



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Harrisburg  
Franklin County  
1100 High Street, P.O. Box 17  
Harrisburg, Ohio 43126

To the Village Council:

We have audited the accompanying financial statements of the Village of Harrisburg, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 1998 and December 31, 1997. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 1998 and December 31, 1997, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the audit committee, management, and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 6, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$57,649	\$0	\$0	\$57,649
Intergovernmental Receipts	38,409	8,776	392,334	439,519
Fines, Licenses, and Permits	30,747	0	0	30,747
Miscellaneous	3,754	184	0	3,938
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	130,559	8,960	392,334	531,853
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	43,125	0	0	43,125
Public Health Services	392	0	0	392
Transportation	0	1,230	0	1,230
General Government	77,170	0	0	77,170
Debt Service:				
Principal Payments	4,069	0	0	4,069
Interest Payments	1,618	0	0	1,618
Capital Outlay	0	0	392,334	392,334
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	126,374	1,230	392,334	519,938
Total Receipts Over/(Under) Disbursements	4,185	7,730	0	11,915
Fund cash balances, January 1	55,564	7,454	25	63,043
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$59,749</u></b>	<b><u>\$15,184</u></b>	<b><u>\$25</u></b>	<b><u>\$74,958</u></b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Agency</b>
<b>Cash Receipts:</b>	
Miscellaneous	\$36,104
Total Cash Receipts	36,104
<b>Cash Disbursements:</b>	
Contractual Services	39,253
Total Cash Disbursements	39,253
Net Excess/(Deficiency)	(3,149)
Fund Cash Balances, January 1	3,662
<b>Fund Cash Balances, December 31</b>	<b>\$513</b>

The notes to the financial statements are an integral part of this statement.



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$51,745	\$0	\$0	\$51,745
Intergovernmental Receipts	43,849	9,517	4,975	58,341
Fines, Licenses, and Permits	30,911	0	0	30,911
Miscellaneous	35,531	186	0	35,717
	<u>162,036</u>	<u>9,703</u>	<u>4,975</u>	<u>176,714</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	36,698	0	0	36,698
Public Health Services	762	0	0	762
Basic Utility Services	0	5,826	0	5,826
General Government	101,509	0	0	101,509
Debt Service:				
Principal Payments	2,521	0	0	2,521
Interest Payments	1,270	0	0	1,270
Capital Outlay	22,805	0	4,975	27,780
	<u>165,565</u>	<u>5,826</u>	<u>4,975</u>	<u>176,366</u>
<b>Total Disbursements</b>				
Total Receipts Over/(Under) Disbursements	(3,529)	3,877	0	348
Fund cash balances, January 1	59,093	3,577	25	62,695
<b>Fund Cash Balances, December 31</b>	<b><u>\$55,564</u></b>	<b><u>\$7,454</u></b>	<b><u>\$25</u></b>	<b><u>\$63,043</u></b>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<b>Agency</b>
<b>Cash Receipts:</b>	
Miscellaneous	\$37,822
Total Cash Receipts	37,822
<b>Cash Disbursements:</b>	
Contractual Services	38,173
Total Cash Disbursements	38,173
Net Excess/(Deficiency)	(351)
Fund Cash Balances, January 1	4,013
<b>Fund Cash Balances, December 31</b>	<b>\$3,662</b>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Harrisburg, Franklin County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services and police services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Demand deposits are secured in a local depository. The Village held no investments.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Infrastructure - This fund receives Community Development Block Grant (CDBG) and Ohio Public Works Commissions (OPWC) grant money for capital improvements.

**4. Fiduciary Funds (Agency Fund)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court - This fund receives money collected by the Mayor's Court as fines and forfeitures and distributes them to the appropriate agencies or individuals.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reapportioned in the subsequent year.

A summary of 1998 and 1997 budgetary activity appears in Note 3.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1998</u>	<u>1997</u>
Demand deposits	<u>\$ 75,471</u>	<u>\$ 66,705</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** The Village did not have any investments at December 31, 1998 or December 31, 1997.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1998 and December 31, 1997 follows:

<b>1998 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 126,022	\$ 130,559	\$ 4,537
Special Revenue	10,800	8,960	(1,840)
Capital Projects	0	392,334	392,334
Total	<u>\$ 136,822</u>	<u>\$ 531,853</u>	<u>\$ 395,031</u>

<b>1998 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 184,535	\$ 126,374	\$ 58,161
Special Revenue	10,800	1,230	9,570
Capital Projects	0	392,334	(392,334)
Total	<u>\$ 195,335</u>	<u>\$ 519,938</u>	<u>\$ (324,603)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>1997 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 130,511	\$ 162,036	\$ 31,525
Special Revenue	9,800	9,703	(97)
Capital Projects	0	4,975	4,975
Total	\$ 140,311	\$ 176,714	\$ 36,403

<b>1997 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 169,237	\$ 165,565	\$ 3,672
Special Revenue	13,293	5,826	7,467
Capital Projects	20,000	4,975	15,025
Total	\$ 202,530	\$ 176,366	\$ 26,164

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. DEBT**

Debt outstanding at December 31, 1998 was as follows:

	Principal	Interest Rate
Heartland Bank Loan - Truck	\$ 16,215	8.74%

The Heartland Bank loan relates to the purchase of a dump truck for \$22,805 in March 26, 1997. The loan will be repaid in monthly installments of \$473.89, including interest, over 60 months.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**5. DEBT (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>OWDA Loan</u>
1999	\$ 5,687
2000	5,687
2001	5,687
2002	<u>1,669</u>
Total	<u>\$ 18,730</u>

**6. RETIREMENT SYSTEMS**

The Village's eligible employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998 and 1997, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1998.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Harrisburg  
Franklin County  
1100 High Street  
P.O. Box 17  
Harrisburg, Ohio 43126

To the Village Council:

We have audited the accompanying financial statements of the Village of Harrisburg, Franklin County, Ohio (the Village), as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated March 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 6, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 6, 2000.

Village of Harrisburg  
Franklin County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 6, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF HARRISBURG**

**FRANKLIN 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  
APRIL 27, 2000**