

**CITY OF HARRISON, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2006

PREPARED BY:

GAYLE GRUBBS, FINANCE DIRECTOR

*112 N. WALNUT STREET  
HARRISON, OHIO 45030*



**CITY OF HARRISON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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# City of Harrison

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

September 20, 2007

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Harrison's operations and financial position for the year ended December 31, 2006, and has been developed to accurately detail the status of City finances to Harrison residents and elected officials, investment banks, underwriters and all other interested parties. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects, and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report consists of three sections.

1. The Introductory Section contains the Table of Contents, Letter of Transmittal, list of elected and appointed City officials, the Organizational Chart, and the GFOA Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial Section contains the Independent Auditors' Report, and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for Nonmajor Funds, and a Statement of Changes in Assets and Liabilities for the City's agency fund.
3. The Statistical Section presents financial, economic, social and demographic information about the City generally for the last ten years.

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Julian & Grube Inc. performed the audit for the year ended December 31, 2006. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2006 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

## **THE REPORTING ENTITY**

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City benefits from its location in northwestern Hamilton County. We are conveniently located in the geographical center of the tri-state area of Ohio, Kentucky and Indiana. The community and its residents have easy access to and benefit from employment, educational, recreational, medical, and cultural facilities afforded by the Greater Cincinnati Metropolitan area. We offer the advantages of a small rural town with 20 minutes access to the amenities of metropolitan Cincinnati.

In recent years, the City has gained new housing subdivisions with homes ranging in value from \$125,000 to \$300,000. The new subdivisions have provided about 900 new homes. An additional 900 new homes and condos are planned. The Joint Economic Development District: City of Harrison and Harrison Township has more than 168 acres still undeveloped within the City limits for future business/ light industry. A recent development in the JEDD is Shawneespring Health Care and Rehabilitation Center.

## **MAJOR INITIATIVES**

Construction is underway to widen the New Haven Road bridge over Interstate 74 to six lanes. The project is in a rapidly growing business area of the City as well as the primary access to/from Interstate 74. The Interstate 74 Bridge project is estimated to cost approximately \$5.5 million. Grant money is in place and will be supplemented with local funds.

### ***Beautification***

The City continues a clean-up and beautification program, which includes motorized street sweeping, landscaping of public buildings, and the strategic placement of waste receptacles. The City has a yard waste clean up the last Saturday in the month. The City shreds and uses the mulch for City landscaping. We have a free recycling incentive program for residents and our city buildings.

### ***Department Focus: Public Services - Wastewater***

In an effort to continue the City's commitment to providing quality public services, the City's Wastewater Treatment Plant (WWTP) has been updated and capacity has been expanded. Construction which began in April of 2002 will expand the WWTP to treat an average flow of 2.75 million gallons of wastewater per day. This expansion will allow the City to handle the wastewater generated by the current residential, commercial and industrial wastewater customers, while also allowing for the future growth of the City. The WWTP has undergone several previous expansions, the latest of which was in 1990.

The current WWTP expansion includes a new influent pump station, screening and degritting facilities, a new oxidation ditch, a new final settling tank, an ultraviolet disinfection tank, rehabilitation of the Activated Sludge Control Building, construction of a new Digated Sludge Control Building and sludge digestion tanks, a new belt filter press building and a dried sludge storage pad.

The WWTP treats wastewater using an extended aeration process. After the expansion, the WWTP will use the same method. Upon reaching the WWTP, the wastewater is pumped to a higher elevation and then goes through screening and grit removal processes, which removes large and inorganic material from the wastewater. Next, the wastewater enters a grease removal tank, which removes grease and other floatable material from the wastewater. Following this, the wastewater enters three oxidation ditches, where the wastewater is aerated and mixed with recycled biological organisms to break down the organic material in the wastewater. After this step, the wastewater is sent to three final settling tanks. These tanks are very quiescent, allowing the broken-down organic matter to clump together and settle to the bottom of the final settling tank. The settled solids are removed from the bottom of the tank as the clear effluent flows over weirs and on to the last step of treatment, ultraviolet disinfection. In the ultraviolet disinfection tank, the treated wastewater is exposed to intense ultraviolet light to inactivate any bacteria or viruses. This is done to reduce the impact of the wastewater on the receiving stream. After disinfection, the treated effluent flows through a pipe where it is discharged into the Whitewater River. The solids collected from the wastewater are stored and aerated in digesters, where they are broken down even further. After this treatment the solids are dried using a belt filter press, which squeezes the water out of the solids. After drying, the solids are placed on the sludge storage pad. Once a significant volume of dried solids has accumulated, the solids are loaded on trucks and taken away, typically for land application.

The City's wastewater collection system consists of approximately 40 miles of gravity sewer and 6,000 feet of force main. The collection system is designed to convey wastewater flows as much as possible by utilizing the natural contours of the ground. Where this is not possible due to hills and valleys, pump stations and force mains are utilized to transfer the wastewater to a point where gravity flow can again be utilized. The gravity sewers transfer the City's wastewater flows to the WWTP for treatment.

The City's wastewater collection system has been expanded with the construction of the Southwest Sewer Project. This project was completed in three phases: Phase I, II and III. The State and Campbell Sewer was constructed in 2006 eliminating the need for three existing lift stations.

### **OTHER INFORMATION**

#### ***Use of the Report***

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

Use of this report by the various departments of the City is encouraged when furnishing information. Copies of this report are being placed for public inspection at the City's Finance Office at 112 N. Walnut Street.

#### ***Submission to the Certificate of Achievement Program***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Harrison for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Harrison has received a Certificate of Achievement for the last six consecutive years (1999 - 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

***Acknowledgements***

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

Respectfully,

A handwritten signature in cursive script that reads "Gayle Grubbs". The signature is written in black ink and is positioned above the printed name and title.

Gayle Grubbs  
Finance Director

**CITY OF HARRISON, OHIO**

**ELECTED AND APPOINTED CITY OFFICIALS**

***Elected Officials:***

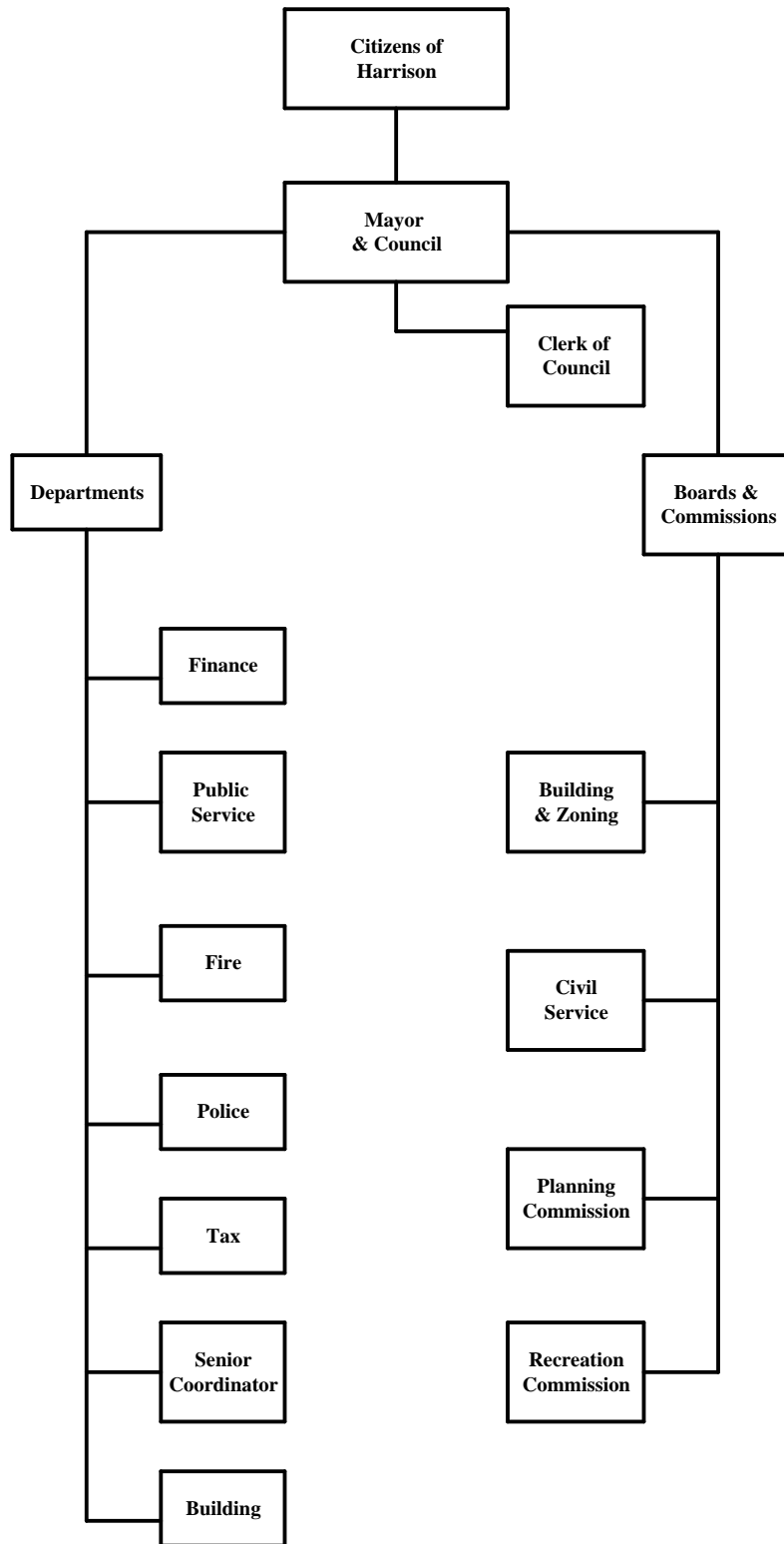
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Daniel J. Gieringer	December 31, 2007
Vice Mayor/Member of Council	William Neyer	December 31, 2009
Members of Council	James Robertson	December 31, 2007
	Joel McGuire	December 31, 2007
	Tony Burkhard	December 31, 2009
	Randy Shank	December 31, 2009
	Judy Kercheval	December 31, 2007
	Deborah Acra	December 31, 2009

***Appointed Officials:***

<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Finance Director	Gayle Grubbs	Pleasure of Mayor/Council
Clerk of Council	Carol Wiwi	Pleasure of Mayor/Council
City Law Director	William M. Deters II	Pleasure of Mayor/Council
Director of Public Services	James Leslie	Pleasure of Mayor/Council

# CITY OF HARRISON, OHIO

## ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

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



President

Executive Director

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying 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, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Harrison's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and Fire Improvement special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2007 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Independent Auditor's Report  
City of Harrison  
Page 2

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
September 20, 2007

## CITY OF HARRISON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

The management's discussion and analysis of the City of Harrison's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

#### **Financial Highlights**

Key financial highlights for 2006 are as follows:

- The total net assets of the City increased \$763,348. Net assets of governmental activities increased \$433,284 or 4.02% from 2005 and net assets of business-type activities increased \$330,064 or 2.43% over 2005.
- General revenues accounted for \$5,958,694 or 78.39% of total governmental activities revenue. Program specific revenues accounted for \$1,642,893 or 21.61% of total governmental activities revenue.
- The City had \$7,177,892 in expenses related to governmental activities; \$1,642,893 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$5,534,999 were offset by general revenues (primarily income and property taxes and unrestricted grants and entitlements) of \$5,958,694.
- The general fund had revenues and other financing sources of \$5,148,784 in 2006. This represents an increase from 2005 of \$84,106. The expenditures and other financing uses of the general fund, which totaled \$4,890,606 in 2006, increased \$124,578 from 2005. The net increase in fund balance for the general fund was \$258,178 or 26.14%.
- The fire improvement fund had revenues and other financing sources of \$2,006,356 in 2006. The expenditures and other financing uses of the fire improvement fund, totaled \$2,113,152 in 2006. The net decrease in fund balance for the fire improvement fund was \$106,796 or 59.92%.
- Net assets for the business-type activities, which are made up of the Sewer, Water, Storm Water, Sanitation and Water/Wastewater Deposit enterprise funds, increased in 2006 by \$330,064. This increase in net assets was due primarily to capital asset increases during the fiscal year.
- In the general fund, the actual revenues came in \$327,334 greater than they were in the final budget and actual expenditures and other financing uses were \$150,711 less than the amount in the final budget. Budgeted expenditures were decreased \$50,348 from the original to the final budget. Budgeted revenues had no change from the original to the final budget.

#### **Using this Annual Financial Report**

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

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

## CITY OF HARRISON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

#### **Reporting the City as a Whole**

##### *Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

#### **Reporting the City's Most Significant Funds**

##### *Fund Financial Statements*

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

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

##### *Governmental Funds*

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

## **CITY OF HARRISON, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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

#### ***Proprietary Funds***

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

#### ***Fiduciary Funds***

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

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F31-F63 of this report.

**CITY OF HARRISON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Government-Wide Financial Analysis**

The table below provides a summary of the City's net assets for 2006 and 2005.

	<b>Net Assets</b>					
	Governmental Activities		Business-type Activities		2006 Total	2005 Total
	2006	2005	2006	2005		
<u>Assets</u>						
Current and other assets	\$ 7,806,710	\$ 7,170,756	\$ 6,847,980	\$ 7,449,416	\$ 14,654,690	\$ 14,620,172
Capital assets, net	<u>9,920,241</u>	<u>9,925,666</u>	<u>29,808,454</u>	<u>27,326,700</u>	<u>39,728,695</u>	<u>37,252,366</u>
Total assets	<u>17,726,951</u>	<u>17,096,422</u>	<u>36,656,434</u>	<u>34,776,116</u>	<u>54,383,385</u>	<u>51,872,538</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	4,145,022	3,834,634	22,517,868	20,914,632	26,662,890	24,749,266
Other liabilities	<u>2,364,968</u>	<u>2,478,111</u>	<u>220,062</u>	<u>273,044</u>	<u>2,585,030</u>	<u>2,751,155</u>
Total liabilities	<u>6,509,990</u>	<u>6,312,745</u>	<u>22,737,930</u>	<u>21,187,676</u>	<u>29,247,920</u>	<u>27,500,421</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	6,208,120	6,305,598	8,244,568	6,593,538	14,452,688	12,899,136
Restricted	3,609,990	3,132,576	-	-	3,609,990	3,132,576
Unrestricted	<u>1,398,851</u>	<u>1,345,503</u>	<u>5,673,936</u>	<u>6,994,902</u>	<u>7,072,787</u>	<u>8,340,405</u>
Total net assets	<u>\$ 11,216,961</u>	<u>\$ 10,783,677</u>	<u>\$ 13,918,504</u>	<u>\$ 13,588,440</u>	<u>\$ 25,135,465</u>	<u>\$ 24,372,117</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the City's assets exceeded liabilities by \$25,135,465. At year-end, net assets were \$11,216,961 and \$13,918,504 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 73.05% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2006, were \$6,208,120 and \$8,244,568 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$3,609,990, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$7,072,787 may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF HARRISON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

The table below shows the changes in net assets for fiscal year 2006 and 2005.

	<b>Change in Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		2006	2005
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>Total</u>	<u>Total</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 916,384	\$ 1,033,979	\$ 3,950,819	\$ 3,875,997	\$ 4,867,203	\$ 4,909,976
Operating grants and contributions	483,100	547,153	3,566	-	486,666	547,153
Capital grants and contributions	<u>243,409</u>	<u>273,327</u>	<u>-</u>	<u>-</u>	<u>243,409</u>	<u>273,327</u>
Total program revenues	<u>1,642,893</u>	<u>1,854,459</u>	<u>3,954,385</u>	<u>3,875,997</u>	<u>5,597,278</u>	<u>5,730,456</u>
General revenues:						
Property taxes	2,368,220	2,305,586	-	-	2,368,220	2,305,586
Income taxes	2,794,284	2,586,428	-	-	2,794,284	2,586,428
Unrestricted grants and entitlements	478,657	680,472	-	-	478,657	680,472
Investment earnings	217,467	161,035	136,586	90,501	354,053	251,536
Miscellaneous	<u>100,066</u>	<u>250,567</u>	<u>246,368</u>	<u>52,382</u>	<u>346,434</u>	<u>302,949</u>
Total general revenues	<u>5,958,694</u>	<u>5,984,088</u>	<u>382,954</u>	<u>142,883</u>	<u>6,341,648</u>	<u>6,126,971</u>
Total revenues	<u>7,601,587</u>	<u>7,838,547</u>	<u>4,337,339</u>	<u>4,018,880</u>	<u>11,938,926</u>	<u>11,857,427</u>
<b>Expenses:</b>						
General government	1,138,392	884,336	-	-	1,138,392	884,336
Security of persons and property	4,536,986	4,572,970	-	-	4,536,986	4,572,970
Public health and welfare	264,800	302,458	-	-	264,800	302,458
Transportation	629,650	564,912	-	-	629,650	564,912
Community environment	108,382	103,838	-	-	108,382	103,838
Leisure time activity	304,242	225,342	-	-	304,242	225,342
Interest and fiscal charges	195,440	187,483	-	-	195,440	187,483
Sewer	-	-	2,511,568	2,561,278	2,511,568	2,561,278
Water	-	-	1,069,343	1,124,409	1,069,343	1,124,409
Storm Water	-	-	39,663	24,211	39,663	24,211
Sanitation	-	-	376,338	317,682	376,338	317,682
Water/Wastewater Deposit	<u>-</u>	<u>-</u>	<u>774</u>	<u>529</u>	<u>774</u>	<u>529</u>
Total expenses	<u>7,177,892</u>	<u>6,841,339</u>	<u>3,997,686</u>	<u>4,028,109</u>	<u>11,175,578</u>	<u>10,869,448</u>
Increase (decrease) in net assets before transfers	423,695	997,208	339,653	(9,229)	763,348	987,979
Transfers	<u>9,589</u>	<u>(1,663,768)</u>	<u>(9,589)</u>	<u>1,663,768</u>	<u>-</u>	<u>-</u>
Change in net assets	433,284	(666,560)	330,064	1,654,539	763,348	987,979
Net assets at beginning of year	<u>10,783,677</u>	<u>11,450,237</u>	<u>13,588,440</u>	<u>11,933,901</u>	<u>24,372,117</u>	<u>23,384,138</u>
Net assets at end of year	<u>\$ 11,216,961</u>	<u>\$ 10,783,677</u>	<u>\$ 13,918,504</u>	<u>\$ 13,588,440</u>	<u>\$ 25,135,465</u>	<u>\$ 24,372,117</u>

**CITY OF HARRISON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Governmental Activities**

Governmental activities net assets increased \$433,284 in 2006. This increase was the result of revenues exceeding expenses for the year.

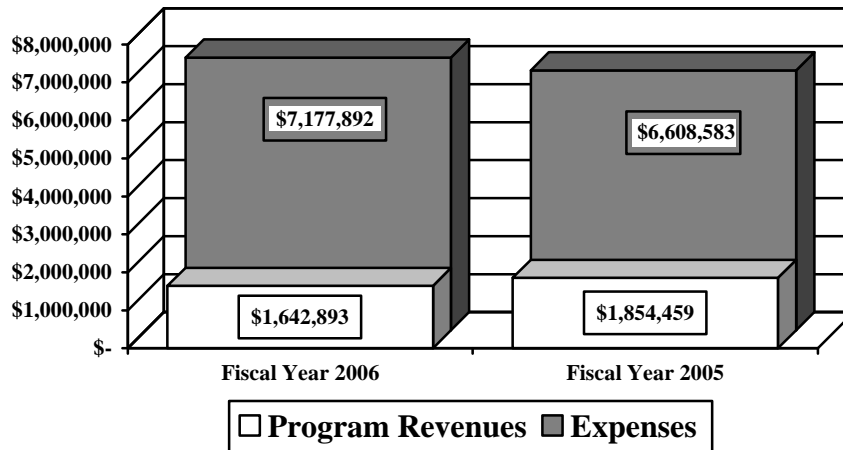
Security of persons and property which primarily supports the operations of the police and fire department accounted for \$4,536,986 or 63.21% of the total expenses of the City. Security of persons and property expenses were partially funded by \$554,805 in direct charges to users of the services. General government expenses totaled \$1,138,392. General government expenses were partially funded by \$83,194 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$483,100 in operating grants and contributions and \$243,409 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$5,958,694, and amounted to 78.39% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$5,162,504. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$478,657.

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

**Governmental Activities – Program Revenues vs. Total Expenses**



**CITY OF HARRISON, OHIO**

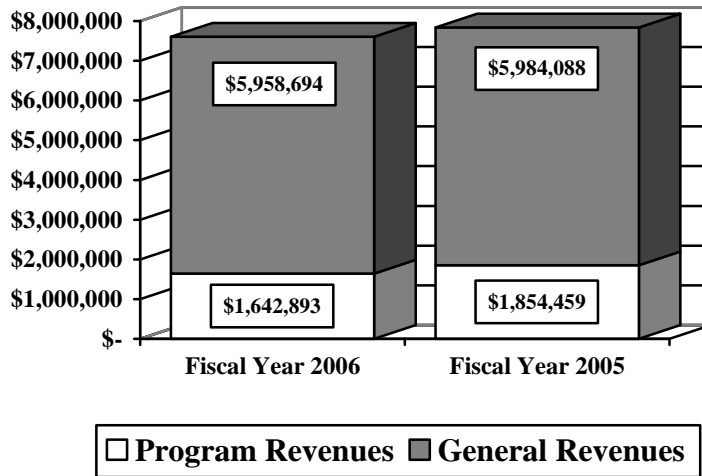
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Governmental Activities**

	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program Expenses:				
General government	\$ 1,138,392	\$ 1,055,198	\$ 884,336	\$ 799,397
Security of persons and property	4,536,986	3,963,707	4,572,970	3,929,282
Public health and welfare	264,800	101,935	302,458	84,450
Transportation	629,650	(15,386)	564,912	(86,980)
Community environment	108,382	(70,137)	103,838	(88,574)
Leisure time activity	304,242	304,242	225,342	161,822
Interest and fiscal charges	<u>195,440</u>	<u>195,440</u>	<u>187,483</u>	<u>187,483</u>
<b>Total</b>	<b><u>\$ 7,177,892</u></b>	<b><u>\$ 5,534,999</u></b>	<b><u>\$ 6,841,339</u></b>	<b><u>\$ 4,986,880</u></b>

The dependence upon general revenues for governmental activities is apparent, with 77.11% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2006 and 2005.

**Governmental Activities – General and Program Revenues**

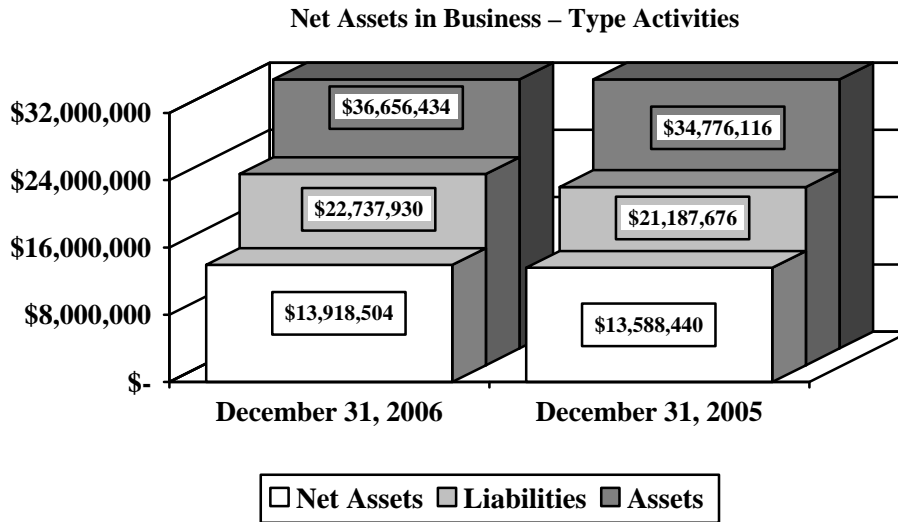


**CITY OF HARRISON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**Business-type Activities**

Business-type activities include the sewer, water, storm water, sanitation, and water/wastewater deposit enterprise funds. These programs had program revenues of \$3,954,385, general revenues of \$382,954, transfers out of \$9,589 and expenses of \$3,997,686 for 2006. The graph below shows the business-type activities assets, liabilities and net assets for 2006 and 2005.



**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$4,805,944 which is \$779,660 higher than last year's total of \$4,026,284. The schedule below indicates the fund balances and the total change in fund balances for all major and non-major governmental funds.

	Fund Balances <u>12/31/06</u>	Fund Balances <u>12/31/05</u>	Increase (Decrease)
Major funds:			
General	\$ 1,245,893	\$ 987,715	\$ 258,178
Fire improvement	71,433	178,229	(106,796)
Other nonmajor governmental funds	<u>3,488,618</u>	<u>2,860,340</u>	<u>628,278</u>
Total	<u>\$ 4,805,944</u>	<u>\$ 4,026,284</u>	<u>\$ 779,660</u>

**CITY OF HARRISON, OHIO**

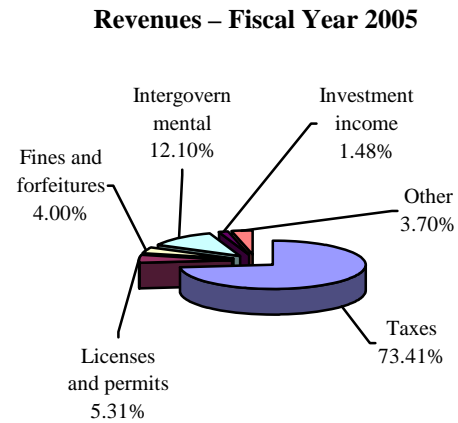
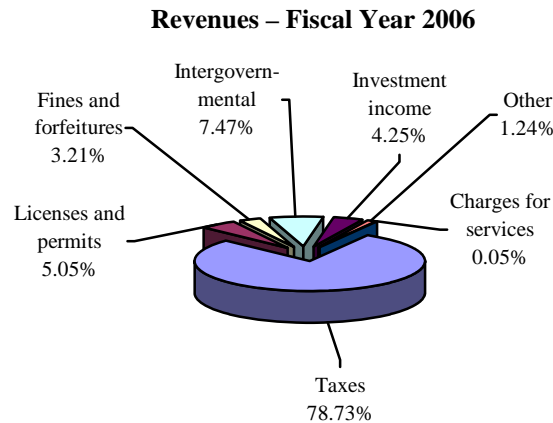
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**General Fund**

The City's general fund balance increased \$258,178. The table below illustrates the revenues of the general fund.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues</b>			
Taxes	\$ 3,968,493	\$ 3,717,335	6.76 %
Charges for services	2,271	-	100.00 %
Licenses and permits	254,726	269,021	(5.31) %
Fines and forfeitures	162,032	202,606	(20.03) %
Intergovernmental	376,157	613,038	(38.64) %
Investment income	214,208	75,205	184.83 %
Other	<u>62,452</u>	<u>187,473</u>	(66.69) %
<b>Total</b>	<u>\$ 5,040,339</u>	<u>\$ 5,064,678</u>	(0.48) %

Tax revenue represents 78.73% of all general fund revenue. Tax revenue increased 6.76% from the prior year. The decrease in the amount of fines and forfeitures is due to a decreased number of fines assessed by the City throughout the year. The decrease in intergovernmental revenue is due to a decrease in the number of grants the City received. The increase in investment income is due to the amount of funds in the City's investment portfolio throughout the year. The decrease in other income is a large percentage, but is immaterial compared to total revenues.



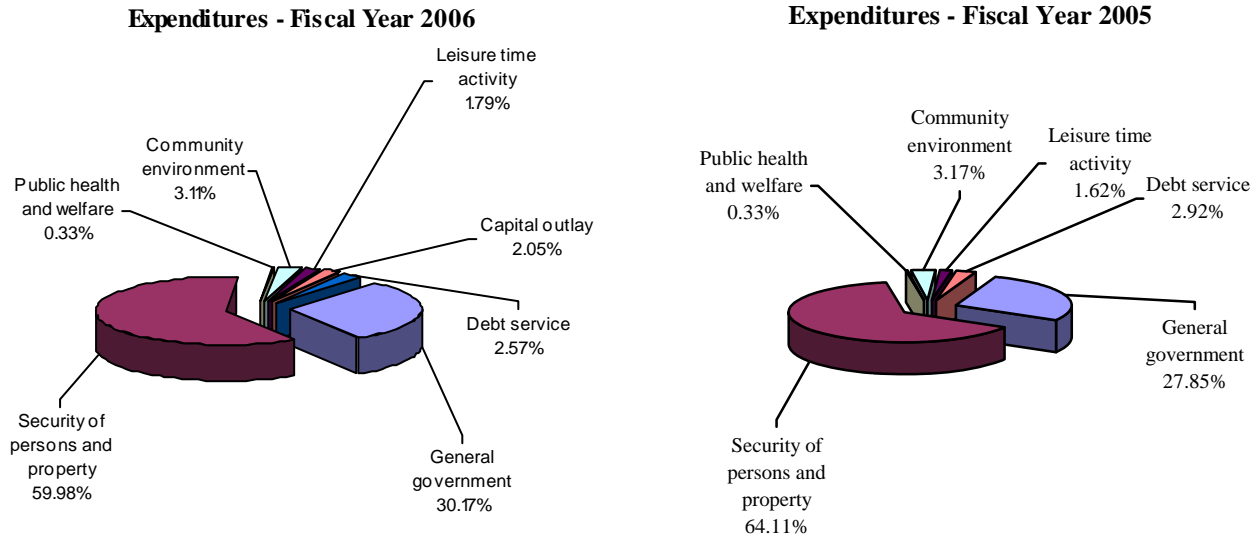
**CITY OF HARRISON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

The table that follows assists in illustrating the expenditures of the general fund.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 1,011,017	\$ 867,722	16.51 %
Security of persons and property	2,009,818	1,998,017	0.59 %
Public health and welfare	10,742	9,839	9.18 %
Community environment	104,374	100,599	3.75 %
Leisure time activity	60,033	50,189	19.61 %
Capital outlay	68,856	-	100.00 %
Debt service	<u>86,262</u>	<u>90,754</u>	(4.95) %
<b>Total</b>	<b><u>\$ 3,351,102</u></b>	<b><u>\$ 3,117,120</u></b>	<b>7.51 %</b>

The City increased total expenditures by 7.51%. The largest expenditure line item, security of persons and property, increased due to wage and benefit increases. The increase in general government expenditures is due to an increase in contractual services during 2006. Debt service remained comparable as it relates to capital lease payments.



***Budgeting Highlights – General Fund***

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

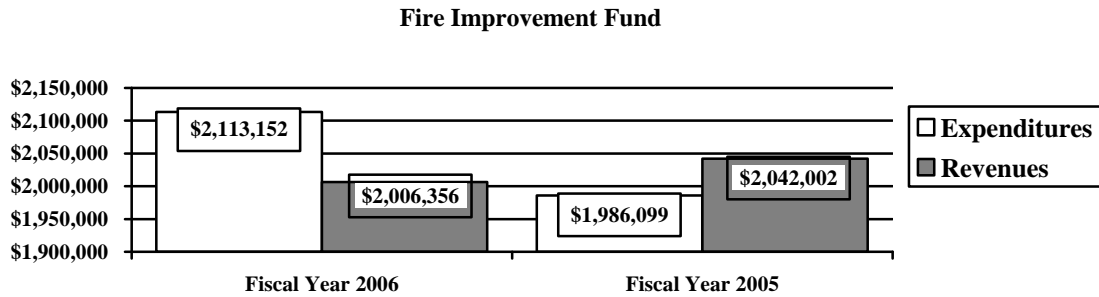
In the general fund, the actual revenues came in \$327,334 greater than they were in the final budget and actual expenditures and other financing uses were \$150,711 less than the amount in the final budget. Budgeted expenditures and other financing uses were decreased \$50,348 from the original to the final budget. Budgeted revenues had no change from the original to the final budget.

**CITY OF HARRISON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

***Fire Improvement Fund***

The fire improvement fund had revenues and other financing sources of \$2,006,356 in 2006. The expenditures and other financing uses of the fire improvement fund, totaled \$2,113,152 in 2006. The net decrease in fund balance for the fire improvement fund was \$106,796 or 59.92%.



***Proprietary Funds***

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. Net assets of the Sewer fund decreased \$84,681 during 2006. This decrease is due to an increase in interest and fiscal charges and an increase in other non-operating expenses related to assets in 2006. Net assets of the Water fund increased \$429,789 during 2006. This is primarily due to a decrease in contractual services expense in 2006 compared to 2005. Nonmajor proprietary funds net assets decreased \$15,044 during 2006. This is primarily due to an increase in contractual services expense in 2006 compared to 2005.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2006, the City had \$39,728,695 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress (CIP). Of this total, \$9,920,241 was reported in governmental activities and \$29,808,454 was reported in business-type activities. The following table shows fiscal 2006 balances compared to 2005:

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

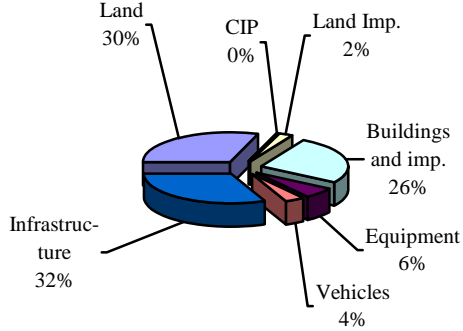
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 3,001,921	\$ 3,001,921	\$ 485,420	\$ 485,420	\$ 3,487,341	\$ 3,487,341
Construction in progress	37,500	1,251,301	2,260,094	979,005	2,297,594	2,230,306
Land improvements	242,194	279,039	548	705	242,742	279,744
Buildings and improvements	2,580,153	2,658,883	8,014,848	8,225,804	10,595,001	10,884,687
Equipment	578,087	587,971	5,309,139	5,567,671	5,887,226	6,155,642
Vehicles	359,341	397,559	21,652	28,586	380,993	426,145
Infrastructure	3,121,045	1,748,992	13,716,753	12,039,509	16,837,798	13,788,501
<b>Totals</b>	<b>\$ 9,920,241</b>	<b>\$ 9,925,666</b>	<b>\$ 29,808,454</b>	<b>\$ 27,326,700</b>	<b>\$ 39,728,695</b>	<b>\$ 37,252,366</b>

**CITY OF HARRISON, OHIO**

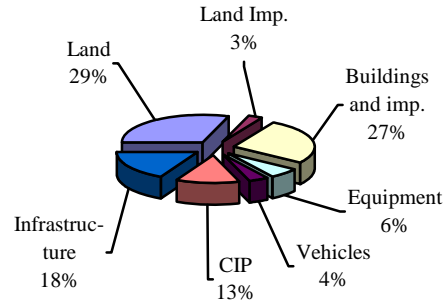
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

See Note 9 for further information on the City's capital assets. The following graphs show the breakdown of governmental capital assets by category for 2006 and 2005.

**Capital Assets - Governmental Activities 2006**



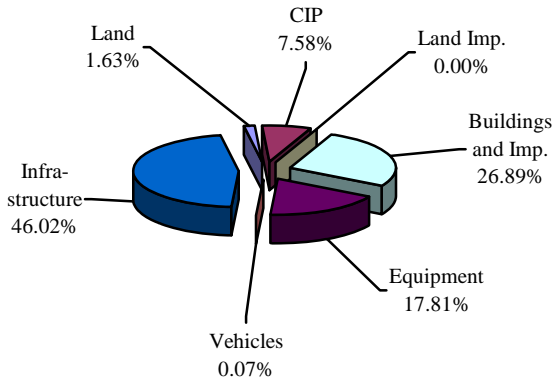
**Capital Assets - Governmental Activities 2005**



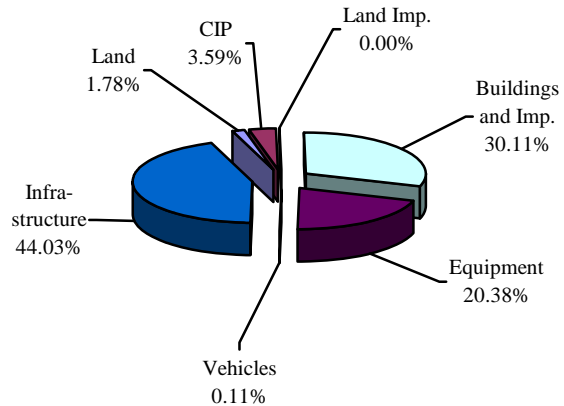
The City's infrastructure is the largest capital asset category. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 32% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2006 and 2005.

**Capital Assets - Business-Type Activities 2006**



**Capital Assets - Business-Type Activities 2005**



The City's largest business-type capital asset category is infrastructure, which include water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 46.02% of the City's total business-type capital assets.

**CITY OF HARRISON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

***Debt Administration***

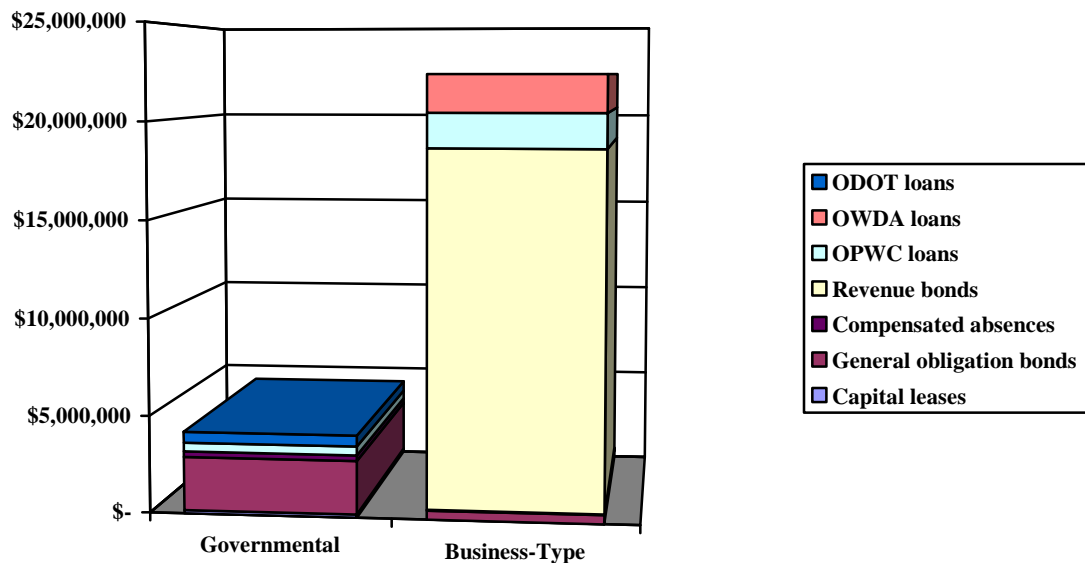
The City had the following long-term obligations outstanding at December 31, 2006 and 2005:

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
Capital leases	\$ 170,264	\$ 263,395
General obligation bonds	2,745,000	2,880,000
OPWC loans	448,810	476,673
ODOT loans	564,170	-
Compensated absences	<u>280,096</u>	<u>294,050</u>
Total long-term obligations	<u>\$ 4,208,340</u>	<u>\$ 3,914,118</u>

	Business-type Activities	
	<u>2006</u>	<u>2005</u>
Revenue bonds	\$ 18,200,000	\$ 18,420,000
OPWC loans	1,764,056	200,694
OWDA loans	1,919,103	1,602,468
General obligation bonds	460,000	510,000
Compensated absences	<u>42,504</u>	<u>43,137</u>
Total long-term obligations	<u>\$ 22,385,663</u>	<u>\$ 20,776,299</u>

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

**Long-term obligations**



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

**CITY OF HARRISON, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**Economic Conditions and Outlook**

The City's current population is 9,950.

The City's unemployment rate is currently 5.2%, compared to the 5.5% state average and the 4.6% national average.

These economic factors were considered in preparing the City's budget for fiscal year 2007. With the continuation of conservative budgeting practices, the City's financial position should remain stable in future years.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Gayle Grubbs, Finance Director, 112 N. Walnut Street, Harrison, Ohio 45030.

**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF HARRISON, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 4,429,009	\$ 3,517,316	\$ 7,946,325
Cash in segregated accounts . . . . .	76,110	-	76,110
Receivables (net of allowances for uncollectibles):			
Income taxes . . . . .	554,333	-	554,333
Real and other taxes . . . . .	2,068,835	-	2,068,835
Accounts . . . . .	28,727	651,320	680,047
Due from other governments . . . . .	530,149	3,566	533,715
Accrued interest . . . . .	6,289	-	6,289
Internal balance . . . . .	21,936	(21,936)	-
Prepayments . . . . .	35,060	9,946	45,006
Unamortized bond issue costs . . . . .	56,262	690,424	746,686
Restricted assets:			
Cash and cash equivalents with fiscal agent . . . . .	-	1,997,344	1,997,344
Capital assets:			
Land and construction in progress . . . . .	3,039,421	2,745,514	5,784,935
Depreciable capital assets, net . . . . .	6,880,820	27,062,940	33,943,760
Total capital assets . . . . .	<u>9,920,241</u>	<u>29,808,454</u>	<u>39,728,695</u>
Total assets . . . . .	<u>17,726,951</u>	<u>36,656,434</u>	<u>54,383,385</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	52,646	55,215	107,861
Accrued wages and benefits . . . . .	131,582	21,425	153,007
Due to other governments . . . . .	231,060	4,555	235,615
Unearned revenue . . . . .	1,933,523	-	1,933,523
Accrued interest payable . . . . .	16,157	138,867	155,024
Long-term liabilities:			
Due within one year . . . . .	307,825	412,736	720,561
Due in more than one year . . . . .	<u>3,837,197</u>	<u>22,105,132</u>	<u>25,942,329</u>
Total liabilities . . . . .	<u>6,509,990</u>	<u>22,737,930</u>	<u>29,247,920</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	6,208,120	8,244,568	14,452,688
Restricted for:			
Capital projects . . . . .	1,147,150	-	1,147,150
Debt service . . . . .	1,097,636	-	1,097,636
Street maintenance and repair . . . . .	333,956	-	333,956
State highway . . . . .	104,413	-	104,413
Law enforcement . . . . .	168,765	-	168,765
Fire . . . . .	285,244	-	285,244
Senior center . . . . .	89,697	-	89,697
Other purposes . . . . .	383,129	-	383,129
Unrestricted . . . . .	<u>1,398,851</u>	<u>5,673,936</u>	<u>7,072,787</u>
Total net assets . . . . .	<u>\$ 11,216,961</u>	<u>\$ 13,918,504</u>	<u>\$ 25,135,465</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
General government . . . . .	\$ 1,138,392	\$ 83,194	\$ -	\$ -
Security of persons and property. . . . .	4,536,986	554,805	18,474	-
Public health and welfare . . . . .	264,800	99,866	62,999	-
Transportation . . . . .	629,650	-	401,627	243,409
Community environment. . . . .	108,382	178,519	-	-
Leisure time activity . . . . .	304,242	-	-	-
Interest and fiscal charges . . . . .	195,440	-	-	-
<b>Total governmental activities . . . . .</b>	<b>7,177,892</b>	<b>916,384</b>	<b>483,100</b>	<b>243,409</b>
<b>Business-type Activities:</b>				
Sewer . . . . .	2,511,568	2,146,156	-	-
Water . . . . .	1,069,343	1,406,498	-	-
Other business-type activities:				
Storm Water . . . . .	39,663	-	-	-
Sanitation . . . . .	376,338	387,944	3,566	-
Water/Wastewater Deposit . . . . .	774	10,221	-	-
<b>Total business-type activities . . . . .</b>	<b>3,997,686</b>	<b>3,950,819</b>	<b>3,566</b>	<b>-</b>
<b>Total primary government. . . . .</b>	<b>\$ 11,175,578</b>	<b>\$ 4,867,203</b>	<b>\$ 486,666</b>	<b>\$ 243,409</b>

**General Revenues:**

Property taxes levied for:
General purposes . . . . .
Fire improvements . . . . .
Police pension. . . . .
Recreation. . . . .
Capital projects . . . . .
Income taxes levied for:
General purposes . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Miscellaneous . . . . .
<b>Total general revenues. . . . .</b>
Transfers. . . . .
Change in net assets . . . . .
<b>Net assets at beginning of year . . . . .</b>
<b>Net assets at end of year. . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,055,198)	\$ -	\$ (1,055,198)
(3,963,707)	-	(3,963,707)
(101,935)	-	(101,935)
15,386	-	15,386
70,137	-	70,137
(304,242)	-	(304,242)
(195,440)	-	(195,440)
<u>(5,534,999)</u>	<u>-</u>	<u>(5,534,999)</u>
-	(365,412)	(365,412)
-	337,155	337,155
-	(39,663)	(39,663)
-	15,172	15,172
-	9,447	9,447
<u>-</u>	<u>(43,301)</u>	<u>(43,301)</u>
<u>(5,534,999)</u>	<u>(43,301)</u>	<u>(5,578,300)</u>
1,154,940	-	1,154,940
902,383	-	902,383
65,937	-	65,937
34,300	-	34,300
210,660	-	210,660
2,794,284	-	2,794,284
478,657	-	478,657
217,467	136,586	354,053
100,066	246,368	346,434
5,958,694	382,954	6,341,648
<u>9,589</u>	<u>(9,589)</u>	<u>-</u>
433,284	330,064	763,348
<u>10,783,677</u>	<u>13,588,440</u>	<u>24,372,117</u>
<u>\$ 11,216,961</u>	<u>\$ 13,918,504</u>	<u>\$ 25,135,465</u>

**CITY OF HARRISON, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 866,492	\$ 187,445	\$ 3,375,072	\$ 4,429,009
Cash in segregated accounts. . . . .	-	-	76,110	76,110
Receivables (net of allowance for uncollectibles):				
Income taxes . . . . .	554,333	-	-	554,333
Real and other taxes . . . . .	1,130,013	861,891	76,931	2,068,835
Accounts . . . . .	22,389	-	6,338	28,727
Due from other governments . . . . .	212,616	49,732	267,801	530,149
Accrued interest . . . . .	6,289	-	-	6,289
Due from other funds. . . . .	1,345	-	-	1,345
Advances to other funds . . . . .	57,347	-	-	57,347
Prepayments . . . . .	16,742	9,001	9,317	35,060
Total assets . . . . .	<u>\$ 2,867,566</u>	<u>\$ 1,108,069</u>	<u>\$ 3,811,569</u>	<u>\$ 7,787,204</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 36,390	\$ 11,005	\$ 5,251	\$ 52,646
Accrued wages and benefits . . . . .	65,002	48,247	18,333	131,582
Compensated absences payable. . . . .	3,370	-	-	3,370
Due to other governments . . . . .	32,656	85,353	113,051	231,060
Due to other funds . . . . .	-	-	1,345	1,345
Advances from other funds . . . . .	-	-	35,411	35,411
Unearned revenue. . . . .	1,067,363	809,983	56,177	1,933,523
Deferred revenue . . . . .	416,892	82,048	93,383	592,323
Total liabilities. . . . .	<u>1,621,673</u>	<u>1,036,636</u>	<u>322,951</u>	<u>2,981,260</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	180	5,230	5,410
Reserved for prepaids . . . . .	16,742	9,001	9,317	35,060
Reserved for advances. . . . .	57,347	-	-	57,347
Unreserved, undesignated, reported in:				
General fund . . . . .	1,171,804	-	-	1,171,804
Special revenue funds. . . . .	-	62,252	1,218,600	1,280,852
Debt service funds. . . . .	-	-	1,108,321	1,108,321
Capital projects funds. . . . .	-	-	1,147,150	1,147,150
Total fund balances . . . . .	<u>1,245,893</u>	<u>71,433</u>	<u>3,488,618</u>	<u>4,805,944</u>
Total liabilities and fund balances . . . . .	<u>\$ 2,867,566</u>	<u>\$ 1,108,069</u>	<u>\$ 3,811,569</u>	<u>\$ 7,787,204</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2006

<b>Total governmental fund balances</b>		\$ 4,805,944
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,920,241
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 117,855	
Income taxes	217,939	
Intergovernmental revenues	256,529	
Total		592,323
Unamortized bond issuance costs are not recognized in the funds.		56,262
Deferred amounts on the refundings of bonds are not recognized in the funds.		159,861
Unamortized bond premiums are not recognized in the funds.		(96,543)
In the statement of activities interest is accrued on outstanding bonds and loans, whereas in governmental funds, interest expenditures are reported when due.		(16,157)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	276,726	
Refunding bonds payable	2,135,000	
ODOT loan payable	564,170	
OPWC loan payable	448,810	
General obligation bonds payable	610,000	
Capital leases payable	170,264	
		(4,204,970)
<b>Net assets of governmental activities</b>		<b>\$ 11,216,961</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Fire Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Income taxes. . . . .	\$ 2,785,255	\$ -	\$ -	\$ 2,785,255
Real and other taxes . . . . .	1,183,238	914,735	311,173	2,409,146
Charges for services . . . . .	2,271	397,489	99,866	499,626
Licenses and permits. . . . .	254,726	-	-	254,726
Fines and forfeitures. . . . .	162,032	-	-	162,032
Intergovernmental . . . . .	376,157	63,478	761,507	1,201,142
Investment income. . . . .	214,208	-	3,259	217,467
Other. . . . .	62,452	3,254	11,308	77,014
Total revenues . . . . .	<u>5,040,339</u>	<u>1,378,956</u>	<u>1,187,113</u>	<u>7,606,408</u>
<b>Expenditures:</b>				
Current:				
General government. . . . .	1,011,017	-	-	1,011,017
Security of persons and property . . . . .	2,009,818	1,962,427	299,013	4,271,258
Public health and welfare . . . . .	10,742	-	248,257	258,999
Transportation. . . . .	-	-	506,502	506,502
Community environment . . . . .	104,374	-	-	104,374
Leisure time activity . . . . .	60,033	-	178,853	238,886
Capital outlay . . . . .	68,856	75,725	478,874	623,455
Debt service:				
Principal retirement . . . . .	80,867	-	243,983	324,850
Interest and fiscal charges . . . . .	5,395	-	154,627	160,022
Total expenditures . . . . .	<u>3,351,102</u>	<u>2,038,152</u>	<u>2,110,109</u>	<u>7,499,363</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>1,689,237</u>	<u>(659,196)</u>	<u>(922,996)</u>	<u>107,045</u>
<b>Other financing sources (uses):</b>				
Loan issuance. . . . .	-	-	564,170	564,170
Transfers in. . . . .	39,589	627,400	987,104	1,654,093
Transfers out . . . . .	(1,539,504)	(75,000)	-	(1,614,504)
Capital lease transaction. . . . .	68,856	-	-	68,856
Total other financing sources (uses). . . . .	<u>(1,431,059)</u>	<u>552,400</u>	<u>1,551,274</u>	<u>672,615</u>
Net change in fund balances . . . . .	258,178	(106,796)	628,278	779,660
<b>Fund balances at beginning of year . . . . .</b>	<u>987,715</u>	<u>178,229</u>	<u>2,860,340</u>	<u>4,026,284</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,245,893</u>	<u>\$ 71,433</u>	<u>\$ 3,488,618</u>	<u>\$ 4,805,944</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

<b>Net change in fund balances - total governmental funds</b>	\$	779,660
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	\$ 426,628	
Current year depreciation	<u>(372,211)</u>	
Total		54,417
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Capital asset disposals	(184,046)	
Accumulated depreciation on disposals	<u>124,204</u>	
Total		(59,842)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(4,821)
Capital lease transactions are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(68,856)
Loans proceeds are recognized as revenue in the governmental funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(564,170)
Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		324,850
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:		
Increase in accrued interest payable	(4,887)	
Amortization of bond premiums	24,650	
Amortization of bond issue costs	(14,365)	
Amortization of deferred charges of refundings	<u>(40,816)</u>	
		(35,418)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>7,464</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>433,284</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 2,821,000	\$ 2,821,000	\$ 2,749,639	\$ (71,361)
Real and other taxes. . . . .	962,741	962,741	1,183,238	220,497
Charges for services. . . . .	2,271	2,271	2,271	-
Licenses and permits . . . . .	266,600	266,600	252,304	(14,296)
Fines and forfeitures . . . . .	222,145	222,145	157,897	(64,248)
Intergovernmental. . . . .	386,564	386,564	401,964	15,400
Investment income . . . . .	25,000	25,000	216,351	191,351
Other . . . . .	13,625	13,625	63,616	49,991
<b>Total revenues.</b> . . . .	<u>4,699,946</u>	<u>4,699,946</u>	<u>5,027,280</u>	<u>327,334</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	1,079,633	1,089,633	1,016,432	73,201
Security of persons and property. . . . .	2,235,625	2,173,277	2,076,640	96,637
Public health and welfare . . . . .	10,772	10,772	10,742	30
Community environment. . . . .	130,516	130,516	105,729	24,787
Leisure time activity . . . . .	68,005	70,005	60,033	9,972
<b>Total expenditures</b> . . . . .	<u>3,524,551</u>	<u>3,474,203</u>	<u>3,269,576</u>	<u>204,627</u>
Excess of revenues over expenditures . . . . .	<u>1,175,395</u>	<u>1,225,743</u>	<u>1,757,704</u>	<u>531,961</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	<u>(1,485,588)</u>	<u>(1,485,588)</u>	<u>(1,539,504)</u>	<u>(53,916)</u>
<b>Total other financing sources (uses).</b> . . . . .	<u>(1,485,588)</u>	<u>(1,485,588)</u>	<u>(1,539,504)</u>	<u>(53,916)</u>
Net change in fund balance . . . . .	(310,193)	(259,845)	218,200	478,045
<b>Fund balance at beginning of year</b> . . . . .	422,281	422,281	422,281	-
<b>Prior year encumbrances appropriated.</b> . . . . .	<u>218,948</u>	<u>218,948</u>	<u>218,948</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . . .	<u>\$ 331,036</u>	<u>\$ 381,384</u>	<u>\$ 859,429</u>	<u>\$ 478,045</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FIRE IMPROVEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Real and other taxes . . . . .	\$ 952,117	\$ 952,117	\$ 914,735	\$ (37,382)
Charges for services . . . . .	388,800	388,800	377,897	(10,903)
Intergovernmental . . . . .	49,743	49,743	63,478	13,735
Other . . . . .	1,000	1,000	3,254	2,254
Total revenues. . . . .	<u>1,391,660</u>	<u>1,391,660</u>	<u>1,359,364</u>	<u>(32,296)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property. . . . .	1,993,525	2,055,162	2,023,181	31,981
Capital outlay. . . . .	88,425	88,425	83,682	4,743
Total expenditures . . . . .	<u>2,081,950</u>	<u>2,143,587</u>	<u>2,106,863</u>	<u>36,724</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(690,290)</u>	<u>(751,927)</u>	<u>(747,499)</u>	<u>4,428</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	771,973	771,973	627,400	(144,573)
Transfers out . . . . .	<u>(120,773)</u>	<u>(120,773)</u>	<u>(75,000)</u>	<u>45,773</u>
Total other financing sources (uses) . . . . .	<u>651,200</u>	<u>651,200</u>	<u>552,400</u>	<u>(98,800)</u>
Net change in fund balance . . . . .	(39,090)	(100,727)	(195,099)	(94,372)
<b>Fund balance at beginning of year . . . . .</b>	280,893	280,893	280,893	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>82,896</u>	<u>82,896</u>	<u>82,896</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 324,699</u>	<u>\$ 263,062</u>	<u>\$ 168,690</u>	<u>\$ (94,372)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2006

	<b>Business-type Activities -Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor</b>	<b>Total</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,406,135	\$ 1,901,229	\$ 209,952	\$ 3,517,316
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	375,922	201,880	73,518	651,320
Due from other governments . . . . .	-	-	3,566	3,566
Interfund loans receivable . . . . .	8,378	-	-	8,378
Advances to other funds . . . . .	8,800	-	-	8,800
Prepayments . . . . .	5,716	4,230	-	9,946
Unamortized bond issuance costs . . . . .	690,424	-	-	690,424
Total current assets . . . . .	<u>2,495,375</u>	<u>2,107,339</u>	<u>287,036</u>	<u>4,889,750</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents with fiscal agent . . . . .	1,997,344	-	-	1,997,344
Capital assets:				
Land and construction in progress . . . . .	1,848,868	896,646	-	2,745,514
Depreciable capital assets, net . . . . .	15,604,106	9,597,736	1,861,098	27,062,940
Total capital assets . . . . .	<u>17,452,974</u>	<u>10,494,382</u>	<u>1,861,098</u>	<u>29,808,454</u>
Total noncurrent assets . . . . .	<u>19,450,318</u>	<u>10,494,382</u>	<u>1,861,098</u>	<u>31,805,798</u>
Total assets . . . . .	<u>21,945,693</u>	<u>12,601,721</u>	<u>2,148,134</u>	<u>36,695,548</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	27,869	27,346	-	55,215
Accrued wages and benefits . . . . .	13,572	7,853	-	21,425
Compensated absences . . . . .	3,828	2,932	-	6,760
Due to other governments . . . . .	2,056	2,499	-	4,555
Advances from other funds . . . . .	8,976	12,960	8,800	30,736
Accrued interest payable . . . . .	138,867	-	-	138,867
Interfund loans payable . . . . .	-	-	8,378	8,378
Current portion of general obligation bonds . . . . .	25,000	-	-	25,000
Current portion of revenue bonds . . . . .	220,000	-	-	220,000
Current portion of OWDA loans . . . . .	-	86,429	-	86,429
Current portion of OPWC loans . . . . .	-	74,547	-	74,547
Total current liabilities . . . . .	<u>440,168</u>	<u>214,566</u>	<u>17,178</u>	<u>671,912</u>
Long-term liabilities:				
Revenue bonds . . . . .	18,104,885	-	-	18,104,885
General obligation bonds . . . . .	442,320	-	-	442,320
OWDA loans . . . . .	-	1,832,674	-	1,832,674
OPWC loans . . . . .	1,635,333	54,176	-	1,689,509
Compensated absences . . . . .	9,925	25,819	-	35,744
Total long-term liabilities . . . . .	<u>20,192,463</u>	<u>1,912,669</u>	<u>-</u>	<u>22,105,132</u>
Total liabilities . . . . .	<u>20,632,631</u>	<u>2,127,235</u>	<u>17,178</u>	<u>22,777,044</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt (deficit) . . . . .	(2,063,086)	8,446,556	1,861,098	8,244,568
Unrestricted . . . . .	3,376,148	2,027,930	269,858	5,673,936
Total net assets . . . . .	<u>\$ 1,313,062</u>	<u>\$ 10,474,486</u>	<u>\$ 2,130,956</u>	<u>\$ 13,918,504</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 2,146,156	\$ 1,406,498	\$ 398,165	\$ 3,950,819
Other . . . . .	154,115	8,291	-	162,406
Total operating revenues . . . . .	<u>2,300,271</u>	<u>1,414,789</u>	<u>398,165</u>	<u>4,113,225</u>
<b>Operating expenses:</b>				
Personal services . . . . .	448,269	285,098	-	733,367
Contract services . . . . .	175,264	253,667	381,991	810,922
Materials and supplies . . . . .	40,247	69,027	-	109,274
Depreciation . . . . .	677,948	283,266	34,010	995,224
Utilities . . . . .	166,992	95,066	-	262,058
Other . . . . .	11,931	4,983	774	17,688
Total operating expenses . . . . .	<u>1,520,651</u>	<u>991,107</u>	<u>416,775</u>	<u>2,928,533</u>
Operating income (loss) . . . . .	<u>779,620</u>	<u>423,682</u>	<u>(18,610)</u>	<u>1,184,692</u>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue . . . . .	136,205	381	-	136,586
Intergovernmental . . . . .	-	-	3,566	3,566
Loss on disposal of capital assets . . . . .	(12,030)	-	-	(12,030)
Other nonoperating expenses . . . . .	(112,052)	-	-	(112,052)
Other nonoperating revenues . . . . .	-	83,962	-	83,962
Interest expense and fiscal charges . . . . .	<u>(866,835)</u>	<u>(78,236)</u>	<u>-</u>	<u>(945,071)</u>
Total nonoperating revenues (expenses) . . . . .	<u>(854,712)</u>	<u>6,107</u>	<u>3,566</u>	<u>(845,039)</u>
Income (loss) before capital contributions and transfers . . . . .	(75,092)	429,789	(15,044)	339,653
Capital contributions . . . . .	30,000	-	-	30,000
Transfers out . . . . .	<u>(39,589)</u>	<u>-</u>	<u>-</u>	<u>(39,589)</u>
Changes in net assets . . . . .	(84,681)	429,789	(15,044)	330,064
<b>Net assets at beginning of year . . . . .</b>	<u>1,397,743</u>	<u>10,044,697</u>	<u>2,146,000</u>	<u>13,588,440</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 1,313,062</u>	<u>\$ 10,474,486</u>	<u>\$ 2,130,956</u>	<u>\$ 13,918,504</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 2,095,478	\$ 1,371,908	\$ 383,790	\$ 3,851,176
Cash received from other operations. . . . .	126,194	8,291	-	134,485
Cash payments for personal services . . . . .	(452,738)	(288,100)	-	(740,838)
Cash payments for contract services . . . . .	(181,401)	(244,801)	(415,683)	(841,885)
Cash payments for materials and supplies . . . . .	(38,849)	(66,343)	-	(105,192)
Cash payments for utilities. . . . .	(168,954)	(104,267)	-	(273,221)
Cash payments for other expenses. . . . .	(11,931)	(4,983)	(774)	(17,688)
Net cash provided by (used in) operating activities . . . . .	<u>1,367,799</u>	<u>671,705</u>	<u>(32,667)</u>	<u>2,006,837</u>
<b>Cash flows from noncapital financing activities:</b>				
Advances in from other funds. . . . .	545,600	-	8,378	553,978
Advances out to other funds. . . . .	(8,378)	-	-	(8,378)
Cash payments for other nonoperating expenses . . . .	(31,770)	-	-	(31,770)
Transfers out to other funds . . . . .	(39,589)	-	-	(39,589)
Net cash provided by noncapital financing activities . . . . .	<u>465,863</u>	<u>-</u>	<u>8,378</u>	<u>474,241</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(2,879,440)	(582,210)	-	(3,461,650)
Principal retirement . . . . .	(270,000)	(171,122)	-	(441,122)
OWDA loan. . . . .	-	415,786	-	415,786
OPWC loan. . . . .	1,635,333	-	-	1,635,333
Interest and fiscal charges. . . . .	(847,757)	(78,236)	-	(925,993)
Net cash used in capital and related financing activities . . . . .	<u>(2,361,864)</u>	<u>(415,782)</u>	<u>-</u>	<u>(2,777,646)</u>
<b>Cash flows from investing activities:</b>				
Interest received . . . . .	139,885	2,725	-	142,610
Net cash provided by investing activities . . . . .	<u>139,885</u>	<u>2,725</u>	<u>-</u>	<u>142,610</u>
Net increase (decrease) in cash and cash equivalents . .	(388,317)	258,648	(24,289)	(153,958)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>3,791,796</u>	<u>1,642,581</u>	<u>234,241</u>	<u>5,668,618</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 3,403,479</u>	<u>\$ 1,901,229</u>	<u>\$ 209,952</u>	<u>\$ 5,514,660</u>

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**CITY OF HARRISON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 779,620	\$ 423,682	\$ (18,610)	\$ 1,184,692
Adjustments:				
Depreciation. . . . .	677,948	283,266	34,010	995,224
Changes in assets and liabilities:				
(Increase) in accounts receivable . . . . .	(78,599)	(34,590)	(14,375)	(127,564)
(Increase) in prepayments . . . . .	(651)	(481)	-	(1,132)
Increase (decrease) in accounts payable . . . . .	(6,050)	2,830	(33,692)	(36,912)
Increase (decrease) in accrued wages and benefits . . . . .	1,861	(347)	-	1,514
(Decrease) in due to other governments . . . . .	(5,536)	(2,816)	-	(8,352)
Increase (decrease) in compensated absences payable . . . . .	(794)	161	-	(633)
Net cash provided by (used in) operating activities . . . . .	\$ 1,367,799	\$ 671,705	\$ (32,667)	\$ 2,006,837

At December 31, 2005 and 2006, the Water fund purchased \$7,423 and \$4,781, respectively, in capital assets on account. During 2006, the Sewer fund received \$30,000 in capital asset contributions from other funds.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HARRISON, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2006**

		<u>Agency</u>
<b>Assets:</b>		
Cash in segregated accounts . . . . .	\$	<u>983</u>
Total assets. . . . .	\$	<u><u>983</u></u>
 <b>Liabilities:</b>		
Due to other governments . . . . .	\$	<u>983</u>
Total liabilities. . . . .	\$	<u><u>983</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## CITY OF HARRISON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### NOTE 1 - DESCRIPTION OF THE CITY

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

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. Reporting Entity

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

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**B. Basis of Presentation - Fund Accounting**

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

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

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

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

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

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

**C. Fund Accounting**

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

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

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

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

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

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

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

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

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

**E. Basis of Accounting**

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

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance fiscal year 2007 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2006 are recorded as deferred revenue.

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

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

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

**F. Budgetary Data**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Budgetary modifications may only be made by ordinance of the City Council. The City can make transfers within the funds without seeking the approval of City Council. The City legally adopted supplemental appropriations during 2006.

Tax Budget

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

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

Estimated Resources

The City Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificates of estimated resources issued during 2006.

Appropriations

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

Lapsing of Appropriations

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

**G. Cash and Investments**

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

During 2006, investments were limited to STAR Ohio, Treasury Bills, U. S. Government money market mutual funds and non-negotiable certificates of deposit.

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

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2006. 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, 2006.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During fiscal 2006, interest revenue credited to the general fund amounted to \$214,208 which includes \$180,226 assigned from other City funds.

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

At year-end, the City had \$1,997,344 held by a trustee as designated by bond indenture. This amount is reported as "Restricted Cash and Cash Equivalents with Fiscal Agent" in the financial statements.

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

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

**H. Capital Assets**

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

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

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

**I. Compensated Absences**

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

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

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

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

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

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

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

**K. Accrued Liabilities and Long-Term Obligations**

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

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

**L. Restricted Assets**

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

**M. Interfund Balances**

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

**N. Interfund Activity**

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

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

**O. Fund Balance Reserves**

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

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

**P. Estimates**

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

**Q. Net Assets**

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**R. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

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

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

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

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

**T. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, operating revenues represent charges for services revenue reported in the sewer, water, storm water, and sanitation funds. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2006, the City has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No.'s 44, 46 and 47 did not have an effect on the fund balances/net assets of the City as previously reported at December 31, 2005.

**B. Deficit Fund Balance**

Fund balances at December 31, 2006 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Governmental Funds</u>	
Fire Memorial	\$ 6,223
Community Center	41,432

The Fire Memorial fund complied with Ohio state law, which does not permit a cash basis deficit at year-end. The Community Center fund had a cash-basis deficit at December 31, 2006 which was covered by the general fund as described in Note 5.D. The deficit fund balances in these funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.

**C. Compliance**

- i. The City did not certify expenditures timely for the year ended December 31, 2006 in noncompliance with Ohio Revised Code Section 5705.41 (D).

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

- ii. The following funds had disbursements in excess of appropriations for the year ended December 31, 2006 in noncompliance with Ohio Revised Code Section 5705.41 (B):

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>Governmental Activities:</u>			
Nonmajor Governmental Funds:			
Fire Memorial	\$ 5,800	\$ 15,424	\$ 9,624
Fire Capital Reserve	51,698	86,813	35,115
Home Depot TIF	14,000	173,437	159,437
Police Pension	215,670	322,910	107,240
Drug Law Enforcement	2,014	17,734	15,720
Enforcement and Education	1,500	10,946	9,446
New Haven Bridge Escrow	-	21,925	21,925
<u>Business-type Activities:</u>			
Major Fund:			
Wastewater Construction	97,330	2,411,688	2,314,358
Nonmajor Enterprise Fund:			
Sanitation	398,376	407,256	8,880

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

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

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash on Hand**

At year-end, the City had \$525 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

**B. Cash in Segregated Accounts**

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

**C. Cash with Fiscal Agent**

At year-end, the City had \$1,997,344 held by a trustee as designated by bond indenture. This amount is included in the City’s “Investments” below.

**D. Deposits with Financial Institutions**

At December 31, 2006, the carrying amount of all City deposits was \$5,581,842. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2006, \$5,388,498 of the City’s bank balance of \$6,096,131 was exposed to custodial risk as discussed below, while \$707,633 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

**E. Investments**

As of December 31, 2006, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>6 months or less</u>
U.S. Government money			
market mutual funds	\$ 3,291,006	\$	3,291,006
Treasury Bill	488,515		488,515
STAR Ohio	658,874		658,874
	<u>\$ 4,438,395</u>	<u>\$</u>	<u>4,438,395</u>

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The City's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating.

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

*Concentration of Credit Risk:* The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
U.S. Government money market mutual funds	\$ 3,291,006	74.15
Treasury Bill	488,515	11.01
STAR Ohio	<u>658,874</u>	<u>14.84</u>
	<u>\$ 4,438,395</u>	<u>100.00</u>

**F. Reconciliation of Cash and Investment to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 5,581,842
Investments	4,438,395
Cash on hand	<u>525</u>
Total	<u>\$ 10,020,762</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 4,505,119
Business-type activities	5,514,660
Agency fund	<u>983</u>
Total	<u>\$ 10,020,762</u>

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - INTERNAL TRANSACTIONS**

- A.** Interfund transfers for the year ended December 31, 2006, consisted of the following, as reported in the fund financial statements:

Transfers to Nonmajor Governmental funds from:	
General fund	\$ 912,104
Fire Improvement	75,000
Transfers to General fund from:	
Sewer	39,589
Transfers to Fire Improvement fund from:	
General fund	<u>627,400</u>
Total	<u><u>\$ 1,654,093</u></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; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

The transfers reported above include a \$75,000 transfer from the Fire Improvement fund to the Fire Capital Reserve fund (a nonmajor governmental fund) for use in future capital expenditures.

The transfers reported above include the \$39,589 transfer from the Sewer fund to the general fund which represents the Sewer fund's portion of a capital lease payment which is recorded as a liability of the governmental activities.

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

- B.** Advances to/from other funds consisted of the following at December 31, 2006, as reported on the fund financial statements:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
General	Nonmajor Governmental funds	\$ 35,411
	Water	12,960
	Sewer	<u>8,976</u>
		<u>57,347</u>
Sewer	Storm Water	<u>8,800</u>
Total		<u><u>\$ 66,147</u></u>

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - INTERNAL TRANSACTIONS – (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 assets. Advances to/from other funds between governmental activities and business-type activities are reported as a component of the “internal balance” reported on the statement of net assets.

- C. Interfund loan receivable/payable consisted of the following at December 31, 2006, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	Storm Water	\$ 8,378

Interfund loans receivable and payable are short-term interfund loans that are expected to be repaid in the subsequent year. Interfund loans between enterprise funds are eliminated for reporting on the statement of net assets.

Interfund loans between enterprise funds are eliminated for reporting on the government-wide financial statements.

- D. Due to/from other funds consisted of the following at December 31, 2006, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Community Center	\$ 1,345

Due to/from other funds consists of cash loaned by the general fund to cover a cash basis deficit of the Community Center fund (a nonmajor governmental fund). Amounts due to/from other funds between governmental funds are eliminated for reporting on the statement of net assets.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. The Hamilton County Auditor reappraises real property every six years with a triennial update. The last update was completed in the tax year 2005. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. Under Ohio Revised Code, the first payment is due December 31, with the remainder payable by June 20; however, alternate dates may be established by the County Auditor.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 6 - PROPERTY TAXES – (Continued)**

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2004. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The full tax rate applied to real property for the fiscal year ended December 31, 2006 was \$13.00 per \$1,000 of assessed valuation. Real property owners' tax bills are further reduced by homestead and rollback reductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio. The assessed valuation upon which 2006 taxes were collected is as follows:

Real property	\$202,509,130
Public utility real property	4,171,220
Tangible personal property	<u>16,313,010</u>
Total assessed value	<u>\$222,993,360</u>

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

Accrued property taxes receivable represents delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2006. Although current property tax collections for the next fiscal year are measurable, they are intended to finance 2007 operations. Accordingly, the receivable is offset by a credit to "unearned revenue". On a full accrual basis, collectible delinquent property taxes receivable have been recorded as revenue, while on a modified accrual basis the revenue has been recorded as "deferred revenue".

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 7 - LOCAL INCOME TAX**

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

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2006, consisted of taxes, accounts (billings for user charged services), interest and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "Due from other governments" on the financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2006, as well as intended to finance fiscal 2006 operations.

A summary of the items of receivables follows:

	<u>Amount</u>
<u>Governmental Activities</u>	
Income taxes	\$ 554,333
Real and other taxes	2,068,835
Accounts	28,727
Due from other governments	530,149
Accrued interest	6,289
<u>Business-Type Activities</u>	
Accounts	651,320
Due from other governments	3,566

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for fiscal year 2006 is as follows:

	Balance			Balance
<b><u>Governmental Activities:</u></b>	<u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,001,921	\$ -	\$ -	\$ 3,001,921
Construction in progress	<u>1,251,301</u>	<u>37,500</u>	<u>(1,251,301)</u>	<u>37,500</u>
Total capital assets, not being depreciated	<u>4,253,222</u>	<u>37,500</u>	<u>(1,251,301)</u>	<u>3,039,421</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	814,479	1,857	(4,232)	812,104
Buildings and improvements	3,913,917	-	-	3,913,917
Furniture and equipment	1,165,338	101,206	(46,043)	1,220,501
Vehicles	1,410,249	114,026	(133,771)	1,390,504
Infrastructure	<u>1,766,659</u>	<u>1,423,340</u>	<u>-</u>	<u>3,189,999</u>
Total capital assets, being depreciated	<u>9,070,642</u>	<u>1,640,429</u>	<u>(184,046)</u>	<u>10,527,025</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(535,440)	(36,903)	2,433	(569,910)
Buildings	(1,255,034)	(78,730)	-	(1,333,764)
Furniture and equipment	(577,367)	(91,970)	26,923	(642,414)
Vehicles	(1,012,690)	(113,321)	94,848	(1,031,163)
Infrastructure	<u>(17,667)</u>	<u>(51,287)</u>	<u>-</u>	<u>(68,954)</u>
Total accumulated depreciation	<u>(3,398,198)</u>	<u>(372,211)</u>	<u>124,204</u>	<u>(3,646,205)</u>
Total capital assets, being depreciated, net	<u>5,672,444</u>	<u>1,268,218</u>	<u>(59,842)</u>	<u>6,880,820</u>
Governmental activities capital assets, net	<u>\$ 9,925,666</u>	<u>\$ 1,305,718</u>	<u>\$ (1,311,143)</u>	<u>\$ 9,920,241</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,349
Security of persons and property	196,267
Public health and welfare	3,018
Transportation	111,894
Community environment	1,360
Leisure time activity	<u>57,323</u>
Total depreciation expense	<u>\$ 372,211</u>

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS - (Continued)**

<b><u>Business-type Activities:</u></b>	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 485,420	\$ -	\$ -	\$ 485,420
Construction in progress	<u>979,005</u>	<u>2,260,094</u>	<u>(979,005)</u>	<u>2,260,094</u>
Total capital assets, not being depreciated	<u>1,464,425</u>	<u>2,260,094</u>	<u>(979,005)</u>	<u>2,745,514</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	32,386	-	-	32,386
Buildings	10,034,037	-	(20,040)	10,013,997
Furniture and equipment	7,110,146	207,272	(2,515)	7,314,903
Vehicles	262,722	-	-	262,722
Infrastructure	<u>15,802,477</u>	<u>2,000,647</u>	<u>-</u>	<u>17,803,124</u>
Total capital assets, being depreciated	<u>33,241,768</u>	<u>2,207,919</u>	<u>(22,555)</u>	<u>35,427,132</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(31,681)	(157)	-	(31,838)
Buildings	(1,808,233)	(199,533)	8,617	(1,999,149)
Furniture and equipment	(1,542,475)	(465,197)	1,908	(2,005,764)
Vehicles	(234,136)	(6,934)	-	(241,070)
Infrastructure	<u>(3,762,968)</u>	<u>(323,403)</u>	<u>-</u>	<u>(4,086,371)</u>
Total accumulated depreciation	<u>(7,379,493)</u>	<u>(995,224)</u>	<u>10,525</u>	<u>(8,364,192)</u>
Total capital assets, being depreciated, net	<u>25,862,275</u>	<u>1,212,695</u>	<u>(12,030)</u>	<u>27,062,940</u>
Business-type activities capital assets, net	<u>\$ 27,326,700</u>	<u>\$ 3,472,789</u>	<u>\$ (991,035)</u>	<u>\$ 29,808,454</u>

Depreciation expense was charged to business-type activities as follows:

Major Enterprise Funds

Sewer	\$ 677,948
Water	283,266

Nonmajor Enterprise Fund

Storm Water	<u>34,010</u>
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Total depreciation expense	<u>\$ 995,224</u>
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**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 10 - CAPITAL LEASES**

In 2006, the City entered into a capitalized lease agreement with American Financial Network Inc. for the acquisition of vehicles. In prior years, the City entered into capitalized leases for police vehicles, fire trucks, an ambulance, and various equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net assets in the amount of \$655,611. Accumulated depreciation as of December 31, 2006 was \$401,985, leaving a current book value of \$253,626. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the funds. Principal payments in fiscal year 2006 totaled \$161,987 made from the general fund and nonmajor governmental funds.

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, 2006:

<u>Year Ending December 31,</u>	<u>Amount</u>
2007	\$ 116,337
2008	<u>64,637</u>
Total	180,974
Less: amount representing interest	<u>(10,710)</u>
Present value of net minimum lease payments	<u>\$ 170,264</u>

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

During 2006, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/06</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<b>Governmental Activities:</b>					
<i>General Obligation Bonds</i>					
Road and safety bonds	\$ 745,000	\$ -	\$ (135,000)	\$ 610,000	\$ 140,000
Refunding bonds	<u>2,135,000</u>	<u>-</u>	<u>-</u>	<u>2,135,000</u>	<u>-</u>
Total general obligation bonds	<u>2,880,000</u>	<u>-</u>	<u>(135,000)</u>	<u>2,745,000</u>	<u>140,000</u>
<i>OPWC Loan</i>					
Jefferson Ave. Project	<u>476,673</u>	<u>-</u>	<u>(27,863)</u>	<u>448,810</u>	<u>23,621</u>
Total OPWC loan	<u>476,673</u>	<u>-</u>	<u>(27,863)</u>	<u>448,810</u>	<u>23,621</u>
<i>ODOT Loan</i>					
New Haven Bridge	<u>-</u>	<u>564,170</u>	<u>-</u>	<u>564,170</u>	<u>-</u>
Total ODOT loan	<u>-</u>	<u>564,170</u>	<u>-</u>	<u>564,170</u>	<u>-</u>
<i>Other Long-Term Obligations</i>					
Compensated absences	294,050	295,956	(309,910)	280,096	35,510
Capital leases	<u>263,395</u>	<u>68,856</u>	<u>(161,987)</u>	<u>170,264</u>	<u>108,694</u>
Total other long-term obligations	<u>557,445</u>	<u>364,812</u>	<u>(471,897)</u>	<u>450,360</u>	<u>144,204</u>
Total governmental activities long-term obligations	<u>\$ 3,914,118</u>	<u>\$ 928,982</u>	<u>\$ (634,760)</u>	4,208,340	<u>\$ 307,825</u>
				Add: Unamortized premium on bond issue	96,543
				Less: Unamortized deferred charges on refunding	<u>(159,861)</u>
				Total reported on statement of net assets	<u>\$ 4,145,022</u>

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

General Obligation Refunding Bonds: On August 11, 2005, the City issued \$2,135,000 in Series 2005 general obligation refunding bonds. The bonds bear interest at rates ranging from 3.00% to 4.75% per annum and mature in various installments through December 1, 2019. The proceeds of the bonds were used to advance refund the callable portion (\$1,985,000) of the Series 2000 various purpose general obligation bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. Principal payments on the refunding bonds are scheduled to begin in 2008. The principal balance of the refunded bonds at December 31, 2006 was \$1,985,000.

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

ODOT Loan: The City borrowed \$564,170 from the Ohio Department of Transportation (ODOT) to finance the City's portion of the ODOT project to widen New Haven Road over Interstate 74. The loan bears interest rates ranging from 0% to 5%. Payments are payable in semi-annual installments beginning with the first interest payment being due on February 1, 2008.

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

Year Ended	General Obligation Bonds - 2000 Series			Refunding Bonds - 2005 Series		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 140,000	\$ 32,663	\$ 172,663	\$ -	\$ 95,558	\$ 95,558
2008	150,000	25,312	175,312	10,000	95,557	105,557
2009	155,000	17,362	172,362	15,000	95,258	110,258
2010	165,000	8,992	173,992	15,000	94,792	109,792
2011	-	-	-	195,000	94,313	289,313
2012-2016	-	-	-	1,105,000	325,500	1,430,500
2017-2019	-	-	-	795,000	68,425	863,425
<b>Total</b>	<b>\$ 610,000</b>	<b>\$ 84,329</b>	<b>\$ 694,329</b>	<b>\$ 2,135,000</b>	<b>\$ 869,403</b>	<b>\$ 3,004,403</b>

Year Ended	OPWC Loan			ODOT Loan		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 23,621	\$ -	\$ 23,621	\$ -	\$ -	\$ -
2008	23,622	-	23,622	-	16,925	16,925
2009	23,622	-	23,622	63,394	16,453	79,847
2010	23,621	-	23,621	65,310	14,537	79,847
2011	23,622	-	23,622	65,600	16,584	82,184
2012-2016	118,108	-	118,108	369,866	52,739	422,605
2017-2021	118,108	-	118,108	-	-	-
2022-2026	94,486	-	94,486	-	-	-
<b>Total</b>	<b>\$ 448,810</b>	<b>\$ -</b>	<b>\$ 448,810</b>	<b>\$ 564,170</b>	<b>\$ 117,238</b>	<b>\$ 681,408</b>

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-Type Activities**

During 2006, the following changes occurred in business-type activities long-term obligations:

	Interest	Balance			Balance	Amounts
	Rate	12/31/05	Additions	Reductions	12/31/06	Due in
						One Year
<b>Business-Type Activities:</b>						
<u>General Obligation Bond</u>						
Sanitary Sewer Improvements - 2005	3.00-4.75%	\$ 510,000	\$ -	\$ (50,000)	\$ 460,000	\$ 25,000
Total general obligation bond		<u>510,000</u>	<u>-</u>	<u>(50,000)</u>	<u>460,000</u>	<u>25,000</u>
<u>Mortgage Revenue Bond</u>						
Revenue Improvement and Refundings - 2003	4.75%	18,420,000	-	(220,000)	18,200,000	220,000
Total mortgage revenue bond		<u>18,420,000</u>	<u>-</u>	<u>(220,000)</u>	<u>18,200,000</u>	<u>220,000</u>
<u>OPWC Loans</u>						
OPWC Loan - Water Transmission Lines	3.00%	58,284	-	(25,907)	32,377	27,091
OPWC Loan - Water Reservoir	3.00%	142,410	-	(46,064)	96,346	47,456
OPWC Loan - State Street/Campbell Rd. Sewer	0.00%	-	1,635,333	-	1,635,333	-
Total OPWC loans		<u>200,694</u>	<u>1,635,333</u>	<u>(71,971)</u>	<u>1,764,056</u>	<u>74,547</u>
<u>OWDA Loans</u>						
OWDA Loan - Water Treatment Plant	3.49%	916,859	-	(45,560)	871,299	23,378
OWDA Loan - New Biddinger Rd./ Caroline Trace Rd. Water Mains	2.84%	-	415,786	-	415,786	35,522
OWDA Loan - Wellfield/Transmission Water Mains	3.64%	685,609	-	(53,591)	632,018	27,529
Total OWDA loans		<u>1,602,468</u>	<u>415,786</u>	<u>(99,151)</u>	<u>1,919,103</u>	<u>86,429</u>
Compensated absences		<u>43,137</u>	<u>42,738</u>	<u>(43,371)</u>	<u>42,504</u>	<u>6,760</u>
Total business-type activities long-term obligations		<u>\$ 20,776,299</u>	<u>\$ 2,093,857</u>	<u>\$ (484,493)</u>	22,385,663	<u>\$ 412,736</u>
					221,054	
					<u>(88,849)</u>	
					<u>\$22,517,868</u>	

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

General Obligation Bonds: On August 11, 2005, the City issued \$510,000 in general obligation bonds to finance sanitary sewer improvements. The bonds bear interest rates ranging from 3.000% to 4.125% per annum and mature in various installments through December 1, 2024.

Mortgage Revenue Bonds: On September 15, 2003, the City issued \$18,750,000 in waste water system revenue improvements and refunding bonds. The bond issue consisted of \$16,445,000, \$10,000,000 of which was used to retire bond anticipation notes which matured on December 20, 2003, and refunding bonds of \$2,305,000 to currently refund the callable portion of the 1993 sewer system improvements mortgage revenue bonds (principal \$2,860,000; interest rate 4.6%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the financial statements. The principal balance of the refunded wastewater system mortgage revenue bonds at December 31, 2006 was \$2,170,000.

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

OPWC Loans: Improvements to the City's water treatment facilities and State Street/Campbell Road were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2006, the City has three loans outstanding through the OPWC payable from business-type activities. The State Street/Campbell Road loan has not been closed out as of December 31, 2006. Future debt service requirements for this loan is not available. The loans are payable in semi-annual installments of principal and interest. The amounts due to the OPWC are payable solely from water and sewer revenues.

OWDA Loans: The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2006, the City has outstanding borrowings of \$1,919,103. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The projects financed through OWDA loans are not closed out as of December 31, 2006. Future annual debt service principal and interest requirements for these loans are not available.

Compensated Absences: Compensated absences for business-type activities will be paid from the Sewer and Water enterprise funds.

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

Year <u>Ended</u>	General Obligation Bonds			Revenue Refunding Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 25,000	\$ 18,810	\$ 43,810	\$ 220,000	\$ 823,798	\$ 1,043,798
2008	25,000	18,060	43,060	425,000	818,737	1,243,737
2009	20,000	17,310	37,310	485,000	807,475	1,292,475
2010	20,000	16,690	36,690	550,000	792,925	1,342,925
2011	20,000	16,050	36,050	570,000	774,500	1,344,500
2012-2016	110,000	65,763	175,763	3,245,000	3,523,469	6,768,469
2017-2021	140,000	38,775	178,775	4,575,000	2,715,287	7,290,287
2022-2026	100,000	8,456	108,456	5,530,000	1,446,675	6,976,675
2027-2028	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,600,000</u>	<u>186,675</u>	<u>2,786,675</u>
Total	<u>\$ 460,000</u>	<u>\$ 199,914</u>	<u>\$ 659,914</u>	<u>\$ 18,200,000</u>	<u>\$ 11,889,541</u>	<u>\$ 30,089,541</u>
Year <u>Ended</u>	OPWC Loans (excluding open loans)					
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2007	\$ 74,547	\$ 3,555	\$ 78,102			
2008	<u>54,176</u>	<u>1,310</u>	<u>55,486</u>			
Total	<u>\$ 128,723</u>	<u>\$ 4,865</u>	<u>\$ 133,588</u>			

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 12 - RISK MANAGEMENT**

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

**A. Comprehensive**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2006, the City was insured through Arthur J. Gallagher & Co. All insurance coverage was underwritten by Coregis Insurance Co. The City maintains a Management Committee of department directors and Loss Control Guidelines are followed.

**B. Employee Health Insurance**

During 2006, the City provided employees insurance through Humana Insurance for medical, dental, accident and life insurance. The premiums for health, dental and accident and life insurance are paid monthly with the City paying one hundred percent of the cost. The risk of loss transfers to the insurance carrier upon payment of the premium by the City.

**C. Workers' Compensation**

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

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

**NOTE 13 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 13 - PENSION PLANS – (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member- directed plan do not qualify for ancillary benefits. Authority to established 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, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$210,653, \$213,216, and \$196,622, respectively; 100% has been contributed for 2005 and 2004. The City and plan members did not make any contributions to the member-directed plan for 2006. 96.80% has been contributed for 2006 with the remainder of \$6,739 being reported as a liability within the respective funds.

**B. 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 statements and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the City is required to contribute 19.50% for police officers and 24.00% for firefighters. Contributions are authorized by State statute. The City's contributions OP&F for the year ended December 31, 2006, 2005, and 2004, were \$505,649, \$443,974, and \$408,556, respectively. The full amount has been contributed for 2005 and 2004. 68.13% has been contributed for 2006 with the remainder of \$161,170 being reported as a liability.

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 14 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus and an additional factor ranging from .50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The City's actual employer contributions for 2006 which were used to fund postemployment benefits were \$69,193. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional fund to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

**CITY OF HARRISON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 14 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005 and 2006. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$108,348 for police and \$75,172 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108.039 million, which was net of member contributions of \$55.272 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005 (the latest information available), was 13,922 for police and 10,537 for firefighters.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

**CITY OF HARRISON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General</u>	<u>Fire Improvement</u>
Budget basis	\$ 218,200	\$ (195,099)
Net adjustment for revenue accruals	13,059	19,592
Net adjustment for expenditure accruals	(89,933)	49,956
Net adjustment for other financing sources/(uses)	108,445	-
Adjustment for encumbrances	<u>8,407</u>	<u>18,755</u>
GAAP basis	<u>\$ 258,178</u>	<u>\$ (106,796)</u>

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2006.

**B. Litigation**

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

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**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

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**CITY OF HARRISON, OHIO**

**FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS**

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

***Street Maintenance and Repair***

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

***State Highway Improvements***

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

***Fire Memorial***

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

***Police Pension***

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

***Enforcement and Education***

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

***FEMA***

This fund accounts for grants received to make repairs at the wastewater treatment plant.

***Police Memorial***

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

***Senior***

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

***Passport Account***

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

***Community Center***

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

**CITY OF HARRISON, OHIO**

**FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***Fire Capital Reserve***

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

***Drug Law Enforcement***

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

***Law Enforcement Trust***

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

***Recreation Tax Receipts***

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

**NONMAJOR DEBT SERVICE FUNDS**

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

***Debt Service***

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

***Special Assessment***

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

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

***Capital Improvements***

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

***Home Depot/TIF***

This fund accounts for the Home Depot tax increment financing.

***Street/Safety Construction***

This fund accounts for the construction of various street improvements.

***New Haven Bridge Escrow***

This fund accounts for New Haven Bridge construction.

**CITY OF HARRISON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 1,204,505	\$ 1,108,321	\$ 1,062,246	\$ 3,375,072
Cash in segregated accounts . . . . .	8,663	-	67,447	76,110
Receivables (net of allowances of uncollectibles):				
Real and other taxes. . . . .	59,474	-	17,457	76,931
Accounts. . . . .	6,338	-	-	6,338
Due from other governments. . . . .	267,801	-	-	267,801
Prepayments . . . . .	9,317	-	-	9,317
Total assets . . . . .	<u>\$ 1,556,098</u>	<u>\$ 1,108,321</u>	<u>\$ 1,147,150</u>	<u>\$ 3,811,569</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 5,251	\$ -	\$ -	\$ 5,251
Accrued wages and benefits . . . . .	18,333	-	-	18,333
Due to other governments . . . . .	113,051	-	-	113,051
Due to other funds . . . . .	1,345	-	-	1,345
Advances from other funds. . . . .	35,411	-	-	35,411
Unearned revenue. . . . .	56,177	-	-	56,177
Deferred revenue . . . . .	93,383	-	-	93,383
Total liabilities . . . . .	<u>322,951</u>	<u>-</u>	<u>-</u>	<u>322,951</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	5,230	-	-	5,230
Reserved for prepaids . . . . .	9,317	-	-	9,317
Unreserved, undesignated, reported in:				
Special revenue funds . . . . .	1,218,600	-	-	1,218,600
Debt service funds . . . . .	-	1,108,321	-	1,108,321
Capital projects funds . . . . .	-	-	1,147,150	1,147,150
Total fund balances . . . . .	<u>1,233,147</u>	<u>1,108,321</u>	<u>1,147,150</u>	<u>3,488,618</u>
Total liabilities and fund equity . . . . .	<u>\$ 1,556,098</u>	<u>\$ 1,108,321</u>	<u>\$ 1,147,150</u>	<u>\$ 3,811,569</u>

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Real and other taxes . . . . .	\$ 100,513	\$ -	\$ 210,660	\$ 311,173
Charges for services . . . . .	99,866	-	-	99,866
Intergovernmental . . . . .	518,098	-	243,409	761,507
Investment income . . . . .	-	-	3,259	3,259
Other . . . . .	11,308	-	-	11,308
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	729,785	-	457,328	1,187,113
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	299,013	-	-	299,013
Public health and welfare . . . . .	248,257	-	-	248,257
Transportation . . . . .	506,502	-	-	506,502
Leisure time activity . . . . .	178,853	-	-	178,853
Capital outlay. . . . .	95,637	-	383,237	478,874
Debt service:				
Principal retirement. . . . .	81,120	162,863	-	243,983
Interest and fiscal charges . . . . .	4,922	127,780	21,925	154,627
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	1,414,304	290,643	405,162	2,110,109
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures. . . . .	(684,519)	(290,643)	52,166	(922,996)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in. . . . .	587,104	300,000	100,000	987,104
Loan issuance. . . . .	-	-	564,170	564,170
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	587,104	300,000	664,170	1,551,274
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	(97,415)	9,357	716,336	628,278
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	1,330,562	1,098,964	430,814	2,860,340
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,233,147</u>	<u>\$ 1,108,321</u>	<u>\$ 1,147,150</u>	<u>\$ 3,488,618</u>

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**CITY OF HARRISON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2006**

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvements</u>	<u>Fire Memorial</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 172,611	\$ 115,240	\$ 8,777
Cash in segregated accounts . . . . .	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes . . . . .	-	-	-
Accounts . . . . .	-	-	-
Due from other governments . . . . .	184,131	9,584	-
Prepayments . . . . .	<u>4,816</u>	<u>-</u>	<u>-</u>
Total assets . . . . .	<u>\$ 361,558</u>	<u>\$ 124,824</u>	<u>\$ 8,777</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 1,884	\$ -	\$ -
Accrued wages and benefits . . . . .	9,695	-	-
Due to other governments . . . . .	1,469	-	-
Due to other funds. . . . .	-	-	-
Advances from other funds . . . . .	-	20,411	15,000
Unearned revenue. . . . .	-	-	-
Deferred revenue . . . . .	<u>82,533</u>	<u>5,108</u>	<u>-</u>
Total liabilities . . . . .	<u>95,581</u>	<u>25,519</u>	<u>15,000</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	-	-	-
Reserved for prepaids . . . . .	4,816	-	-
Unreserved, undesignated (deficit), reported in:			
Special revenue funds . . . . .	<u>261,161</u>	<u>99,305</u>	<u>(6,223)</u>
Total fund balances . . . . .	<u>265,977</u>	<u>99,305</u>	<u>(6,223)</u>
Total liabilities and fund equity. . . . .	<u>\$ 361,558</u>	<u>\$ 124,824</u>	<u>\$ 8,777</u>

<u>Police Pension</u>	<u>Enforcement and Education</u>	<u>FEMA</u>	<u>Police Memorial</u>	<u>Senior</u>	<u>Passport Account</u>
\$ 209,845	\$ -	\$ 3,766	\$ 227	\$ 30,214	\$ 109,074
-	-	-	-	8,663	-
59,474	-	-	-	-	-
-	-	-	-	5,201	1,137
2,445	-	-	-	62,999	-
-	-	-	-	225	-
<u>\$ 271,764</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 107,302</u>	<u>\$ 110,211</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,591	\$ -
-	-	-	-	5,420	-
70,847	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,177	-	-	-	-	-
5,742	-	-	-	-	-
<u>132,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,011</u>	<u>-</u>
-	-	-	-	5,230	-
-	-	-	-	225	-
<u>138,998</u>	<u>-</u>	<u>3,766</u>	<u>227</u>	<u>93,836</u>	<u>110,211</u>
<u>138,998</u>	<u>-</u>	<u>3,766</u>	<u>227</u>	<u>99,291</u>	<u>110,211</u>
<u>\$ 271,764</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 107,302</u>	<u>\$ 110,211</u>

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**CITY OF HARRISON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**DECEMBER 31, 2006**

	<u>Community Center</u>	<u>Fire Capital Reserve</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 228,574	\$ 11,248	\$ 4,274
Cash in segregated accounts . . . . .	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Real and other taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Due from other governments . . . . .	-	-	8,642	-
Prepayments . . . . .	4,276	-	-	-
Total assets . . . . .	<u>\$ 4,276</u>	<u>\$ 228,574</u>	<u>\$ 19,890</u>	<u>\$ 4,274</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 776	\$ -	\$ -	\$ -
Accrued wages and benefits . . . . .	3,218	-	-	-
Due to other governments . . . . .	40,369	-	366	-
Due to other funds. . . . .	1,345	-	-	-
Advances from other funds . . . . .	-	-	-	-
Unearned revenue. . . . .	-	-	-	-
Deferred revenue . . . . .	-	-	-	-
Total liabilities . . . . .	<u>45,708</u>	<u>-</u>	<u>366</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	-	-	-
Reserved for prepaids . . . . .	4,276	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	(45,708)	228,574	19,524	4,274
Total fund balances . . . . .	<u>(41,432)</u>	<u>228,574</u>	<u>19,524</u>	<u>4,274</u>
Total liabilities and fund equity. . . . .	<u>\$ 4,276</u>	<u>\$ 228,574</u>	<u>\$ 19,890</u>	<u>\$ 4,274</u>

<u>Recreation Tax Receipts</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 310,655	\$ 1,204,505
-	8,663
-	59,474
-	6,338
-	267,801
-	9,317
<u>\$ 310,655</u>	<u>\$ 1,556,098</u>
\$ -	\$ 5,251
-	18,333
-	113,051
-	1,345
-	35,411
-	56,177
-	93,383
<u>-</u>	<u>322,951</u>
-	5,230
-	9,317
<u>310,655</u>	<u>1,218,600</u>
<u>310,655</u>	<u>1,233,147</u>
<u>\$ 310,655</u>	<u>\$ 1,556,098</u>

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Street Maintenance and Repair</b>	<b>State Highway Improvements</b>	<b>Fire Memorial</b>
<b>Revenues:</b>			
Real and other taxes . . . . .	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-
Intergovernmental . . . . .	403,988	27,821	-
Other . . . . .	6,168	-	5,140
<b>Total revenues . . . . .</b>	<b>410,156</b>	<b>27,821</b>	<b>5,140</b>
<b>Expenditures:</b>			
Current:			
Security of persons and property. . . . .	-	-	15,244
Public health and welfare . . . . .	-	-	-
Transportation . . . . .	486,075	20,427	-
Leisure time activity . . . . .	-	-	-
Capital outlay . . . . .	18,780	-	-
Debt service:			
Principal retirement. . . . .	-	-	-
Interest and fiscal charges . . . . .	-	-	-
<b>Total expenditures . . . . .</b>	<b>504,855</b>	<b>20,427</b>	<b>15,244</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(94,699)	7,394	(10,104)
<b>Other financing sources:</b>			
Transfers in. . . . .	200,000	-	-
<b>Total other financing sources. . . . .</b>	<b>200,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances. . . . .</b>	<b>105,301</b>	<b>7,394</b>	<b>(10,104)</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>160,676</b>	<b>91,911</b>	<b>3,881</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 265,977</b>	<b>\$ 99,305</b>	<b>\$ (6,223)</b>

<b>Police Pension</b>	<b>Enforcement and Education</b>	<b>FEMA</b>	<b>Police Memorial</b>	<b>Senior</b>	<b>Passport Account</b>
\$ 66,213	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	97,622	2,244
4,816	1,237	-	-	62,999	-
-	-	-	-	-	-
<u>71,029</u>	<u>1,237</u>	<u>-</u>	<u>-</u>	<u>160,621</u>	<u>2,244</u>
272,823	10,946	-	-	-	-
-	-	-	-	248,257	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>272,823</u>	<u>10,946</u>	<u>-</u>	<u>-</u>	<u>248,257</u>	<u>-</u>
<u>(201,794)</u>	<u>(9,709)</u>	<u>-</u>	<u>-</u>	<u>(87,636)</u>	<u>2,244</u>
<u>176,036</u>	<u>1,503</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<u>176,036</u>	<u>1,503</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<u>(25,758)</u>	<u>(8,206)</u>	<u>-</u>	<u>-</u>	<u>12,364</u>	<u>2,244</u>
<u>164,756</u>	<u>8,206</u>	<u>3,766</u>	<u>227</u>	<u>86,927</u>	<u>107,967</u>
<u>\$ 138,998</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>\$ 227</u>	<u>\$ 99,291</u>	<u>\$ 110,211</u>

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**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Community Center</u>	<u>Fire Capital Reserve</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	17,237	-
Other . . . . .	-	-	-	-
<b>Total revenues . . . . .</b>	<u>-</u>	<u>-</u>	<u>17,237</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	-	-	-	-
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Leisure time activity . . . . .	178,853	-	-	-
Capital outlay . . . . .	26,470	32,287	18,100	-
Debt service:				
Principal retirement . . . . .	-	81,120	-	-
Interest and fiscal charges . . . . .	-	4,922	-	-
<b>Total expenditures . . . . .</b>	<u>205,323</u>	<u>118,329</u>	<u>18,100</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(205,323)</u>	<u>(118,329)</u>	<u>(863)</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	165	75,000	-	-
<b>Total other financing sources . . . . .</b>	<u>165</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances . . . . .</b>	<u>(205,158)</u>	<u>(43,329)</u>	<u>(863)</u>	<u>-</u>
<b>Fund balances at beginning of year . . . . .</b>	<u>163,726</u>	<u>271,903</u>	<u>20,387</u>	<u>4,274</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ (41,432)</u>	<u>\$ 228,574</u>	<u>\$ 19,524</u>	<u>\$ 4,274</u>

<u>Recreation Tax Receipts</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 34,300	\$ 100,513
-	99,866
-	518,098
-	11,308
<u>34,300</u>	<u>729,785</u>
-	299,013
-	248,257
-	506,502
-	178,853
-	95,637
-	81,120
-	4,922
<u>-</u>	<u>1,414,304</u>
<u>34,300</u>	<u>(684,519)</u>
<u>34,400</u>	<u>587,104</u>
<u>34,400</u>	<u>587,104</u>
68,700	(97,415)
<u>241,955</u>	<u>1,330,562</u>
<u>\$ 310,655</u>	<u>\$ 1,233,147</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Street Maintenance and Repair</b>				
Total revenues and other sources . . . . .	\$ 568,079	\$ 568,079	\$ 538,592	\$ (29,487)
Total expenditures and other uses. . . . .	<u>622,700</u>	<u>629,143</u>	<u>510,393</u>	<u>118,750</u>
Net change in fund balances. . . . .	(54,621)	(61,064)	28,199	89,263
Fund balance at beginning of year. . . . .	115,299	115,299	115,299	-
Prior year encumbrances appropriated. . . . .	<u>29,113</u>	<u>29,113</u>	<u>29,113</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 89,791</u>	<u>\$ 83,348</u>	<u>\$ 172,611</u>	<u>\$ 89,263</u>
<b>State Highway Improvements</b>				
Total revenues and other sources . . . . .	\$ 22,000	\$ 22,000	\$ 25,780	\$ 3,780
Total expenditures and other uses. . . . .	<u>3,000</u>	<u>23,427</u>	<u>20,427</u>	<u>3,000</u>
Net change in fund balances. . . . .	19,000	(1,427)	5,353	6,780
Fund balance at beginning of year. . . . .	<u>109,887</u>	<u>109,887</u>	<u>109,887</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 128,887</u>	<u>\$ 108,460</u>	<u>\$ 115,240</u>	<u>\$ 6,780</u>
<b>Fire Memorial</b>				
Total revenues and other sources . . . . .	\$ 2,000	\$ 2,000	\$ 5,140	\$ 3,140
Total expenditures and other uses. . . . .	<u>5,800</u>	<u>5,800</u>	<u>15,424</u>	<u>(9,624)</u>
Net change in fund balances. . . . .	(3,800)	(3,800)	(10,284)	(6,484)
Fund balance at beginning of year. . . . .	14,081	14,081	14,081	-
Prior year encumbrances appropriated. . . . .	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 15,081</u>	<u>\$ 15,081</u>	<u>\$ 8,597</u>	<u>\$ (6,484)</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Police Pension</b>				
Total revenues and other sources . . . . .	\$ 276,250	\$ 276,250	\$ 247,065	\$ (29,185)
Total expenditures and other uses. . . . .	<u>215,750</u>	<u>215,670</u>	<u>322,910</u>	<u>(107,240)</u>
Net change in fund balances. . . . .	60,500	60,580	(75,845)	(136,425)
Fund balance at beginning of year. . . . .	<u>285,690</u>	<u>285,690</u>	<u>285,690</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 346,190</u>	<u>\$ 346,270</u>	<u>\$ 209,845</u>	<u>\$ (136,425)</u>
<b>Enforcement and Education</b>				
Total revenues and other sources . . . . .	\$ 1,000	\$ 1,000	\$ 2,740	\$ 1,740
Total expenditures and other uses. . . . .	<u>1,500</u>	<u>1,500</u>	<u>10,946</u>	<u>(9,446)</u>
Net change in fund balances. . . . .	(500)	(500)	(8,206)	(7,706)
Fund balance at beginning of year. . . . .	<u>8,206</u>	<u>8,206</u>	<u>8,206</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 7,706</u>	<u>\$ 7,706</u>	<u>\$ -</u>	<u>\$ (7,706)</u>
<b>FEMA</b>				
Fund balance at beginning of year. . . . .	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ -</u>
Fund balance at end of year . . . . .	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ -</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Police Memorial</b>				
Total expenditures and other uses. . . . .	\$ 50	\$ 50	\$ -	\$ 50
Net change in fund balances. . . . .	(50)	(50)	-	50
Fund balance at beginning of year. . . . .	<u>227</u>	<u>227</u>	<u>227</u>	-
Fund balance at end of year . . . . .	<u>\$ 177</u>	<u>\$ 177</u>	<u>\$ 227</u>	<u>\$ 50</u>
<b>Senior</b>				
Total revenues and other sources . . . . .	\$ 248,192	\$ 248,192	\$ 199,253	\$ (48,939)
Total expenditures and other uses. . . . .	<u>290,166</u>	<u>290,166</u>	<u>253,596</u>	<u>36,570</u>
Net change in fund balances. . . . .	(41,974)	(41,974)	(54,343)	(12,369)
Fund balance at beginning of year. . . . .	42,183	42,183	42,183	-
Prior year encumbrances appropriated. . . . .	<u>41,974</u>	<u>41,974</u>	<u>41,974</u>	-
Fund balance at end of year . . . . .	<u>\$ 42,183</u>	<u>\$ 42,183</u>	<u>\$ 29,814</u>	<u>\$ (12,369)</u>
<b>Passport Account</b>				
Total revenues and other sources . . . . .	\$ 18,500	\$ 18,500	\$ 1,107	\$ (17,393)
Total expenditures and other uses. . . . .	<u>22,505</u>	<u>22,505</u>	<u>-</u>	<u>22,505</u>
Net change in fund balances. . . . .	(4,005)	(4,005)	1,107	5,112
Fund balance at beginning of year. . . . .	103,062	103,062	103,062	-
Prior year encumbrances appropriated. . . . .	<u>4,905</u>	<u>4,905</u>	<u>4,905</u>	-
Fund balance at end of year . . . . .	<u>\$ 103,962</u>	<u>\$ 103,962</u>	<u>\$ 109,074</u>	<u>\$ 5,112</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Community Center</b>				
Total revenues and other sources . . . . .	\$ 83,362	\$ 83,362	\$ 165	\$ (83,197)
Total expenditures and other uses. . . . .	<u>189,878</u>	<u>189,878</u>	<u>168,652</u>	<u>21,226</u>
Net change in fund balances. . . . .	(106,516)	(106,516)	(168,487)	(61,971)
Fund balance at beginning of year. . . . .	155,593	155,593	155,593	-
Prior year encumbrances appropriated. . . . .	<u>11,549</u>	<u>11,549</u>	<u>11,549</u>	<u>-</u>
Fund balance (deficit) at end of year. . . . .	<u>\$ 60,626</u>	<u>\$ 60,626</u>	<u>\$ (1,345)</u>	<u>\$ (61,971)</u>
<b>Fire Capital Reserve</b>				
Total revenues and other sources . . . . .	\$ 78,000	\$ 78,000	\$ 75,000	\$ (3,000)
Total expenditures and other uses. . . . .	<u>-</u>	<u>51,698</u>	<u>86,813</u>	<u>(35,115)</u>
Net change in fund balances. . . . .	78,000	26,302	(11,813)	(38,115)
Fund balance at beginning of year. . . . .	<u>240,387</u>	<u>240,387</u>	<u>240,387</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 318,387</u>	<u>\$ 266,689</u>	<u>\$ 228,574</u>	<u>\$ (38,115)</u>
<b>Drug Law Enforcement</b>				
Total revenues and other sources . . . . .	\$ 9,000	\$ 9,000	\$ 8,595	\$ (405)
Total expenditures and other uses. . . . .	<u>2,014</u>	<u>2,014</u>	<u>17,734</u>	<u>(15,720)</u>
Net change in fund balances. . . . .	6,986	6,986	(9,139)	(16,125)
Fund balance at beginning of year. . . . .	20,373	20,373	20,373	-
Prior year encumbrances appropriated. . . . .	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 27,373</u>	<u>\$ 27,373</u>	<u>\$ 11,248</u>	<u>\$ (16,125)</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Law Enforcement Trust</b>				
Total revenues and other sources . . . . .	\$ 500	\$ 500	\$ -	\$ (500)
Total expenditures and other uses. . . . .	-	-	-	-
Net change in fund balances. . . . .	500	500	-	(500)
Fund balance at beginning of year. . . . .	4,274	4,274	4,274	-
Fund balance at end of year . . . . .	<u>\$ 4,774</u>	<u>\$ 4,774</u>	<u>\$ 4,274</u>	<u>\$ (500)</u>
<b>Recreation Tax Receipts</b>				
Total revenues and other sources . . . . .	\$ 5,000	\$ 5,000	\$ 68,700	\$ 63,700
Total expenditures and other uses. . . . .	5,000	5,000	-	5,000
Net change in fund balances. . . . .	-	-	68,700	68,700
Fund balance at beginning of year. . . . .	241,955	241,955	241,955	-
Fund balance at end of year . . . . .	<u>\$ 241,955</u>	<u>\$ 241,955</u>	<u>\$ 310,655</u>	<u>\$ 68,700</u>

**CITY OF HARRISON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**DECEMBER 31, 2006**

	<b>Debt Service</b>	<b>Special Assesment</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 1,088,706	\$ 19,615	\$ 1,108,321
Total assets . . . . .	\$ 1,088,706	\$ 19,615	\$ 1,108,321
 <b>Fund Balances:</b>			
Unreserved, undesignated, reported in:			
Debt service funds . . . . .	\$ 1,088,706	\$ 19,615	\$ 1,108,321
Total fund balances . . . . .	1,088,706	19,615	1,108,321
Total liabilities and fund equity . . . . .	\$ 1,088,706	\$ 19,615	\$ 1,108,321

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Debt Service</u>	<u>Special Assesment</u>	<u>Total Nonmajor Debt Service Funds</u>
<b>Expenditures:</b>			
Debt service:			
Principal retirement. . . . .	\$ 162,863	\$ -	\$ 162,863
Interest and fiscal charges . . . . .	127,780	-	127,780
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	290,643	-	290,643
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures. . . . .	(290,643)	-	(290,643)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Transfers in. . . . .	300,000	-	300,000
	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	300,000	-	300,000
	<hr/>	<hr/>	<hr/>
Net change in fund balances. . . . .	9,357	-	9,357
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	1,079,349	19,615	1,098,964
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,088,706</u>	<u>\$ 19,615</u>	<u>\$ 1,108,321</u>

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Debt Service</b>				
Total revenues and other sources . . . . .	\$ 1,448,507	\$ 1,448,507	\$ 300,000	\$ (1,148,507)
Total expenditures and other uses. . . . .	<u>1,756,754</u>	<u>1,780,376</u>	<u>290,643</u>	<u>1,489,733</u>
Net change in fund balances. . . . .	(308,247)	(331,869)	9,357	341,226
Fund balance at beginning of year. . . . .	1,078,502	1,078,502	1,078,502	-
Prior year encumbrances appropriated. . . . .	<u>847</u>	<u>847</u>	<u>847</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 771,102</u>	<u>\$ 747,480</u>	<u>\$ 1,088,706</u>	<u>\$ 341,226</u>
<b>Special Assessment</b>				
Fund balance at beginning of year. . . . .	\$ 19,615	\$ 19,615	\$ 19,615	\$ -
Fund balance at end of year . . . . .	<u>\$ 19,615</u>	<u>\$ 19,615</u>	<u>\$ 19,615</u>	<u>\$ -</u>

**CITY OF HARRISON, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2006

	<u>Capital Improvements</u>	<u>Home Depot TIF</u>	<u>Street/Safety Construction</u>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 377,135	\$ 226,197	\$ 458,914	\$ 1,062,246
Cash in segregated accounts . . . . .	67,447	-	-	67,447
Receivables (net of allowances for uncollectibles):				
Real and other taxes. . . . .	17,457	-	-	17,457
 Total assets . . . . .	 <u>\$ 462,039</u>	 <u>\$ 226,197</u>	 <u>\$ 458,914</u>	 <u>\$ 1,147,150</u>
 <b>Fund Balances:</b>				
Unreserved, undesignated, reported in:				
Capital projects funds. . . . .	\$ 462,039	\$ 226,197	\$ 458,914	\$ 1,147,150
Total fund balances . . . . .	<u>462,039</u>	<u>226,197</u>	<u>458,914</u>	<u>1,147,150</u>
 Total liabilities and fund equity. . . . .	 <u>\$ 462,039</u>	 <u>\$ 226,197</u>	 <u>\$ 458,914</u>	 <u>\$ 1,147,150</u>

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Capital Improvements</u>	<u>Home Depot TIF</u>	<u>Street/Safety Construction</u>	<u>New Haven Bridge Escrow</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>					
Real and other taxes . . . . .	\$ 73,603	\$ 137,057	\$ -	\$ -	\$ 210,660
Intergovernmental . . . . .	243,409	-	-	-	243,409
Investment income . . . . .	3,259	-	-	-	3,259
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	320,271	137,057	-	-	457,328
<b>Expenditures:</b>					
Capital outlay . . . . .	209,800	173,437	-	-	383,237
Debt service:					
Interest and fiscal charges . . . . .	-	-	-	21,925	21,925
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	209,800	173,437	-	21,925	405,162
Excess (deficiency) of revenues over (under) expenditures . . . . .	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	110,471	(36,380)	-	(21,925)	52,166
<b>Other financing sources:</b>					
Transfers in. . . . .	100,000	-	-	-	100,000
Loan issuance. . . . .	-	-	-	564,170	564,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources. . . . .	100,000	-	-	564,170	664,170
Net change in fund balances . . . . .	210,471	(36,380)	-	542,245	716,336
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	251,568	262,577	458,914	(542,245)	430,814
<b>Fund balances at end of year . . . . .</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 462,039	\$ 226,197	\$ 458,914	\$ -	\$ 1,147,150

**CITY OF HARRISON, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Capital Improvements</b>				
Total revenues and other sources . . . . .	\$ 321,000	\$ 321,000	\$ 416,531	\$ 95,531
Total expenditures and other uses. . . . .	1,631,958	1,631,958	114,931	1,517,027
Net change in fund balances. . . . .	(1,310,958)	(1,310,958)	301,600	1,612,558
Fund balance at beginning of year (restated) . . .	(1,379,423)	(1,379,423)	(1,379,423)	-
Prior year encumbrances appropriated. . . . .	1,454,958	1,454,958	1,454,958	-
Fund balance at end of year . . . . .	<u>\$ (1,235,423)</u>	<u>\$ (1,235,423)</u>	<u>\$ 377,135</u>	<u>\$ 1,612,558</u>
<b>Home Depot TIF</b>				
Total revenues and other sources . . . . .	\$ 140,000	\$ 140,000	\$ 137,057	\$ (2,943)
Total expenditures and other uses. . . . .	14,000	14,000	173,437	(159,437)
Net change in fund balances. . . . .	126,000	126,000	(36,380)	(162,380)
Fund balance at beginning of year. . . . .	262,577	262,577	262,577	-
Fund balance at end of year . . . . .	<u>\$ 388,577</u>	<u>\$ 388,577</u>	<u>\$ 226,197</u>	<u>\$ (162,380)</u>
<b>Street/Safety Construction</b>				
Total expenditures and other uses. . . . .	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Net change in fund balances. . . . .	(1,000)	(1,000)	-	1,000
Fund balance at beginning of year. . . . .	458,914	458,914	458,914	-
Fund balance at end of year . . . . .	<u>\$ 457,914</u>	<u>\$ 457,914</u>	<u>\$ 458,914</u>	<u>\$ 1,000</u>
<b>New Haven Bridge Escrow</b>				
Total revenues and other sources . . . . .	\$ -	\$ -	\$ 564,170	\$ 564,170
Total expenditures and other uses. . . . .	-	-	567,525	(567,525)
Net change in fund balances. . . . .	-	-	(3,355)	(3,355)
Fund balance at beginning of year. . . . .	3,355	3,355	3,355	-
Fund balance at end of year . . . . .	<u>\$ 3,355</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ (3,355)</u>

**CITY OF HARRISON, OHIO**

**FUND DESCRIPTIONS - NONMAJOR PROPRIETARY FUNDS**

**NONMAJOR ENTERPRISE FUNDS**

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

***Storm Water***

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

***Sanitation***

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

***Water/Wastewater Deposits***

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

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2006

	<b>Storm Water</b>	<b>Sanitation</b>	<b>Water/Wastewater Deposits</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents. . .	\$ -	\$ 162,776	\$ 47,176	\$ 209,952
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	-	73,518	-	73,518
Due from other governments . . . . .	-	3,566	-	3,566
Total current assets . . . . .	<u>-</u>	<u>239,860</u>	<u>47,176</u>	<u>287,036</u>
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net. . . . .	1,861,098	-	-	1,861,098
Total capital assets. . . . .	<u>1,861,098</u>	<u>-</u>	<u>-</u>	<u>1,861,098</u>
Total noncurrent assets . . . . .	<u>1,861,098</u>	<u>-</u>	<u>-</u>	<u>1,861,098</u>
Total assets . . . . .	<u>1,861,098</u>	<u>239,860</u>	<u>47,176</u>	<u>2,148,134</u>
<b>Liabilities:</b>				
Current liabilities:				
Interfund loans payable. . . . .	8,378	-	-	8,378
Advances from other funds. . . . .	8,800	-	-	8,800
Total current liabilities . . . . .	<u>17,178</u>	<u>-</u>	<u>-</u>	<u>17,178</u>
Total liabilities . . . . .	<u>17,178</u>	<u>-</u>	<u>-</u>	<u>17,178</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt .	1,861,098	-	-	1,861,098
Unrestricted . . . . .	(17,178)	239,860	47,176	269,858
Total net assets . . . . .	<u>\$ 1,843,920</u>	<u>\$ 239,860</u>	<u>\$ 47,176</u>	<u>\$ 2,130,956</u>

**CITY OF HARRISON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Water/Wastewater Deposits</u>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ -	\$ 387,944	\$ 10,221	\$ 398,165
Total operating revenues . . . . .	<u>-</u>	<u>387,944</u>	<u>10,221</u>	<u>398,165</u>
<b>Operating expenses:</b>				
Contract services . . . . .	5,653	376,338	-	381,991
Depreciation . . . . .	34,010	-	-	34,010
Other . . . . .	<u>-</u>	<u>-</u>	<u>774</u>	<u>774</u>
Total operating expenses. . . . .	<u>39,663</u>	<u>376,338</u>	<u>774</u>	<u>416,775</u>
Operating income (loss) . . . . .	<u>(39,663)</u>	<u>11,606</u>	<u>9,447</u>	<u>(18,610)</u>
<b>Nonoperating revenues:</b>				
Intergovernmental. . . . .	<u>-</u>	<u>3,566</u>	<u>-</u>	<u>3,566</u>
Total nonoperating revenues . . . . .	<u>-</u>	<u>3,566</u>	<u>-</u>	<u>3,566</u>
Changes in net assets . . . . .	(39,663)	15,172	9,447	(15,044)
<b>Net assets at beginning of year. . . . .</b>	<u>1,883,583</u>	<u>224,688</u>	<u>37,729</u>	<u>2,146,000</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 1,843,920</u>	<u>\$ 239,860</u>	<u>\$ 47,176</u>	<u>\$ 2,130,956</u>

**CITY OF HARRISON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Water/Wastewater Deposits</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ -	\$ 373,569	\$ 10,221	\$ 383,790
Cash payments for contract services . . . . .	(8,426)	(407,257)	-	(415,683)
Cash payments for other expenses . . . . .	-	-	(774)	(774)
Net cash provided by (used in) operating activities. . . . .	<u>(8,426)</u>	<u>(33,688)</u>	<u>9,447</u>	<u>(32,667)</u>
<b>Cash flows from noncapital financing activities:</b>				
Advances in from other funds . . . . .	<u>8,378</u>	<u>-</u>	<u>-</u>	<u>8,378</u>
Net cash provided by noncapital financing activities . . . . .	<u>8,378</u>	<u>-</u>	<u>-</u>	<u>8,378</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(48)	(33,688)	9,447	(24,289)
<b>Cash and cash equivalents at beginning of year</b>	<u>48</u>	<u>196,464</u>	<u>37,729</u>	<u>234,241</u>
<b>Cash and cash equivalents at end of year . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 162,776</u></u>	<u><u>\$ 47,176</u></u>	<u><u>\$ 209,952</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ (39,663)	\$ 11,606	\$ 9,447	\$ (18,610)
Adjustments:				
Depreciation . . . . .	34,010	-	-	34,010
Changes in assets and liabilities:				
Increase in accounts receivable . . . . .	-	(14,375)	-	(14,375)
Decrease in accounts payable . . . . .	(2,773)	(30,919)	-	(33,692)
Net cash provided by (used in) operating activities . . . . .	<u><u>\$ (8,426)</u></u>	<u><u>\$ (33,688)</u></u>	<u><u>\$ 9,447</u></u>	<u><u>\$ (32,667)</u></u>

**CITY OF HARRISON, OHIO**

**FUND DESCRIPTION - AGENCY FUND**

**Agency Fund**

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

***Mayor's Court***

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

**CITY OF HARRISON, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

<b>Mayor's Court</b>	<b>Beginning Balance 12/31/2005</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2006</b>
<b>Assets:</b>				
Cash in segregated accounts. . . . .	\$ 23	\$ 983	\$ 23	\$ 983
Total assets. . . . .	<u>\$ 23</u>	<u>\$ 983</u>	<u>\$ 23</u>	<u>\$ 983</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 23	\$ 983	\$ 23	\$ 983
Total liabilities . . . . .	<u>\$ 23</u>	<u>\$ 983</u>	<u>\$ 23</u>	<u>\$ 983</u>

**CITY OF HARRISON, OHIO**  
*STATISTICAL SECTION*

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

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

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

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**CITY OF HARRISON, OHIO**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Governmental Activities</b>			
Invested in capital assets, net of related debt	\$ 6,208,120	\$ 6,305,598	\$ 4,996,494
Restricted for:			
Capital projects	1,147,150	430,814	3,107,785
Debt service	1,097,636	1,087,694	1,164,296
Street maintenance and repair	333,956	254,097	160,263
State highway	104,413	100,843	71,699
Law enforcement	168,765	202,423	180,990
Fire	285,244	466,433	490,834
Community Center	-	163,040	46,143
Senior Center	89,697	73,544	19,039
Other purposes	383,129	353,688	218,276
Unrestricted	<u>1,398,851</u>	<u>1,345,503</u>	<u>994,418</u>
Total governmental activities net assets	<u>\$ 11,216,961</u>	<u>\$ 10,783,677</u>	<u>\$ 11,450,237</u>
<b>Business-type Activities</b>			
Invested in capital assets, net of related debt	\$ 8,244,568	\$ 6,593,538	\$ 5,162,716
Unrestricted	<u>5,673,936</u>	<u>6,994,902</u>	<u>6,771,185</u>
Total business-type activities net assets	<u>\$ 13,918,504</u>	<u>\$ 13,588,440</u>	<u>\$ 11,933,901</u>
<b>Total Primary Government</b>			
Invested in capital assets, net of related debt	\$ 14,452,688	\$ 12,899,136	\$ 10,159,210
Restricted for:			
Capital projects	1,147,150	430,814	3,107,785
Debt service	1,097,636	1,087,694	1,164,296
Street maintenance and repair	333,956	254,097	160,263
State highway	104,413	100,843	71,699
Law enforcement	168,765	202,423	180,990
Fire	285,244	466,433	490,834
Community Center	-	163,040	46,143
Senior Center	89,697	73,544	19,039
Other purposes	383,129	353,688	218,276
Unrestricted	<u>7,072,787</u>	<u>8,340,405</u>	<u>7,765,603</u>
Total primary government net assets	<u>\$ 25,135,465</u>	<u>\$ 24,372,117</u>	<u>\$ 23,384,138</u>

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

**CITY OF HARRISON, OHIO**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Program Revenues:</b>			
Governmental activities:			
Charges for services:			
General government	\$ 83,194	\$ 84,939	\$ 71,765
Security of persons and property	554,805	563,405	594,816
Public health and welfare	99,866	129,583	19,644
Transportation	-	120	390
Community environment	178,519	192,412	93,660
Leisure time activities	-	63,520	39,640
Operating grants and contributions	483,100	547,153	611,410
Capital grants and contributions	243,409	273,327	841,885
Total governmental activities program revenues	<u>1,642,893</u>	<u>1,854,459</u>	<u>2,273,210</u>
Business-type activities:			
Charges for services:			
Water	1,406,498	1,431,799	1,314,098
Sewer	2,146,156	2,103,560	1,787,499
Sanitation	387,944	334,833	295,695
Water/Wastewater Deposit	10,221	5,805	2,531
Operating grants & contributions	3,566	-	-
Capital grants and contributions	-	-	748,957
Total business-type activities program revenues	<u>3,954,385</u>	<u>3,875,997</u>	<u>4,148,780</u>
Total primary government	<u>\$ 5,597,278</u>	<u>\$ 5,730,456</u>	<u>\$ 6,421,990</u>
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 1,138,392	\$ 884,336	\$ 1,030,510
Security of persons and property	4,536,986	4,572,970	4,128,525
Public health and welfare	264,800	302,458	242,285
Transportation	629,650	564,912	640,357
Community environment	108,382	103,838	95,444
Leisure time activities	304,242	225,342	244,658
Interest and fiscal charges	195,440	187,483	175,737
Total governmental activities expenses	<u>7,177,892</u>	<u>6,841,339</u>	<u>6,557,516</u>
Business-type activities:			
Water	1,069,343	1,124,409	974,473
Sewer	2,511,568	2,561,278	2,077,687
Storm Water	39,663	24,211	404
Sanitation	376,338	317,682	268,014
Water/Wastewater Deposit	774	529	92
Total business-type activities expenses	<u>3,997,686</u>	<u>4,028,109</u>	<u>3,320,670</u>
Total primary government	<u>\$ 11,175,578</u>	<u>\$ 10,869,448</u>	<u>\$ 9,878,186</u>
<b>Net (Expense) Revenue:</b>			
Governmental activities	\$ (5,534,999)	\$ (4,986,880)	\$ (4,284,306)
Business-type activities	(43,301)	(152,112)	828,110
Total primary government net expense	<u>\$ (5,578,300)</u>	<u>\$ (5,138,992)</u>	<u>\$ (3,456,196)</u>

**CITY OF HARRISON, OHIO**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>General Revenues and Other Changes in Net Assets:</b>			
Governmental activities			
Taxes:			
Property taxes levied for:			
General purposes	\$ 1,154,940	\$ 1,105,350	\$ 966,908
Fire Improvements	902,383	896,472	844,740
Police pension	65,937	61,785	51,934
Recreation	34,300	42,489	44,900
Capital Projects	210,660	199,490	194,815
Municipal income taxes levied for:			
General Purposes	2,794,284	2,586,428	2,635,151
Grants and entitlements			
not restricted to specific programs	478,657	680,472	518,308
Investment earnings	217,467	161,035	47,149
Other	100,066	250,567	104,679
Transfers	9,589	(1,663,768)	2,459,261
Total governmental activities	<u>5,968,283</u>	<u>4,320,320</u>	<u>7,867,845</u>
Business-type activities			
Investment earnings	136,586	90,501	54,368
Other	246,368	52,382	28,717
Transfers	(9,589)	1,663,768	(2,459,261)
Total business-type activities	<u>373,365</u>	<u>1,806,651</u>	<u>(2,376,176)</u>
Total primary government	<u>\$ 6,341,648</u>	<u>\$ 6,126,971</u>	<u>\$ 5,491,669</u>
<b>Change in Net Assets:</b>			
Governmental activities	\$ 433,284	\$ (666,560)	\$ 3,583,539
Business-type activities	330,064	1,654,539	(1,548,066)
Total primary government	<u>\$ 763,348</u>	<u>\$ 987,979</u>	<u>\$ 2,035,473</u>

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

**CITY OF HARRISON, OHIO**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>General Fund:</b>						
Reserved	\$ 74,089	\$ 249,579	\$ 226,613	\$ 146,752	\$ 70,127	\$ 140,341
Unreserved	<u>1,171,804</u>	<u>738,136</u>	<u>462,452</u>	<u>695,381</u>	<u>1,190,893</u>	<u>1,320,777</u>
Total general fund	<u>\$1,245,893</u>	<u>\$ 987,715</u>	<u>\$ 689,065</u>	<u>\$ 842,133</u>	<u>\$ 1,261,020</u>	<u>\$ 1,461,118</u>
<b>All Other Governmental Funds:</b>						
Reserved	\$ 23,728	\$1,623,732	\$ 755,549	\$ 1,300,573	\$ 1,298,780	\$ 1,373,589
Unreserved, reported in:						
Special revenue funds	1,280,852	1,337,329	934,137	1,033,084	823,849	616,100
Capital projects funds	1,147,150	(1,020,609)	2,499,405	426,008	3,899	(163,598)
Debt service funds	<u>1,108,321</u>	<u>1,098,117</u>	<u>1,176,283</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$3,560,051</u>	<u>\$3,038,569</u>	<u>\$ 5,365,374</u>	<u>\$ 2,759,665</u>	<u>\$ 2,126,528</u>	<u>\$ 1,826,091</u>

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 86,580	\$ 88,857	\$ 131,548	\$ 72,226
<u>1,295,313</u>	<u>1,083,264</u>	<u>422,706</u>	<u>542,100</u>
<u>\$ 1,381,893</u>	<u>\$ 1,172,121</u>	<u>\$ 554,254</u>	<u>\$ 614,326</u>
\$ 2,258,186	\$ 1,142,665	\$ 496,331	\$ 436,763
553,479	698,098	243,827	214,799
721,997	2,243,886	(18,456)	(67,345)
 	-	-	-
<u>\$ 3,533,662</u>	<u>\$ 4,084,649</u>	<u>\$ 721,702</u>	<u>\$ 584,217</u>

**CITY OF HARRISON, OHIO**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>					
Taxes	\$ 5,194,401	\$ 4,895,233	\$ 4,656,975	\$ 4,651,515	\$ 4,286,217
Charges for services	499,626	562,232	439,505	308,772	227,028
Licenses and permits	254,726	269,141	160,495	152,472	128,783
Fines and forfeitures	162,032	202,606	219,915	128,262	172,016
Intergovernmental	1,201,142	1,533,268	1,947,015	834,738	1,021,366
Investment income	217,467	166,572	56,434	63,175	114,398
Other	77,014	250,567	100,111	132,037	148,796
Total revenues	<u>7,606,408</u>	<u>7,879,619</u>	<u>7,580,450</u>	<u>6,270,971</u>	<u>6,098,604</u>
<b>Expenditures</b>					
Current:					
General government	1,011,017	867,722	1,028,792	938,940	951,212
Security of persons and property	4,271,258	4,203,191	3,938,018	3,607,850	3,377,001
Public health and welfare	258,999	288,470	229,006	188,036	193,196
Transportation	506,502	470,473	478,557	459,111	336,382
Community environment	104,374	100,599	94,084	7,233	178,359
Leisure time activity	238,886	170,999	192,253	155,207	189,981
Capital outlay	623,455	3,999,031	2,286,541	1,061,626	552,805
Debt service:					
Principal retirement	324,850	289,668	287,601	214,362	162,797
Interest and fiscal charges	160,022	188,312	176,118	192,783	183,082
Bond issuance cost	-	71,824	-	-	-
Total expenditures	<u>7,499,363</u>	<u>10,650,289</u>	<u>8,710,970</u>	<u>6,825,148</u>	<u>6,124,815</u>
Excess of revenues over (under) expenditures	<u>107,045</u>	<u>(2,770,670)</u>	<u>(1,130,520)</u>	<u>(554,177)</u>	<u>(26,211)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of bonds	-	2,135,000	-	-	-
Premium on bond issue	-	123,247	-	-	-
Payment to refunding bond escrow agent	-	(2,189,078)	-	-	-
Accrued interest on bond issue	-	2,655	-	-	-
Capital lease transaction	68,856	-	346,484	322,654	-
Loan issuance	564,170	476,673	-	-	-
Proceeds from sale of notes	-	-	-	-	-
Transfers in	1,654,093	1,842,926	4,836,898	2,575,863	1,897,272
Transfers (out)	(1,614,504)	(1,648,908)	(1,617,413)	(2,130,090)	(1,753,759)
Other financing sources	-	-	-	-	-
Other financing uses	-	-	-	-	-
Total other financing sources (uses)	<u>672,615</u>	<u>742,515</u>	<u>3,565,969</u>	<u>768,427</u>	<u>143,513</u>
Net change in fund balances	<u>\$ 779,660</u>	<u>\$ (2,028,155)</u>	<u>\$ 2,435,449</u>	<u>\$ 214,250</u>	<u>\$ 117,302</u>
Debt service as a percentage of noncapital	6.47%	5.16%	5.32%	5.97%	5.65%

Note: "N/A" indicates that information was not available.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 3,786,457	\$ 4,171,037	\$ 4,081,936	\$ 3,326,396	\$ 2,973,607
169,161	196,402	87,839	246,732	156,187
88,038	93,690	108,421	54,629	62,829
170,242	218,627	255,767	185,022	252,937
1,740,709	869,624	807,184	871,469	800,363
244,910	340,055	172,114	99,920	131,437
76,883	115,194	59,918	63,295	38,433
<u>6,276,400</u>	<u>6,004,629</u>	<u>5,573,179</u>	<u>4,847,463</u>	<u>4,415,793</u>
692,000	723,126	729,475	538,325	465,555
3,286,121	3,267,263	2,940,116	2,887,516	2,420,588
218,624	226,023	210,613	97,494	93,693
335,088	327,574	314,400	284,857	293,050
38,205	33,325	39,146	32,159	28,939
177,542	170,031	131,863	195,160	203,520
2,866,042	611,190	1,194,846	718,940	471,170
172,089	4,133,543	79,112	53,792	-
188,704	194,842	32,949	87,935	41,088
-	80,000	-	-	-
<u>7,974,415</u>	<u>9,766,917</u>	<u>5,676,959</u>	<u>4,896,178</u>	<u>4,017,603</u>
<u>(1,698,015)</u>	<u>(3,762,288)</u>	<u>(103,780)</u>	<u>(48,715)</u>	<u>398,190</u>
-	3,360,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,709	-	-	-
62,750	59,721	92,030	160,045	-
-	-	-	-	-
-	-	3,978,000	-	-
1,575,057	2,609,836	2,779,240	1,239,344	1,172,658
(1,614,857)	(2,609,836)	(2,779,240)	(1,239,344)	(1,172,658)
-	-	-	56,394	103,985
-	-	-	(78,939)	(50,157)
<u>22,950</u>	<u>3,426,430</u>	<u>4,070,030</u>	<u>137,500</u>	<u>53,828</u>
<u>\$ (1,675,065)</u>	<u>\$ (335,858)</u>	<u>\$ 3,966,250</u>	<u>\$ 88,785</u>	<u>\$ 452,018</u>
4.52%	45.14%	1.97%	2.89%	1.02%

**CITY OF HARRISON, OHIO**

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

Year	Real Property		Public Utility Property		Tangible Personal Property (a)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2006	\$ 202,509,130	\$ 578,597,514	\$ 4,171,220	\$ 16,684,880	\$ 16,313,010	\$ 87,002,720
2005	191,361,800	546,748,000	4,295,430	4,295,430	19,689,900	78,759,600
2004	160,124,090	457,497,400	4,591,770	4,591,770	20,541,290	82,165,160
2003	147,707,370	422,021,057	3,712,380	3,712,380	20,489,080	81,956,320
2002	140,281,390	400,803,971	3,644,230	3,644,230	22,233,920	88,935,680
2001	122,626,630	350,361,800	4,872,000	4,872,000	19,360,790	77,443,160
2000	116,704,100	333,440,286	7,853,370	7,853,370	21,931,100	87,724,400
1999	96,460,940	275,602,686	7,652,880	7,652,880	21,931,100	87,724,400
1998	94,563,970	270,182,771	5,506,680	5,506,680	20,429,050	81,716,200
1997	89,700,940	256,288,400	5,691,670	5,691,670	19,386,320	77,545,280

Source: Hamilton County Auditor's Office

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

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

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

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

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

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

**Total**

<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio</b>
\$ 222,993,360	\$ 682,285,114	32.68%
215,347,130	629,803,030	34.19%
185,257,150	544,254,330	34.04%
171,908,830	507,689,757	33.86%
166,159,540	493,383,881	33.68%
146,859,420	432,676,960	33.94%
146,488,570	429,018,056	34.15%
126,044,920	370,979,966	33.98%
120,499,700	357,405,651	33.72%
114,778,930	339,525,350	33.81%

**CITY OF HARRISON, OHIO**

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

<b>Collection Year</b>	<b>Township Levy</b>	<b>City of Harrison Levy</b>	<b>School Levy</b>	<b>County Levy</b>	<b>Joint Levy</b>	<b>Joint Vocational Levy</b>	<b>Hamilton County Park District Levy</b>	<b>Total Direct and Overlapping Rates</b>
2006	0.06	13.00	46.68	19.78	1.25	2.70	1.03	84.50
2005	0.06	13.00	47.08	20.03	1.25	2.70	1.03	85.15
2004	0.06	13.00	47.25	20.48	1.25	2.70	1.03	85.77
2003	0.06	13.00	47.25	20.48	1.25	2.70	1.03	85.77
2002	0.06	13.00	47.75	21.47	1.25	2.70	-	86.23
2001	0.06	13.00	47.88	19.92	1.25	2.70	-	84.81
2000	0.06	13.00	48.22	20.83	1.25	2.70	-	86.06
1999	0.06	13.00	48.22	19.54	1.25	2.70	-	84.77
1998	0.06	13.00	44.74	19.01	1.25	2.70	-	80.76
1997	0.06	13.00	44.77	19.44	1.25	2.70	-	81.22

Source: Hamilton County Auditor's Office

**CITY OF HARRISON, OHIO**

*PRINCIPAL TAXPAYERS  
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX  
DECEMBER 31, 2005 AND DECEMBER 31, 1999*

<b>December 31, 2005 (A)</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
F&M MAFCO Inc.	\$ 2,616,170	1	1.24%
Wayne Scott Fetzer Co.	1,538,770	2	0.73%
JTM Provisions Co. Inc.	1,428,100	3	0.68%
Campbell Hausfield Scott	1,330,250	4	0.63%
Cronin Ford Inc.	1,263,790	5	0.60%
Hubert Company LLC	1,175,090	6	0.56%
Supervalu Holdings Inc.	1,122,670	7	0.53%
Harrison Division of MII	1,060,320	8	0.50%
Ilsco Corporation	624,710	9	0.30%
Crown Plastics Co. Inc.	527,840	10	0.25%
Total, Top Ten Principal Real Estate and Tangible Personal Property Taxpayers	<u>\$ 12,687,710</u>		<u>6.02%</u>
Total City Real Estate and Tangible Personal Property Valuation	<u>\$ 211,051,700</u>		

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

Source: Hamilton County Auditor's Office

(A) Information for the top ten taxpayers for December 31, 2006 and nine years prior is not available. The latest information available is presented above. The top ten taxpayers for the current year and nine years prior will be presented in future CAFR's as the information becomes available.

**CITY OF HARRISON, OHIO**

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

<b>Year</b>	<b>Total Levy</b>	<b>Current Collection (1)</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Collections (3)</b>	<b>Total Collections</b>	<b>Percent of Total Collections to Tax Levy</b>
2006	N/A	N/A	N/A	N/A	N/A	N/A
2005	\$ 1,997,347	\$ 1,906,140	95.43%	\$ 58,022	\$ 1,964,162	98.34%
2004	1,871,491	1,819,037	97.20%	87,009	1,906,046	101.85%
2003	1,968,254	1,765,554	89.70%	82,181	1,847,735	93.88%
2002	1,843,626	1,640,099	88.96%	98,331	1,738,430	94.29%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%
1999	1,626,587	1,588,290	97.65%	126,673	1,714,963	105.43%
1998	1,494,324	1,437,362	96.19%	51,036	1,488,398	99.60%
1997	1,416,615	1,348,295	95.18%	28,517	1,376,812	97.19%

Source: Hamilton County Auditor's Office

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

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**CITY OF HARRISON, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>
2006	1.00%	\$ 2,749,532	\$ 1,903,448	69.23%	\$ 330,223	12.01%
2005	1.00%	2,629,445	1,843,656	70.12%	296,082	11.26%
2004	1.00%	2,528,475	1,795,862	71.03%	299,820	11.86%
2003	1.00%	2,452,028	1,812,200	73.91%	235,234	9.59%
2002	1.00%	2,389,236	1,750,447	73.26%	252,783	10.58%
2001	1.00%	2,459,847	1,789,347	72.74%	258,834	10.52%
2000	1.00%	2,518,540	1,708,537	67.84%	422,860	16.79%
1999	1.00%	2,453,402	1,756,004	71.57%	355,014	14.47%
1998	1.00%	2,021,527	1,486,538	73.54%	253,876	12.56%
1997	1.00%	1,768,430	1,332,275	75.34%	217,925	12.32%

Source: City of Harrison Income Tax Department

	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	515,892	18.76%
	489,707	18.62%
	432,793	17.11%
	404,594	16.50%
	386,007	16.16%
	411,666	16.74%
	387,143	15.37%
	342,384	13.96%
	281,113	13.90%
	218,229	12.34%

**CITY OF HARRISON, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS*

Year	Governmental Activities					Business-Type Activities	
	General Obligation Bonds	OPWC Loan	ODOT Loan	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Revenue Bonds
2006	\$ 2,745,000	\$ 448,810	\$ 564,170	\$ -	\$ 170,264	\$ 460,000	\$ 18,200,000
2005	2,880,000	476,673	-	-	263,395	510,000	18,420,000
2004	2,860,000	-	-	-	423,063	35,000	18,590,000
2003	2,980,000	-	-	-	244,180	75,000	18,750,000
2002	3,095,000	-	-	-	20,888	115,000	-
2001	3,205,000	-	-	-	73,685	155,000	-
2000	3,310,000	-	-	-	78,024	200,000	-
1999	-	-	-	3,978,000	119,235	260,000	-
1998	-	-	-	978,000	106,253	320,000	-
1997	-	-	-	1,751,000	-	390,000	-

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) United States Bureau of Census

**Business-Type Activities**

<b>Mortgage Revenue Bonds</b>	<b>Real Estate Revenue Bonds</b>	<b>Bond Anticipation Notes</b>	<b>OPWC Loans</b>	<b>OWDA Loans</b>	<b>(a) Total Primary Government</b>	<b>(b) Population</b>	<b>Per Capita</b>
\$ -	\$ -	\$ -	\$ 1,764,056	\$ 1,919,103	\$ 26,271,403	9,950	\$ 2,640
-	-	-	200,694	1,602,468	24,353,230	9,950	2,448
105,000	-	-	270,929	1,698,171	23,982,163	9,885	2,426
200,000	-	-	338,919	1,790,545	24,378,644	9,885	2,466
3,150,000	-	10,000,000	413,170	1,791,033	18,585,091	9,885	1,880
3,380,000	71,000	5,000,000	477,230	666,585	13,028,500	9,865	1,321
3,595,000	142,000	-	569,812	-	7,894,836	9,835	803
3,800,000	213,000	-	629,276	-	8,999,511	9,750	923
3,990,000	284,000	-	686,995	12,385	6,377,633	9,566	667
4,170,000	-	-	743,021	24,146	7,078,167	9,393	754

**CITY OF HARRISON, OHIO**

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2006	9,950	\$ 682,285,114	\$ 21,405,000	3.14%	\$ 2,151
2005	9,950	629,803,030	21,810,000	3.46%	2,192
2004	9,885	544,254,330	21,590,000	3.97%	2,184
2003	9,885	507,689,757	22,005,000	4.33%	2,226
2002	9,885	493,383,881	6,360,000	1.29%	643
2001	9,865	432,676,960	6,811,000	1.57%	690
2000	9,835	429,018,056	7,247,000	1.69%	737
1999	9,750	370,979,966	4,273,000	1.15%	438
1998	9,566	357,405,651	4,594,000	1.29%	480
1997	9,393	339,525,350	4,560,000	1.34%	485

Sources:

(1) United States Bureau of Census

(2) Hamilton County Auditor's Office

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

**CITY OF HARRISON, OHIO**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2006*

<u>Governmental Unit</u>	<u>Debt Outstanding (a)</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Harrison	\$ 3,205,000	100.00%	\$ 3,205,000
<b>Overlapping debt:</b>			
Southwest Local School District	18,491,559	41.93%	7,753,511
Great Oaks Career Center	13,325,000	1.12%	149,240
Hamilton County	<u>119,515,000</u>	1.06%	<u>1,266,859</u>
Total direct and overlapping debt	<u>\$ 154,536,559</u>		<u>\$ 12,374,610</u>

Source: Ohio Municipal Advisory Council

(a) Excludes general obligation bonds reported in the enterprise funds

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

**CITY OF HARRISON, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS*

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assesed Value	\$ 222,993,360	\$ 215,347,130	\$ 185,257,150	\$ 171,908,830
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	23,414,303	22,611,449	19,452,001	18,050,427
Debt Applicable to Limitation:				
Total bonded debt	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>
Less: Debt Outside Limitations				
Debt supported by enterprise fund operations	<u>(18,660,000)</u>	<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>
Total Debt Outside Limitations	<u>(18,660,000)</u>	<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	2,745,000	2,880,000	2,860,000	2,980,000
Net Debt Within 10.5% Limitation	<u>2,745,000</u>	<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 20,669,303</u>	<u>\$ 19,731,449</u>	<u>\$ 16,592,001</u>	<u>\$ 15,070,427</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 12,264,635	\$ 11,844,092	\$ 10,189,143	\$ 9,454,986
Debt Applicable to Limitation:				
Total bonded debt	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>
Gross Indebtedness Authorized by Council	<u>21,405,000</u>	<u>21,810,000</u>	<u>21,590,000</u>	<u>22,005,000</u>
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(18,660,000)</u>	<u>(18,930,000)</u>	<u>(18,730,000)</u>	<u>(19,025,000)</u>
Debt Within 5.5% Limitations	2,745,000	2,880,000	2,860,000	2,980,000
Net Debt Within 5.5% Limitation	<u>2,745,000</u>	<u>2,880,000</u>	<u>2,860,000</u>	<u>2,980,000</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 9,519,635</u>	<u>\$ 8,964,092</u>	<u>\$ 7,329,143</u>	<u>\$ 6,474,986</u>

Source: City of Harrison, Finance Director's Office

<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
\$ 166,159,540	\$ 146,859,420	\$ 146,488,570	\$ 126,044,920	\$ 120,499,700	\$ 114,778,930
17,446,752	15,420,239	15,381,300	13,234,717	12,652,469	12,051,788
<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>	<u>4,594,000</u>	<u>4,560,000</u>
<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>	<u>4,594,000</u>	<u>4,560,000</u>
<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>	<u>(4,594,000)</u>	<u>(4,560,000)</u>
<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>	<u>(4,594,000)</u>	<u>(4,560,000)</u>
3,095,000	3,205,000	3,310,000	-	-	-
<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 14,351,752</u>	<u>\$ 12,215,239</u>	<u>\$ 12,071,300</u>	<u>\$ 13,234,717</u>	<u>\$ 12,652,469</u>	<u>\$ 12,051,788</u>
\$ 9,138,775	\$ 8,077,268	\$ 8,056,871	\$ 6,932,471	\$ 6,627,484	\$ 6,312,841
<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>	<u>4,594,000</u>	<u>4,560,000</u>
<u>6,360,000</u>	<u>6,811,000</u>	<u>7,247,000</u>	<u>4,273,000</u>	<u>4,594,000</u>	<u>4,560,000</u>
<u>(3,265,000)</u>	<u>(3,606,000)</u>	<u>(3,937,000)</u>	<u>(4,273,000)</u>	<u>(4,594,000)</u>	<u>(4,560,000)</u>
3,095,000	3,205,000	3,310,000	-	-	-
<u>3,095,000</u>	<u>3,205,000</u>	<u>3,310,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,043,775</u>	<u>\$ 4,872,268</u>	<u>\$ 4,746,871</u>	<u>\$ 6,932,471</u>	<u>\$ 6,627,484</u>	<u>\$ 6,312,841</u>

**CITY OF HARRISON, OHIO**

*PLEDGED REVENUE BOND COVERAGE - ENTERPRISE  
LAST TEN YEARS*

<u>Year</u>	<u>Operating Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2006	\$ 4,337,339	\$ 3,002,462	\$ 1,334,877	\$ 220,000	\$ 828,197	\$ 1,048,197	1.27
2005	4,018,880	3,085,424	933,456	275,000	837,898	1,112,898	0.84
2004	4,231,865	2,653,104	1,578,761	255,000	953,371	1,208,371	1.31
2003	3,210,404	1,692,567	1,517,837	405,157	263,112	668,269	2.27
2002	3,059,797	1,621,015	1,438,782	301,000	190,426	491,426	2.93
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72
1999	2,349,550	1,100,051	1,249,499	261,000	203,584	464,584	2.69
1998	2,205,913	1,260,035	945,878	180,000	211,453	391,453	2.42
1997	2,160,504	1,016,104	1,144,400	165,000	218,253	383,253	2.99

Source: City of Harrison, Finance Director's Office

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

(2) Total operating expenses exclusive of depreciation.

**CITY OF HARRISON, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (2)</u>		
				<u>City of Harrison</u>	<u>Ohio</u>	<u>United States</u>
2006	9,950	N/A	3,705	5.2%	5.5%	4.6%
2005	9,950	N/A	3,907	5.4%	5.9%	5.1%
2004	9,885	N/A	3,965	6.2%	6.2%	5.5%
2003	9,885	N/A	3,965	4.7%	6.2%	6.0%
2002	9,885	35,416	4,000	5.0%	5.7%	5.8%
2001	9,865	34,900	4,037	3.2%	4.4%	4.7%
2000	9,835	34,497	4,082	2.9%	4.0%	4.0%
1999	9,750	32,962	4,086	3.0%	4.3%	4.2%
1998	9,566	32,084	4,059	3.4%	4.3%	4.5%
1997	9,393	29,640	4,176	3.6%	4.6%	4.9%

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

Sources:

(1) U.S. Census Bureau

(2) Ohio Department of Development, Office of Strategic Research 1993-1997. Bureau of Economic Analysis 1998-2002.

(3) Southwest Local School District.

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

<b>Employer</b>	<b>2006</b>			<b>1998</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Campbell Hausfield/Scott Fetzer Co.	567	1	4.41%	1,027	1	8.67%
Southwest Local School District	464	2	3.61%	469	4	3.96%
J.T.M. Provisions Company Inc.	436	3	3.39%	563	2	4.75%
Hubert Company	357	4	2.77%	412	5	3.48%
Kroger Limited Partnership	296	5	2.30%	338	7	2.85%
Shawneespring Heath Care Center	293	6	2.28%	N/A	N/A	N/A
Superval Holdings Inc.	252	7	1.96%	486	3	4.10%
F & M Mafco Inc.	208	8	1.62%	174	9	1.47%
MII Inc.	160	9	1.24%	356	6	3.00%
City of Harrison	139	10	1.08%	N/A	N/A	N/A
Harrison Ironworks LLC	N/A	N/A	N/A	315	8	2.66%
Seasongood Folding Box Co.	N/A	N/A	N/A	147	10	1.24%
<b>Total</b>	<b>3,172</b>		<b>24.64%</b>	<b>4,287</b>		<b>36.19%</b>
<b>Total City Employment</b>	<b>12,871</b>			<b>11,847</b>		

Source: City of Harrison, Finance Director's Office

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

**CITY OF HARRISON, OHIO**

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

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

Source: City of Harrison, Finance Director's Office

Note: Information prior to 1999 was not available.

**CITY OF HARRISON, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>General Government</b>							
Building Permits Issued	114	93	105	141	119	173	233
Building Inspections Performed	121	122	274	232	215	374	733
Ordinances & Resolutions	57	66	76	61	70	50	79
<b>Security of Persons and Property</b>							
Police:							
Physical Arrests	1,478	1,210	1,110	1,287	907	877	863
Parking Violations	2,454	2,010	1,495	1,685	1,560	1,423	1,384
Traffic Violations	395	457	432	427	477	458	436
Fire:							
Emergency Responses	1,214	1,346	1,421	1,418	1,249	1,351	N/A
Fire Responses	413	468	339	278	304	382	N/A
Inspections conducted	441	470	465	369	567	569	N/A
<b>Public Health and Welfare</b>							
Senior Center Attendance	N/A	8,588	8,156	8,542	8,059	8,347	8,377
Senior Center Memberships	N/A	N/A	N/A	N/A	148	148	129
<b>Transportation</b>							
Street Resurfacing (miles)	N/A	N/A	N/A	0.5	0.5	0	0
Tons of salt used	N/A	N/A	N/A	N/A	N/A	245	1,117
<b>Water</b>							
New Connections	105	7	14	11	7	67	147
Water Main Breaks	5	6	5	7	9	8	9

Source: City of Harrison, Finance Director's Office

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

<u>2004</u>	<u>2005</u>	<u>2006</u>
186	161	115
607	800	849
82	70	68
882	892	930
1,365	1,381	1,381
414	402	410
1,271	1,453	1,522
399	566	619
397	633	823
8,162	9,045	8,950
167	190	201
2	0	1
824	805	386
124	124	87
7	8	10

**CITY OF HARRISON, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Security of Persons and Property</b>							
Police:							
Stations	1	1	1	1	1	1	1
Fire:							
Stations	1	1	1	1	1	1	1
<b>Leisure Time Activities</b>							
Parks	3	3	3	3	3	4	4
Park Acreage	58.50	58.50	58.50	58.50	58.50	63.50	63.50
Tennis Courts	2	2	2	2	2	2	2
Baseball/Softball Fields	3	3	3	3	3	3	3
<b>Transportation</b>							
Streets (Paved Miles)	N/A	N/A	N/A	40	40	40	40
<b>Water</b>							
Water Mains (miles)	N/A	N/A	26.00	26.00	27.50	27.80	31.10
<b>Sewer</b>							
Sanitary Sewers (miles)	N/A	N/A	25.00	25.00	25.00	25.00	25.00

Source: City of Harrison, Finance Director's Office

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

<u>2004</u>	<u>2005</u>	<u>2006</u>
1	1	1
1	1	1
4	4	4
63.50	63.50	63.50
2	2	2
3	3	3
40	40	40
31.10	31.10	33.10
25.00	25.00	25.00

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