

CITY OF HARRISON

SUPPLEMENTAL REPORTS

DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the City of Harrison, Hamilton County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 17, 2002

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CITY OF HARRISON

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the general purpose financial statements of the City of Harrison, Hamilton County, as of and for the year ended December 31, 2001, and have issued our report thereon dated June 4, 2002. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions and GASB Statement No. 36, Recipient Reporting for Certain Shared Nonexchange Revenues, an amendment of GASB Statement No. 33. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Harrison's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-COH-001 and 2001-COH-002. We also noted other certain immaterial instances of noncompliance that we have reported to the management of the City of Harrison in a separate letter dated June 4, 2002.

Members of Council and Mayor
City of Harrison

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Harrison's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to the management of the City of Harrison in a separate letter dated June 4, 2002.

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

Trimble, Julian & Grube, Inc.
June 4, 2002

**CITY OF HARRISON
HAMILTON COUNTY
DECEMBER 31, 2001**

SCHEDULE OF FINDINGS

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2001-COH-001

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

It was noted during the audit that for the year ended December 31, 2001, that total appropriations exceeded the estimated resources in the following funds:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund Type</u>			
State Highway Improvements	\$ 11,543	\$ 15,000	\$ 3,457
<u>Capital Projects Fund Type</u>			
Capital Improvement	625,390	1,372,178	746,788

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

We recommend that the City comply with the Ohio Revised Code by keeping more accurate appropriations versus estimated resources records. If it is determined that estimated resources will be greater than initially anticipated, the City should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources. We recommend the City utilize its accounting software or a spreadsheet to help monitor the budget.

**CITY OF HARRISON
HAMILTON COUNTY
DECEMBER 31, 2001**

SCHEDULE OF FINDINGS

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2001-COH-002

Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

It was noted during the audit that in the year ended December 31, 2001, the City had expenditures in excess of appropriations in the following line items:

<u>Fund Type/Fund/Department/Object</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Council: Capital Outlay	\$ 8,500	\$ 17,529	\$ 9,029
Finance: Personal Services	64,967	66,421	1,454
Finance: Contractual Services	104,586	114,849	10,263
Finance: Materials and Supplies	6,192	6,800	608
Finance: Other	2,178	2,391	213
Law Enforcement: Personal Services	1,304,165	1,336,230	32,065
Law Enforcement: Contractual Services	245,348	256,571	11,223
Parks and Recreation: Capital Outlay	6,042	6,784	742
Operating transfer out	1,322,820	1,440,502	117,682
<u>Special Revenue Fund Types</u>			
<u>Street Maintenance and Repair</u>			
Transportation: Personal Services	244,087	256,488	12,401
<u>Fire Memorial</u>			
Security of Persons and Property: Other	2,000	2,603	603
<u>Police Pension</u>			
Security of Persons and Property			
Contractual Services	487	495	8
<u>Debt Service Fund Type</u>			
Debt Service Fund: Interest	402,370	410,169	7,799
<u>Capital Projects Fund Type</u>			
Capital Improvements: Capital Outlay	3,575,042	3,934,464	359,422

With expenditures exceeding appropriations, the City is spending monies not lawfully appropriated for and certified.

We recommend that the City comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis. We recommend the City utilize its accounting software or a spreadsheet to help monitor the budget.

**CITY OF HARRISON
HAMILTON COUNTY
DECEMBER 31, 2001 AND 2000**

STATUS OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-COH-001	Ohio Revised Code § 5705.39	No	The City is attempting to review and obtain amended certificates as required.

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

CITY OF HARRISON, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2001

PREPARED BY
FINANCE DIRECTOR'S OFFICE
JAMES W. SATZGER, FINANCE DIRECTOR

112 N. WALNUT STREET

HARRISON, OHIO 45030

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INTRODUCTORY SECTION

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CITY OF HARRISON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

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City of Harrison

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

June 4, 2002

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrison, Ohio ("City") for the year ended December 31, 2001. This report is prepared in conformity with generally accepted accounting principles (GAAP) as set forth by the Government Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section, contains a table of contents, this letter of transmittal, a list of elected and appointed City officials, an organizational chart of the City government, and the City's 2000 Certificate of Achievement for Excellence in Financial Reporting. The Financial section is comprised of the independent auditor's report, the general purpose financial statements (GPFS) and the combining and individual fund and account group financial statements and schedules. The Statistical section provides various financial, economic, and demographic data about the City, generally on a multi-year basis.

REPORTING ENTITY

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

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

MAJOR INITIATIVES

During 2001, bids were awarded for construction of an upgrade to the existing Water Plant. This construction and expansion of the Water Plant was completed in the spring of 2002.

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

Main Street Harrison, Inc.

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

Beautification

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

Department Focus: Public Services - Water

Improvements to City operations are an integral part in the evolution of City government. Over the past twenty years, the City's annual population increase has ranged from 2.0% to 2.5%. Commercial development has also increased steadily. During recent years, the City has taken measures to assure an adequate water source for future growth.

The City obtained its raw water supply from a buried aquifer through four production wells located near downtown. In 2001 the City developed a new well field in Indiana just northwest of downtown. There were also two new 600 gallon per minute production wells added to the system. The aquifer is part of the Great Miami Aquifer.

The raw water is pumped from the wells to the Harrison Water Treatment Plant which has a total rated treatment capacity of 2.3 million gallons per day (MGD). The existing facility was completed in 1987. In 2001 construction was started to increase the treatment capacity to 2.75 MGD. The upgrade to the Water Treatment Plant will increase the capacity of the plant by 50% from 2.3 MGD to 3.45 MGD.

The Water Treatment Plant provides for iron and manganese removal through a series of pressure filters. The process of iron removal is similar in nature to the formation of common rust. In the case of water treatment, a chemical, potassium permanganate, is added to the raw water being pumped from the wells to force the formation of iron particulates, rust. The particulates are filtered out of the treated water by the four pressure filters plus the two new ones added in the plant upgrade. The clarified water is sent to the clear well prior to pumping it into the distribution system. The removal of manganese follows the same procedure.

The Ohio Environmental Protection Agency (OEPA) requires the City to add fluoride and chlorine to the treated water prior to distribution to the public. Chlorine is added for filter disinfection. The final step in the treatment process is the addition of a polyphosphate to reduce the corrosiveness of the water created by the addition of the various treatment chemicals.

In 2001, the City took over the operation and assets of a private water company in the northwest corner of Harrison Township. The City received a small booster station and two .25 million gallon water towers. The City replaced the existing water meters and added a new radio reading system. This change showed a revenue increase of approximately \$2,000 per month.

The City's water distribution system includes the four storage tanks, two booster pumping stations and approximately 40 miles of transmission and distribution mains.

FINANCIAL INFORMATION

Basis of Accounting

The City accounting system is organized on a fund basis. Each fund or account group is a distinct, self-balancing accounting entity. Although the City maintains its day-to-day accounting records on a basis other than GAAP, for the year ended December 31, 2001, the City prepared its CAFR on a modified accrual basis of accounting for the governmental and agency funds, and on an accrual basis of accounting for the proprietary funds in accordance with GAAP. The modified accrual basis of accounting recognizes revenue when measurable and available and expenditures when goods or services are received. The accrual basis of accounting recognizes revenue when measurable and available and expenditures when incurred. The basis of accounting for the various funds and account groups is fully described in Note 2 C of the GPFS.

Internal Control

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

Budgetary Control

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

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

General Government Functions

The following schedule presents a summary of revenue by source for the year ended December 31, 2001, for the general fund. Also, presented are the amounts and percentages of revenue by source as well as the increases and decreases from December 31, 2000.

<u>Revenue by Source</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Taxes	\$2,989,745	75.21%	\$3,315,699	78.44%	\$(325,954)
Charges for services	2,225	0.06	3,415	0.08	(1,190)
Licenses, permits and fees	87,843	2.21	93,255	2.21	(5,412)
Fines and forfeitures	170,242	4.28	218,627	5.17	(48,385)
Intergovernmental	495,190	12.46	372,437	8.81	122,753
Investment income	159,134	4.00	142,433	3.37	16,701
Other	<u>70,717</u>	<u>1.78</u>	<u>81,012</u>	<u>1.92</u>	<u>(10,295)</u>
Total revenue	<u>\$3,975,096</u>	<u>100.00%</u>	<u>\$4,226,878</u>	<u>100.00%</u>	<u>\$(251,782)</u>

Taxes and intergovernmental revenues are the major components of the City's total revenue and represent \$3,484,935 or 87.67% and \$3,688,136 or 87.25% of fiscal 2001 and 2000 revenues, respectively. Taxes include real estate, personal property, hotel, and income tax. During 2001, income tax collections decreased by \$280,553 or 11.02% and real estate and personal property taxes decreased \$45,401 or 5.89% from 2000. The decrease in income tax revenue was caused by the economic downturns facing the nation in 2001. Intergovernmental revenue consists primarily of State and Federal grants, motor vehicle license taxes, and other State shared revenues designed to assist the City with major undertakings for the benefit of the citizens of the City. Intergovernmental revenues increased by \$122,753 or 32.96% from 2000 to 2001 due to an increase in state and local government assistance funding. Licenses, permits and fees revenue decreased primarily due to fewer building permits issued during 2001. Although the City is maintaining growth, more new building permits were issued in 2000 than in 2001. Fines and forfeitures revenue decreased primarily due to a decrease in Mayors Court fines. The increase in investment income is attributable to an increase in the amount available for investment. The City makes an effort to maximize earnings while maintaining safety in all investments. Other revenue decreased \$10,295 or 12.71% from 2000 to 2001. This was primarily due to a one-time \$20,874 Bureau of Workers' Compensation refund that was received during fiscal year 2000.

The following schedule presents a summary of expenditures by function for the year ended December 31, 2001, for the general fund. Also, presented are the amounts and percentages of expenditures by function as well as increases and decreases from December 31, 2000.

<u>Expenditures by Function</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General government	\$ 692,000	27.25%	\$ 723,126	23.82%	\$ (31,126)
Security of persons and property	1,625,515	64.00	1,651,000	54.40	(25,485)
Public health and welfare	8,238	0.32	1,884	0.06	6,354
Community environment	38,205	1.50	33,325	1.10	4,880
Leisure time activity	54,516	2.15	49,894	1.64	4,622
Capital outlay	62,750	2.48	59,721	1.98	3,029
Debt service:					
Principal retirement	54,440	2.14	514,272	16.94	(459,832)
Interest and fiscal charges	<u>4,073</u>	<u>0.16</u>	<u>1,954</u>	<u>0.06</u>	<u>2,119</u>
Total expenditures	<u>\$2,539,737</u>	<u>100.00%</u>	<u>\$3,035,176</u>	<u>100.00%</u>	<u>\$(495,439)</u>

General government and security of persons and property expenditures are the major components of the City's expenditures representing \$2,317,515 or 91.25% and \$2,374,126 or 78.22% of fiscal 2001 and 2000 expenditures, respectively. During 2001, general government expenditures and security of persons and property decreased slightly by \$31,126 or 4.30% and \$25,485 or 1.54%, respectively. Public health and welfare increased \$6,354 in 2001 over 2000, due to increased costs associated with the Board of Health. Community environment expenditures increased \$4,880 or 14.64% due to an increased number of building and zoning inspections performed in 2001 compared to 2000. Leisure time activity expenditures increased by 9.26% in 2001 from 2000 primarily from costs related to the City's summer programs and teen programs. The increase in capital outlay is attributable to the inception of a capital lease of \$62,750 for three police cruisers. Principal retirement decreased \$459,832 due to the \$480,000 payment made in 2000 to retire a portion of the bond anticipation notes issued in 1999. The only debt service payments made in the general fund in 2001 were related to the City's capital lease obligations.

General Fund

General fund revenues under the modified accrual basis of accounting totaled \$3,975,096 during 2001. The largest sources of revenue to the general fund were taxes (both income taxes and real/personal property taxes) which amounted to \$2,989,745 or 75.21% of total revenue.

General fund expenditures under the modified accrual basis of accounting totaled \$2,539,737 during 2001. General government and security of persons and property functions accounted for \$692,000 or 27.25% and \$1,625,515 or 64.00% of general fund expenditures, respectively.

General fund other financing sources and uses includes proceeds from capital lease transaction of \$62,750 and operating transfers out of \$1,440,502 to various funds.

General fund balance increased \$56,853 from \$1,404,265 at December 31, 2000 to \$1,461,118 at December 31, 2001. The general fund balance at December 31, 2000, was restated due to the implementation of GASB Statements No. 33 and 36 (see Note 3 A of the GPFS for further detail).

Special Revenue Funds

Revenues under the modified accrual basis of accounting for the special revenue funds totaled \$1,455,299 for 2001. Of this total, taxes and intergovernmental revenues represent \$765,503 or 52.60% and \$456,139 or 31.34%, of fiscal 2001 expenditures, respectively. Tax revenues consist of real estate and personal property taxes. A majority of the tax revenue is used to fund the City's fire operations. Intergovernmental revenue consisted primarily of \$226,626 in shared license and gas, public utility taxes from the State of Ohio to be used in the repair of local roads and state highways located within the City. The remaining intergovernmental revenues are predominantly State and Federal grants for the security of persons and property and for the senior center.

Expenditures under the modified accrual basis of accounting for the special revenue funds totaled \$2,539,372 during 2001. Support of security of persons and property and transportation accounted for \$1,660,606 or 65.39%, \$335,088 or 13.20%, respectively, of the special revenue funds expenditures.

The special revenue funds received operating transfers in of \$1,286,682 and made operating transfers out of \$134,555.

The special revenue fund balance increased \$67,386 from \$635,643 at December 31, 2000 to \$703,029 at December 31, 2001. The special revenue fund balance at December 31, 2000, was restated due to the implementation of GASB Statements No. 33 and 36 (see Note 3 A of the GPFS for further detail).

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and payment of, interest and principal on long-term obligations. The major source of revenue and other financing sources of the debt service funds are operating transfers in from the general fund. The debt service funds received operating transfers in of \$288,375 and made operating transfers out of \$39,800 during 2001.

Capital Projects Funds

Revenues under the modified accrual basis of accounting for the capital projects funds totaled \$846,005 for 2001. The primary source of revenue for the capital projects funds is intergovernmental revenue, which represents \$789,380 or 93.31% of total capital projects revenue.

Expenditures under the modified accrual basis of accounting for the capital projects funds totaled \$2,606,932 for 2001. Capital outlay expenditures totaled \$2,593,026 or 99.47% of total capital projects expenditures. Principal retirement payments included \$12,649 paid out of the Capital Improvement Fund for vehicles under a capital lease obligation.

Enterprise Funds

The City operates and maintains a water supply and distribution system that serves approximately 3,500 customers in and around the City. The City's water supply is provided by wells and is treated at a plant that has a 2.3 MGD capacity. The distribution system is comprised of 40 miles of lines, ranging in size from ¾" to 14" in diameter. During 2001, the City began major upgrades to the current system to increase the MGD capacity.

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

The City's enterprise operations reported operating income and net income of \$887,499 and \$862,710, respectively, for the year ended December 31, 2001. Retained earnings for the enterprise funds increased \$862,710 from \$5,933,162 at December 31, 2000 to \$6,795,872 at December 31, 2001. Total fund equity for the enterprise funds at December 31, 2001 was \$8,043,539 which includes \$1,247,667 in contributed capital.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent, for individuals, organizations or other funds. The District maintains two agency funds. At December 31, 2001, assets held in the agency funds totaled \$10,860.

General Fixed Assets

The general fixed assets of the City as of December 31, 2001 total \$5,566,209 and include all fixed assets of the City except those recorded in the proprietary funds. Such assets are accounted for at historical cost or estimated historical cost. Depreciation is not recognized on general fixed assets. Infrastructure is not reported in the general fixed asset account group.

Pension Plans

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The City's required contributions for pension obligations to the OP&F for the years ended December 31, 2001, 2000 and 1999 were \$351,477, \$341,451 and \$318,590, respectively.

All other full-time employees of the City participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The City's required contributions for pension obligations to PERS for the years ended December 31, 2001, 2000 and 1999 were \$170,329, \$157,176 and \$149,090, respectively.

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

Debt Administration

The City has general obligation bonds in the amount of \$3,205,000 outstanding at December 31, 2001 in the general long-term obligations account group. The proceeds of the bonds were used to provide long-term financing of various construction improvements related to roads and safety.

The City's other long-term debt obligations are reported in the enterprise funds. These include \$155,000 in general obligation bonds, \$3,451,000 in revenue bonds, \$477,230 in OPWC loans and \$666,585 in OWDA loans payable. These obligations are being repaid through enterprise operations and are intended to be self-supporting through those operations.

On December 20, 2001, the City issued \$5,000,000 in Sewer System Improvement bond anticipation notes. The bond anticipation notes mature on December 20, 2002, and will be retired from the Sewer enterprise fund.

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

Cash Management

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

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. During 2001, investments were limited to STAR Ohio (State Treasurer's Investment Pool), U.S. government money market mutual funds, certificates of deposit, U.S. treasury notes, and federal agency securities. Total investment income for 2001 was \$380,758 as compared to \$504,271 for 2000.

Risk Management

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

The City provides employees with medical insurance through United Health Care, dental insurance through Humana Insurance and accident and life insurance through Fortis. The City pays one hundred percent of the premiums. Worker's Compensation claims are covered through the City's participation in the State of Ohio's program. The City is a member of the Ohio Municipal Treasurer's Association Worker's Compensation Group. This group is composed of twenty cities and the City's rate is based on the entire group's accident history and administrative costs. The benefit of belonging to this group is a reduction in premiums paid to the Ohio Bureau of Worker's Compensation.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's GPFS as of and for the year ended December 31, 2001, by our independent auditor, Trimble, Julian & Grube, Inc. City management plans to continue to subject the GPFS to an annual independent audit as part of the preparation of a CAFR. The auditors' report on the GPFS and combining and individual fund statements and schedules are included in the financial section of this report. The annual audit serves to maintain and strengthen the City's accounting and budgetary controls. The auditors' report related specifically to internal controls and compliance with applicable laws and regulations is presented in a separate report which may be obtained from the City's Finance Department.

Use of the Report

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

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

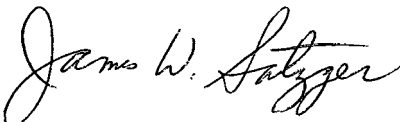
Submission to Certificate of Achievement Program

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2000. This was the second year that the City has achieved this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

Respectfully,



James W. Satzger
Finance Director

CITY OF HARRISON, OHIO
ELECTED AND APPOINTED OFFICIALS

Elected Officials:

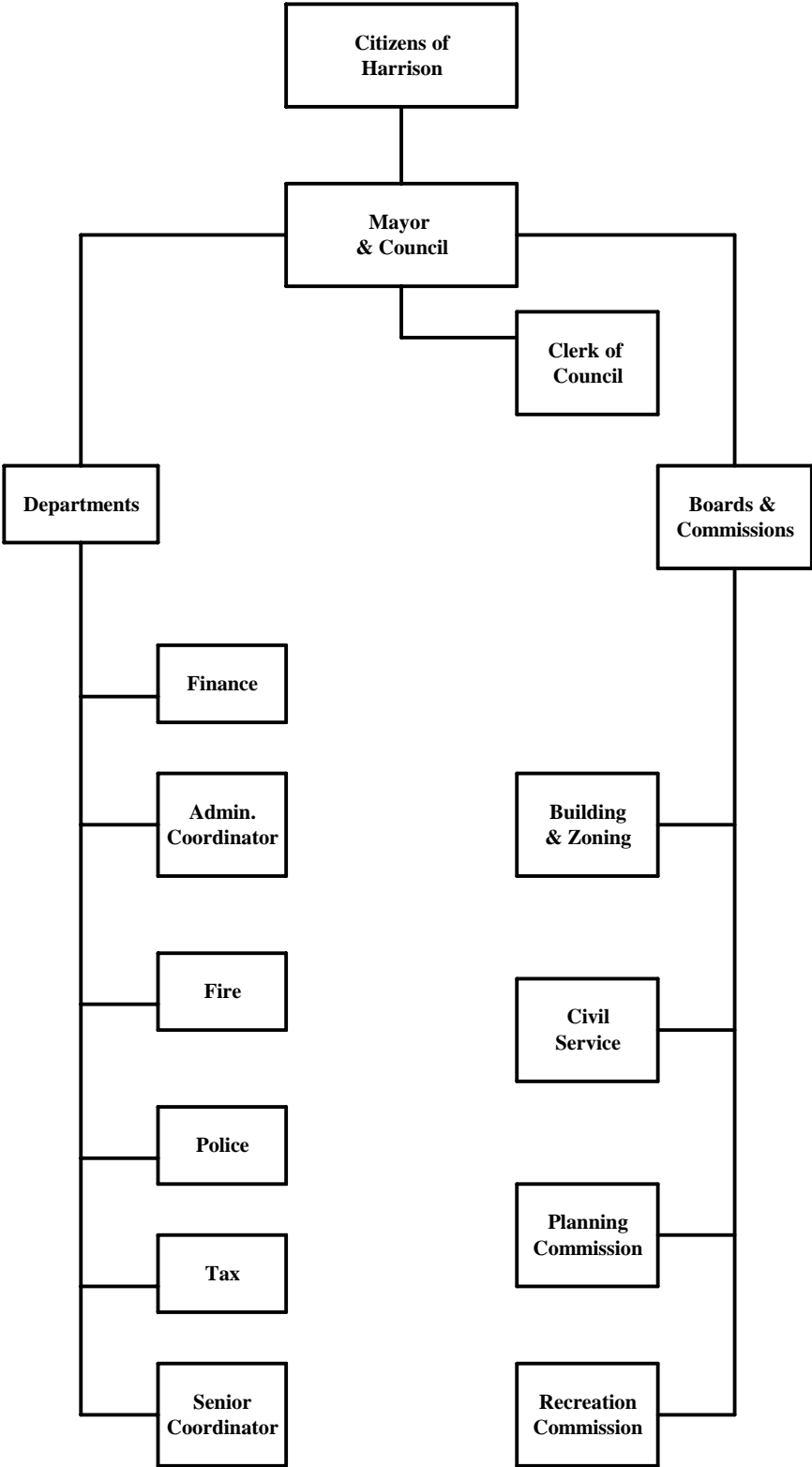
<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Mayor	Daniel J. Gieringer	December 31, 2003
Vice Mayor/Member of Council	Deborah Acra	December 31, 2001
Members of Council	Lee Cook	December 31, 2001
	Ruth Glasscock	December 31, 2003
	Judith A. Kercheval	December 31, 2001
	Barbara Rounds Kugler	December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

Appointed Officials:

<u>Office</u>	<u>Incumbent</u>	<u>Term Expires</u>
Finance Director	James W. Satzger	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 Lauver	Pleasure of Mayor/Council

CITY OF HARRISON, OHIO

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Harrison,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Imelda Aruete
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the City of Harrison, Hamilton County, (the "City"), as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

As disclosed in Note 3 to the general purpose financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions and GASB Statement No. 36, Recipient Reporting for Certain Shared Nonexchange Revenues, an amendment of GASB Statement No. 33.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Harrison, Hamilton County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Trimble, Julian & Grube, Inc.
June 4, 2002

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GENERAL PURPOSE FINANCIAL
STATEMENTS

CITY OF HARRISON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 2001

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Assets and Other Debits</u>					
Assets:					
Equity in pooled cash and cash equivalents	\$1,182,166	\$783,665	\$45,551	\$1,193,245	\$6,846,835
Cash with fiscal agent	-	-	-	-	-
Receivables (net of allowances for uncollectibles):					
Taxes	1,085,278	757,931	-	10,013	-
Accounts	14,217	1,425	-	-	346,646
Accrued interest	31,517	1,993	-	-	3,503
Advances to other funds.	57,347	-	-	-	-
Due from other governments.	138,341	181,023	-	-	-
Due from other funds	7,527	400	-	-	-
Prepayments.	11,750	12,038	-	-	5,916
Materials and supplies inventory.	11,519	5,444	-	-	29,666
Restricted assets:					
Cash and cash equivalents	-	-	-	-	1,140,669
Property, plant and equipment (net of accumulated depreciation where applicable)	-	-	-	-	9,650,963
Other Debits:					
Amount available in debt service fund.	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations.	-	-	-	-	-
Total assets and other debits	<u>\$2,539,662</u>	<u>\$1,743,919</u>	<u>\$45,551</u>	<u>\$1,203,258</u>	<u>\$18,024,198</u>

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

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Agency			
\$ -	\$ -	\$ -	\$10,051,462
10,860	-	-	10,860
-	-	-	1,853,222
-	-	-	362,288
-	-	-	37,013
-	-	-	57,347
-	-	-	319,364
-	-	-	7,927
-	-	-	29,704
-	-	-	46,629
-	-	-	1,140,669
-	5,566,209	-	15,217,172
-	-	45,551	45,551
-	-	3,346,941	3,346,941
<u>\$10,860</u>	<u>\$5,566,209</u>	<u>\$3,392,492</u>	<u>\$32,526,149</u>

-- Continued

CITY OF HARRISON, OHIO

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
DECEMBER 31, 2001

	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, Equity and Other Credits					
Liabilities:					
Accounts payable	\$60,564	\$20,110	\$ -	\$14,713	\$73,697
Contracts payable	-	-	-	111,034	56,676
Accrued wages and benefits	32,217	29,514	-	-	7,760
Compensated absences payable	7,868	4,030	-	-	21,420
Advances from other funds	-	35,411	-	-	21,936
Deferred revenue	933,463	829,414	-	-	-
Due to other governments	44,432	122,411	-	-	14,833
Due to other funds	-	-	-	-	-
Accrued interest payable	-	-	-	-	34,522
OPWC loans payable	-	-	-	-	477,230
OWDA loans payable	-	-	-	-	666,585
General obligation bonds payable	-	-	-	-	155,000
Mortgage revenue bonds payable	-	-	-	-	3,380,000
Real estate revenue bonds payable	-	-	-	-	71,000
Bond anticipation notes payable	-	-	-	-	5,000,000
Capital lease obligations	-	-	-	-	-
Total liabilities	<u>1,078,544</u>	<u>1,040,890</u>	<u>-</u>	<u>125,747</u>	<u>9,980,659</u>
Equity and Other Credits:					
Investment in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	-	1,247,667
Retained earnings:					
Reserved	-	-	-	-	1,122,669
Unreserved	-	-	-	-	5,673,203
Fund balances:					
Reserved for encumbrances	59,725	69,447	-	1,241,109	-
Reserved for prepayments	11,750	12,038	-	-	-
Reserved for materials and supplies inventory	11,519	5,444	-	-	-
Reserved for advances	57,347	-	-	-	-
Reserved for debt service	-	-	45,551	-	-
Unreserved-undesignated	1,320,777	616,100	-	(163,598)	-
Total equity and other credits	<u>1,461,118</u>	<u>703,029</u>	<u>45,551</u>	<u>1,077,511</u>	<u>8,043,539</u>
Total liabilities, equity and other credits	<u>\$2,539,662</u>	<u>\$1,743,919</u>	<u>\$45,551</u>	<u>\$1,203,258</u>	<u>\$18,024,198</u>

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

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Agency			
\$ -	\$ -	\$ -	\$169,084
-	-	-	167,710
-	-	-	69,491
-	-	113,807	147,125
-	-	-	57,347
-	-	-	1,762,877
2,933	-	-	184,609
7,927	-	-	7,927
-	-	-	34,522
-	-	-	477,230
-	-	-	666,585
-	-	3,205,000	3,360,000
-	-	-	3,380,000
-	-	-	71,000
-	-	-	5,000,000
-	-	73,685	73,685
<u>10,860</u>	<u>-</u>	<u>3,392,492</u>	<u>15,629,192</u>
-	5,566,209	-	5,566,209
-	-	-	1,247,667
-	-	-	1,122,669
-	-	-	5,673,203
-	-	-	1,370,281
-	-	-	23,788
-	-	-	16,963
-	-	-	57,347
-	-	-	45,551
-	-	-	1,773,279
<u>-</u>	<u>5,566,209</u>	<u>-</u>	<u>16,896,957</u>
<u>\$10,860</u>	<u>\$5,566,209</u>	<u>\$3,392,492</u>	<u>\$32,526,149</u>

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CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Income taxes	\$2,264,938	\$765,503	\$ -	\$31,209	\$3,061,650
Property and other taxes	724,807	-	-	-	724,807
Charges for services	2,225	166,936	-	-	169,161
Licenses, permits and fees	87,843	195	-	-	88,038
Fines and forfeitures	170,242	-	-	-	170,242
Intergovernmental	495,190	456,139	-	789,380	1,740,709
Investment income	159,134	60,360	-	25,416	244,910
Other	70,717	6,166	-	-	76,883
Total revenues	3,975,096	1,455,299	-	846,005	6,276,400
Expenditures:					
Current:					
General government	692,000	-	-	-	692,000
Security of persons and property	1,625,515	1,660,606	-	-	3,286,121
Public health and welfare	8,238	210,386	-	-	218,624
Transportation	-	335,088	-	-	335,088
Community environment	38,205	-	-	-	38,205
Leisure time activity	54,516	123,026	-	-	177,542
Capital outlay	62,750	210,266	-	2,593,026	2,866,042
Debt service:					
Principal retirement	54,440	-	105,000	12,649	172,089
Interest and fiscal charges	4,073	-	183,374	1,257	188,704
Total expenditures	2,539,737	2,539,372	288,374	2,606,932	7,974,415
Excess (deficiency) of revenues over (under) expenditures	1,435,359	(1,084,073)	(288,374)	(1,760,927)	(1,698,015)
Other financing sources (uses):					
Proceeds of capital lease transaction	62,750	-	-	-	62,750
Operating transfers in	-	1,286,682	288,375	-	1,575,057
Operating transfers out	(1,440,502)	(134,555)	(39,800)	-	(1,614,857)
Total other financing sources (uses)	(1,377,752)	1,152,127	248,575	-	22,950
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	57,607	68,054	(39,799)	(1,760,927)	(1,675,065)
Fund balances, January 1 (restated)	1,404,265	635,643	85,350	2,838,438	4,963,696
Decrease in reserve for inventory	(754)	(668)	-	-	(1,422)
Fund balances, December 31	\$1,461,118	\$703,029	\$45,551	\$1,077,511	\$3,287,209

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

CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Income taxes	\$2,354,000	\$2,459,847	\$105,847	\$ -	\$ -	\$ -
Property and other taxes	710,560	737,111	26,551	894,617	765,503	(129,114)
Charges for services	575	2,225	1,650	226,596	155,992	(70,604)
Licenses, permits and fees	84,100	86,768	2,668	100	195	95
Fines and forfeitures	234,700	182,161	(52,539)	-	-	-
Intergovernmental	315,364	464,764	149,400	442,969	434,461	(8,508)
Investment income	80,000	226,939	146,939	35,000	58,367	23,367
Other	24,814	91,486	66,672	12,931	8,360	(4,571)
Total revenues	<u>3,804,113</u>	<u>4,251,301</u>	<u>447,188</u>	<u>1,612,213</u>	<u>1,422,878</u>	<u>(189,335)</u>
Expenditures:						
Current:						
General government	863,034	824,112	38,922	-	-	-
Security of persons and property	1,701,264	1,732,041	(30,777)	1,720,652	1,700,419	20,233
Public health and welfare	9,000	8,238	762	275,683	215,182	60,501
Transportation	-	-	-	378,135	353,170	24,965
Community environment	69,382	37,716	31,666	-	-	-
Leisure time activity	64,592	54,927	9,665	161,332	142,745	18,587
Capital outlay	-	-	-	258,727	218,431	40,296
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>2,707,272</u>	<u>2,657,034</u>	<u>50,238</u>	<u>2,794,529</u>	<u>2,629,947</u>	<u>164,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,096,841</u>	<u>1,594,267</u>	<u>497,426</u>	<u>(1,182,316)</u>	<u>(1,207,069)</u>	<u>(24,753)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	1,190,455	1,286,682	96,227
Operating transfers out	(1,322,820)	(1,440,502)	(117,682)	(134,555)	(134,555)	-
Advances out	-	-	-	(8,000)	-	8,000
Total other financing sources (uses)	<u>(1,322,820)</u>	<u>(1,440,502)</u>	<u>(117,682)</u>	<u>1,047,900</u>	<u>1,152,127</u>	<u>104,227</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(225,979)</u>	<u>153,765</u>	<u>379,744</u>	<u>(134,416)</u>	<u>(54,942)</u>	<u>79,474</u>
Fund balances, January 1	<u>861,419</u>	<u>861,419</u>	<u>-</u>	<u>706,327</u>	<u>706,327</u>	<u>-</u>
Prior year encumbrances appropriated	<u>41,675</u>	<u>41,675</u>	<u>-</u>	<u>42,723</u>	<u>42,723</u>	<u>-</u>
Fund balances, December 31	<u>\$677,115</u>	<u>\$1,056,859</u>	<u>\$379,744</u>	<u>\$614,634</u>	<u>\$694,108</u>	<u>\$79,474</u>

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

Debt Service			Capital Projects			Total (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,354,000	\$2,459,847	\$105,847
-	-	-	62,000	31,852	(30,148)	1,667,177	1,534,466	(132,711)
-	-	-	-	-	-	227,171	158,217	(68,954)
-	-	-	-	-	-	84,200	86,963	2,763
-	-	-	-	-	-	234,700	182,161	(52,539)
-	-	-	354,977	789,380	434,403	1,113,310	1,688,605	575,295
-	-	-	100,000	25,416	(74,584)	215,000	310,722	95,722
2,000	-	(2,000)	-	-	-	39,745	99,846	60,101
2,000	-	(2,000)	516,977	846,648	329,671	5,935,303	6,520,827	585,524
-	-	-	-	-	-	863,034	824,112	38,922
-	-	-	-	-	-	3,421,916	3,432,460	(10,544)
-	-	-	-	-	-	284,683	223,420	61,263
-	-	-	-	-	-	378,135	353,170	24,965
-	-	-	-	-	-	69,382	37,716	31,666
-	-	-	-	-	-	225,924	197,672	28,252
-	-	-	3,575,042	3,934,464	(359,422)	3,833,769	4,152,895	(319,126)
528,582	528,582	-	-	-	-	528,582	528,582	-
402,370	410,169	(7,799)	-	-	-	402,370	410,169	(7,799)
930,952	938,751	(7,799)	3,575,042	3,934,464	(359,422)	10,007,795	10,160,196	(152,401)
(928,952)	(938,751)	(9,799)	(3,058,065)	(3,087,816)	(29,751)	(4,072,492)	(3,639,369)	433,123
898,952	898,952	-	-	-	-	2,089,407	2,185,634	96,227
-	-	-	(200,000)	-	200,000	(1,657,375)	(1,575,057)	82,318
-	-	-	-	-	-	(8,000)	-	8,000
898,952	898,952	-	(200,000)	-	200,000	424,032	610,577	186,545
(30,000)	(39,799)	(9,799)	(3,258,065)	(3,087,816)	170,249	(3,648,460)	(3,028,792)	619,668
85,350	85,350	-	711,341	711,341	-	2,364,437	2,364,437	-
-	-	-	2,202,864	2,202,864	-	2,287,262	2,287,262	-
\$55,350	\$45,551	(\$9,799)	(\$343,860)	(\$173,611)	\$170,249	\$1,003,239	\$1,622,907	\$619,668

CITY OF HARRISON, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type
	Enterprise
Operating revenues:	
Charges for services	\$2,318,238
Other	133,784
	<hr/>
Total operating revenues	2,452,022
	<hr/>
Operating expenses:	
Personal services.	522,896
Contract services.	376,788
Materials and supplies	129,537
Depreciation	240,988
Utilities.	292,299
Other.	2,015
	<hr/>
Total operating expenses	1,564,523
	<hr/>
Operating income	887,499
	<hr/>
Nonoperating revenues (expenses):	
Intergovernmental	8,258
Interest and fiscal charges	(208,695)
Investment earnings	135,848
	<hr/>
Total nonoperating revenues (expenses)	(64,589)
	<hr/>
Net income before operating transfers	822,910
	<hr/>
Operating transfers in.	39,800
	<hr/>
Net income.	862,710
	<hr/>
Retained earnings, January 1.	5,933,162
	<hr/>
Retained earnings, December 31	6,795,872
	<hr/>
Contributed capital, December 31	1,247,667
	<hr/>
Total fund equity, December 31.	\$8,043,539
	<hr/> <hr/>

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

CITY OF HARRISON, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type
	Enterprise
Cash flows from operating activities:	
Cash received from customers	\$2,322,973
Cash received from other operations	136,088
Cash payments for personal services	(519,789)
Cash payments for contract services	(379,201)
Cash payments for materials and supplies	(129,344)
Cash payments for utilities	(268,645)
Cash payments for other expenses	(2,191)
	1,159,891
Cash flows from noncapital financing activities:	
Cash received from operating grants	8,258
	8,258
Cash flows from capital and related financing activities:	
Proceeds of loans	666,585
Proceeds of notes	5,000,000
Acquisition of capital assets	(1,775,155)
Principal retirement	(423,582)
Interest and fiscal charges paid	(186,995)
	3,280,853
Cash flows from investing activities:	
Sale of investments	89,936
Interest received	122,202
	212,138
Net increase in cash and cash equivalents	4,661,140
Cash and cash equivalents, January 1	3,326,364
Cash and cash equivalents, December 31	\$7,987,504
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$887,499
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	240,988
Changes in assets and liabilities:	
Increase in materials and supplies inventory	(677)
Decrease in accounts receivable	1,324
Decrease in due from other governments	5,715
Decrease in prepayments	2,614
Increase in accounts payable	17,328
Increase in contracts payable	1,678
Increase in accrued wages and benefits	1,227
Increase in compensated absences payable	1,931
Increase in due to other governments	264
	264
Net cash provided by operating activities	\$1,159,891

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

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CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 1 - DESCRIPTION

The City of Harrison, Ohio (the "City"), is a charter city and operates under the Mayor-Council form of government. The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Harrison, this includes police and fire protection, emergency medical services, parks, recreation, planning, zoning, street maintenance, the 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 general purpose financial statements (GPFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Reporting Entity

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

Included as part of the City's primary government in the determination of the City's reporting entity is the Harrison Mayor's Court (the "Court"). The Court's operations are not legally separate from the City. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying GPFS.

B. Basis of Presentation - Fund Accounting

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

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Type:

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

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

Fiduciary Fund Type:

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

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

Account Groups:

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

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

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

C. Measurement Focus and Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental and agency funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the reporting of expenses and 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.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fines and forfeitures, licenses and permits, and fees for services.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the modified accrual basis of accounting, receivables that will not be collected within the available period have also 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. On the modified accrual basis of accounting, 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.

D. Budgetary Data

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by ordinance of the City Council. The City legally adopted several supplemental appropriations during 2001.

Tax Budget

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

Estimated Resources

The 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 final amended official certificate of estimated resources issued during 2001.

Appropriations

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

Encumbrances

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

Lapsing of Appropriations

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

E. Cash and Investments

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

During 2001, investments were limited to STAR Ohio, federal agency securities, U. S. government money market mutual funds and 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 certificates of deposit, are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2001. 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, 2001.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During fiscal 2001, interest revenue credited to the general fund amounted to \$159,134 which includes \$115,121 assigned from other City funds.

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

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

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

F. Inventories of Materials and Supplies

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

G. Fixed Assets and Depreciation

1. *General Fixed Assets Account Group*

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

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

2. *Enterprise Funds*

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

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

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

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

H. Compensated Absences

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

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

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

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

I. Long-Term Obligations

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

J. Interfund Transactions

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

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in or of expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to changes for goods and services rendered, are reflected as "due to/from other funds."
4. Short-term interfund loans and accrued operating transfers are reflected as "interfund loans receivable/payable".
5. Long-term interfund loans that will not be repaid within the next year are termed "advances". They are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The City had long-term advances receivable and payable at December 31, 2001.

An analysis of interfund transactions is presented in Note 5.

K. Fund Balance Reserves

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

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

L. Contributions of Capital

Contributed capital represents donations by developers and grants restricted for capital construction. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those proprietary fund type assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. In accordance with GASB Statement No. 33, capital contributions are recorded as revenue and a component of retained earnings at year-end. There were no capital contributions received by the enterprise funds in 2001. Contributed capital in the enterprise funds at December 31, 2001 is \$1,247,667.

M. Prepayments

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

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

N. Estimates

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

O. Restricted Assets

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

P. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues", were implemented during fiscal 2001. These statements pertain to the financial reporting of certain types of revenue received by the City for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions and voluntary nonexchange transactions. The adoption of this statement had the following effect on fund balances as previously reported by the City at December 31, 2000.

	General	Special Revenue
Fund balance as previously reported	\$1,381,893	\$609,874
GASB Statement No. 33 and No. 36 Implementation	22,372	25,769
Restated fund balance as of January 1, 2001	\$1,404,265	\$635,643

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balance

The following fund had a deficit fund balance as of December 31, 2001:

	<u>Deficit Fund Balance</u>
<u>Special Revenue Fund</u>	
Fire Improvement	\$26,669

The deficit fund balance in the Fire Memorial special revenue fund is the result of the reporting of accrued wages and benefits and amounts due to other governments as a fund liability in accordance with GAAP. This deficit balance will be eliminated through the collection of intergovernmental grants and subsidies not recognized at December 31.

C. Compliance

The following funds had expenditures in excess of appropriations contrary to Section 5705.41 (B), Ohio Revised Code:

<u>Fund Type/Fund/Department/Object</u>	<u>Excess</u>
<u>General Fund</u>	
Council	
Capital Outlay	\$ 9,029
Finance	
Personal Services	1,454
Contractual Services	10,263
Materials and Supplies	608
Other	213
Law Enforcement	
Personal Services	32,065
Contractual Services	11,223
Parks and Recreation	
Capital Outlay	742
Operating transfers out	117,682
<u>Special Revenue Funds</u>	
Street Maintenance and Repair	
Transportation	
Personal Services	12,401
Fire Memorial	
Security of persons and property	
Other	603
Police Pension	
Security of persons and property	
Contractual Services	8
<u>Debt Service Fund</u>	
Debt Service	
Interest	7,799

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

<u>Fund Type/Fund/Department/Object</u>	<u>Excess</u>
<u>Capital Projects Fund</u>	
Capital Improvement	
Capital Outlay	\$359,422

The following funds had appropriations in excess of estimated resources contrary to Section 5705.39, Ohio Revised Code:

<u>Fund Type/Fund</u>	<u>Excess</u>
<u>Special Revenue Fund</u>	
State Highway Improvements	\$ 3,457
 <u>Capital Projects Fund</u>	
Capital Improvement	746,788

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

A. Primary Government

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 the City has identified as not required for use within the current two 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. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim moneys;
5. Bonds and other obligations of the State of Ohio;

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

1. Bonds of the State of Ohio; and
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.

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

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

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

Deposits: At December 31, 2001, the carrying amount of the City's deposits, which includes cash with fiscal agent and nonnegotiable certificates of deposit, was \$2,729,892 and the bank balance was \$3,025,907. Of the bank balance:

1. \$582,766 was covered by federal deposit insurance; and
2. \$2,443,141 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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

The following is a listing of investments, by category, as of December 31, 2001:

	Category 3	Fair Value
Federal Agency Securities	<u>\$5,774,535</u>	\$5,774,535
U. S. Government Money Market Mutual Funds		1,145,683
State Treasurer's Investment Pool		<u>1,552,456</u>
Total Investments		<u>\$8,472,674</u>

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

	Cash and Cash Equivalents/Deposits	Investments
Per GASB Statement No. 9	\$11,202,991	\$ -
Investments of the		
Cash Management Pool:		
State Treasurer's Investment Pool	(1,552,456)	1,552,456
U.S. Government		
Money Market Mutual Funds	(1,145,683)	1,145,683
Federal Agency Securities	(5,774,535)	5,774,535
Cash on Hand	<u>(425)</u>	<u>-</u>
Per GASB Statement No. 3	<u>\$ 2,729,892</u>	<u>\$8,472,674</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the City's operating transfers for 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$1,440,502
<u>Special Revenue Funds</u>		
Police Pension	190,000	-
Fire Improvement	710,682	134,555
Community Center	118,500	-
Senior Fund	92,500	-
Fire Capital Reserve	75,000	-
Street	<u>100,000</u>	<u>-</u>
Total Special Revenue Funds	<u>1,286,682</u>	<u>134,555</u>
<u>Debt Service Fund</u>		
Capital Improvements	<u>288,375</u>	<u>39,800</u>
<u>Enterprise Funds</u>		
Sewer	30,000	-
Water	<u>9,800</u>	<u>-</u>
Total Enterprise Funds	<u>39,800</u>	<u>-</u>
Total	<u>\$1,614,857</u>	<u>\$1,614,857</u>

B. Interfund balances at December 31, 2001, related to charges for goods and services rendered, consist of the following amounts due to and from other funds:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$7,527	\$ -
<u>Special Revenue Fund</u>		
Drug Law Enforcement	400	-
<u>Agency Fund</u>		
Mayor's Court	<u>-</u>	<u>7,927</u>
Total	<u>\$7,927</u>	<u>\$7,927</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

C. The City had the following long-term advances outstanding at December 31, 2001:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$57,347	\$ -
<u>Special Revenue Funds</u>		
Fire Memorial	-	15,000
State Highway Improvements	<u>-</u>	<u>20,411</u>
Total Special Revenue Funds	<u>-</u>	<u>35,411</u>
<u>Enterprise Funds</u>		
Water	-	12,960
Sewer	<u>-</u>	<u>8,976</u>
Total Enterprise Funds	<u>-</u>	<u>21,936</u>
Total	<u>\$57,347</u>	<u>\$57,347</u>

NOTE 6 - PROPERTY TAXES

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

The full tax rate applied to real property for the fiscal year ended December 31, 2001 was \$13.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$13.00 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$13.00 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback reductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2001 was \$13.00 per \$1,000 of assessed valuation. The assessed valuation upon which 2001 taxes were collected is as follows:

Residential/Agricultural Real Property	\$ 75,322,520
Commercial/Industrial/Public Utility Real Property	47,304,110
Tangible/Public Utility Personal Property	<u>24,232,790</u>
Total Assessed Value	<u>\$146,859,420</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 6 - PROPERTY TAXES - (Continued)

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

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2001. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2001 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue".

NOTE 7 - LOCAL INCOME TAX

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2001, consisted of income taxes, real estate and other taxes, accounts (billings for user charged services), amounts due from other funds, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the combined balance sheet. Receivables have been recorded to the extent eligibility requirements have been met by year-end and the amounts are measurable.

A summary of the principal items of receivables follows:

<u>Fund Type/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Income taxes	\$307,650
Real and other taxes	777,628
Accounts	14,217
Accrued interest	31,517
Due from other governments	138,341
Due from other funds	7,527
<u>Special Revenue Funds</u>	
Real and other taxes	757,931
Accounts	1,425
Accrued interest	1,993
Due from other governments	181,023
Due from other funds	400
<u>Capital Projects Funds</u>	
Real and other taxes	10,013
<u>Enterprise Funds</u>	
Accounts	346,646
Accrued interest	3,503

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 9 - FIXED ASSETS

A. Enterprise Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2001, follows:

Land	\$ 485,420
Buildings	4,391,626
Improvements	5,891,674
Machinery and equipment	774,538
Construction in progress	1,240,519
Accumulated depreciation	<u>(3,132,814)</u>
Total net fixed assets	<u>\$ 9,650,963</u>

B. General Fixed Assets

A summary of the changes in general fixed assets during 2001 follows:

	<u>Balance at</u> <u>1/1/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/01</u>
Land	\$ 849,190	\$ -	\$ -	\$ 849,190
Buildings	1,970,620	-	-	1,970,620
Improvements other than buildings	30,934	-	-	30,934
Machinery and equipment	<u>2,658,557</u>	<u>113,018</u>	<u>(56,110)</u>	<u>2,715,465</u>
Total fixed assets	<u>\$5,509,301</u>	<u>\$113,018</u>	<u>\$(56,110)</u>	<u>\$5,566,209</u>

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the City entered into capitalized leases for the acquisition of five police cruisers and a dump truck. During fiscal year 2001, the City entered into a capitalized lease for the acquisition of three police cruisers. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined GPFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment have been capitalized in the general fixed assets account group in the amount of \$214,501. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2001 totaled \$54,440 in the general fund and \$12,649 in the capital projects funds.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2001:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2002	\$57,650
2003	<u>22,287</u>
Total	79,937
Less: amount representing interest	<u>(6,252)</u>
Present value of net minimum lease payments	<u>\$73,685</u>

NOTE 11 - VACATION AND SICK LEAVE LIABILITY

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

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2001, vested benefits for sick leave for governmental fund type employees totaled \$112,677, and vested benefits for vacation leave totaled \$1,130 (these amounts are reported net of payments made using current available resources) which are presented as fund liabilities. For proprietary fund types, vested benefits for vacation totaled \$3,295 and sick leave totaled \$18,125. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 12 - LONG-TERM OBLIGATIONS

A. Defeased Debt

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

At the time of the defeasance, funds were deposited with the City's trustee, JP Morgan (formally the PNC Bank), for the Water and Wastewater Issues. The principal and interest on the investments in these escrow funds are used solely to pay the principal and interest requirements on the mortgage revenue bonds as they come due. As of December 31, 2001, there was \$1,140,669 on deposit with JP Morgan to pay principal and interest requirements of the defeased debt.

As the money on deposit with the trustee is adequate to service the defeased debt, the City is not required to service any portion of this debt directly. Accordingly, the mortgage revenue debt is not included in the long-term obligations schedule or in the water or wastewater funds' balance sheet at December 31, 2001. Similarly, as no obligation is recorded, neither are the funds held on deposit with the trustee, which will be used to service that obligation.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

B. General Long-Term Obligations

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

	<u>Balance at</u> <u>1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/01</u>
<u>General Long-Term Obligations</u>				
Compensated Absences Payable	\$ 89,069	\$24,738	\$ -	\$ 113,807
Capital Leases	78,024	62,750	(67,089)	73,685
General Obligation Bonds	<u>3,310,000</u>	<u>-</u>	<u>(105,000)</u>	<u>3,205,000</u>
 Total General Long-Term Obligations	 <u>\$3,477,093</u>	 <u>\$87,488</u>	 <u>\$(172,089)</u>	 <u>\$3,392,492</u>

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

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

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

<u>Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 110,000	\$ 178,230	\$ 288,230
2003	115,000	172,730	287,730
2004	120,000	166,923	286,923
2005	130,000	160,803	290,803
2006	135,000	154,108	289,108
2007-2011	785,000	656,455	1,441,455
2012-2016	1,030,000	413,775	1,443,775
2017-2020	<u>780,000</u>	<u>94,100</u>	<u>874,100</u>
 Total	 <u>\$3,205,000</u>	 <u>\$1,997,124</u>	 <u>\$5,202,124</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

C. Enterprise Fund Obligations

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

	<u>Interest Rate</u>	<u>Balance at 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/01</u>
<u>General Obligation Bonds</u>					
Water System Improvements - 1995	5.40%	\$ 200,000	\$ -	\$ (45,000)	\$ 155,000
<u>Mortgage Revenue Bonds</u>					
Water System Improvements - 1992	3.5-6.0%	\$ 435,000	\$ -	\$ (70,000)	\$ 365,000
Sewer System Improvements - 1993	2.85-5.4%	3,160,000	-	(145,000)	3,015,000
Total Mortgage Revenue Bonds		<u>\$3,595,000</u>	<u>\$ -</u>	<u>\$(215,000)</u>	<u>\$3,380,000</u>
<u>Real Estate Revenue Bonds</u>					
Water System Improvements - 1998	4.75%	\$ 142,000	\$ -	\$ (71,000)	\$ 71,000
<u>OPWC Loans</u>					
OPWC Loan - Transmission Lines	3.00%	\$ 197,174	\$ -	\$ (33,484)	\$ 163,690
OPWC Loan - Reservoir	3.00%	372,638	-	(59,098)	313,540
Total OPWC Loans		<u>\$ 569,812</u>	<u>\$ -</u>	<u>\$(92,582)</u>	<u>\$ 477,230</u>
<u>OWDA Loans</u>					
OWDA Loan - Water Treatment Plant	3.49%	\$ -	\$ 15,162	\$ -	\$ 15,162
OWDA Loan - Wellfield and Transmission Mains	3.64%	-	651,423	-	651,423
Total OWDA Loans		<u>\$ -</u>	<u>\$666,585</u>	<u>\$ -</u>	<u>\$ 666,585</u>
Total Enterprise Fund Obligations		<u>\$4,506,812</u>	<u>\$666,585</u>	<u>\$(423,582)</u>	<u>\$4,749,815</u>

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

Improvements to the City's water treatment facilities were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2001, the City has two loans outstanding through the OPWC. The loans are payable in semi-annual installments of principal and interest.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

During fiscal year 2001, the City entered into two debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund Water Treatment Plant Improvements and the Wellfield and Transmission Mains project. The semi-annual payments due to the OWDA are payable from sewer and water revenues. The loan agreements function similar to a line-of credit agreement. At December 31, 2001, the City had outstanding borrowings of \$666,585. The total permissible borrowings under the financing agreements at December 31, 2001 for the Water Treatment Plant Improvements and the Wellfield and Transmission Mains were \$1,132,666 and \$1,321,844, respectively. As of December 31, 2001, the future annual debt service principal and interest payments for the loans were unavailable because monies related to the projects are still being disbursed and the loans are not finalized.

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

<u>Year Ended</u>	<u>General Obligation Bonds</u>			<u>Mortgage Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 40,000	\$ 8,250	\$ 48,250	\$ 230,000	\$ 174,480	\$ 404,480
2003	40,000	6,130	46,130	250,000	162,963	412,963
2004	40,000	4,010	44,010	265,000	150,023	415,023
2005	35,000	1,890	36,890	280,000	136,179	416,179
2006	-	-	-	185,000	121,010	306,010
Thereafter	-	-	-	2,170,000	614,895	2,784,895
Total	<u>\$155,000</u>	<u>\$20,280</u>	<u>\$175,280</u>	<u>\$3,380,000</u>	<u>\$1,359,550</u>	<u>\$4,739,550</u>

<u>Year Ended</u>	<u>Real Estate Revenue Bonds</u>			<u>OPWC Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$71,000	\$3,373	\$74,373	\$ 64,059	\$13,840	\$ 77,899
2003	-	-	-	65,995	11,723	77,718
2004	-	-	-	67,990	10,090	78,080
2005	-	-	-	70,236	7,853	78,089
2006	-	-	-	71,970	5,738	77,708
Thereafter	-	-	-	136,980	4,865	141,845
Total	<u>\$71,000</u>	<u>\$3,373</u>	<u>\$74,373</u>	<u>\$477,230</u>	<u>\$54,109</u>	<u>\$531,339</u>

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 13 - BOND ANTICIPATION NOTES

During fiscal year 2001, the City issued \$5,000,000 in Sewer System Improvement bond anticipation notes. Proceeds of the bond anticipation notes, which were received in the Sewer enterprise fund, will be used to finance sewer system improvements. The bond anticipation notes are reported as a liability of the Sewer enterprise fund. The following is a summary of the bond anticipation note activity during fiscal year 2001:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance Outstanding 1/1/01</u>	<u>2001 Issues</u>	<u>2001 Principal Retirement</u>	<u>Balance Outstanding 12/31/01</u>
<u>Sewer Fund</u>						
Sewer System						
Improvements - 2.48%	12/20/01	12/20/02	<u>\$ 0</u>	<u>\$5,000,000</u>	<u>\$ -</u>	<u>\$5,000,000</u>

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers for water operations, sewer operations, sanitation services, and waste/sewer deposits. Segment information for the year ended December 31, 2001, is as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Deposit Fund</u>	<u>Sanitation</u>	<u>Total</u>
Operating revenues	\$1,146,564	\$ 1,035,798	\$2,645	\$267,015	\$2,452,022
Operating expenses					
before depreciation	662,864	414,824	176	245,671	1,323,535
Depreciation expense	140,174	100,814	-	-	240,988
Operating income	343,526	520,160	2,469	21,344	887,499
Net income	291,898	538,741	2,469	29,602	862,710
Operating Transfers In	30,000	9,800	-	-	39,800
Additions to property, plant and equipment	589,096	1,141,659	-	-	1,730,755
Net working capital	7,039,752	966,228	27,241	149,657	8,182,878
Total assets	12,572,290	5,255,826	27,241	168,841	18,024,198
Bonds and other long term liabilities payable					
from operating revenues	3,030,162	1,719,653	-	-	4,749,815
Total liabilities	8,175,203	1,786,272	-	19,184	9,980,659
Contributed capital	757,007	490,660	-	-	1,247,667
Total equity	4,397,087	3,469,554	27,241	149,657	8,043,539
Encumbrances outstanding December 31, 2001	97,379	1,099,411	-	20,561	1,217,351

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE 15 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2001, the City was insured through Arthur J. Gallagher & Co. All coverages were underwritten by Coregis Insurance Co. The City maintains a Management Committee of department directors and Loss Control Guidelines are followed.

B. Employee Health Insurance

During 2001, the City provided employees health insurance through United Health Care for medical insurance; Humana Insurance for dental insurance; and Fortis for accident and life insurance. The broker for the City of Harrison is Sherrill D. Morgan Agency. Since the City's group has less than 100 subscribers, no experience data is provided.

The premiums for health, dental and accident and life insurance are paid monthly with the City paying one hundred percent of the cost.

C. Workers' Compensation

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

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

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2001 was 8.5% for employees other than law enforcement. In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The employer contribution rate for employees other than law enforcement was 13.55% of covered payroll; 9.25% was the portion used to fund pension obligations for 2001. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll; 12.40% was the portion used to fund pension obligations for 2001. The City's contributions for pension obligations to the PERS for the years ended December 31, 2001, 2000, and 1999 were \$170,329, \$157,176, and \$149,090, respectively; 92.28% has been contributed for 2001 and 100% for 2000 and 1999. \$13,144, representing the unpaid contribution for 2001, is recorded as a liability within the general fund.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The City's contributions for pension obligations to the OP&F for the years ended December 31, 2001, 2000, and 1999 were \$351,477, \$341,451, and \$318,590, respectively; 76.37% has been contributed for 2001 and 100% for the years 2000 and 1999. \$83,057, representing the unpaid contributions for 2001, is recorded as a liability within the Police Pension and Fire Improvement Special revenue funds.

NOTE 17 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Public Employees Retirement System

The PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. Health care funding is on a pay-as-you-go basis. The Ohio Revised Code provides statutory authority for employer contributions. The PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2001 employer contribution rate for local government employers was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The law enforcement employer rate for 2001 was 16.70% of covered payroll; 4.30% was the portion used to fund health care for the year.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the PERS. The City's contribution actually made to fund postemployment benefits was \$55,027.

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

As of December 31, 2000 (the latest information available), the unaudited estimated net assets available for future OPEB payments were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively, at December 31, 2000 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2000 (the latest information available), was 411,076.

In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continue to contribute at 9.0%. The employer contribution rate for both the law enforcement and public safety divisions is 16.70%.

Law enforcement officer benefits permit age and service retirement at an earlier age with a different formula than that for PERS members not covered under this division.

Additional information on the PERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the PERS December 31, 2001, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.0% and 7.25% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

CITY OF HARRISON, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

The number of participants eligible to receive health care benefits as of December 31, 2000 (the latest information available), is 12,853 for police officers and 10,037 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers and firefighters were \$76,675 and \$47,677, respectively. OP&F's total health care expenses for the year ending December 31, 2000 (the latest information available), was \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	\$ 153,765	\$(54,942)	\$ (39,799)	\$(3,087,816)
Adjustments:				
Net Adjustment for Revenue Accruals	(276,205)	32,421	-	(643)
Net Adjustment for Expenditure Accruals	16,361	1,018	650,377	(39,324)
Net adjustment for Other Financing Sources/ (Uses) Accruals	62,750	-	(650,377)	-
Encumbrances	<u>100,936</u>	<u>89,557</u>	<u>-</u>	<u>1,366,856</u>
GAAP Basis	<u>\$ 57,607</u>	<u>\$ 68,054</u>	<u>\$ (39,799)</u>	<u>\$(1,760,927)</u>

CITY OF HARRISON, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2001.

B. Litigation

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

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

CITY OF HARRISON, OHIO

GENERAL FUND

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

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Income taxes	\$2,354,000	\$2,459,847	\$105,847
Property and other taxes	710,560	737,111	26,551
Charges for service	575	2,225	1,650
Licenses, permits and fees	84,100	86,768	2,668
Fines and forfeitures	234,700	182,161	(52,539)
Intergovernmental	315,364	464,764	149,400
Investment income	80,000	226,939	146,939
Other	24,814	91,486	66,672
Total revenues	<u>3,804,113</u>	<u>4,251,301</u>	<u>447,188</u>
Expenditures:			
Current:			
General government:			
Planning commission			
Personal services	5,407	3,526	1,881
Materials and supplies.	861	861	0
Total planning commission.	<u>6,268</u>	<u>4,387</u>	<u>1,881</u>
Income tax			
Personal services	96,491	90,563	5,928
Contractual services	22,980	19,000	3,980
Materials and supplies.	8,140	7,854	286
Other	100,333	100,272	61
Capital outlay	6,160	3,662	2,498
Total income tax	<u>234,104</u>	<u>221,351</u>	<u>12,753</u>
Mayor			
Personal services	28,982	28,702	280
Contractual services	14,370	13,240	1,130
Materials and supplies.	1,965	1,642	323
Capital outlay	1,000	500	500
Total mayor.	<u>46,317</u>	<u>44,084</u>	<u>2,233</u>
Council			
Personal services	57,841	55,204	2,637
Contractual services	46,916	42,198	4,718
Materials and supplies.	1,650	465	1,185
Other	1,000	6	994
Capital outlay	8,500	17,529	(9,029)
Total council	<u>115,907</u>	<u>115,402</u>	<u>505</u>
Finance			
Personal services	64,967	66,421	(1,454)
Contractual services	104,586	114,849	(10,263)
Materials and supplies.	6,192	6,800	(608)
Other	2,178	2,391	(213)
Capital outlay	2,509	1,509	1,000
Total finance	<u>\$180,432</u>	<u>\$191,970</u>	<u>(\$11,538)</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Custodian			
Personal services	\$41,093	\$36,276	\$4,817
Materials and supplies.	150	30	120
Total custodian	<u>41,243</u>	<u>36,306</u>	<u>4,937</u>
Civil service			
Personal services	4,970	3,907	1,063
Materials and supplies.	5,870	1,157	4,713
Total civil service.	<u>10,840</u>	<u>5,064</u>	<u>5,776</u>
Law director			
Personal services	43,785	41,675	2,110
Contractual services	45,620	43,284	2,336
Materials and supplies.	1,000	279	721
Total law director.	<u>90,405</u>	<u>85,238</u>	<u>5,167</u>
Magistrate			
Personal services	55,378	48,431	6,947
Contractual services	3,112	2,045	1,067
Materials and supplies.	1,988	1,082	906
Capital outlay	6,000	5,007	993
Total magistrate.	<u>66,478</u>	<u>56,565</u>	<u>9,913</u>
Administration coordinator			
Personal services	58,890	58,514	376
Contractual services	4,750	2,629	2,121
Materials and supplies.	1,400	1,186	214
Other	1,000	368	632
Total administration coordinator . . .	<u>66,040</u>	<u>62,697</u>	<u>3,343</u>
Elections			
Contractual services	4,000	1,048	2,952
Total elections	<u>4,000</u>	<u>1,048</u>	<u>2,952</u>
Storm sewers and drainage			
Contractual services	1,000	0	1,000
Total storm sewers and drainage . . .	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total general government.	<u>863,034</u>	<u>824,112</u>	<u>38,922</u>
Security of persons and property:			
Law enforcement			
Personal services	1,304,165	1,336,230	(32,065)
Contractual services	245,348	256,571	(11,223)
Materials and supplies.	44,944	42,527	2,417
Other	14,123	13,636	487
Capital outlay	40,581	36,982	3,599
Total law enforcement	<u>\$1,649,161</u>	<u>\$1,685,946</u>	<u>(\$36,785)</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Street lighting			
Contractual services	48,103	\$45,008	\$3,095
Total street lighting	<u>48,103</u>	<u>45,008</u>	<u>3,095</u>
Civil defense			
Contractual services	4,000	1,087	2,913
Total civil defense.	<u>4,000</u>	<u>1,087</u>	<u>2,913</u>
Total security of persons and property	<u>1,701,264</u>	<u>1,732,041</u>	<u>(30,777)</u>
Public health and welfare:			
Board of health			
Contractual services	9,000	8,238	762
Total board of health	<u>9,000</u>	<u>8,238</u>	<u>762</u>
Total public health and welfare	<u>9,000</u>	<u>8,238</u>	<u>762</u>
Community environment:			
Building department			
Personal services	51,299	21,716	29,583
Materials and supplies.	5,767	5,292	475
Total building department	<u>57,066</u>	<u>27,008</u>	<u>30,058</u>
Zoning department			
Personal services	10,771	9,363	1,408
Materials and supplies.	1,545	1,345	200
Total zoning department	<u>12,316</u>	<u>10,708</u>	<u>1,608</u>
Total community environment.	<u>69,382</u>	<u>37,716</u>	<u>31,666</u>
Leisure time activity:			
Parks and recreation			
Personal services	15,018	14,914	104
Contractual services	41,935	32,734	9,201
Materials and supplies.	1,597	495	1,102
Capital outlay	6,042	6,784	(742)
Total parks and recreation	<u>64,592</u>	<u>54,927</u>	<u>9,665</u>
Total leisure time activity	<u>64,592</u>	<u>54,927</u>	<u>9,665</u>
Total expenditures	<u>2,707,272</u>	<u>2,657,034</u>	<u>50,238</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>\$1,096,841</u>	<u>\$1,594,267</u>	<u>\$497,426</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Other financing uses:			
Operating transfers out	(\$1,322,820)	(\$1,440,502)	(\$117,682)
Total other financing uses	<u>(1,322,820)</u>	<u>(1,440,502)</u>	<u>(117,682)</u>
 Excess (deficiency) of revenues over (under) expenditures and other financing uses	 (225,979)	 153,765	 379,744
 Fund balance, January 1	 861,419	 861,419	 0
Prior year encumbrances appropriated .	<u>41,675</u>	<u>41,675</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$677,115</u></u>	<u><u>\$1,056,859</u></u>	<u><u>\$379,744</u></u>

CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS

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

Street Maintenance and Repair

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

State Highway Improvements

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

Fire Memorial

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

Fire Improvement

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

Police Pension

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

Enforcement and Education

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

FEMA Fund

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

Police Memorial

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

Senior Fund

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

Passport Account

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

Community Center

To account for the transfers in from the General Fund and funds received from Harrison Township to finance the maintenance and operation of the Community Center.

Fire Capital Reserve

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

Drug Law Enforcement Trust

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

CITY OF HARRISON, OHIO

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Trust

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

Federal Adoption Seizure

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

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CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 2001

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvements</u>	<u>Fire Memorial</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$203,717	\$25,680	\$15,387
Receivables (net of allowances for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	1,425
Accrued interest.	-	-	-
Due from other governments	59,111	3,813	-
Due from other funds	-	-	-
Prepayments.	3,080	-	-
Materials and supplies inventory	4,382	-	-
Total assets	<u>270,290</u>	<u>29,493</u>	<u>16,812</u>
 Liabilities:			
Accounts payable	500	-	-
Accrued wages and benefits	3,410	-	-
Compensated absences payable	1,191	-	-
Advances from other funds	-	20,411	15,000
Deferred revenue.	30,285	2,840	-
Due to other governments	6,327	-	-
Total liabilities	<u>41,713</u>	<u>23,251</u>	<u>15,000</u>
 Fund Equity:			
Reserved for encumbrances	13,399	-	289
Reserved for prepayments.	3,080	-	-
Reserved for materials and supplies inventory	4,382	-	-
Unreserved:			
Undesignated.	207,716	6,242	1,523
Total fund equity	<u>228,577</u>	<u>6,242</u>	<u>1,812</u>
Total liabilities and fund equity.	<u>\$270,290</u>	<u>\$29,493</u>	<u>\$16,812</u>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$68,542	\$106,804	\$11,394	\$1,218	\$277
716,768	41,163	-	-	-
-	-	-	-	-
-	-	-	-	-
36,100	2,258	-	-	-
-	-	-	-	-
6,250	-	-	-	-
-	-	-	-	-
<u>827,660</u>	<u>150,225</u>	<u>11,394</u>	<u>1,218</u>	<u>277</u>
12,551	-	-	-	-
23,306	-	-	-	-
2,071	-	-	-	-
-	-	-	-	-
752,868	43,421	-	-	-
63,533	47,090	-	-	-
<u>854,329</u>	<u>90,511</u>	<u>-</u>	<u>-</u>	<u>-</u>
36,981	-	-	-	-
6,250	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(69,900)	59,714	11,394	1,218	277
(26,669)	59,714	11,394	1,218	277
<u>\$827,660</u>	<u>\$150,225</u>	<u>\$11,394</u>	<u>\$1,218</u>	<u>\$277</u>

Continued

CITY OF HARRISON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2001

	<u>Senior Fund</u>	<u>Passport Account</u>	<u>Community Center</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$50,088	\$28,001	\$24,558
Receivables (net of allowances for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	-
Accrued interest.	-	-	-
Due from other governments	47,830	982	30,929
Due from other funds	-	-	-
Prepayments.	-	-	2,708
Materials and supplies inventory	295	-	767
Total assets	<u>98,213</u>	<u>28,983</u>	<u>58,962</u>
Liabilities:			
Accounts payable	3,494	-	3,565
Accrued wages and benefits	1,736	-	1,062
Compensated absences payable	680	-	88
Advances from other funds	-	-	-
Deferred revenue.	-	-	-
Due to other governments	3,396	-	2,065
Total liabilities	<u>9,306</u>	<u>-</u>	<u>6,780</u>
Fund Equity:			
Reserved for encumbrances	1,851	-	16,927
Reserved for prepayments.	-	-	2,708
Reserved for materials and supplies inventory	295	-	767
Unreserved:			
Undesignated.	86,761	28,983	31,780
Total fund equity	<u>88,907</u>	<u>28,983</u>	<u>52,182</u>
Total liabilities and fund equity.	<u>\$98,213</u>	<u>\$28,983</u>	<u>\$58,962</u>

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Totals
\$239,522	\$7,809	\$649	\$19	\$783,665
-	-	-	-	757,931
-	-	-	-	1,425
1,993	-	-	-	1,993
-	-	-	-	181,023
-	400	-	-	400
-	-	-	-	12,038
-	-	-	-	5,444
<u>241,515</u>	<u>8,209</u>	<u>649</u>	<u>19</u>	<u>1,743,919</u>
-	-	-	-	20,110
-	-	-	-	29,514
-	-	-	-	4,030
-	-	-	-	35,411
-	-	-	-	829,414
-	-	-	-	122,411
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,040,890</u>
-	-	-	-	69,447
-	-	-	-	12,038
-	-	-	-	5,444
<u>241,515</u>	<u>8,209</u>	<u>649</u>	<u>19</u>	<u>616,100</u>
<u>241,515</u>	<u>8,209</u>	<u>649</u>	<u>19</u>	<u>703,029</u>
<u>\$241,515</u>	<u>\$8,209</u>	<u>\$649</u>	<u>\$19</u>	<u>1,743,919</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Street Maintenance and Repair	State Highway Improvements	Fire Memorial
Revenues:			
Property and other taxes	\$57,881	\$ -	\$ -
Charges for services	-	-	-
Licenses, permits and fees	195	-	-
Intergovernmental	206,610	20,016	-
Investment income	28,735	-	-
Other	499	-	5,134
Total revenues	<u>293,920</u>	<u>20,016</u>	<u>5,134</u>
Expenditures:			
Current:			
Security of persons and property	-	-	2,314
Public health and welfare	-	-	-
Transportation	333,575	1,513	-
Leisure time activity	-	-	-
Capital outlay	39,731	-	-
Total expenditures	<u>373,306</u>	<u>1,513</u>	<u>2,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,386)</u>	<u>18,503</u>	<u>2,820</u>
Other financing sources (uses):			
Operating transfers in	100,000	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	20,614	18,503	2,820
Fund balances (deficits), January 1 (restated) . .	208,542	(12,261)	(1,008)
Decrease in reserve for inventory	(579)	-	-
Fund balances (deficit), December 31.	<u>\$228,577</u>	<u>\$6,242</u>	<u>\$1,812</u>

Fire Improvement	Police Pension	Enforcement and Education	FEMA Fund	Police Memorial
\$668,874	\$38,748	\$ -	\$ -	\$ -
106,671	-	-	-	-
-	-	-	-	-
85,989	4,225	2,030	-	-
12,981	-	-	-	-
508	-	-	-	25
<u>875,023</u>	<u>42,973</u>	<u>2,030</u>	<u>-</u>	<u>25</u>
1,454,537	199,651	3,604	-	500
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
107,357	-	-	-	-
<u>1,561,894</u>	<u>199,651</u>	<u>3,604</u>	<u>-</u>	<u>500</u>
(686,871)	(156,678)	(1,574)	-	(475)
710,682	190,000	-	-	-
(134,555)	-	-	-	-
<u>576,127</u>	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(110,744)	33,322	(1,574)	-	(475)
84,075	26,392	12,968	1,218	752
-	-	-	-	-
<u>(\$26,669)</u>	<u>\$59,714</u>	<u>\$11,394</u>	<u>\$1,218</u>	<u>\$277</u>

Continued

CITY OF HARRISON

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

	Senior Fund	Passport Account	Community Center
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services	17,168	-	43,097
Licenses, permits and fees.	-	-	-
Intergovernmental	115,635	11,490	-
Investment income.	-	-	-
Other.	-	-	-
Total revenues	<u>132,803</u>	<u>11,490</u>	<u>43,097</u>
Expenditures:			
Current:			
Security of persons and property.	-	-	-
Public health and welfare.	207,717	2,669	-
Transportation	-	-	-
Leisure time activity	-	-	123,026
Capital outlay	-	-	21,636
Total expenditures.	<u>207,717</u>	<u>2,669</u>	<u>144,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,914)</u>	<u>8,821</u>	<u>(101,565)</u>
Other financing sources (uses):			
Operating transfers in.	92,500	-	118,500
Operating transfers out	-	-	-
Total other financing sources (uses).	<u>92,500</u>	<u>-</u>	<u>118,500</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	17,586	8,821	16,935
Fund balances (deficits), January 1 (restated) . .	71,388	20,162	35,269
Decrease in reserve for inventory	<u>(67)</u>	<u>-</u>	<u>(22)</u>
Fund balances (deficit), December 31.	<u><u>\$88,907</u></u>	<u><u>\$28,983</u></u>	<u><u>\$52,182</u></u>

Fire Capital Reserve	Drug Law Enforcement Trust	Law Enforcement Trust	Federal Adoption Seizure	Totals
\$ -	\$ -	\$ -	\$ -	\$765,503
-	-	-	-	166,936
-	-	-	-	195
-	10,144	-	-	456,139
18,644	-	-	-	60,360
-	-	-	-	6,166
18,644	10,144	-	-	1,455,299
-	-	-	-	1,660,606
-	-	-	-	210,386
-	-	-	-	335,088
-	-	-	-	123,026
32,564	7,522	1,409	47	210,266
32,564	7,522	1,409	47	2,539,372
(13,920)	2,622	(1,409)	(47)	(1,084,073)
75,000	-	-	-	1,286,682
-	-	-	-	(134,555)
75,000	-	-	-	1,152,127
61,080	2,622	(1,409)	(47)	68,054
180,435	5,587	2,058	66	635,643
-	-	-	-	(668)
\$241,515	\$8,209	\$649	\$19	\$703,029

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$56,600	\$57,881	\$1,281
Licenses, permits and fees	100	195	95
Intergovernmental	217,347	217,110	(237)
Investment income	10,000	28,735	18,735
Other	8,185	3,176	(5,009)
Total revenues	<u>292,232</u>	<u>307,097</u>	<u>14,865</u>
Expenditures:			
Current:			
Transportation			
Personal services	244,087	256,488	(12,401)
Contractual services	40,475	32,959	7,516
Materials and supplies	75,323	61,548	13,775
Other	3,250	662	2,588
Capital outlay			
Capital outlay	44,300	40,685	3,615
Total expenditures	<u>407,435</u>	<u>392,342</u>	<u>15,093</u>
Excess (deficiency) of revenues over (under) expenditures	(115,203)	(85,245)	29,958
Other financing sources:			
Operating transfers in	100,000	100,000	0
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(15,203)	14,755	29,958
Fund balance, January 1	168,948	168,948	0
Prior year encumbrances appropriated . .	6,115	6,115	0
Fund balance, December 31	<u>\$159,860</u>	<u>\$189,818</u>	<u>\$29,958</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	5,953	21,603	15,650
Total revenues	<u>5,953</u>	<u>21,603</u>	<u>15,650</u>
Expenditures:			
Current:			
Transportation			
Personal services	10,000	0	10,000
Materials and supplies.	5,000	1,513	3,487
Total expenditures	<u>15,000</u>	<u>1,513</u>	<u>13,487</u>
Excess (deficiency) of revenues over (under) expenditures	(9,047)	20,090	29,137
Fund balance, January 1	5,590	5,590	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>(\$3,457)</u></u>	<u><u>\$25,680</u></u>	<u><u>\$29,137</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Other	2,000	3,964	1,964
Total revenues	<u>2,000</u>	<u>3,964</u>	<u>1,964</u>
Expenditures:			
Current:			
Security of persons and property			
Other	2,000	2,603	(603)
Total expenditures	<u>2,000</u>	<u>2,603</u>	<u>(603)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>1,361</u>	<u>1,361</u>
Other financing uses:			
Advances out	(8,000)	0	8,000
Total other financing uses	<u>(8,000)</u>	<u>0</u>	<u>8,000</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>(8,000)</u>	<u>1,361</u>	<u>9,361</u>
Fund balance, January 1	13,737	13,737	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$5,737</u></u>	<u><u>\$15,098</u></u>	<u><u>\$9,361</u></u>

CITY OF HARRISON, OHIO

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

FIRE IMPROVEMENT

FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$794,571	\$668,874	(\$125,697)
Charges for services	126,600	119,380	(7,220)
Intergovernmental	95,479	85,989	(9,490)
Investment income	19,000	12,981	(6,019)
Other	1,550	508	(1,042)
Total revenues	<u>1,037,200</u>	<u>887,732</u>	<u>(149,468)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	1,243,978	1,232,056	11,922
Contractual services	177,125	172,921	4,204
Materials and supplies	73,755	72,005	1,750
Other	14,938	14,584	354
Capital outlay			
Capital outlay	115,293	114,112	1,181
Total expenditures	<u>1,625,089</u>	<u>1,605,678</u>	<u>19,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(587,889)</u>	<u>(717,946)</u>	<u>(130,057)</u>
Other financing sources (uses):			
Operating transfers in	593,000	710,682	117,682
Operating transfers out	<u>(134,555)</u>	<u>(134,555)</u>	<u>0</u>
Total other financing sources (uses)	<u>458,445</u>	<u>576,127</u>	<u>117,682</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(129,444)</u>	<u>(141,819)</u>	<u>(12,375)</u>
Fund balance, January 1	135,808	135,808	0
Prior year encumbrances appropriated	<u>25,021</u>	<u>25,021</u>	<u>0</u>
Fund balance (deficit), December 31	<u><u>\$31,385</u></u>	<u><u>\$19,010</u></u>	<u><u>(\$12,375)</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$43,446	\$38,748	(\$4,698)
Intergovernmental	4,256	4,225	(31)
Total revenues	<u>47,702</u>	<u>42,973</u>	<u>(4,729)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	201,651	201,651	0
Contractual services	487	495	(8)
Total expenditures	<u>202,138</u>	<u>202,146</u>	<u>(8)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,436)</u>	<u>(159,173)</u>	<u>(4,737)</u>
Other financing sources:			
Operating transfers in	190,000	190,000	0
Total other financing sources	<u>190,000</u>	<u>190,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	35,564	30,827	(4,737)
Fund balance, January 1	75,977	75,977	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$111,541</u>	<u>\$106,804</u>	<u>(\$4,737)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	1,500	2,215	715
Total revenues	<u>1,500</u>	<u>2,215</u>	<u>715</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies.	4,231	3,050	1,181
Other.	769	554	215
Total expenditures	<u>5,000</u>	<u>3,604</u>	<u>1,396</u>
Excess (deficiency) of revenues over (under) expenditures	(3,500)	(1,389)	2,111
Fund balance, January 1	12,783	12,783	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$9,283</u></u>	<u><u>\$11,394</u></u>	<u><u>\$2,111</u></u>

CITY OF HARRISON, OHIO

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

FEMA FUND

FOR THE YEAR ENDED DECEMBER 31, 2001

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

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE MEMORIAL
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	250	25	(\$225)
Total revenues	<u>250</u>	<u>25</u>	<u>(225)</u>
Expenditures:			
Current:			
Security of persons and property			
Materials and supplies.	500	500	0
Total expenditures	<u>500</u>	<u>500</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(250)	(475)	(225)
Fund balance, January 1	752	752	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$502</u></u>	<u><u>\$277</u></u>	<u><u>(\$225)</u></u>

CITY OF HARRISON, OHIO

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

SENIOR FUND

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$21,192	\$17,202	(\$3,990)
Intergovernmental	102,334	83,067	(19,267)
Other	846	687	(159)
Total revenues	<u>124,372</u>	<u>100,956</u>	<u>(23,416)</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services	137,214	133,131	4,083
Contractual services	75,854	62,208	13,646
Materials and supplies	44,240	16,724	27,516
Other	2,500	450	2,050
Total expenditures	<u>259,808</u>	<u>212,513</u>	<u>47,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(135,436)</u>	<u>(111,557)</u>	<u>23,879</u>
Other financing sources:			
Operating transfers in	113,955	92,500	(21,455)
Total other financing sources	<u>113,955</u>	<u>92,500</u>	<u>(21,455)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(21,481)</u>	<u>(19,057)</u>	<u>2,424</u>
Fund balance, January 1	59,414	59,414	0
Prior year encumbrances appropriated . .	4,386	4,386	0
Fund balance, December 31.	<u>\$42,319</u>	<u>\$44,743</u>	<u>\$2,424</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PASSPORT ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$4,787	\$357	(\$4,430)
Intergovernmental	<u>11,000</u>	<u>10,508</u>	<u>(492)</u>
Total revenues	<u>15,787</u>	<u>10,865</u>	<u>(4,922)</u>
Expenditures:			
Current:			
Public health and welfare			
Materials and supplies.	<u>15,875</u>	<u>2,669</u>	<u>13,206</u>
Total expenditures	<u>15,875</u>	<u>2,669</u>	<u>13,206</u>
Excess (deficiency) of revenues over (under) expenditures	(88)	8,196	8,284
Fund balance, January 1	19,805	19,805	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$19,717</u></u>	<u><u>\$28,001</u></u>	<u><u>\$8,284</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$74,017	\$19,053	(\$54,964)
Other	100	0	(100)
Total revenues	<u>74,117</u>	<u>19,053</u>	<u>(55,064)</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	74,033	63,739	10,294
Contractual services	80,005	72,405	7,600
Materials and supplies.	7,294	6,601	693
Capital outlay			
Capital outlay	57,111	22,092	35,019
Total expenditures	<u>218,443</u>	<u>164,837</u>	<u>53,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,326)</u>	<u>(145,784)</u>	<u>(1,458)</u>
Other financing sources:			
Operating transfers in	118,500	118,500	0
Total other financing sources	<u>118,500</u>	<u>118,500</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(25,826)</u>	<u>(27,284)</u>	<u>(1,458)</u>
Fund balance, January 1	24,149	24,149	0
Prior year encumbrances appropriated . .	7,201	7,201	0
Fund balance, December 31.	<u><u>\$5,524</u></u>	<u><u>\$4,066</u></u>	<u><u>(\$1,458)</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL RESERVE
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Investment income	6,000	\$16,651	\$10,651
Total revenues	<u>6,000</u>	<u>16,651</u>	<u>10,651</u>
Expenditures:			
Capital outlay			
Capital outlay	32,564	32,564	0
Total expenditures	<u>32,564</u>	<u>32,564</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,564)</u>	<u>(15,913)</u>	<u>10,651</u>
Other financing sources:			
Operating transfers in	75,000	75,000	0
Total other financing sources	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	48,436	59,087	10,651
Fund balance, January 1	180,435	180,435	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$228,871</u>	<u>\$239,522</u>	<u>\$10,651</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	4,000	9,744	5,744
Total revenues	<u>4,000</u>	<u>9,744</u>	<u>5,744</u>
Expenditures:			
Capital outlay			
Capital outlay	8,000	7,522	478
Total expenditures	<u>8,000</u>	<u>7,522</u>	<u>478</u>
Excess (deficiency) of revenues over (under) expenditures	(4,000)	2,222	6,222
Fund balance, January 1	5,587	5,587	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$1,587</u>	<u>\$7,809</u>	<u>\$6,222</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	<u>\$1,000</u>	<u>\$0</u>	<u>(\$1,000)</u>
Total revenues	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:			
Capital outlay			
Capital outlay	<u>1,409</u>	<u>1,409</u>	<u>0</u>
Total expenditures	<u>1,409</u>	<u>1,409</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(409)	(1,409)	(1,000)
Fund balance, January 1	2,058	2,058	0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$1,649</u></u>	<u><u>\$649</u></u>	<u><u>(\$1,000)</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL ADOPTION SEIZURE
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$100	\$0	(\$100)
Total revenues	<u>100</u>	<u>0</u>	<u>(100)</u>
Expenditures:			
Capital outlay			
Capital outlay	50	47	3
Total expenditures	<u>50</u>	<u>47</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	50	(47)	(97)
Fund balance, January 1	66	66	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$116</u>	<u>\$19</u>	<u>(\$97)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$894,617	\$765,503	(\$129,114)
Charges for services	226,596	155,992	(70,604)
Licenses, permits and fees	100	195	95
Intergovernmental	442,969	434,461	(8,508)
Investment income	35,000	58,367	23,367
Other	12,931	8,360	(4,571)
Total revenues	<u>1,612,213</u>	<u>1,422,878</u>	<u>(189,335)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services.	1,445,629	1,433,707	11,922
Contractual services	177,612	173,416	4,196
Materials and supplies	78,486	75,555	2,931
Other	18,925	17,741	1,184
Total security of persons and property . .	<u>1,720,652</u>	<u>1,700,419</u>	<u>20,233</u>
Public health and welfare			
Personal services.	137,214	133,131	4,083
Contractual services	75,854	62,208	13,646
Materials and supplies	60,115	19,393	40,722
Other	2,500	450	2,050
Total public health and welfare.	<u>275,683</u>	<u>215,182</u>	<u>60,501</u>
Transportation			
Personal services.	254,087	256,488	(2,401)
Contractual services	40,475	32,959	7,516
Materials and supplies	80,323	63,061	17,262
Other	3,250	662	2,588
Total transportation.	<u>378,135</u>	<u>353,170</u>	<u>24,965</u>
Leisure time activity			
Personal services.	74,033	63,739	10,294
Contractual services	80,005	72,405	7,600
Materials and supplies	7,294	6,601	693
Total leisure time activity	<u>161,332</u>	<u>142,745</u>	<u>18,587</u>
Capital outlay			
Capital outlay	258,727	218,431	40,296
Total capital outlay	<u>258,727</u>	<u>218,431</u>	<u>40,296</u>
Total expenditures	<u>2,794,529</u>	<u>2,629,947</u>	<u>164,582</u>

Continued

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(\$1,182,316)</u>	<u>(\$1,207,069)</u>	<u>(\$24,753)</u>
Other financing sources (uses):			
Operating transfers in	1,190,455	1,286,682	96,227
Operating transfers out	(134,555)	(134,555)	0
Advances out.	<u>(8,000)</u>	<u>0</u>	<u>8,000</u>
Total other financing sources (uses).	<u>1,047,900</u>	<u>1,152,127</u>	<u>104,227</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(134,416)</u>	<u>(54,942)</u>	<u>79,474</u>
Fund balances, January 1	706,327	706,327	0
Prior year encumbrances appropriated	<u>42,723</u>	<u>42,723</u>	<u>0</u>
Fund balances, December 31	<u><u>\$614,634</u></u>	<u><u>\$694,108</u></u>	<u><u>\$79,474</u></u>

CITY OF HARRISON, OHIO

DEBT SERVICE FUNDS

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

Debt Service

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

Special Assessment

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

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
 DECEMBER 31, 2001

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	25,936	\$19,615	\$45,551
Total assets.	<u>25,936</u>	<u>19,615</u>	<u>45,551</u>
 Fund Equity:			
Reserved for debt service	25,936	19,615	45,551
Total fund equity	<u>25,936</u>	<u>19,615</u>	<u>45,551</u>
Total liabilities and fund equity.	<u>25,936</u>	<u>\$19,615</u>	<u>\$45,551</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Debt Service</u>	<u>Special Assessment</u>	<u>Total</u>
Expenditures:			
Debt service:			
Principal retirement	\$105,000	\$ -	\$105,000
Interest and fiscal charges	183,374	-	183,374
Total expenditures	<u>288,374</u>	<u>-</u>	<u>288,374</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(288,374)</u>	 <u>-</u>	 <u>(288,374)</u>
 Other financing sources:			
Operating transfers in	288,375	-	288,375
Operating transfers out	<u>(39,800)</u>	<u>-</u>	<u>(39,800)</u>
Total other financing sources	<u>248,575</u>	<u>-</u>	<u>248,575</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>(39,799)</u>	 <u>-</u>	 <u>(39,799)</u>
 Fund balances, January 1	 <u>65,735</u>	 <u>19,615</u>	 <u>85,350</u>
Fund balances, December 31.	<u><u>\$25,936</u></u>	<u><u>\$19,615</u></u>	<u><u>\$45,551</u></u>

CITY OF HARRISON, OHIO

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

DEBT SERVICE

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	2,000	\$0	(\$2,000)
Total revenues	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Expenditures:			
Debt service:			
Principal retirement	528,582	528,582	0
Interest and fiscal charges	402,370	410,169	(7,799)
Total expenditures.	<u>930,952</u>	<u>938,751</u>	<u>(7,799)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(928,952)</u>	<u>(938,751)</u>	<u>(9,799)</u>
Other financing sources:			
Operating transfers in	898,952	898,952	0
Total other financing sources	<u>898,952</u>	<u>898,952</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(30,000)	(39,799)	(9,799)
Fund balance, January 1.	65,735	65,735	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31	<u><u>\$35,735</u></u>	<u><u>\$25,936</u></u>	<u><u>(\$9,799)</u></u>

CITY OF HARRISON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT
 FOR THE YEAR ENDED DECEMBER 31, 2001

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

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	2,000	\$0	(\$2,000)
Total revenues	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Expenditures:			
Debt service:			
Principal retirement	528,582	528,582	0
Interest and fiscal charges	402,370	410,169	(7,799)
Total expenditures.	<u>930,952</u>	<u>938,751</u>	<u>(7,799)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(928,952)</u>	<u>(938,751)</u>	<u>(9,799)</u>
Other financing sources:			
Operating transfers in	898,952	898,952	0
Total other financing sources	<u>898,952</u>	<u>898,952</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(30,000)	(39,799)	(9,799)
Fund balances, January 1	85,350	85,350	0
Prior year encumbrances appropriated. . .	0	0	0
Fund balances, December 31.	<u><u>\$55,350</u></u>	<u><u>\$45,551</u></u>	<u><u>(\$9,799)</u></u>

CITY OF HARRISON, OHIO

CAPITAL PROJECTS FUNDS

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

Capital Improvements

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

Street/Safety Construction

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

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2001

	<u>Capital Improvement</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$664,901	\$528,344	\$1,193,245
Receivables (net of allowances for uncollectibles):			
Taxes	10,013	-	10,013
Total assets	<u>674,914</u>	<u>528,344</u>	<u>1,203,258</u>
Liabilities:			
Accounts payable	14,713	-	14,713
Contracts payable	111,034	-	111,034
Total liabilities	<u>125,747</u>	<u>-</u>	<u>125,747</u>
Fund Equity:			
Reserved for encumbrances.	1,241,109	-	1,241,109
Unreserved - undesignated	(691,942)	528,344	(163,598)
Total fund equity	<u>549,167</u>	<u>528,344</u>	<u>1,077,511</u>
Total liabilities and fund equity	<u>\$674,914</u>	<u>\$528,344</u>	<u>\$1,203,258</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Capital Improvement</u>	<u>Street/Safety Construction</u>	<u>Total</u>
Revenues:			
Property and other taxes	\$31,209	\$ -	\$31,209
Intergovernmental	789,380	-	789,380
Investment income	-	25,416	25,416
Total revenues.	<u>820,589</u>	<u>25,416</u>	<u>846,005</u>
Expenditures:			
Capital outlay.	2,593,026	-	2,593,026
Debt service:			
Principal retirement	12,649	-	12,649
Interest and fiscal charges.	1,257	-	1,257
Total expenditures	<u>2,606,932</u>	<u>-</u>	<u>2,606,932</u>
Excess (deficiency) of revenues over (under) expenditures	(1,786,343)	25,416	(1,760,927)
Fund balances, January 1	<u>2,335,510</u>	<u>502,928</u>	<u>2,838,438</u>
Fund balances, December 31	<u><u>\$549,167</u></u>	<u><u>\$528,344</u></u>	<u><u>\$1,077,511</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$62,000	\$31,852	(\$30,148)
Intergovernmental	354,977	789,380	434,403
Total revenues	<u>416,977</u>	<u>821,232</u>	<u>404,255</u>
Expenditures:			
Capital outlay			
Capital outlay.	3,575,042	3,934,464	(359,422)
Total expenditures	<u>3,575,042</u>	<u>3,934,464</u>	<u>(359,422)</u>
Excess (deficiency) of revenues over (under) expenditures	(3,158,065)	(3,113,232)	44,833
Fund balance, January 1	208,413	208,413	0
Prior year encumbrances appropriated	2,202,864	2,202,864	0
Fund balance (deficit), December 31	<u><u>(\$746,788)</u></u>	<u><u>(\$701,955)</u></u>	<u><u>\$44,833</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/SAFETY CONSTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Investment income	\$100,000	\$25,416	(\$74,584)
Total revenues.	<u>100,000</u>	<u>25,416</u>	<u>(74,584)</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>100,000</u>	 <u>25,416</u>	 <u>(74,584)</u>
Other financing uses:			
Operating transfers out.	(200,000)	0	200,000
Total other financing uses	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
 Excess (deficiency) of revenues over (under) expenditures and other financing uses	 <u>(100,000)</u>	 <u>25,416</u>	 <u>125,416</u>
Fund balance, January 1.	502,928	502,928	0
Prior year encumbrances appropriated. . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31	<u><u>\$402,928</u></u>	<u><u>\$528,344</u></u>	<u><u>\$125,416</u></u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Property and other taxes	\$62,000	\$31,852	(\$30,148)
Intergovernmental	354,977	789,380	434,403
Investment income.	100,000	25,416	(74,584)
Total revenues	<u>516,977</u>	<u>846,648</u>	<u>329,671</u>
Expenditures:			
Capital outlay			
Capital outlay	<u>3,575,042</u>	<u>3,934,464</u>	<u>(359,422)</u>
Total expenditures.	<u>3,575,042</u>	<u>3,934,464</u>	<u>(359,422)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,058,065)</u>	<u>(3,087,816)</u>	<u>(29,751)</u>
Other financing uses:			
Operating transfers out.	<u>(200,000)</u>	0	200,000
Total other financing uses	<u>(200,000)</u>	0	200,000
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>(3,258,065)</u>	<u>(3,087,816)</u>	170,249
Fund balances, January 1	711,341	711,341	0
Prior year encumbrances appropriated. . .	2,202,864	2,202,864	0
Fund balances (deficit), December 31. . . .	<u><u>(\$343,860)</u></u>	<u><u>(\$173,611)</u></u>	<u><u>\$170,249</u></u>

CITY OF HARRISON, OHIO

ENTERPRISE FUNDS

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

Sewer Fund

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

Water Fund

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

Water/Sewer Deposits

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

Sanitation Fund

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

CITY OF HARRISON, OHIO

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2001

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Assets:			
Equity in pooled cash and cash equivalents	\$6,194,646	\$497,628	\$27,241
Receivables (net of allowances for uncollectibles):			
Accounts	169,221	135,904	-
Accrued interest	3,503	-	-
Prepayments.	3,333	2,583	-
Materials and supplies inventory.	6,592	23,074	-
Restricted assets:			
Cash and cash equivalents	786,764	353,905	-
Property, plant and equipment (net of accumulated depreciation)	5,408,231	4,242,732	-
Total assets	<u>12,572,290</u>	<u>5,255,826</u>	<u>27,241</u>
Liabilities:			
Accounts payable	49,056	5,457	-
Contracts payable	34,332	22,344	-
Accrued wages and benefits	4,833	2,927	-
Compensated absences payable	13,420	8,000	-
Advances from other funds	8,976	12,960	-
Due to other governments	8,880	5,953	-
Accrued interest payable.	25,544	8,978	-
OPWC loans payable	-	477,230	-
OWDA loans payable	15,162	651,423	-
General obligation bonds payable	-	155,000	-
Mortgage revenue bonds payable	3,015,000	365,000	-
Real estate revenue bonds payable.	-	71,000	-
Bond anticipation notes payable	5,000,000	-	-
Total liabilities.	<u>8,175,203</u>	<u>1,786,272</u>	<u>-</u>
Fund Equity:			
Contributed capital.	757,007	490,660	-
Retained earnings:			
Reserved	768,764	353,905	-
Unreserved	2,871,316	2,624,989	27,241
Total fund equity.	<u>4,397,087</u>	<u>3,469,554</u>	<u>27,241</u>
Total liabilities and fund equity	<u>\$12,572,290</u>	<u>\$5,255,826</u>	<u>\$27,241</u>

<u>Sanitation</u>	<u>Totals</u>
\$127,320	\$6,846,835
41,521	346,646
-	3,503
-	5,916
-	29,666
-	1,140,669
-	9,650,963
<u>168,841</u>	<u>18,024,198</u>

19,184	73,697
-	56,676
-	7,760
-	21,420
-	21,936
-	14,833
-	34,522
-	477,230
-	666,585
-	155,000
-	3,380,000
-	71,000
-	5,000,000
<u>19,184</u>	<u>9,980,659</u>

-	1,247,667
-	1,122,669
<u>149,657</u>	<u>5,673,203</u>
<u>149,657</u>	<u>8,043,539</u>
<u>\$168,841</u>	<u>\$18,024,198</u>

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Operating revenues:			
Charges for services	\$1,146,290	\$904,953	\$ -
Other	274	130,845	2,645
Total operating revenues.	<u>1,146,564</u>	<u>1,035,798</u>	<u>2,645</u>
Operating expenses:			
Personal services	316,665	206,231	-
Contract services	71,347	59,770	-
Materials and supplies.	71,611	57,750	176
Depreciation.	140,174	100,814	-
Utilities	201,972	90,327	-
Other	1,269	746	-
Total operating expenses.	<u>803,038</u>	<u>515,638</u>	<u>176</u>
Operating income.	<u>343,526</u>	<u>520,160</u>	<u>2,469</u>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	-
Interest and fiscal charges	(157,554)	(51,141)	-
Investment earnings	75,926	59,922	-
Total nonoperating revenues (expenses).	<u>(81,628)</u>	<u>8,781</u>	<u>-</u>
Net income before operating transfers.	261,898	528,941	2,469
Operating transfers in.	30,000	9,800	-
Net income	<u>291,898</u>	<u>538,741</u>	<u>2,469</u>
Retained earnings, January 1	<u>3,348,182</u>	<u>2,440,153</u>	<u>24,772</u>
Retained earnings, December 31	3,640,080	2,978,894	27,241
Contributed capital, December 31	<u>757,007</u>	<u>490,660</u>	<u>-</u>
Total fund equity, December 31	<u><u>\$4,397,087</u></u>	<u><u>\$3,469,554</u></u>	<u><u>\$27,241</u></u>

<u>Sanitation</u>	<u>Totals</u>
\$266,995	\$2,318,238
20	133,784
<u>267,015</u>	<u>2,452,022</u>
-	522,896
245,671	376,788
-	129,537
-	240,988
-	292,299
-	2,015
<u>245,671</u>	<u>1,564,523</u>
<u>21,344</u>	<u>887,499</u>
8,258	8,258
-	(208,695)
-	135,848
<u>8,258</u>	<u>(64,589)</u>
29,602	822,910
-	39,800
<u>29,602</u>	<u>862,710</u>
<u>120,055</u>	<u>5,933,162</u>
149,657	6,795,872
-	1,247,667
<u>\$149,657</u>	<u>\$8,043,539</u>

CITY OF HARRISON, OHIO

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

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$1,086,785	\$1,158,155	\$71,370
Other operating revenues	1,400	274	(1,126)
Total operating revenues	<u>1,088,185</u>	<u>1,158,429</u>	<u>70,244</u>
Operating expenses:			
Personal services	324,448	315,508	8,940
Contractual services	86,264	83,887	2,377
Materials and supplies	42,626	41,451	1,175
Utilities	210,870	205,060	5,810
Other	1,524	1,482	42
Capital outlay	804,594	653,070	151,524
Total operating expenses	<u>1,470,326</u>	<u>1,300,458</u>	<u>169,868</u>
Operating loss	<u>(382,141)</u>	<u>(142,029)</u>	<u>240,112</u>
Nonoperating revenues:			
Investment earnings	37,000	43,945	6,945
Proceeds of loans	15,162	15,162	0
Proceeds of notes	0	5,000,000	5,000,000
Total nonoperating revenues	<u>52,162</u>	<u>5,059,107</u>	<u>5,006,945</u>
Net income (loss) before operating transfers.	(329,979)	4,917,078	5,247,057
Operating transfers in	50,000	0	(50,000)
Operating transfers out	<u>(354,638)</u>	<u>(274,638)</u>	<u>80,000</u>
Net income (loss)	(634,617)	4,642,440	5,277,057
Retained earnings, January 1	899,513	899,513	0
Prior year encumbrances appropriated.	552,062	552,062	0
Retained earnings, December 31.	<u>\$816,958</u>	<u>\$6,094,015</u>	<u>\$5,277,057</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$2,279,595	\$900,757	(\$1,378,838)
Other operating revenues	<u>336,968</u>	<u>133,149</u>	<u>(203,819)</u>
Total operating revenues	<u>2,616,563</u>	<u>1,033,906</u>	<u>(1,582,657)</u>
Operating expenses:			
Personal services	249,561	205,726	43,835
Contractual services	107,774	71,393	36,381
Materials and supplies	73,633	67,087	6,546
Utilities	110,019	105,022	4,997
Other	2,700	746	1,954
Capital outlay	<u>3,949,384</u>	<u>2,274,089</u>	<u>1,675,295</u>
Total operating expenses	<u>4,493,071</u>	<u>2,724,063</u>	<u>1,769,008</u>
Operating loss	<u>(1,876,508)</u>	<u>(1,690,157)</u>	<u>186,351</u>
Nonoperating revenues:			
Investment earnings	125,979	49,779	(76,200)
Proceeds of loans	<u>2,128,640</u>	<u>651,423</u>	<u>(1,477,217)</u>
Total nonoperating revenues	<u>2,254,619</u>	<u>701,202</u>	<u>(1,553,417)</u>
Net loss before operating transfers	378,111	(988,955)	(1,367,066)
Operating transfers out	<u>(335,939)</u>	<u>(335,939)</u>	<u>0</u>
Net loss	42,172	(1,324,894)	(1,367,066)
Retained earnings, January 1	213,961	213,961	0
Prior year encumbrances appropriated	<u>509,150</u>	<u>509,150</u>	<u>0</u>
Retained earnings (accumulated deficit), December 31	<u>\$765,283</u>	<u>(\$601,783)</u>	<u>(\$1,367,066)</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER/SEWER DEPOSITS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Other operating revenues	1,800	\$2,645	\$845
Total operating revenues	<u>1,800</u>	<u>2,645</u>	<u>845</u>
Operating expenses:			
Capital outlay	1,000	176	824
Total operating expenses	<u>1,000</u>	<u>176</u>	<u>824</u>
Operating income.	800	2,469	1,669
Retained earnings, January 1	24,772	24,772	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$25,572</u>	<u>\$27,241</u>	<u>\$1,669</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$220,000	\$264,061	\$44,061
Other operating revenues	50	20	(30)
Total operating revenues	<u>220,050</u>	<u>264,081</u>	<u>44,031</u>
Operating expenses:			
Contractual services	266,979	266,979	0
Total operating expenses	<u>266,979</u>	<u>266,979</u>	<u>0</u>
Operating loss	<u>(46,929)</u>	<u>(2,898)</u>	<u>44,031</u>
Nonoperating revenues:			
Intergovernmental	8,200	8,258	58
Total nonoperating revenues.	<u>8,200</u>	<u>8,258</u>	<u>58</u>
Net income (loss)	(38,729)	5,360	44,089
Retained earnings, January 1	101,399	101,399	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$62,670</u>	<u>\$106,759</u>	<u>\$44,089</u>

CITY OF HARRISON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$3,586,380	\$2,322,973	(\$1,263,407)
Other operating revenues	340,218	136,088	(204,130)
Total operating revenues	<u>3,926,598</u>	<u>2,459,061</u>	<u>(1,467,537)</u>
Operating expenses:			
Personal services	574,009	521,234	52,775
Contractual services	461,017	422,259	38,758
Materials and supplies	116,259	108,538	7,721
Utilities	320,889	310,082	10,807
Other	4,224	2,228	1,996
Capital outlay	4,754,978	2,927,335	1,827,643
Total operating expenses	<u>6,231,376</u>	<u>4,291,676</u>	<u>1,939,700</u>
Operating loss	<u>(2,304,778)</u>	<u>(1,832,615)</u>	<u>472,163</u>
Nonoperating revenues (expenses):			
Intergovernmental	8,200	8,258	58
Investment earnings	162,979	93,724	(69,255)
Proceeds of loans	2,143,802	666,585	(1,477,217)
Proceeds of notes	0	5,000,000	5,000,000
Total nonoperating revenues (expenses)	<u>2,314,981</u>	<u>5,768,567</u>	<u>3,453,586</u>
Net income (loss) before operating transfers	10,203	3,935,952	3,925,749
Operating transfers in	50,000	0	(50,000)
Operating transfers out	<u>(690,577)</u>	<u>(610,577)</u>	<u>80,000</u>
Net income (loss)	(630,374)	3,325,375	3,955,749
Retained earnings, January 1	1,239,645	1,239,645	0
Prior year encumbrances appropriated	1,061,212	1,061,212	0
Retained earnings, December 31	<u>\$1,670,483</u>	<u>\$5,626,232</u>	<u>\$3,955,749</u>

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CITY OF HARRISON

COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Sewer</u>	<u>Water</u>	<u>Water/Sewer Deposits</u>
Cash flows from operating activities:			
Cash received from customers	\$1,158,155	\$900,757	\$ -
Cash received from other operations	274	133,149	2,645
Cash payments for personal services	(314,336)	(205,453)	-
Cash payments for contract services	(69,661)	(63,122)	-
Cash payments for materials and supplies	(59,634)	(69,710)	-
Cash payments for utilities	(173,456)	(95,189)	-
Cash payments for other expenses	<u>(1,269)</u>	<u>(746)</u>	<u>(176)</u>
Net cash provided by operating activities	<u>540,073</u>	<u>599,686</u>	<u>2,469</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Proceeds of loans	15,162	651,423	-
Proceeds of notes	5,000,000	-	-
Aquisition of capital assets	(584,723)	(1,190,432)	-
Principal retirement	(145,000)	(278,582)	-
Interest and fiscal charges	<u>(129,638)</u>	<u>(57,357)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>4,155,801</u>	<u>(874,948)</u>	<u>-</u>
Cash flows from investing activities:			
Sale of investments	-	89,936	-
Interest received	<u>72,423</u>	<u>49,779</u>	<u>-</u>
Net cash provided by investing activities	<u>72,423</u>	<u>139,715</u>	<u>-</u>
Net increase in cash and cash equivalents	4,768,297	(135,547)	2,469
Cash and cash equivalents, January 1	<u>2,213,113</u>	<u>987,080</u>	<u>24,772</u>
Cash and cash equivalents, December 31	<u><u>\$6,981,410</u></u>	<u><u>\$851,533</u></u>	<u><u>\$27,241</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$343,526	\$520,160	\$2,469
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	140,174	100,814	-
Changes in assets and liabilities:			
(Increase) decrease in materials and supplies	(976)	299	-
(Increase) decrease in accounts receivable	8,454	(4,196)	-
Decrease in due from other governments	3,411	2,304	-
Decrease in prepayments	1,120	1,494	-
Increase (decrease) in accounts payable	41,413	(23,338)	-
Increase in contracts payable	-	1,678	-
Increase in accrued wages and benefits	808	419	-
Increase (decrease) in compensated absences payable	1,951	(20)	-
Increase in due to other governments	<u>192</u>	<u>72</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$540,073</u></u>	<u><u>\$599,686</u></u>	<u><u>\$2,469</u></u>

<u>Sanitation</u>	<u>Totals</u>
\$264,061	\$2,322,973
20	136,088
-	(519,789)
(246,418)	(379,201)
-	(129,344)
-	(268,645)
-	(2,191)
17,663	1,159,891
8,258	8,258
8,258	8,258
-	666,585
-	5,000,000
-	(1,775,155)
-	(423,582)
-	(186,995)
-	3,280,853
-	89,936
-	122,202
-	212,138
25,921	4,661,140
101,399	3,326,364
\$127,320	\$7,987,504
\$21,344	\$887,499
-	240,988
-	(677)
(2,934)	1,324
-	5,715
-	2,614
(747)	17,328
-	1,678
-	1,227
-	1,931
-	264
\$17,663	\$1,159,891

CITY OF HARRISON, OHIO

FIDUCIARY FUNDS

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

Agency Funds

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

Mayors Court

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

Insurance Demolition

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

CITY OF HARRISON, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Balance</u> <u>1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/01</u>
Mayors Court				
Assets:				
Cash with fiscal agent	22,388	10,860	22,388	10,860
Total assets.	<u>22,388</u>	<u>10,860</u>	<u>22,388</u>	<u>10,860</u>
Liabilities:				
Due to other governments	2,942	2,933	2,942	2,933
Due to other funds	19,446	7,927	19,446	7,927
Total liabilities.	<u>22,388</u>	<u>10,860</u>	<u>22,388</u>	<u>10,860</u>
Insurance Demolition				
Assets:				
Equity in pooled cash and cash equivalents	440	0	440	0
Total assets.	<u>440</u>	<u>0</u>	<u>440</u>	<u>0</u>
Liabilities:				
Deposits held and due to others	440	0	440	0
Total liabilities	<u>440</u>	<u>0</u>	<u>440</u>	<u>0</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	440	0	440	0
Cash with fiscal agent	22,388	10,860	22,388	10,860
Total assets.	<u>22,828</u>	<u>10,860</u>	<u>22,828</u>	<u>10,860</u>
Liabilities:				
Due to other governments	2,942	2,933	2,942	2,933
Due to other funds	19,446	7,927	19,446	7,927
Deposits held and due to others	440	0	440	0
Total liabilities.	<u>22,828</u>	<u>10,860</u>	<u>22,828</u>	<u>10,860</u>

CITY OF HARRISON, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF HARRISON, OHIO

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
DECEMBER 31, 2001

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government	\$109,569	\$10,447	\$3,295	\$80,060	\$203,371
Security of persons and property	266,891	1,460,691	-	2,143,268	3,870,850
Transportation.	1,795	74,455	-	314,860	391,110
Community environment	136,641	425,027	-	132,682	694,350
Leisure time activities.	334,294	-	27,639	44,595	406,528
Total General Fixed Assets	<u>\$849,190</u>	<u>\$1,970,620</u>	<u>\$30,934</u>	<u>\$2,715,465</u>	<u>\$5,566,209</u>

CITY OF HARRISON, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2001

Function	Balance 1/1/01	Additions	Deletions	Balance 12/31/01
General government	\$198,777	\$4,594	\$ -	\$203,371
Security of persons and property	3,827,712	99,248	56,110	3,870,850
Transportation.	386,275	4,835	-	391,110
Community environment	694,350	-	-	694,350
Leisure time activities.	402,187	4,341	-	406,528
Total General Fixed Assets	\$5,509,301	\$113,018	\$56,110	\$5,566,209

CITY OF HARRISON, OHIO

**SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001**

<u>General Fixed Assets</u>	
Land	\$849,190
Buildings	1,970,620
Improvements other than Buildings	30,934
Machinery and Equipment	<u>2,715,465</u>
Total General Fixed Assets.	<u><u>\$5,566,209</u></u>
<u>Investment in General Fixed Assets</u>	
General Fund Revenues	\$1,605,471
Special Revenue Funds Revenues	1,214,986
Capital Projects Funds Revenues	<u>2,745,752</u>
Total Investment in General Fixed Assets.	<u><u>\$5,566,209</u></u>

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STATISTICAL SECTION

CITY OF HARRISON, OHIO

**GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Year	General Government	Security of Persons and Property	Public Health and Welfare	Community Environment	Leisure Time Activity
1992	\$319,145	\$859,698	\$4,686	\$15,260	\$29,220
1993	260,437	1,055,499	2,262	21,145	31,342
1994	374,645	1,102,537	4,628	23,072	26,821
1995	367,063	1,123,092	6,849	24,305	23,495
1996	445,082	1,207,681	6,898	32,632	31,488
1997	445,336	1,297,914	6,921	28,939	30,911
1998	525,531	1,476,275	7,115	32,159	16,649
1999	729,475	1,416,129	13,367	39,146	36,940
2000	723,126	1,651,000	1,884	33,325	49,894
2001	692,000	1,625,515	8,238	38,205	54,516

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

Capital Outlay	Debt Service:		Total Expenditures
	Principal Retirement	Interest and Fiscal Charges	
\$30,362	\$ -	\$ -	\$1,258,371
-	-	-	1,370,685
30,848	-	-	1,562,551
69,948	-	-	1,614,752
51,350	172,367	-	1,947,498
125,347	-	-	1,935,368
69,197	-	-	2,126,926
41,340	14,768	-	2,291,165
59,721	514,272	1,954	3,035,176
62,750	54,440	4,073	2,539,737

CITY OF HARRISON, OHIO

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

Year	Taxes	Charges for Services	Licenses, Permits and Fees	Fines and Forfeitures	Intergovernmental
1992	\$743,934	\$ -	\$56,206	\$111,581	\$26,133
1993	360,579	-	20,556	108,013	297,338
1994	1,999,631	4,325	54,756	166,746	263,025
1995	2,178,809	25,774	34,232	254,499	270,283
1996	2,340,232	28,698	21,683	217,738	325,068
1997	2,230,575	3,458	62,754	252,347	359,209
1998	2,538,990	1,302	54,629	185,022	433,611
1999	3,238,722	870	108,160	255,767	330,179
2000	3,315,699	3,415	93,255	218,627	372,437
2001	2,989,745	2,225	87,843	170,242	495,190

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

Investment Income	Other	Total Revenues
\$23,341	\$293	\$961,488
63,582	7,118	857,186
24,360	21,056	2,533,899
116,229	-	2,879,826
83,772	24,982	3,042,173
109,026	20,993	3,038,362
62,992	28,141	3,304,687
124,553	19,096	4,077,347
142,433	81,012	4,226,878
159,134	70,717	3,975,096

CITY OF HARRISON, OHIO

ASSESSSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Real Property (1)</u>		<u>Personal Property</u>		<u>Public Utilities</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
1992	\$62,890,010	\$179,685,743	\$13,952,350	\$55,809,400	\$4,869,190	\$4,869,190
1993	66,297,960	189,422,743	13,809,350	55,237,400	5,439,750	5,439,750
1994	78,586,090	224,531,686	15,306,560	61,226,240	5,590,920	5,590,920
1995	79,290,640	226,544,686	16,025,720	64,102,880	5,545,160	5,545,160
1996	81,559,740	233,027,829	16,373,160	65,492,640	5,544,310	5,544,310
1997	89,700,940	256,288,400	19,386,320	77,545,280	5,691,670	5,691,670
1998	94,563,970	270,182,771	20,429,050	81,716,200	5,506,680	5,506,680
1999	96,460,940	275,602,686	21,931,100	87,724,400	7,652,880	7,652,880
2000	116,704,100	333,440,286	21,931,100	87,724,400	7,853,370	7,853,370
2001	122,626,630	350,361,800	19,360,790	77,443,160	4,872,000	4,872,000

Source: Hamilton County Auditor's office.

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

Assessed Value	Total Estimated Actual Value	Ratio of Assessed to Actual Value
\$81,711,550	\$240,364,333	33.99%
85,547,060	250,099,893	34.21%
99,483,570	291,348,846	34.15%
100,861,520	296,192,726	34.05%
103,477,210	304,064,779	34.03%
114,778,930	339,525,350	33.81%
120,499,700	357,405,651	33.72%
126,044,920	370,979,966	33.98%
146,488,570	429,018,056	34.15%
146,859,420	432,676,960	33.94%

CITY OF HARRISON, OHIO

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

Year	Current Taxes Levied	Current Taxes Collected	Percent of Current Taxes Collected	Prior Year Collections	Total Collections	Percent of Total Taxes Collected
1992	N/A	N/A	N/A	N/A	N/A	N/A
1993	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A
1995	\$1,274,389	\$1,221,475	95.85%	\$30,164	\$1,251,639	98.21%
1996	1,303,478	1,247,405	95.70%	39,301	1,286,706	98.71%
1997	1,416,615	1,348,295	95.18%	28,517	1,376,812	97.19%
1998	1,494,324	1,437,362	96.19%	51,036	1,488,398	99.60%
1999	1,626,587	1,588,290	97.65%	126,673	1,714,963	105.43%
2000	1,719,587	1,601,953	93.16%	55,894	1,657,847	96.41%
2001	1,735,336	1,575,090	90.77%	57,888	1,632,978	94.10%

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

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

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

Fiscal Year	Township Levy	City of Harrison Levy	School Levy	County Levy	Joint Ambulatory Levy	Joint Vocational Levy	Total
1991 for 1992	\$0.06	\$10.50	\$39.14	\$17.50	N/A	\$2.70	\$69.90
1992 for 1993	0.06	13.00	39.04	18.56	N/A	2.70	73.36
1993 for 1994	0.06	13.00	45.13	18.33	N/A	2.70	79.22
1994 for 1995	0.06	13.00	45.13	18.30	N/A	2.70	79.19
1995 for 1996	0.06	13.00	45.13	18.30	1.25	2.70	80.44
1996 for 1997	0.06	13.00	44.77	19.44	1.25	2.70	81.22
1997 for 1998	0.06	13.00	44.74	19.01	1.25	2.70	80.76
1998 for 1999	0.06	13.00	48.22	19.54	1.25	2.70	84.77
1999 for 2000	0.06	13.00	48.22	20.83	1.25	2.70	86.06
2000 for 2001	0.06	13.00	47.88	19.92	1.25	2.70	84.81

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

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

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt</u>	<u>Less: Debt Service Fund Equity</u>	<u>Less: Debt Payable from Enterprise Revenues (3)</u>
1992	8,216	\$81,711,550	\$3,365,000	\$56,734	\$3,165,000
1993	8,509	85,547,060	5,020,000	71,880	4,870,000
1994	8,749	99,483,570	4,815,000	71,200	4,715,000
1995	8,974	100,861,520	5,080,000	50,000	5,030,000
1996	9,176	103,477,210	4,795,000	(4)	4,795,000
1997	9,393	114,778,930	4,560,000	(4)	4,560,000
1998	9,566	120,499,400	4,594,000	(4)	4,594,000
1999	9,750	126,044,920	4,273,000	(4)	4,273,000
2000	9,835	146,488,570	7,247,000	85,350	3,937,000
2001	9,865	146,859,420	6,811,000	45,551	3,606,000

Sources:

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

Net Bonded Debt	Ratio of Debt to Assessed Value	Net Bonded Debt Per Capita
\$143,266	0.18%	\$17.44
78,120	0.09%	9.18
28,800	0.03%	3.29
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
0	0.00%	0.00
3,224,650	2.20%	327.87
3,159,449	2.15%	320.27

CITY OF HARRISON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN (1)
DECEMBER 31, 2001

	Total Debt Limit (2)	Total Unvoted Debt Limit (3)
Assessed valuation of the City	\$146,859,420	\$146,859,420
Legal debt margin:		
Debt limitation	15,420,239	8,077,268
Debt applicable to limitation:		
Total bonded debt	6,811,000	6,811,000
Exemptions:		
Debt supported by enterprise fund operations	(3,606,000)	(3,606,000)
Total debt applicable to limitation	3,205,000	3,205,000
Total legal debt margin (debt limitation minus total debt applicable to limitation)	\$12,215,239	\$4,872,268

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

- (1) Computation of legal debt margin based on Section 133, the Uniform Bond Act of the Ohio Revised Code.
- (2) The total debt limitation is 10.5% of the assessed valuation.
- (3) The unvoted debt limitation is 5.5% of the assessed valuation.

CITY OF HARRISON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
DECEMBER 31, 2001

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable To the City (2)</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Harrison	\$3,205,000	100.00%	<u>\$3,205,000</u>
Total Direct			<u>3,205,000</u>
Overlapping:			
Southwest Ohio School District	22,564,992	37.66%	8,497,976
Harrison Township	0	62.54%	0
Hamilton County	166,400,000	0.81%	<u>1,347,840</u>
Total Overlapping			<u>9,845,816</u>
Grand Total Direct and Overlapping			<u><u>\$13,050,816</u></u>

Source: Fiscal Officers of Various Subdivisions.

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

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

CITY OF HARRISON, OHIO

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1992	\$10,000	\$7,506	\$17,506	\$1,258,371	1.39%
1993	50,000	10,541	60,541	1,370,685	4.42%
1994	50,000	7,875	57,875	1,562,551	3.70%
1995	50,000	6,145	56,145	1,614,752	3.48%
1996	-	-	-	1,947,498	0.00%
1997	-	-	-	1,935,368	0.00%
1998	-	-	-	2,126,926	0.00%
1999	-	-	-	2,291,165	0.00%
2000	50,000	162,407	212,407	3,035,176	7.00%
2001	105,000	183,374	288,374	2,539,737	11.35%

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

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

CITY OF HARRISON, OHIO

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1992	\$1,478,252	\$732,862	\$745,390	\$90,000	\$193,525	\$283,525	2.63
1993	1,436,128	778,423	657,705	100,000	198,025	298,025	2.21
1994	1,938,251	1,081,384	856,867	140,000	234,176	374,176	2.29
1995	1,900,449	1,033,441	867,008	150,000	229,633	379,633	2.28
1996	2,069,589	1,075,614	993,975	160,000	224,315	384,315	2.59
1997	2,160,504	1,016,104	1,144,400	165,000	218,253	383,253	2.99
1998	2,205,913	1,260,035	945,878	180,000	211,453	391,453	2.42
1999	2,349,550	1,100,051	1,249,499	261,000	203,584	464,584	2.69
2000	2,555,961	1,210,224	1,345,737	276,000	218,531	494,531	2.72
2001	2,596,128	1,323,535	1,272,593	286,000	191,893	477,893	2.66

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

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

(2) Total operating expenses exclusive of depreciation.

CITY OF HARRISON, OHIO

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
1992	8,216	\$23,598	3,994	N/A
1993	8,509	24,473	3,992	5.50%
1994	8,749	25,459	4,026	4.80%
1995	8,974	26,849	4,106	4.00%
1996	9,176	28,221	4,109	4.10%
1997	9,393	29,640	4,176	3.60%
1998	9,566	32,084	4,059	3.40%
1999	9,750	32,863	4,086	3.00%
2000	9,835	34,162	4,082	2.90%
2001	9,865	N/A	4,037	3.20%

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

Sources:

- (1) United States Bureau of Census.
- (2) Ohio Department of Development, Office of Strategic Research 1992-1997. Bureau of Economic Analysis 1998-2000.
- (3) Southwest Local School District.

CITY OF HARRISON, OHIO

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

Year	Property Value (1)			Financial Institution Deposits (2)	Number of Permits (3)		
	Commercial	Residential	Total	(in thousands)	Single Family	Total	Estimated Cost
1992	\$61,844,086	\$117,841,657	\$179,685,743	\$13,500,357	9	132	\$715,559
1993	69,360,857	120,061,886	189,422,743	15,290,052	16	134	887,000
1994	83,683,800	140,847,886	224,531,686	17,301,493	11	105	1,557,534
1995	84,671,000	141,873,686	226,544,686	18,661,138	20	118	1,865,491
1996	89,274,600	143,753,229	233,027,829	21,598,936	11	106	1,546,167
1997	89,898,314	166,390,086	256,288,400	18,070,437	4	114	975,393
1998	102,966,110	167,216,661	270,182,771	24,305,322	8	101	1,285,207
1999	105,031,629	170,571,057	275,602,686	41,678,898	45	150	5,660,334
2000	127,037,600	206,402,686	333,440,286	79,168,832	28	141	5,289,474
2001	135,154,600	215,207,200	350,361,800	133,025,841	26	119	4,043,591

Sources:

- (1) Hamilton County Auditor's office. Represents estimated actual value of real property.
- (2) Greater Cincinnati Chamber of Commerce for the Hamilton County Area (1990-1998) and Federal Reserve Bank (1999-2001).
- (3) City of Harrison Building Department.

CITY OF HARRISON, OHIO

**PRINCIPAL TAXPAYERS
REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2001**

Taxpayer	Tax Valuation Real & Personal Property	Percent of Total Assessed Valuation
CINERGY	\$3,843,400	2.62%
Hyper Shoppes, Inc.	2,797,210	1.90%
F&M Mafco, Inc.	2,709,300	1.85%
Wurster, Erlene	2,209,870	1.51%
MII Inc.	2,176,200	1.48%
Scott Fezter Co. - Campbell Hausfeld	2,039,900	1.39%
JTM Provisions Co. Inc.	1,798,450	1.22%
SCI Ltd. Partnership IV	1,750,470	1.19%
Indian Chestnut LLC	1,470,280	1.00%
Indian Footprint LTD	1,422,510	0.97%
All others	124,641,830	84.87%
Total Taxable Valuation	\$146,859,420	100.00%

Source: Hamilton County Auditor's office.

CITY OF HARRISON, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Government and History:

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

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

Population:	Estimate 12-31-01	Census 1990	Census 1980	Census 1970	Census 1960
Harrison - City	9,865	7,520	5,855	4,408	3,878
Hamilton - County	845,303	866,228	876,224	925,944	864,151
Metropolitan Area	1,627,509	1,452,645	1,401,491	1,387,207	1,268,479

Area:

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

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

2001 City Data:

Miles of Streets	40
Miles of Sewer Mains.	25
Miles of Water Mains.	26
Number of Water Customer Accounts	2,690
Number of Sewer Customer Accounts	2,540
Acres of Parks and Recreation Land	98
Number of Recreation Facilities	4
Gross General Bonded Debt	6,811,000
Gross Debt per Capita (9,865 est population 12-31-01)	690.42
Number of Municipal Employees, including part-time.	153

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF HARRISON

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**