



Balestra, Harr & Scherer, CPAs, Inc.

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

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CITY OF HARRISON
HAMILTON COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2013
Fiscal Year Audited Under GAGAS: 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Harrison, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 27, 2014

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**CITY OF HARRISON
HAMILTON COUNTY, OHIO
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For the Year Ended December 31, 2013**

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Balestra, Harr & Scherer, CPAs, Inc.

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

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

To the Members of City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Harrison, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2014, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Entity's Response to Findings

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

Purpose of this Report

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

Balestra, Harr & Scherer, CPAs

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

**City of Harrison
Hamilton County, Ohio**

**Schedule of Findings
For the Year Ended December 31, 2013**

FINDING NUMBER 2013-001

Significant Deficiency- Reconciling

The payroll bank account was not reconciled on a monthly basis or at year end for 2013. There was no reconciliation or listing of outstanding checks presented for audit for December 31, 2013. The account was not reconciled until brought to management's attention during the course of the audit.

The aforementioned errors were the result of a lack of internal controls over reconciling of the City's payroll bank account and review of said account.

The City should implement application and monitoring controls to ensure that reconciliations are accurately completed and contain support for any reconciling items.

Officials Response:

Beginning January 2014, the Finance Director reconciles the Payroll Account, together with the main operating account, on a monthly basis. The former payroll clerk reconciled the account through 02/2013, at which time a new clerk was appointed. The new clerk was not aware of the monthly reconciliation process.

City of Harrison, Ohio

boundless



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2013

CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Issued by:
Finance Department

Angelina Burton
Finance Director

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

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**INTRODUCTORY
SECTION**

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

www.harrisonohio.org

June 30, 2014

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

Ladies and Gentlemen:

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

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

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

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

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

THE REPORTING ENTITY

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

THE CITY OF HARRISON

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

MAJOR INITIATIVES

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

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

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

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

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

USE OF THE REPORT

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

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

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

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

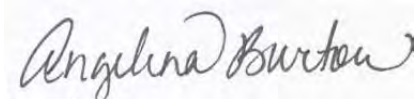
ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,



Angelina Burton
Finance Director



Government Finance Officers Association

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

Presented to

**City of Harrison
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF HARRISON, OHIO

CITY OFFICIALS

ELECTED OFFICIALS

- MayorJOEL F. MCGUIRE

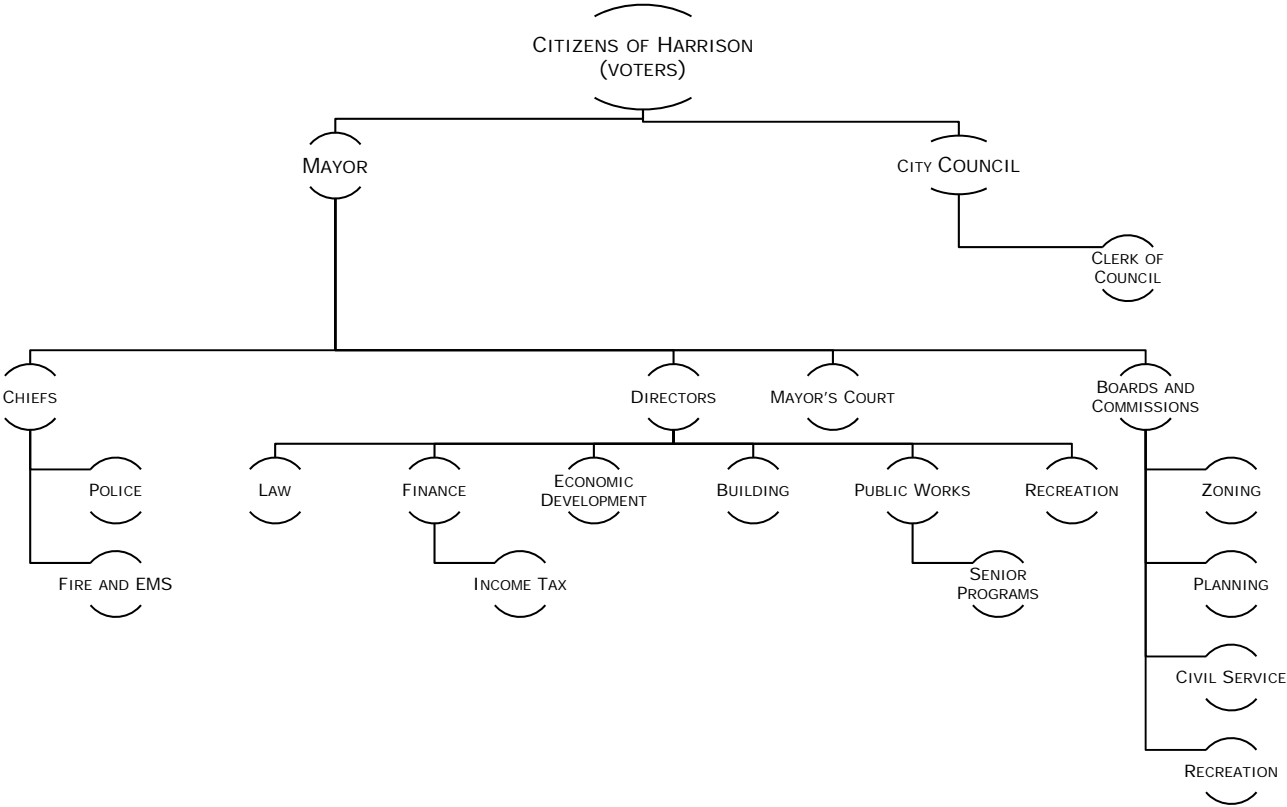
- Council Member.....TONY BURKART
- Council Member..... RYAN GRUBBS
- Council Member..... MARK LOUIS
- Council Member..... HANK MENNINGER
- Council Member..... WILLIAM NEYER
- Council Member..... JAMES ROBERTSON
- Council Member.....RANDY SHANK

APPOINTED OFFICIALS

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

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



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**FINANCIAL
SECTION**



Balestra, Harr & Scherer, CPAs, Inc.

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

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

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

Balestra, Harr & Scherer, CPAs

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

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CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

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

Financial Highlights

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

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

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

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

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

The City as a Whole

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

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

Table 1
Net Position

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

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

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

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

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

Table 2
Changes in Net Position

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

Governmental Activities

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

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

Table 3
Governmental Activities

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

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

Business-Type Activities

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

The City's Funds

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

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

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

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

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

General Fund Budgeting Highlights

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

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

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

Capital Assets

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

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

Table 4 shows 2013 balances compared to those of 2012:

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

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

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

CITY OF HARRISON, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2013
Unaudited

Debt Administration

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

Table 5
Outstanding Long-term Debt Obligations at Year end

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

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

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

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

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

Contacting the City's Finance Department

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

Basic Financial Statements

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CITY OF HARRISON, OHIO

Statement of Net Position

December 31, 2013

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

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO

Statement of Activities
Year Ended December 31, 2013

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

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Balance Sheet

Governmental Funds

December 31, 2013

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

See accompanying notes to the basic financial statements.

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

Total governmental fund balances \$ 248,010

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 18,626,701

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds. 941,267

In the statement of net position, interest is accrued on outstanding bonds and loan, whereas in governmental funds, interest is accrued when due. (44,428)

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

| | | |
|------------------------------|------------------|--------------------|
| Bonds payable | (3,270,236) | |
| ODOT loan payable | (190,770) | |
| OPWC loan payable | (1,574,976) | |
| Capital lease payable | (1,193,771) | |
| Compensated absences payable | <u>(765,979)</u> | <u>(6,995,732)</u> |

Net position of governmental activities \$ 12,775,818

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2013

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

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Revenues, Expenditures and Changes in Fund

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

Fire Improvement Fund

Year Ended December 31, 2013

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

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Net Position
 Proprietary Funds
 December 31, 2013

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

CITY OF HARRISON, OHIO

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2013

Assets

| | | |
|---------------------------------------|----|----------------------|
| Cash in segregated accounts | \$ | 14,397 |
| Equity in pooled cash and investments | | 26,667 |
| Receivables: | | |
| Income taxes | | <u>49,974</u> |
| Total assets | | <u><u>91,038</u></u> |

Liabilities

| | | |
|---------------------------|----|----------------------|
| Intergovernmental payable | | <u>91,038</u> |
| Total liabilities | \$ | <u><u>91,038</u></u> |

See accompanying notes to the basic financial statements.

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CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Jointly Governed Organization

Harrison Township-City of Harrison Joint Economic Development District

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

B. Basis of Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Basis of Presentation - continued

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

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

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

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

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

C. Measurement Focus - *continued*

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

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

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

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

Revenues – Exchange and Non-Exchange Transactions

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

C. Measurement Focus - *continued*

Deferred Inflows of Resources

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

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

D. Cash and Investments

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

D. Cash and Investments - *continued*

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

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

E. Prepaid Items

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

F. Supplies Inventory

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

G. Capital Assets

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

G. Capital Assets - *continued*

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

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

H. Restricted Assets

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

I. Accrued Liabilities and Long-Term Obligations

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

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

J. Interfund Balances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

K. Deferred Outflow of Resources

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

L. Compensated Absences

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

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

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

M. Accounting Estimates

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

N. Grants and Other Intergovernmental Revenues

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

O. Fund Balances

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

O. Fund Balances - *continued*

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

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

P. Net Position

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

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

Q. Budgetary Process

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

Q. Budgetary Process - *continued*

Tax Budget

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

Estimated Resources

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

Appropriations

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

Encumbrances

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

Q. Budgetary Process - *continued*

Lapsing of Appropriations

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING –*continued*

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

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

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

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

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity</u> 6 months or less |
|------------------------|---------------------|--|
| STAR Ohio | \$ 9,832 | 9,832 |
| Money Market | <u>2,567,550</u> | <u>2,567,550</u> |
| | <u>\$ 2,577,382</u> | <u>2,577,382</u> |

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS – *continued*

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

| Investment Type | Fair Value | Percent of Total |
|-----------------|---------------------|---------------------|
| STAR Ohio | \$ 9,832 | 0.4% |
| Money Market | <u>2,567,550</u> | <u>99.6%</u> |
| | <u>\$ 2,577,382</u> | <u>100.0%</u> |

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

NOTE 4 - PROPERTY TAXES

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

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 5 - INCOME TAX

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

NOTE 6 - INTERFUND ACTIVITY

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

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

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

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

| | | <u>Advances to Other Funds</u> | <u>Advances from Other Funds</u> |
|-----------------------------|----|------------------------------------|--------------------------------------|
| General Fund | \$ | 150,411 | - |
| Nonmajor governmental funds | | - | 35,411 |
| Sewer | | 17,178 | - |
| Nonmajor enterprise funds | | - | 132,178 |
| | \$ | <u>167,589</u> | <u>167,589</u> |

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 6 - INTERFUND ACTIVITY – *continued*

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

NOTE 7 - CAPITAL ASSETS

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 7 - CAPITAL ASSETS – continued

Depreciation expense was charged to governmental functions as follows:

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 7 - CAPITAL ASSETS – *continued*

Depreciation expense was charged to segments as follows:

| | |
|---------------------------------|---------------------|
| <u>Major enterprise funds</u> | |
| Water | \$ 422,298 |
| Sewer | 808,042 |
| | |
| <u>Nonmajor enterprise fund</u> | |
| Storm water | <u>46,613</u> |
| | |
| Total depreciation expense | \$ <u>1,276,953</u> |

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 8 - DEFINED BENEFIT PENSION PLANS – *continued*

Ohio Police and Fire Pension Fund

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

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

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

Ohio Public Employees Retirement System – *continued*

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

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

Ohio Police and Fire Pension Fund

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

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 9 - POSTEMPLOYMENT BENEFITS – *continued*

Ohio Police and Fire Pension Fund – *continued*

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

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

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

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

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

Accumulated Unpaid Sick Leave

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

NOTE 11 - RISK MANAGEMENT

Risk Pool Membership

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 11 - RISK MANAGEMENT – *continued*

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

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

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

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

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

Health Insurance

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

Workers’ Compensation

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 12 - LONG-TERM LIABILITIES

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

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

General Obligation Bonds

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

General Obligation Various Purpose Improvement Bonds

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 12 - LONG-TERM LIABILITIES – *continued*

OPWC Loans

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

ODOT Loan

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

Compensated Absences

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 12 - LONG-TERM LIABILITIES – *continued*

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

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

General Obligation Bonds

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 12 - LONG-TERM LIABILITIES – *continued*

Revenue bonds

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

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

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

OPWC Loans

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

OWDA Loans

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

Compensated Absences

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 12 - LONG-TERM LIABILITIES – continued

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

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

NOTE 13 – SHORT-TERM OBLIGATIONS

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

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 14 – CAPITAL LEASES

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

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

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

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

NOTE 15 - CONTRACTUAL COMMITMENTS

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

NOTE 16 - CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 17 - FUND BALANCES

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

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

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

NOTE 17 - FUND BALANCES – *continued*

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

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

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

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

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

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

| | <u>Sewer</u> |
|---|----------------------------|
| Net Position at December 31, 2012 | \$ 213,650 |
| Recognition of bond issue costs as outflows | <u>(462,670)</u> |
| Restated Net Position at December 31, 2012 | \$ <u><u>(249,020)</u></u> |

CITY OF HARRISON, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2013

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

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

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Combining Financial Statements And Individual Fund Schedules

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CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2013

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

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2013

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

(Continued)

CITY OF HARRISON, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

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

General Fund

Year Ended December 31, 2013

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

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Community Center

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

Fire Capital Reserve

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

Senior Center

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

Passport Account

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

Court Computer

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

Project Lifesaver

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

Police Pension

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

Drug Law Enforcement

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

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

Enforcement and Education

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

FEMA

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

Police Memorial

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

Recreation Tax Receipts

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

Recreation Activity Receipts

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

DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECT FUNDS

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

Capital Improvements

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

Harrison Avenue TIF

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

Street and Safety Construction

This fund accounts for the construction of various street improvements.

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

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

CITY OF HARRISON, OHIO

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

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

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

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

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

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

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

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

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

CITY OF HARRISON, OHIO

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

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

continued

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

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

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

CITY OF HARRISON, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year Ended December 31, 2013

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

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

Street Maintenance and Repair

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

State Highway Improvements

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Fire Memorial

Year Ended December 31, 2013

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

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

Community Center

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Fire Capital Reserve

Year Ended December 31, 2013

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

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

Senior Center

Year Ended December 31, 2013

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

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

Passport Account

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Court Computer

Year Ended December 31, 2013

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

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

Project Lifesaver

Year Ended December 31, 2013

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

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

Police Pension

Year Ended December 31, 2013

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

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

Drug Law Enforcement

Year Ended December 31, 2013

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

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

Law Enforcement Trust

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Enforcement and Education

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

FEMA

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Police Memorial

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Recreation Tax Receipts

Year Ended December 31, 2013

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

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

Recreation Activity Receipts (1)

Year Ended December 31, 2013

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

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

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

Debt Service Fund

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Special Assessment

Year Ended December 31, 2013

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

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

Capital Improvement Fund

Year Ended December 31, 2013

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

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

Home Depot TIF

Year Ended December 31, 2013

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

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

Harrison Avenue TIF

Year Ended December 31, 2013

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

CITY OF HARRISON, OHIO

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

Street and Safety Construction

Year Ended December 31, 2013

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

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Storm Water

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

Water/Wastewater Deposits

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

Sanitation

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

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

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

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

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

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

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

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

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

Mayor's Court

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

Joint Economic Development District

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

CITY OF HARRISON, OHIO

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended December 31, 2013

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

**STATISTICAL
SECTION**

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STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF HARRISON, OHIO

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

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

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

Source: City financial records

CITY OF HARRISON, OHIO

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

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

continued

CITY OF HARRISON, OHIO

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

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

Source: City financial records

CITY OF HARRISON, OHIO

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

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

Source: City financial records

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

CITY OF HARRISON, OHIO

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

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

Source: City financial records

CITY OF HARRISON, OHIO

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

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

Source: Hamilton County Auditor's Office

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

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

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

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

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

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

CITY OF HARRISON, OHIO

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

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

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

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

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

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

Source: Hamilton County Auditor's Office

CITY OF HARRISON, OHIO

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

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

Source: Hamilton County Auditor's Office

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

CITY OF HARRISON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

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

Source: City of Harrison Income Tax Department

CITY OF HARRISON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

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

continued

CITY OF HARRISON, OHIO

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

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

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

Sources:

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

CITY OF HARRISON, OHIO

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

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

Sources:

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

CITY OF HARRISON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2013*

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

Source: Ohio Municipal Advisory Council

CITY OF HARRISON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

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

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

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

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

Source: City of Harrison, Finance Director's Office

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

CITY OF HARRISON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

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

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

Sources:

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

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

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

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

CITY OF HARRISON, OHIO

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

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

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

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

Source: City of Harrison, Finance Director's Office

CITY OF HARRISON, OHIO

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS*

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

Source: City of Harrison Finance Director Office



Dave Yost • Auditor of State

CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 9, 2014**