1,067
Contractual services	106,982	101,003	5,979
Materials and supplies.	3,450	2,804	646
Other	3,538	3,451	87
Capital outlay	1,400	1,395	5
Total finance	<u>177,226</u>	<u>169,442</u>	<u>7,784</u>

Continued

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Custodian			
Personal services	\$39,433	\$36,795	\$2,638
Materials and supplies.	150	30	120
Total custodian	<u>39,583</u>	<u>36,825</u>	<u>2,758</u>
Civil service			
Personal services	4,654	4,043	611
Materials and supplies.	3,150	2,654	496
Other.	50	0	50
Total civil service.	<u>7,854</u>	<u>6,697</u>	<u>1,157</u>
Law director			
Personal services	54,283	53,127	1,156
Contractual services	53,494	51,355	2,139
Materials and supplies.	550	288	262
Total law director.	<u>108,327</u>	<u>104,770</u>	<u>3,557</u>
Administration coordinator			
Personal services	55,454	55,206	248
Contractual services	4,950	2,916	2,034
Materials and supplies.	1,900	871	1,029
Other	1,600	509	1,091
Total administration coordinator	<u>63,904</u>	<u>59,502</u>	<u>4,402</u>
Elections			
Contractual services	4,000	3,602	398
Total elections	<u>4,000</u>	<u>3,602</u>	<u>398</u>
Storm sewers and drainage			
Contractual services	1,000	474	526
Total storm sewers and drainage	<u>1,000</u>	<u>474</u>	<u>526</u>
Total general government.	<u>791,696</u>	<u>722,845</u>	<u>68,851</u>
Security of persons and property:			
Law enforcement			
Personal services	1,352,903	1,341,330	11,573
Contractual services	247,048	204,943	42,105
Materials and supplies.	46,177	43,040	3,137
Other	15,281	14,958	323
Capital outlay	27,000	26,744	256
Total law enforcement	<u>1,688,409</u>	<u>1,631,015</u>	<u>57,394</u>
Street lighting			
Contractual services	48,000	42,944	5,056
Total street lighting	<u>48,000</u>	<u>42,944</u>	<u>5,056</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Civil defense			
Contractual services	4,459	2,954	1,505
Total civil defense.	<u>4,459</u>	<u>2,954</u>	<u>1,505</u>
 Total security of persons and property .	 <u>1,740,868</u>	 <u>1,676,913</u>	 <u>63,955</u>
 Public health and welfare:			
Board of health			
Contractual services	7,900	7,731	169
Total board of health	<u>7,900</u>	<u>7,731</u>	<u>169</u>
 Total public health and welfare. . . .	 <u>7,900</u>	 <u>7,731</u>	 <u>169</u>
 Community environment:			
Building department			
Personal services	48,000	23,312	24,688
Materials and supplies.	5,579	4,196	1,383
Total building department	<u>53,579</u>	<u>27,508</u>	<u>26,071</u>
 Zoning department			
Personal services	10,791	8,869	1,922
Materials and supplies.	900	718	182
Total zoning department	<u>11,691</u>	<u>9,587</u>	<u>2,104</u>
 Total community environment.	 <u>65,270</u>	 <u>37,095</u>	 <u>28,175</u>
 Leisure time activity:			
Parks and recreation			
Personal services	14,935	12,016	2,919
Contractual services	55,657	30,352	25,305
Materials and supplies.	1,500	350	1,150
Capital outlay	8,000	7,494	506
Total parks and recreation	<u>80,092</u>	<u>50,212</u>	<u>29,880</u>
 Total leisure time activity	 <u>80,092</u>	 <u>50,212</u>	 <u>29,880</u>
 Debt service:			
Principal retirement.	480,000	480,000	0
Total debt service	<u>480,000</u>	<u>480,000</u>	<u>0</u>
 Total expenditures	 <u>3,165,826</u>	 <u>2,974,796</u>	 <u>191,030</u>
 Excess (deficiency) of revenues over (under) expenditures.	 <u>\$824,885</u>	 <u>\$1,146,008</u>	 <u>\$321,123</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Other financing sources (uses):			
Proceeds from sale of bonds.	\$480,000	\$480,000	\$0
Operating transfers out	(1,522,559)	(1,522,559)	0
Advances out	(15,000)	(15,000)	0
Total other financing sources (uses) . . .	<u>(1,057,559)</u>	<u>(1,057,559)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses. .	(232,674)	88,449	321,123
Fund balance, January 1	711,422	711,422	0
Prior year encumbrances appropriated .	61,548	61,548	0
Fund balance, December 31.	<u>\$540,296</u>	<u>\$861,419</u>	<u>\$321,123</u>

CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

To account for revenues generated from license and gasoline taxes to be used on local roads within the City.

State Highway Improvements

To account for revenues generated from license and gasoline taxes to be used on State highways located within the City.

Fire Memorial

To account for donations received by the Fire Department. These monies may be used at the discretion of the Fire Chief.

Fire Improvement

To account for voted levies, property taxes, and contracts that relate to the operation of the fire department.

Police Pension

To account for property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

Enforcement and Education

To account 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 Fund

To account for a grant received to make repairs at the wastewater treatment plant.

Police Memorial

To account for donations received by the Police Department. These monies may be used at the discretion of the Police Chief.

Senior Fund

To account 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

To account for the funds received from the Council on Aging of Southwestern Ohio.

Community Center

To account for the 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

To account for transfers from the Fire Department Fund to be used for capital improvement purchases.

Drug Law Enforcement Trust

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

CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

To account for monies received from the Federal Law Enforcement agencies designated for law enforcement purposes under Ohio Revised Code.

Federal Adoption Seizure

To account for revenues received from seizures of Federal drug cases. These funds may be used at the discretion of the Police Chief.

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2000**

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvements</u>	<u>Fire Memorial</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$175,063	\$5,590	\$13,737
Receivables (net of allowances for uncollectibles):			
Taxes			
Accounts			255
Due from other governments	17,862	932	
Prepayments.	3,455		
Materials and supplies inventory	4,961		
Total assets	<u><u>201,341</u></u>	<u><u>6,522</u></u>	<u><u>13,992</u></u>
Liabilities:			
Accounts payable	6,098		
Accrued wages and benefits	3,360		
Compensated absences payable	629		
Deferred revenue.			
Interfund loan payable			15,000
Due to other governments	6,853		
Due to other funds		20,411	
Total liabilities	<u><u>16,940</u></u>	<u><u>20,411</u></u>	<u><u>15,000</u></u>
Fund Equity:			
Reserved for encumbrances	5,668		
Reserved for prepayments.	3,455		
Reserved for materials and supplies inventory	4,961		
Unreserved:			
Undesignated.	170,317	(13,889)	(1,008)
Total fund equity	<u><u>184,401</u></u>	<u><u>(13,889)</u></u>	<u><u>(1,008)</u></u>
Total liabilities and fund equity.	<u><u>\$201,341</u></u>	<u><u>\$6,522</u></u>	<u><u>\$13,992</u></u>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$160,829	\$75,977	\$12,783	\$1,218	\$752
774,817	40,489			
12,709		185		
9,870				
<u>958,225</u>	<u>116,466</u>	<u>12,968</u>	<u>1,218</u>	<u>752</u>
12,400				
18,422				
983				
774,817	40,489			
67,528	49,585			
<u>874,150</u>	<u>90,074</u>			
17,776				
9,870				
56,429	26,392	12,968	1,218	752
84,075	26,392	12,968	1,218	752
<u>\$958,225</u>	<u>\$116,466</u>	<u>\$12,968</u>	<u>\$1,218</u>	<u>\$752</u>

Continued

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2000

	<u>Senior Fund</u>	<u>Passport Account</u>	<u>Community Center</u>
Assets:			
Equity in pooled cash and cash equivalents	\$63,800	\$19,805	\$31,350
Receivables (net of allowances for uncollectibles):			
Taxes			
Accounts	34		
Due from other governments	15,949	357	6,885
Prepayments.	198		2,347
Materials and supplies inventory	362		789
Total assets	<u>80,343</u>	<u>20,162</u>	<u>41,371</u>
Liabilities:			
Accounts payable	4,000		3,169
Accrued wages and benefits	1,568		792
Compensated absences payable	175		230
Deferred revenue.			
Interfund loan payable			
Due to other governments	3,212		1,911
Due to other funds			
Total liabilities	<u>8,955</u>	<u> </u>	<u>6,102</u>
Fund Equity:			
Reserved for encumbrances	4,267		6,702
Reserved for prepayments.	198		2,347
Reserved for materials and supplies inventory	362		789
Unreserved:			
Undesignated.	66,561	20,162	25,431
Total fund equity	<u>71,388</u>	<u>20,162</u>	<u>35,269</u>
Total liabilities and fund equity	<u>\$80,343</u>	<u>\$20,162</u>	<u>\$41,371</u>

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Totals
\$180,435	\$5,587	\$2,058	\$66	\$749,050
				815,306
				289
				54,879
				15,870
				6,112
<u>180,435</u>	<u>5,587</u>	<u>2,058</u>	<u>66</u>	<u>1,641,506</u>
				25,667
				24,142
				2,017
				815,306
				15,000
				129,089
				20,411
				<u>1,031,632</u>
				34,413
				15,870
				6,112
<u>180,435</u>	<u>5,587</u>	<u>2,058</u>	<u>66</u>	<u>553,479</u>
<u>180,435</u>	<u>5,587</u>	<u>2,058</u>	<u>66</u>	<u>609,874</u>
<u>\$180,435</u>	<u>\$5,587</u>	<u>\$2,058</u>	<u>\$66</u>	<u>\$1,641,506</u>

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvements</u>	<u>Fire Memorial</u>
Revenues:			
Property and other taxes	\$58,016		
Charges for services			
Licenses, permits and fees.	435		
Intergovernmental	215,579	\$17,523	
Investment income.	15,446		
Other.	6,103		\$12,159
Total revenues	<u>295,579</u>	<u>17,523</u>	<u>12,159</u>
Expenditures:			
Current:			
Security of persons and property.			1,140
Public health and welfare.			
Transportation	315,436	12,138	
Leisure time activity			
Capital outlay	4,683		37,430
Debt service:			
Principal retirement.			
Interest and fiscal charges			
Total expenditures.	<u>320,119</u>	<u>12,138</u>	<u>38,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,540)</u>	<u>5,385</u>	<u>(26,411)</u>
Other financing sources (uses):			
Proceeds from sale of bonds			
Operating transfers in.			9,576
Operating transfers out			
Total other financing sources (uses).			<u>9,576</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	(24,540)	5,385	(16,835)
Fund balances, January 1.	215,487	(19,274)	15,827
Increase (decrease) in reserve for inventory. . .	(6,546)		
Fund balances, December 31	<u>\$184,401</u>	<u>(\$13,889)</u>	<u>(\$1,008)</u>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$700,476	\$39,577			
131,064				
75,286	4,474	\$843		
27,530				
13,146				\$25
<u>947,502</u>	<u>44,051</u>	<u>843</u>		<u>25</u>
1,412,061	199,897	3,165		
65,994				
450,000	4,611			
<u>1,928,055</u>	<u>204,508</u>	<u>3,165</u>		
<u>(980,553)</u>	<u>(160,457)</u>	<u>(2,322)</u>		<u>25</u>
450,000				
490,000	190,000			
(87,278)				
<u>852,722</u>	<u>190,000</u>			
(127,831)	29,543	(2,322)		25
211,906	(3,151)	15,290	\$1,218	727
<u>\$84,075</u>	<u>\$26,392</u>	<u>\$12,968</u>	<u>\$1,218</u>	<u>\$752</u>

Continued

CITY OF HARRISON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Senior Fund	Passport Account	Community Center
Revenues:			
Property and other taxes			
Charges for services	\$13,846	\$1,219	\$46,858
Licenses, permits and fees			
Intergovernmental	135,704	6,985	
Investment income			
Other	1,948		801
Total revenues	151,498	8,204	47,659
Expenditures:			
Current:			
Security of persons and property			
Public health and welfare	220,285	3,854	
Transportation			
Leisure time activity			120,137
Capital outlay			14,780
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total expenditures	220,285	3,854	134,917
Excess (deficiency) of revenues over (under) expenditures	(68,787)	4,350	(87,258)
Other financing sources (uses):			
Proceeds from sale of bonds			
Operating transfers in	91,500		92,700
Operating transfers out			
Total other financing sources (uses)	91,500		92,700
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	22,713	4,350	5,442
Fund balances, January 1	48,451	15,812	29,769
Increase (decrease) in reserve for inventory	224		58
Fund balances, December 31	\$71,388	\$20,162	\$35,269

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Totals
				\$798,069
				192,987
				435
\$7,213	\$6,995	\$798		464,187
				50,189
				34,182
<u>7,213</u>	<u>6,995</u>	<u>798</u>		<u>1,540,049</u>
				1,616,263
				224,139
				327,574
32,564	17,727	624	\$30	120,137
				173,832
30,382				484,993
1,813				1,813
<u>64,759</u>	<u>17,727</u>	<u>624</u>	<u>30</u>	<u>2,948,751</u>
<u>(57,546)</u>	<u>(10,732)</u>	<u>174</u>	<u>(30)</u>	<u>(1,408,702)</u>
				450,000
50,000				923,776
				(87,278)
<u>50,000</u>				<u>1,286,498</u>
<u>(7,546)</u>	<u>(10,732)</u>	<u>174</u>	<u>(30)</u>	<u>(122,204)</u>
187,981	16,319	1,884	96	738,342
				(6,264)
<u>\$180,435</u>	<u>\$5,587</u>	<u>\$2,058</u>	<u>\$66</u>	<u>\$609,874</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$58,000	\$58,016	\$16
Licenses, permits and fees	200	435	235
Intergovernmental	215,400	219,772	4,372
Investment income	15,400	15,446	46
Other	3,000	3,905	905
Total revenues	<u>292,000</u>	<u>297,574</u>	<u>5,574</u>
Expenditures:			
Current:			
Transportation			
Personal services	239,272	224,553	14,719
Contractual services	37,141	30,151	6,990
Materials and supplies	68,320	56,960	11,360
Other	1,550	285	1,265
Capital outlay:			
Capital outlay	12,000	4,683	7,317
Total expenditures	<u>358,283</u>	<u>316,632</u>	<u>41,651</u>
Excess (deficiency) of revenues over (under) expenditures	(66,283)	(19,058)	47,225
Fund balance, January 1	183,732	183,732	0
Prior year encumbrances appropriated . .	4,274	4,274	0
Fund balance, December 31.	<u>\$121,723</u>	<u>\$168,948</u>	<u>\$47,225</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$17,300	\$17,819	\$519
Total revenues	<u>17,300</u>	<u>17,819</u>	<u>519</u>
Expenditures:			
Current:			
Transportation			
Personal services	10,000	10,000	0
Materials and supplies.	5,195	2,229	2,966
Total expenditures	<u>15,195</u>	<u>12,229</u>	<u>2,966</u>
Excess (deficiency) of revenues over (under) expenditures	2,105	5,590	3,485
Fund balance (deficit), January 1.	(195)	(195)	0
Prior year encumbrances appropriated . .	195	195	0
Fund balance, December 31.	<u>\$2,105</u>	<u>\$5,590</u>	<u>\$3,485</u>

CITY OF HARRISON, OHIO

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

FIRE MEMORIAL

FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	<u>\$13,424</u>	<u>\$12,004</u>	<u>(\$1,420)</u>
Total revenues	<u>13,424</u>	<u>12,004</u>	<u>(1,420)</u>
Expenditures:			
Current:			
Security of persons and property			
Other	2,500	1,325	1,175
Capital outlay:			
Capital outlay	<u>37,534</u>	<u>37,430</u>	<u>104</u>
Total expenditures	<u>40,034</u>	<u>38,755</u>	<u>1,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,610)</u>	<u>(26,751)</u>	<u>(141)</u>
Other financing sources:			
Advances in	0	15,000	15,000
Operating transfers in	<u>9,576</u>	<u>9,576</u>	<u>0</u>
Total other financing sources	<u>9,576</u>	<u>24,576</u>	<u>15,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(17,034)</u>	<u>(2,175)</u>	<u>14,859</u>
Fund balance, January 1	15,454	15,454	0
Prior year encumbrances appropriated	458	458	0
Fund balance (deficit), December 31	<u><u>(\$1,122)</u></u>	<u><u>\$13,737</u></u>	<u><u>\$14,859</u></u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE IMPROVEMENT
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$724,939	\$700,476	(\$24,463)
Charges for services	182,900	131,064	(51,836)
Intergovernmental	74,333	75,286	953
Investment income	27,000	27,530	530
Other	6,050	513	(5,537)
Total revenues	<u>1,015,222</u>	<u>934,869</u>	<u>(80,353)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	1,181,947	1,135,580	46,367
Contractual services	197,394	195,719	1,675
Materials and supplies	69,186	63,628	5,558
Other	11,261	10,945	316
Capital outlay:			
Capital outlay	78,280	73,976	4,304
Debt service:			
Principal retirement	450,000	450,000	0
Total expenditures	<u>1,988,068</u>	<u>1,929,848</u>	<u>58,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(972,846)</u>	<u>(994,979)</u>	<u>(22,133)</u>
Other financing sources (uses):			
Proceeds from sale of bonds	450,000	450,000	0
Operating transfers in	490,000	490,000	0
Operating transfers out	(87,278)	(87,278)	0
Total other financing sources (uses)	<u>852,722</u>	<u>852,722</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(120,124)</u>	<u>(142,257)</u>	<u>(22,133)</u>
Fund balance, January 1	258,326	258,326	0
Prior year encumbrances appropriated	19,739	19,739	0
Fund balance, December 31	<u>\$157,941</u>	<u>\$135,808</u>	<u>(\$22,133)</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$39,732	\$39,577	(\$155)
Intergovernmental	4,488	4,474	(14)
Total revenues	<u>44,220</u>	<u>44,051</u>	<u>(169)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	201,400	200,284	1,116
Contractual services	576	519	57
Total expenditures	<u>201,976</u>	<u>200,803</u>	<u>1,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(157,756)</u>	<u>(156,752)</u>	<u>1,004</u>
Other financing sources (uses):			
Operating transfers in	190,666	190,000	(666)
Total other financing sources (uses)	<u>190,666</u>	<u>190,000</u>	<u>(666)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	32,910	33,248	338
Fund balance, January 1	42,729	42,729	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u>\$75,639</u>	<u>\$75,977</u>	<u>\$338</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,500	\$658	(\$842)
Total revenues	<u>1,500</u>	<u>658</u>	<u>(842)</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies	3,200	2,809	391
Other	<u>1,800</u>	<u>356</u>	<u>1,444</u>
Total expenditures	<u>5,000</u>	<u>3,165</u>	<u>1,835</u>
Excess (deficiency) of revenues over (under) expenditures	(3,500)	(2,507)	993
Fund balance, January 1	15,290	15,290	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$11,790</u></u>	<u><u>\$12,783</u></u>	<u><u>\$993</u></u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Security of persons and property			
Other	\$1,218	\$0	\$1,218
Total expenditures	<u>1,218</u>	<u>0</u>	<u>1,218</u>
Excess (deficiency) of revenues over (under) expenditures	(1,218)	0	1,218
Fund balance, January 1	1,218	1,218	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$0</u></u>	<u><u>\$1,218</u></u>	<u><u>\$1,218</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	250	\$25	(\$225)
Total revenues	<u>250</u>	<u>25</u>	<u>(225)</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies	500	0	500
Total expenditures	<u>500</u>	<u>0</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	(250)	25	275
Fund balance, January 1	727	727	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$477</u>	<u>\$752</u>	<u>\$275</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$16,500	\$13,898	(\$2,602)
Intergovernmental	131,955	135,079	3,124
Other	<u>400</u>	<u>687</u>	<u>287</u>
Total revenues	<u>148,855</u>	<u>149,664</u>	<u>809</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services	144,799	121,443	23,356
Contractual services	70,725	65,219	5,506
Materials and supplies	53,245	45,502	7,743
Capital outlay	2,668	588	2,080
Other	<u>1,525</u>	<u>586</u>	<u>939</u>
Total expenditures	<u>272,962</u>	<u>233,338</u>	<u>39,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,107)</u>	<u>(83,674)</u>	<u>40,433</u>
Other financing sources (uses):			
Operating transfers in	91,500	91,500	0
Total other financing sources (uses)	<u>91,500</u>	<u>91,500</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(32,607)</u>	<u>7,826</u>	<u>40,433</u>
Fund balance, January 1	45,251	45,251	0
Prior year encumbrances appropriated	6,337	6,337	0
Fund balance, December 31.	<u><u>\$18,981</u></u>	<u><u>\$59,414</u></u>	<u><u>\$40,433</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PASSPORT ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Charges for services	\$3,937	\$862	(\$3,075)
Intergovernmental	11,000	8,228	(2,772)
Total revenues	<u>14,937</u>	<u>9,090</u>	<u>(5,847)</u>
Expenditures:			
Current:			
Public health and welfare			
Materials and supplies	15,573	4,892	10,681
Total expenditures	<u>15,573</u>	<u>4,892</u>	<u>10,681</u>
Excess (deficiency) of revenues over (under) expenditures	(636)	4,198	4,834
Fund balance, January 1	14,949	14,949	0
Prior year encumbrances appropriated . .	658	658	0
Fund balance, December 31.	<u>\$14,971</u>	<u>\$19,805</u>	<u>\$4,834</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$49,727	\$47,566	(\$2,161)
Other	<u>100</u>	<u>0</u>	<u>(100)</u>
Total revenues	<u>49,827</u>	<u>47,566</u>	<u>(2,261)</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	83,040	68,624	14,416
Contractual services	52,055	47,864	4,191
Materials and supplies.	11,765	8,533	3,232
Capital outlay:			
Capital outlay	<u>15,000</u>	<u>14,780</u>	<u>220</u>
Total expenditures	<u>161,860</u>	<u>139,801</u>	<u>22,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,033)</u>	<u>(92,235)</u>	<u>19,798</u>
Other financing sources (uses):			
Operating transfers in	<u>92,700</u>	<u>92,700</u>	<u>0</u>
Total other financing sources (uses)	<u>92,700</u>	<u>92,700</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(19,333)</u>	<u>465</u>	<u>19,798</u>
Fund balance, January 1	22,824	22,824	0
Prior year encumbrances appropriated	860	860	0
Fund balance, December 31.	<u>\$4,351</u>	<u>\$24,149</u>	<u>\$19,798</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL RESERVE
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Investment income	8,000	\$7,213	(\$787)
Total revenues	<u>8,000</u>	<u>7,213</u>	<u>(787)</u>
Expenditures:			
Capital outlay:			
Capital outlay	66,194	64,759	1,435
Total expenditures	<u>66,194</u>	<u>64,759</u>	<u>1,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,194)</u>	<u>(57,546)</u>	<u>648</u>
Other financing sources (uses):			
Operating transfers in	50,000	50,000	0
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(8,194)</u>	<u>(7,546)</u>	<u>648</u>
Fund balance, January 1	187,981	187,981	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$179,787</u></u>	<u><u>\$180,435</u></u>	<u><u>\$648</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$14,000</u>	<u>\$6,995</u>	<u>(\$7,005)</u>
Total revenues	<u>14,000</u>	<u>6,995</u>	<u>(7,005)</u>
Expenditures:			
Capital outlay:			
Capital outlay	<u>18,225</u>	<u>17,952</u>	<u>273</u>
Total expenditures	<u>18,225</u>	<u>17,952</u>	<u>273</u>
Excess (deficiency) of revenues over (under) expenditures	(4,225)	(10,957)	(6,732)
Fund balance, January 1	16,319	16,319	0
Prior year encumbrances appropriated . .	<u>225</u>	<u>225</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$12,319</u></u>	<u><u>\$5,587</u></u>	<u><u>(\$6,732)</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,000	\$798	(\$2,202)
Total revenues	<u>3,000</u>	<u>798</u>	<u>(2,202)</u>
Expenditures:			
Capital outlay:			
Capital outlay	2,100	624	1,476
Total expenditures	<u>2,100</u>	<u>624</u>	<u>1,476</u>
Excess (deficiency) of revenues over (under) expenditures	900	174	(726)
Fund balance, January 1	1,884	1,884	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$2,784</u></u>	<u><u>\$2,058</u></u>	<u><u>(\$726)</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL ADOPTION SEIZURE
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	<u>\$100</u>	<u>\$0</u>	<u>(\$100)</u>
Total revenues	<u>100</u>	<u>0</u>	<u>(100)</u>
Expenditures:			
Capital outlay:			
Capital outlay	<u>50</u>	<u>30</u>	<u>20</u>
Total expenditures	<u>50</u>	<u>30</u>	<u>20</u>
Excess (deficiency) of revenues over (under) expenditures	50	(30)	(80)
Fund balance, January 1	96	96	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$146</u></u>	<u><u>\$66</u></u>	<u><u>(\$80)</u></u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$822,671	\$798,069	(\$24,602)
Charges for services	253,064	193,390	(59,674)
Licenses, permits and fees	200	435	235
Intergovernmental	473,076	469,109	(3,967)
Investment income	50,400	50,189	(211)
Other	23,224	17,134	(6,090)
Total revenues	<u>1,622,635</u>	<u>1,528,326</u>	<u>(94,309)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services.	1,383,347	1,335,864	47,483
Contractual services	197,970	196,238	1,732
Materials and supplies	72,886	66,437	6,449
Other	16,779	12,626	4,153
Total security of persons and property . .	<u>1,670,982</u>	<u>1,611,165</u>	<u>59,817</u>
Public health and welfare			
Personal services.	144,799	121,443	23,356
Contractual services	70,725	65,219	5,506
Materials and supplies	68,818	50,394	18,424
Capital outlay.	2,668	588	2,080
Other	1,525	586	939
Total public health and welfare.	<u>288,535</u>	<u>238,230</u>	<u>50,305</u>
Transportation			
Personal services.	249,272	234,553	14,719
Contractual services	37,141	30,151	6,990
Materials and supplies	73,515	59,189	14,326
Other	1,550	285	1,265
Total transportation.	<u>361,478</u>	<u>324,178</u>	<u>37,300</u>
Leisure time activity			
Personal services.	83,040	68,624	14,416
Contractual services	52,055	47,864	4,191
Materials and supplies	11,765	8,533	3,232
Total leisure time activity	<u>146,860</u>	<u>125,021</u>	<u>21,839</u>
Capital outlay			
Capital outlay	229,383	214,234	15,149
Total capital outlay	<u>229,383</u>	<u>214,234</u>	<u>15,149</u>
Debt service			
Principal retirement.	450,000	450,000	0
Total debt service	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Total expenditures	<u>3,147,238</u>	<u>2,962,828</u>	<u>184,410</u>

Continued

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(\$1,524,603)</u>	<u>(\$1,434,502)</u>	<u>\$90,101</u>
Other financing sources (uses):			
Proceeds from sale of bonds	450,000	450,000	0
Operating transfers in	924,442	923,776	(666)
Operating transfers out	(87,278)	(87,278)	0
Advances in	<u>0</u>	<u>15,000</u>	<u>15,000</u>
Total other financing sources (uses)	<u>1,287,164</u>	<u>1,301,498</u>	<u>14,334</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(237,439)</u>	<u>(133,004)</u>	<u>104,435</u>
Fund balances, January 1	806,585	806,585	0
Prior year encumbrances appropriated . .	<u>32,746</u>	<u>32,746</u>	<u>0</u>
Fund balances, December 31	<u><u>\$601,892</u></u>	<u><u>\$706,327</u></u>	<u><u>\$104,435</u></u>

CITY OF HARRISON, OHIO

DEBT SERVICE FUNDS

The debt service funds are established to account for the accumulation of resources for the payment of debt.

Debt Service

To account for transfers in from the Sewer, Water, and Sanitation enterprise funds for the retirement of principal and interest on general obligation bonds, real estate bonds, mortgage revenue bonds, and OWDA loans.

Special Assessment

To account for special assessments for sidewalks, water, and sewer.

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 2000**

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	<u>\$65,735</u>	<u>\$19,615</u>	<u>\$85,350</u>
Total assets.	<u>65,735</u>	<u>19,615</u>	<u>85,350</u>
 Fund Equity:			
Reserved for debt service	<u>65,735</u>	<u>19,615</u>	<u>85,350</u>
Total fund equity	<u>65,735</u>	<u>19,615</u>	<u>85,350</u>
Total liabilities and fund equity.	<u>\$65,735</u>	<u>\$19,615</u>	<u>\$85,350</u>

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total</u>
Expenditures:			
Debt service:			
Principal retirement	\$98,000		\$98,000
Interest and fiscal charges	188,060		188,060
Total expenditures	<u>286,060</u>		<u>286,060</u>
 Excess (deficiency) of revenues over (under) expenditures.	 <u>(286,060)</u>		 <u>(286,060)</u>
 Other financing sources:			
Operating transfers in	286,060		286,060
Total other financing sources	<u>286,060</u>		<u>286,060</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 0	\$0	0
 Fund balances, January 1	 <u>65,735</u>	<u>19,615</u>	<u>85,350</u>
Fund balances, December 31.	<u><u>\$65,735</u></u>	<u><u>\$19,615</u></u>	<u><u>\$85,350</u></u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Other			
Other	\$2,000	\$0	\$2,000
Debt service:			
Principal retirement	493,464	493,464	0
Interest and fiscal charges	425,363	425,363	0
Total expenditures.	<u>920,827</u>	<u>918,827</u>	<u>2,000</u>
 Excess (deficiency) of revenues over (under) expenditures.	 <u>(920,827)</u>	 <u>(918,827)</u>	 <u>2,000</u>
 Other financing sources:			
Operating transfers in	915,490	918,827	3,337
Total other financing sources	<u>915,490</u>	<u>918,827</u>	<u>3,337</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>(5,337)</u>	 <u>0</u>	 <u>5,337</u>
 Fund balance, January 1.	 65,735	 65,735	 0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$60,398</u></u>	<u><u>\$65,735</u></u>	<u><u>\$5,337</u></u>

CITY OF HARRISON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Fund balance, January 1.	\$19,615	\$19,615	\$0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31	<u>\$19,615</u>	<u>\$19,615</u>	<u>\$0</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Other			
Other	\$2,000	\$0	\$2,000
Debt service:			
Principal retirement	493,464	493,464	0
Interest and fiscal charges	425,363	425,363	0
Total expenditures.	<u>920,827</u>	<u>918,827</u>	<u>2,000</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(920,827)</u>	 <u>(918,827)</u>	 <u>2,000</u>
 Other financing sources:			
Operating transfers in	915,490	918,827	3,337
Total other financing sources	<u>915,490</u>	<u>918,827</u>	<u>3,337</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>(5,337)</u>	 <u>0</u>	 <u>5,337</u>
 Fund balances, January 1	 85,350	 85,350	 0
Prior year encumbrances appropriated.	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, December 31.	<u><u>\$80,013</u></u>	<u><u>\$85,350</u></u>	<u><u>\$5,337</u></u>

CITY OF HARRISON, OHIO

CAPITAL PROJECTS FUNDS

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

Capital Improvements

To account for property and other tax income and transfers from other funds for the various improvements within the City.

Street/Safety Construction

To account for the proceeds from the sale of bonds to be used for various street improvements.

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000**

	<u>Capital Improvements</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$2,411,277	\$502,928	\$2,914,205
Receivables (net of allowances for uncollectibles):			
Taxes	10,656		10,656
Total assets	<u>2,421,933</u>	<u>502,928</u>	<u>2,924,861</u>
Liabilities:			
Accounts payable	5,988		5,988
Due to other governments.	80,435		80,435
Total liabilities	<u>86,423</u>		<u>86,423</u>
Fund Equity:			
Reserved for encumbrances.	2,116,441		2,116,441
Unreserved - undesignated	219,069	502,928	721,997
Total fund equity	<u>2,335,510</u>	<u>502,928</u>	<u>2,838,438</u>
Total liabilities and fund equity	<u>\$2,421,933</u>	<u>\$502,928</u>	<u>\$2,924,861</u>

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Capital Improvements</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Revenues:			
Property and other taxes	\$57,269		\$57,269
Intergovernmental	33,000		33,000
Investment income		\$147,433	147,433
Total revenues.	<u>90,269</u>	<u>147,433</u>	<u>237,702</u>
Expenditures:			
Capital outlay.	377,637		377,637
Debt service:			
Principal retirement	36,278	3,000,000	3,036,278
Interest and fiscal charges.	3,015		3,015
Bond issuance costs		80,000	80,000
Total expenditures	<u>416,930</u>	<u>3,080,000</u>	<u>3,496,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(326,661)</u>	<u>(2,932,567)</u>	<u>(3,259,228)</u>
Other financing sources (uses):			
Proceeds from sale of bonds		2,430,000	2,430,000
Accrued interest on bonds sold		6,709	6,709
Operating transfers in	1,400,000		1,400,000
Operating transfers out		(1,000,000)	(1,000,000)
Total other financing sources (uses).	<u>1,400,000</u>	<u>1,436,709</u>	<u>2,836,709</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,073,339	(1,495,858)	(422,519)
Fund balances, January 1	<u>1,262,171</u>	<u>1,998,786</u>	<u>3,260,957</u>
Fund balances, December 31	<u>\$2,335,510</u>	<u>\$502,928</u>	<u>\$2,838,438</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$50,000	\$59,761	\$9,761
Intergovernmental	<u>850,000</u>	<u>33,000</u>	<u>(817,000)</u>
Total revenues	<u>900,000</u>	<u>92,761</u>	<u>(807,239)</u>
Expenditures:			
Capital outlay:			
Capital outlay.	<u>3,956,945</u>	<u>2,596,656</u>	<u>1,360,289</u>
Total expenditures	<u>3,956,945</u>	<u>2,596,656</u>	<u>1,360,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,056,945)</u>	<u>(2,503,895)</u>	<u>553,050</u>
Other financing sources:			
Operating transfers in	<u>2,400,000</u>	<u>1,400,000</u>	<u>(1,000,000)</u>
Total other financing sources	<u>2,400,000</u>	<u>1,400,000</u>	<u>(1,000,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(656,945)</u>	<u>(1,103,895)</u>	<u>(446,950)</u>
Fund balance, January 1	231,951	231,951	0
Prior year encumbrances appropriated	<u>1,080,357</u>	<u>1,080,357</u>	<u>0</u>
Fund balance, December 31.	<u>\$655,363</u>	<u>\$208,413</u>	<u>(\$446,950)</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/SAFETY CONSTRUCTION
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Investment income	\$147,518	\$147,433	(\$85)
Total revenues.	<u>147,518</u>	<u>147,433</u>	<u>(85)</u>
Expenditures:			
Debt service:			
Principal retirement	3,000,000	3,000,000	0
Bond issuance costs	80,000	80,000	0
Total expenditures.	<u>3,080,000</u>	<u>3,080,000</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,932,482)</u>	<u>(2,932,567)</u>	<u>(85)</u>
Other financing sources (uses):			
Proceeds from sale of bonds	2,351,360	2,430,000	78,640
Accrued interest on bonds sold	6,713	6,709	(4)
Operating transfers out	<u>(2,000,000)</u>	<u>(1,000,000)</u>	<u>1,000,000</u>
Total other financing sources (uses).	<u>358,073</u>	<u>1,436,709</u>	<u>1,078,636</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,574,409)</u>	<u>(1,495,858)</u>	<u>1,078,551</u>
Fund balance, January 1	1,998,786	1,998,786	0
Prior year encumbrances appropriated	0	0	0
Fund balance (deficit), December 31.	<u><u>(\$575,623)</u></u>	<u><u>\$502,928</u></u>	<u><u>\$1,078,551</u></u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$50,000	\$59,761	\$9,761
Intergovernmental	850,000	33,000	(817,000)
Investment income.	147,518	147,433	(85)
Total revenues	<u>1,047,518</u>	<u>240,194</u>	<u>(807,324)</u>
Expenditures:			
Capital outlay:			
Capital outlay	3,956,945	2,596,656	1,360,289
Debt service:			
Principal retirement	3,000,000	3,000,000	0
Bond issuance costs	80,000	80,000	0
Total expenditures.	<u>7,036,945</u>	<u>5,676,656</u>	<u>1,360,289</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(5,989,427)</u>	<u>(5,436,462)</u>	<u>552,965</u>
Other financing sources (uses):			
Proceeds from sale of bonds	2,351,360	2,430,000	78,640
Accrued interest on bonds sold	6,713	6,709	(4)
Operating transfers in.	2,400,000	1,400,000	(1,000,000)
Operating transfers out	(2,000,000)	(1,000,000)	1,000,000
Total other financing sources (uses).	<u>2,758,073</u>	<u>2,836,709</u>	<u>78,636</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,231,354)</u>	<u>(2,599,753)</u>	<u>631,601</u>
Fund balances, January 1.	2,230,737	2,230,737	0
Prior year encumbrances appropriated.	1,080,357	1,080,357	0
Fund balances, December 31	<u>\$79,740</u>	<u>\$711,341</u>	<u>\$631,601</u>

CITY OF HARRISON, OHIO

ENTERPRISE FUNDS

The enterprise funds are used to account for the City's sewer, water and sanitation operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods or services on a continuing basis be recovered primarily through user charges. Following is a description of the City's enterprise funds:

Sewer Fund

To account for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

Water Fund

To account for the operations of providing water services to customers and to maintain the local water system of the City.

Sanitation Fund

To account for the sanitation services provided to the residential and commercial users of the City.

Water/Sewer Deposits

To account for deposits from utility services which the City applies and/or refunds upon termination of service.

CITY OF HARRISON, OHIO

**COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$1,451,575	\$723,111	\$24,772
Receivables (net of allowances for uncollectibles):			
Accounts	177,675	131,708	
Due from other governments	3,411	2,304	
Prepayments.	4,453	4,077	
Materials and supplies inventory.	5,616	23,373	
Restricted assets:			
Cash and cash equivalents	761,538	263,969	
Investments		79,793	
Property, plant and equipment (net of accumulated depreciation)	4,942,618	3,201,887	
Total assets	<u>7,346,886</u>	<u>4,430,222</u>	<u>24,772</u>
Liabilities:			
Accounts payable	7,643	28,795	
Contracts payable	13,268	69,439	
Accrued wages and benefits	4,025	2,508	
Compensated absences payable	11,469	8,020	
Advances from other funds	8,976	12,960	
Due to other governments	8,688	5,881	
Accrued interest payable.	27,628	24,994	
OPWC loans payable		569,812	
General obligation bonds payable		200,000	
Mortgage revenue bonds payable	3,160,000	435,000	
Real estate revenue bonds payable.		142,000	
Total liabilities.	<u>3,241,697</u>	<u>1,499,409</u>	
Fund Equity:			
Contributed capital.	757,007	490,660	
Retained earnings:			
Reserved	761,538	343,762	
Unreserved	2,586,644	2,096,391	24,772
Total fund equity.	<u>4,105,189</u>	<u>2,930,813</u>	<u>24,772</u>
Total liabilities and fund equity	<u>\$7,346,886</u>	<u>\$4,430,222</u>	<u>\$24,772</u>

<u>Sanitation</u>	<u>Totals</u>
\$101,399	\$2,300,857
38,587	347,970
	5,715
	8,530
	28,989
	1,025,507
	79,793
	8,144,505
<u>139,986</u>	<u>11,941,866</u>
19,931	56,369
	82,707
	6,533
	19,489
	21,936
	14,569
	52,622
	569,812
	200,000
	3,595,000
	142,000
<u>19,931</u>	<u>4,761,037</u>
	1,247,667
	1,105,300
<u>120,055</u>	<u>4,827,862</u>
<u>120,055</u>	<u>7,180,829</u>
<u>\$139,986</u>	<u>\$11,941,866</u>

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Operating revenues:			
Charges for services	\$1,112,522	\$1,018,932	
Other	4,515	10,656	\$1,900
Total operating revenues.	<u>1,117,037</u>	<u>1,029,588</u>	<u>1,900</u>
Operating expenses:			
Personal services	307,011	223,095	
Contract services	28,986	69,730	
Materials and supplies	44,056	74,853	101
Depreciation	138,738	92,632	
Utilities	166,655	76,407	
Other	3,077	4,327	
Total operating expenses.	<u>688,523</u>	<u>541,044</u>	<u>101</u>
Operating income.	<u>428,514</u>	<u>488,544</u>	<u>1,799</u>
Nonoperating revenues (expenses):			
Intergovernmental			
Interest and fiscal charges	(164,506)	(67,449)	
Investment earnings	99,050	65,166	
Total nonoperating revenues (expenses).	<u>(65,456)</u>	<u>(2,283)</u>	
Net income.	363,058	486,261	1,799
Retained earnings, January 1	<u>2,985,124</u>	<u>1,953,892</u>	<u>22,973</u>
Retained earnings, December 31	3,348,182	2,440,153	24,772
Contributed capital, December 31	<u>757,007</u>	<u>490,660</u>	
Total fund equity, December 31	<u>\$4,105,189</u>	<u>\$2,930,813</u>	<u>\$24,772</u>

<u>Sanitation</u>	<u>Totals</u>
\$231,526	\$2,362,980
45	17,116
<u>231,571</u>	<u>2,380,096</u>
	530,106
211,926	310,642
	119,010
	231,370
	243,062
	7,404
<u>211,926</u>	<u>1,441,594</u>
<u>19,645</u>	<u>938,502</u>
11,649	11,649
	(231,955)
	164,216
<u>11,649</u>	<u>(56,090)</u>
31,294	882,412
<u>88,761</u>	<u>5,050,750</u>
120,055	5,933,162
	1,247,667
<u>\$120,055</u>	<u>\$7,180,829</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$925,900	\$1,015,851	\$89,951
Other operating revenues	1,048	1,241	193
Total operating revenues	<u>926,948</u>	<u>1,017,092</u>	<u>90,144</u>
Operating expenses:			
Personal services	259,313	224,675	34,638
Contractual services	84,479	77,771	6,708
Materials and supplies	72,723	59,695	13,028
Utilities	79,750	74,899	4,851
Other	1,519	1,443	76
Capital outlay	869,213	817,516	51,697
Total operating expenses	<u>1,366,997</u>	<u>1,255,999</u>	<u>110,998</u>
Operating income (loss)	<u>(440,049)</u>	<u>(238,907)</u>	<u>201,142</u>
Nonoperating revenues (expenses):			
Investment earnings	42,278	50,069	7,791
Other nonoperating revenues	6,081	7,202	1,121
Other nonoperating expenses	(100)	(83)	17
Total nonoperating revenues (expenses)	<u>48,259</u>	<u>57,188</u>	<u>8,929</u>
Net income (loss) before operating transfers	(391,790)	(181,719)	210,071
Operating transfers in	21,110	25,000	3,890
Operating transfers out	<u>(351,999)</u>	<u>(351,999)</u>	<u>0</u>
Net income (loss)	(722,679)	(508,718)	213,961
Retained earnings, January 1	661,758	661,758	0
Prior year encumbrances appropriated	60,921	60,921	0
Retained earnings, December 31	<u>\$0</u>	<u>\$213,961</u>	<u>\$213,961</u>

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$1,600,075	\$1,118,928	(\$481,147)
Total operating revenues	<u>1,600,075</u>	<u>1,118,928</u>	<u>(481,147)</u>
Operating expenses:			
Personal services	304,248	300,227	4,021
Contractual services	65,233	37,297	27,936
Materials and supplies	50,650	40,575	10,075
Utilities	190,300	165,888	24,412
Other	2,119	525	1,594
Capital outlay	773,407	703,896	69,511
Total operating expenses	<u>1,385,957</u>	<u>1,248,408</u>	<u>137,549</u>
Operating income (loss)	<u>214,118</u>	<u>(129,480)</u>	<u>(343,598)</u>
Nonoperating revenues (expenses):			
Investment earnings	84,617	56,756	(27,861)
Other nonoperating revenues	1,646	1,104	(542)
Other nonoperating expenses	(200)	(9)	191
Total nonoperating revenues (expenses)	<u>86,063</u>	<u>57,851</u>	<u>(28,212)</u>
Net income (loss) before operating transfers.	300,181	(71,629)	(371,810)
Operating transfers in	372,721	250,000	(122,721)
Operating transfers out	<u>(555,768)</u>	<u>(555,768)</u>	<u>0</u>
Net income (loss)	117,134	(377,397)	(494,531)
Retained earnings, January 1	1,272,372	1,272,372	0
Prior year encumbrances appropriated.	4,538	4,538	0
Retained earnings, December 31.	<u>\$1,394,044</u>	<u>\$899,513</u>	<u>(\$494,531)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WATER/SEWER DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Other operating revenues	\$1,900	\$1,900	\$0
Total operating revenues	<u>1,900</u>	<u>1,900</u>	<u>0</u>
Operating expenses:			
Capital outlay	1,000	101	899
Total operating expenses	<u>1,000</u>	<u>101</u>	<u>899</u>
Operating income.	900	1,799	899
Retained earnings, January 1	22,973	22,973	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$23,873</u>	<u>\$24,772</u>	<u>\$899</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SANITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$213,046	\$226,407	\$13,361
Other operating revenues	42	45	3
Total operating revenues	213,088	226,452	13,364
Operating expenses:			
Contractual services	218,000	207,603	10,397
Total operating expenses	218,000	207,603	10,397
Operating income (loss)	(4,912)	18,849	23,761
Nonoperating revenues:			
Intergovernmental	10,962	11,649	687
Total nonoperating revenues	10,962	11,649	687
Net income	6,050	30,498	24,448
Retained earnings, January 1	70,901	70,901	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	\$76,951	\$101,399	\$24,448

CITY OF HARRISON, OHIO

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$2,739,021	\$2,361,186	(\$377,835)
Other operating revenues	2,990	3,186	196
Total operating revenues	<u>2,742,011</u>	<u>2,364,372</u>	<u>(377,639)</u>
Operating expenses:			
Personal services	563,561	524,902	38,659
Contractual services	367,712	322,671	45,041
Materials and supplies	123,373	100,270	23,103
Utilities	270,050	240,787	29,263
Other	3,638	1,968	1,670
Capital outlay	1,643,620	1,521,513	122,107
Total operating expenses	<u>2,971,954</u>	<u>2,712,111</u>	<u>259,843</u>
Operating loss	<u>(229,943)</u>	<u>(347,739)</u>	<u>(117,796)</u>
Nonoperating revenues (expenses):			
Intergovernmental	10,962	11,649	687
Investment earnings	126,895	106,825	(20,070)
Other nonoperating revenues	7,727	8,306	579
Other nonoperating expenses	(300)	(92)	208
Total nonoperating revenues (expenses)	<u>145,284</u>	<u>126,688</u>	<u>(18,596)</u>
Net loss before operating transfers	(84,659)	(221,051)	(136,392)
Operating transfers in	393,831	275,000	(118,831)
Operating transfers out	<u>(907,767)</u>	<u>(907,767)</u>	<u>0</u>
Net loss	(598,595)	(853,818)	(255,223)
Retained earnings, January 1	2,028,004	2,028,004	0
Prior year encumbrances appropriated	65,459	65,459	0
Retained earnings, December 31	<u>\$1,494,868</u>	<u>\$1,239,645</u>	<u>(\$255,223)</u>

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CITY OF HARRISON

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Cash flows from operating activities:			
Cash received from customers	\$1,118,928	\$1,015,851	
Cash received from other operations	\$1,104	8,443	\$1,900
Cash payments for personal services	(297,723)	(222,940)	
Cash payments for contract services	(29,763)	(66,267)	
Cash payments for materials and supplies	(49,131)	(61,336)	(101)
Cash payments for utilities	(165,888)	(73,398)	
Cash payments for other expenses	(3,077)	(4,327)	
	<hr/>	<hr/>	
Net cash provided by operating activities	574,450	596,026	1,799
Cash flows from noncapital financing activities:			
Cash received from operating grants			
Transfers in from other funds	250,000	25,000	
Transfers out to other funds	(250,000)	(25,000)	
	<hr/>	<hr/>	
Net cash provided by noncapital financing activities	0	0	
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(153,341)	(321,465)	
Principal retirement	(140,000)	(255,464)	
Interest and fiscal charges	(165,768)	(71,535)	
	<hr/>	<hr/>	
Net cash used in capital and related financing activities	(459,109)	(648,464)	
Cash flows from investing activities:			
Sale of investments	729,354	411,778	
Interest received	99,050	65,166	
	<hr/>	<hr/>	
Net cash provided by investing activities	828,404	476,944	
Net increase in cash and cash equivalents	943,745	424,506	1,799
Cash and cash equivalents, January 1	1,269,368	562,574	22,973
Cash and cash equivalents, December 31	<u>\$2,213,113</u>	<u>\$987,080</u>	<u>\$24,772</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$428,514	\$488,544	\$1,799
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	138,738	92,632	
Changes in assets and liabilities:			
(Increase) decrease in materials and supplies	(4,596)	604	
(Increase) decrease in accounts receivable	6,406	(2,990)	
Increase in due from other governments	(3,411)	(2,304)	
(Increase) decrease in prepayments	(260)	(271)	
Increase in accounts payable	393	19,349	
Increase in accrued wages and benefits	407	148	
Increase (decrease) in compensated absences payable	3,469	(2,690)	
Increase in due to other governments	4,790	3,004	
	<hr/>	<hr/>	
Net cash provided by operating activities	<u>\$574,450</u>	<u>\$596,026</u>	<u>\$1,799</u>

<u>Sanitation</u>	<u>Totals</u>
\$226,407	\$2,361,186
45	11,492
(207,603)	(520,663)
	(303,633)
	(110,568)
	(239,286)
	(7,404)
<hr/>	<hr/>
18,849	1,191,124
<hr/>	<hr/>
11,649	11,649
	275,000
	(275,000)
<hr/>	<hr/>
11,649	11,649
<hr/>	<hr/>
	(474,806)
	(395,464)
	(237,303)
<hr/>	<hr/>
	(1,107,573)
<hr/>	<hr/>
	1,141,132
	164,216
<hr/>	<hr/>
	1,305,348
<hr/>	<hr/>
30,498	1,400,548
70,901	1,925,816
<u>\$101,399</u>	<u>\$3,326,364</u>
<hr/>	<hr/>
\$19,645	\$938,502
	231,370
32	(3,960)
(5,119)	(1,703)
	(5,715)
4,291	3,760
	19,742
	555
	779
	7,794
<hr/>	<hr/>
<u>\$18,849</u>	<u>\$1,191,124</u>

CITY OF HARRISON, OHIO

FIDUCIARY FUNDS

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

Agency Funds

Agency Funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

Mayors Court

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

Insurance Demolition

To account for all monies and disbursements of funds held by the City related to the clean-up of demolished property.

CITY OF HARRISON, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Balance</u> <u>1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/00</u>
Mayors Court				
Assets:				
Cash with fiscal agent	23,227	\$0	\$839	22,388
Total assets.	<u>23,227</u>	<u>\$0</u>	<u>\$839</u>	<u>22,388</u>
Liabilities:				
Due to other governments	4,582	\$0	\$1,640	2,942
Due to other funds	18,645	801	0	19,446
Total liabilities.	<u>23,227</u>	<u>\$801</u>	<u>\$1,640</u>	<u>22,388</u>
Insurance Demolition				
Assets:				
Equity in pooled cash and cash equivalents	\$0	\$12,000	\$11,560	\$440
Total assets.	<u>\$0</u>	<u>\$12,000</u>	<u>\$11,560</u>	<u>\$440</u>
Liabilities:				
Deposits held and due to others	\$0	\$12,000	\$11,560	\$440
Total liabilities.	<u>\$0</u>	<u>\$12,000</u>	<u>\$11,560</u>	<u>\$440</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$0	\$12,000	\$11,560	\$440
Cash with fiscal agent	23,227	0	839	22,388
Total assets.	<u>23,227</u>	<u>\$12,000</u>	<u>\$12,399</u>	<u>22,828</u>
Liabilities:				
Due to other governments	4,582	\$0	\$1,640	2,942
Due to other funds	18,645	801	0	19,446
Deposits held and due to others	0	12,000	11,560	440
Total liabilities.	<u>23,227</u>	<u>\$12,801</u>	<u>\$13,200</u>	<u>22,828</u>

CITY OF HARRISON, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for all general fixed assets of the City, other than those accounted for in the proprietary funds.

CITY OF HARRISON, OHIO

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
DECEMBER 31, 2000

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government	\$109,569	\$10,447	\$3,295	\$75,466	\$198,777
Security of persons and property	266,891	1,460,691		2,100,130	3,827,712
Transportation.	1,795	74,455		310,025	386,275
Community environment	136,641	425,027		132,682	694,350
Leisure time activities.	334,294		27,639	40,254	402,187
Total General Fixed Assets	\$849,190	\$1,970,620	\$30,934	\$2,658,557	\$5,509,301

CITY OF HARRISON, OHIO

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2000**

Function	Balance 1/1/00	Additions	Deletions	Balance 12/31/00
General government	\$197,902	\$875		\$198,777
Security of persons and property	3,587,845	303,939	\$64,072	3,827,712
Transportation.	396,919	4,476	15,120	386,275
Community environment	694,350			694,350
Leisure time activities.	400,987	1,200		402,187
Total General Fixed Assets	\$5,278,003	\$310,490	\$79,192	\$5,509,301

CITY OF HARRISON, OHIO

**SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000**

General Fixed Assets

Land	\$849,190
Buildings	1,970,620
Improvements other than Buildings	30,934
Machinery and Equipment	2,658,557
Total General Fixed Assets.	<u>\$5,509,301</u>

Investment in General Fixed Assets

General Fund Revenues	\$1,554,897
Special Revenue Funds Revenues	1,208,652
Capital Projects Funds Revenues	2,745,752
Total Investment in General Fixed Assets.	<u>\$5,509,301</u>

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STATISTICAL SECTION

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CITY OF HARRISON, OHIO

GENERAL FUND EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS

<u>Year</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Community Environment</u>	<u>Leisure Time Activity</u>
1991	\$294,104	\$845,840	\$5,518	\$19,913	\$31,250
1992	319,145	859,698	4,686	15,260	29,220
1993	260,437	1,055,499	2,262	21,145	31,342
1994	374,645	1,102,537	4,628	23,072	26,821
1995	367,063	1,123,092	6,849	24,305	23,495
1996	445,082	1,207,681	6,898	32,632	31,488
1997	445,336	1,297,914	6,921	28,939	30,911
1998	525,531	1,476,275	7,115	32,159	16,649
1999	729,475	1,416,129	13,367	39,146	36,940
2000	723,126	1,651,000	1,884	33,325	49,894

Source: City of Harrison, Finance Director's office.

Capital Outlay	Debt Service:		Total Expenditures
	Principal Retirement	Interest and Fiscal Charges	
\$38,579	\$0	\$0	\$1,235,204
30,362	0	0	1,258,371
0	0	0	1,370,685
30,848	0	0	1,562,551
69,948	0	0	1,614,752
51,350	172,367	0	1,947,498
125,347	0	0	1,935,368
69,197	0	0	2,126,926
41,340	14,768	0	2,291,165
59,721	514,272	1,954	3,035,176

CITY OF HARRISON, OHIO

**GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Year	Taxes	Charges for Services	Licenses, Permits and Fees	Fines and Forfeitures	Intergovernmental
1991	\$623,894	\$0	\$46,145	\$160,879	\$0
1992	743,934	0	56,206	111,581	26,133
1993	360,579	0	20,556	108,013	297,338
1994	1,999,631	4,325	54,756	166,746	263,025
1995	2,178,809	25,774	34,232	254,499	270,283
1996	2,340,232	28,698	21,683	217,738	325,068
1997	2,230,575	3,458	62,754	252,347	359,209
1998	2,538,990	1,302	54,629	185,022	433,611
1999	3,238,722	870	108,160	255,767	330,179
2000	3,315,699	3,415	93,255	218,627	372,437

Source: City of Harrison, Finance Director's office.

Investment Income	Other	Total Revenues
\$51,164	\$0	\$882,082
23,341	293	961,488
63,582	7,118	857,186
24,360	21,056	2,533,899
116,229	0	2,879,826
83,772	24,982	3,042,173
109,026	20,993	3,038,362
62,992	28,141	3,304,687
124,553	19,096	4,077,347
142,433	81,012	4,226,878

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Real Property (1)</u>		<u>Personal Property</u>		<u>Public Utilities</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
1991	\$59,745,700	\$170,702,000	\$13,214,690	\$52,858,760	\$4,274,920	\$4,274,920
1992	62,890,010	179,685,743	13,952,350	55,809,400	4,869,190	4,869,190
1993	66,297,960	189,422,743	13,809,350	55,237,400	5,439,750	5,439,750
1994	78,586,090	224,531,686	15,306,560	61,226,240	5,590,920	5,590,920
1995	79,290,640	226,544,686	16,025,720	64,102,880	5,545,160	5,545,160
1996	81,559,740	233,027,829	16,373,160	65,492,640	5,544,310	5,544,310
1997	89,700,940	256,288,400	19,386,320	77,545,280	5,691,670	5,691,670
1998	94,563,970	270,182,771	20,429,050	81,716,200	5,506,680	5,506,680
1999	96,460,940	275,602,686	21,931,100	87,724,400	7,652,880	7,652,880
2000	116,704,100	333,440,286	21,931,100	87,724,400	7,853,370	7,853,370

Source: Hamilton County Auditor's office.

(1) Includes non-operational railroad property, real property and mineral rights.

Total		Ratio of Assessed to Actual Value
Assessed Value	Estimated Actual Value	
\$77,235,310	\$227,835,680	33.90%
81,711,550	240,364,333	33.99%
85,547,060	250,099,893	34.21%
99,483,570	291,348,846	34.15%
100,861,520	296,192,726	34.05%
103,477,210	304,064,779	34.03%
114,778,930	339,525,350	33.81%
120,499,700	357,405,651	33.72%
126,044,920	370,979,966	33.98%
146,488,570	429,018,056	34.15%

CITY OF HARRISON, OHIO

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

Year	Current Taxes Levied	Current Taxes Collected	Percent of Current Taxes Collected	Prior Year Collections	Total Collections	Percent of Total Taxes Collected
1991	N/A	N/A	N/A	N/A	N/A	N/A
1992	N/A	N/A	N/A	N/A	N/A	N/A
1993	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A
1995	\$1,274,389	\$1,221,475	95.85%	\$30,164	\$1,251,639	98.21%
1996	1,303,478	1,247,405	95.70%	39,301	1,286,706	98.71%
1997	1,416,615	1,348,295	95.18%	28,517	1,376,812	97.19%
1998	1,494,324	1,437,362	96.19%	51,036	1,488,398	99.60%
1999	1,626,587	1,588,290	97.65%	126,673	1,714,963	105.43%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%

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

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS**

Fiscal Year	Township Levy	City of Harrison Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Total
1990 for 1991	\$0.06	\$10.50	\$38.46	\$16.88	N/A	\$2.70	\$68.60
1991 for 1992	0.06	10.50	39.14	17.50	N/A	2.70	69.90
1992 for 1993	0.06	13.00	39.04	18.56	N/A	2.70	73.36
1993 for 1994	0.06	13.00	45.13	18.33	N/A	2.70	79.22
1994 for 1995	0.06	13.00	45.13	18.30	N/A	2.70	79.19
1995 for 1996	0.06	13.00	45.13	18.30	1.25	2.70	80.44
1996 for 1997	0.06	13.00	44.77	19.44	1.25	2.70	81.22
1997 for 1998	0.06	13.00	44.74	19.01	1.25	2.70	80.76
1998 for 1999	0.06	13.00	48.22	19.54	1.25	2.70	84.77
1999 for 2000	0.06	13.00	47.88	19.92	1.25	2.70	84.81

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt</u>	<u>Less: Debt Service Fund Equity</u>	<u>Less: Debt Payable from Enterprise Revenues (3)</u>
1991	7,904	\$77,235,310	\$3,430,000	\$0	\$3,420,000
1992	8,216	81,711,550	3,365,000	56,734	3,165,000
1993	8,509	85,547,060	5,020,000	71,880	4,870,000
1994	8,749	99,483,570	4,815,000	71,200	4,715,000
1995	8,974	100,861,520	5,080,000	50,000	5,030,000
1996	9,176	103,477,210	4,795,000	(4)	4,795,000
1997	9,393	114,778,930	4,560,000	(4)	4,560,000
1998	9,566	120,499,400	4,594,000	(4)	4,594,000
1999	9,750	126,044,920	4,273,000	(4)	4,273,000
2000	9,835	146,488,570	7,247,000	85,350	3,937,000

Sources:

- (1) United States Bureau of Census.
- (2) Hamilton County Auditor's office.
- (3) These amounts include general obligation bonds, mortgage revenue bonds and real estate revenue bonds that are being repaid through enterprise revenues.
- (4) In years 1996 - 1999 the City had no general obligation debt. All debt was repaid through enterprise operations.

Net Bonded Debt	Ratio of Debt to Assessed Value	Net Bonded Debt Per Capita
\$10,000	0.01%	\$1.27
143,266	0.18%	17.44
78,120	0.09%	9.18
28,800	0.03%	3.29
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
3,224,650	2.20%	327.87

CITY OF HARRISON, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN (1)
DECEMBER 31, 2000**

	<u>Total Debt Limit (2)</u>	<u>Total Unvoted Debt Limit (3)</u>
Assessed valuation of the City	\$146,488,570	\$146,488,570
Legal debt margin:		
Debt limitation	15,381,300	8,056,871
Debt applicable to limitation:		
Total bonded debt	7,247,000	7,247,000
Exemptions:		
Debt supported by enterprise fund operations	<u>(3,937,000)</u>	<u>(3,937,000)</u>
Total debt applicable to limitation	<u>3,310,000</u>	<u>3,310,000</u>
Total legal debt margin (debt limitation minus total debt applicable to limitation)	<u><u>\$12,071,300</u></u>	<u><u>\$4,746,871</u></u>

Source: City of Harrison, Finance Director's office.

(1) Computation of legal debt margin based on Section 133, the Uniform Bond Act of the Ohio Revised Code.

(2) The total debt limitation is 10.5% of the assessed valuation.

(3) The unvoted debt limitation is 5.5% of the assessed valuation.

CITY OF HARRISON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
DECEMBER 31, 2000

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable To the City (2)</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Harrison	\$3,310,000	100.00%	\$3,310,000
Total Direct			<u>3,310,000</u>
Overlapping:			
Southwest Ohio School District	23,359,992	37.66%	8,797,373
Harrison Township	0	62.54%	0
Hamilton County	190,605,000	0.81%	1,543,901
Total Overlapping			<u>10,341,273</u>
Grand Total Direct and Overlapping			<u><u>\$13,651,273</u></u>

Source: Fiscal Officers of Various Subdivisions.

(1) Excludes general obligation bonds reported in the enterprise funds.

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

CITY OF HARRISON, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1991	\$15,000	\$7,654	\$22,654	\$1,235,204	1.83%
1992	10,000	7,506	17,506	1,258,371	1.39%
1993	50,000	10,541	60,541	1,370,685	4.42%
1994	50,000	7,875	57,875	1,562,551	3.70%
1995	50,000	6,145	56,145	1,614,752	3.48%
1996	0	0	0	1,947,498	0.00%
1997	0	0	0	1,935,368	0.00%
1998	0	0	0	2,126,926	0.00%
1999	0	0	0	2,291,165	0.00%
2000	50,000	162,407	212,407	3,035,176	7.00%

Source: City of Harrison, Finance Director's office. -

Note: In years 1996 - 1999 the City had no general obligation debt. All debt was repaid through enterprise operations.

CITY OF HARRISON, OHIO

**REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	\$1,776,578	\$912,756	\$863,822	\$90,000	\$194,025	\$284,025	3.04
1992	1,478,252	732,862	745,390	90,000	193,525	283,525	2.63
1993	1,436,128	778,423	657,705	100,000	198,025	298,025	2.21
1994	1,938,251	1,081,384	856,867	140,000	234,176	374,176	2.29
1995	1,900,449	1,033,441	867,008	150,000	229,633	379,633	2.28
1996	2,069,589	1,075,614	993,975	160,000	224,315	384,315	2.59
1997	2,160,504	1,016,104	1,144,400	165,000	218,253	383,253	2.99
1998	2,205,913	1,260,035	945,878	180,000	211,453	391,453	2.42
1999	2,349,550	1,100,051	1,249,499	261,000	203,584	464,584	2.69
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72

Source: City of Harrison, Finance Director's office.

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

(2) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
1991	7,904	\$22,317	3,897	N/A
1992	8,216	23,598	3,994	N/A
1993	8,509	24,473	3,992	5.50%
1994	8,749	25,459	4,026	4.80%
1995	8,974	26,849	4,106	4.00%
1996	9,176	28,221	4,109	4.10%
1997	9,393	29,640	4,176	3.60%
1998	9,566	N/A	4,059	3.40%
1999	9,750	N/A	4,086	3.00%
2000	9,835	N/A	4,082	2.90%

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

Sources:

- (1) United States Bureau of Census.
- (2) Ohio Department of Development, Office of Strategic Research.
- (3) Southwest Local School District.

CITY OF HARRISON, OHIO

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Year	Property Value (1)			Financial Institution Deposits (2)	Number of Permits (3)		
	Commercial	Residential	Total	(in thousands)	Single Family	Total	Estimated Cost
1991	\$58,614,971	\$112,087,029	\$170,702,000	\$11,745,028	9	152	\$999,113
1992	61,844,086	117,841,657	179,685,743	13,500,357	9	132	715,559
1993	69,360,857	120,061,886	189,422,743	15,290,052	16	134	887,000
1994	83,683,800	140,847,886	224,531,686	17,301,493	11	105	1,557,534
1995	84,671,000	141,873,686	226,544,686	18,661,138	20	118	1,865,491
1996	89,274,600	143,753,229	233,027,829	21,598,936	11	106	1,546,167
1997	89,898,314	166,390,086	256,288,400	18,070,437	4	114	975,393
1998	105,031,629	170,571,057	275,602,686	24,305,322	8	101	1,285,207
1999	127,037,600	206,402,686	333,440,286	41,678,898	45	150	5,660,334
2000	135,154,600	215,207,200	350,361,800	79,168,832	28	141	5,289,474

Sources:

- (1) Hamilton County Auditor's office. Represents estimated actual value of real property.
- (2) Greater Cincinnati Chamber of Commerce for the Hamilton County Area (1990-1998) and Federal Reserve Bank (1999-2000).
- (3) City of Harrison Building Department.

CITY OF HARRISON, OHIO

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

<u>Taxpayer</u>	<u>Tax Valuation Real & Personal Property</u>	<u>Percent of Total Assessed Valuation</u>
CINERGY	\$3,843,400	2.62%
Hyper Shoppes, Inc.	2,797,210	1.91%
F&M Mafco, Inc.	2,772,940	1.89%
Wurster, Erlene	2,209,870	1.51%
Campbell Hausfeld	1,983,750	1.35%
JTM Provisions Co., Inc.	1,872,430	1.28%
SCI Ltd Partnership IV	1,750,470	1.20%
Hubert Company	1,581,530	1.08%
Indian Chestnut LLC	1,470,280	1.00%
Hamilton Foundry & Machine	1,435,070	0.98%
All others	124,771,620	85.18%
Total Taxable Valuation	<u><u>\$146,488,570</u></u>	<u><u>100.00%</u></u>

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2000

Government and History:

Harrison was first settled in 1804 and incorporated in 1850. The City operates as a Charter municipality subject to the general laws of the State, which are applicable to all municipalities in the State. In addition, the City may exercise all powers of local self-government under the Ohio Constitution to the extent not in conflict with applicable general laws of the State.

The legislative authority of the City is vested in a seven member Council. The Mayor is the Chief executive and administrative officer.

Population:	Estimate 12-31-00	Census 1990	Census 1980	Census 1970	Census 1960
Harrison - City	9,835	7,520	5,855	4,408	3,878
Hamilton - County	845,303	866,228	876,224	925,944	864,151
Metropolitan Area	1,627,509	1,452,645	1,401,491	1,387,207	1,268,479

Area:

Harrison	4 sq. miles
Hamilton County.	413 sq. miles
Metropolitan Area	3,343 sq. miles

Geographically, the City of Harrison is located in Southwestern Ohio near the junction of Ohio, Indiana and Kentucky along Interstate 74. Harrison is centrally located relative to the thirty-three major U.S. distribution centers. Within 600 miles of Harrison reside 54% of the nation's population, 53% of the nation's purchasing power, 54% of the nation's manufacturing establishments and 57% of the nation's value added by manufacturing.

2000 City Data:

Miles of Streets	40
Miles of Sewer Mains.	25
Miles of Water Mains.	26
Number of Water Customer Accounts	2,690
Number of Sewer Customer Accounts	2,540
Acres of Parks and Recreation Land	98
Number of Recreation Facilities	4
Gross General Bonded Debt	\$7,247,000
Gross Debt per Capita (9,835 est population 12-31-00)	736.93
Number of Municipal Employees, including part-time.	153

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CITY OF HARRISON

SUPPLEMENTAL REPORTS

DECEMBER 31, 2000

CITY OF HARRISON

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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

Mayor and Members of Council
City of Harrison
112 N. Walnut Street
Harrison, Ohio 45030

We have audited the financial statements of the City of Harrison (the "City"), Hamilton County, as of and for the year ended December 31, 2000, and have issued our report thereon dated May 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Harrison's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-COH-001. We also noted other certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 30, 2001.

Mayor and Members of Council
City of Harrison

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Harrison's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Finding as item 2000-COH-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the City of Harrison in a separate letter dated May 30, 2001.

This report is intended for the information of the City of Harrison and its management, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
May 30, 2001

**CITY OF HARRISON
HAMILTON COUNTY
DECEMBER 31, 2000**

SCHEDULE OF FINDINGS

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2000-COH-001

Ohio Revised Code Section 5705.39 in part requires that the total appropriations from each fund should not exceed total estimated resources.

It was noted during the audit that the City did not request amended certificates of estimated resources for the Fire Memorial Fund and the Street/Safety Construction Fund. The total appropriations exceeded the total estimated resources as follows:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue:</u>			
Fire Memorial	\$ 38,454	\$ 39,576	\$ 1,122
<u>Capital Projects:</u>			
Street/Safety Construction	4,504,377	5,080,000	575,623

With total appropriations exceeding estimated resources, the City is spending monies not lawfully appropriated for those purposes and this could cause a fund deficit.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring appropriations throughout the fiscal year and amending the appropriations and the estimated resources as necessary. Moreover, we recommend that the amended certificates of estimated resources be reviewed upon receipt from the County Auditor and that discrepancies between the City's and County's calculations of estimated resources be reported immediately.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2001**