



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF HARVEYSBURG  
WARREN COUNTY  
DECEMBER 31, 2021 AND 2020**

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**INDEPENDENT AUDITOR'S REPORT**

Village of Harveysburg  
Warren County  
79 West Main Street  
Harveysburg, Ohio 45032

To the Village Council:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Harveysburg, Warren County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
November 30, 2023

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**Village of Harveysburg, Ohio**

Warren County

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$45,775	\$61,569		\$107,344
Intergovernmental	17,643	82,296	\$268,670	368,609
Charges for Services	102,492	1,450		103,942
Fines, Licenses and Permits	76,855	6,356		83,211
Earnings on Investments	187	91		278
Miscellaneous	8,566	3,027		11,593
<i>Total Cash Receipts</i>	<u>251,518</u>	<u>154,789</u>	<u>268,670</u>	<u>674,977</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	7,549	60,599		68,148
Public Health Services	327	7,206		7,533
Leisure Time Activities	2,202			2,202
Community Environment	3,792			3,792
Basic Utility Services	60,320			60,320
Transportation		67,980		67,980
General Government	71,289	2,530		73,819
Capital Outlay		22,295	268,670	290,965
Debt Service:				
Principal Retirement		25,612		25,612
Interest and Fiscal Charges		3,131		3,131
<i>Total Cash Disbursements</i>	<u>145,479</u>	<u>189,353</u>	<u>268,670</u>	<u>603,502</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>106,039</u>	<u>(34,564)</u>	<u>0</u>	<u>71,475</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		50,000		50,000
Transfers Out	(50,000)			(50,000)
Advances In		7,600		7,600
Advances Out	(7,600)			(7,600)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(57,600)</u>	<u>57,600</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	48,439	23,036	0	71,475
<i>Fund Cash Balances, January 1</i>	<u>250,005</u>	<u>202,611</u>	<u>0</u>	<u>452,616</u>
<i>Fund Cash Balances, December 31</i>	<u>\$298,444</u>	<u>\$225,647</u>	<u>\$0</u>	<u>\$524,091</u>

See accompanying notes to the basic financial statements

**Village of Harveysburg, Ohio**

*Warren County*

*Combined Statement of Additions, Deductions  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Fiduciary Fund Types*

*For the Year Ended December 31, 2021*

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	<u>Custodial</u>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	<u>\$108,875</u>
<i>Total Additions</i>	<u>108,875</u>
<b>Deductions</b>	
Distributions to Other Governments	108,756
Distributions to Other Funds (Primary Gov't)	<u>839</u>
<i>Total Deductions</i>	<u>109,595</u>
<i>Net Change in Fund Balances</i>	(720)
<i>Fund Cash Balances, January 1</i>	<u>14,505</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$13,785</u></u>

*See accompanying notes to the basic financial statements*

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Harveysburg, Warren County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Mayor is elected to a four-year term, and votes only to break a tie. The Village provides general government services, maintenance of Village roads, and police services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments. Note 7 to the financial statements provide additional information for this entity. This organization is a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services.

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

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Fund Accounting**

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant special revenue funds:

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Street Levy Fund** – This fund receives levy monies used for maintenance and construction of various street projects.

**Police Levy Fund** – This fund receives levy monies used for police protection services.

**Capital Project Funds** – These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Grant Construction Fund 4201**– This fund accounts for the monies that will be received from the Warren County Community Block Grant that was awarded for the reconstruction of two roads within the Village. No money was received from this grant award in 2020.

**Grant Construction Fund 4202** – This fund accounts for the monies received from the Ohio Public Grants Award. The Village has been awarded the grant but only \$2,882.52 was received in 2020 for engineering services for the reconstruction of the road projects.

**Fiduciary Funds** *Fiduciary funds* - include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

**Mayor's Court Fund** – This fund accounts for monies that are received and disbursed with regard to the Mayor's Court operations.

### **Budgetary Process**

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

*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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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

*Encumbrances* – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of the 2021 budgetary activity appears in Note 3.

### **Capital Assets**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

### **Accumulated Leave**

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balances**

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

*Non-spendable* – The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

*Committed* – Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances at the year end.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**Note 3 – Budgetary Activity**

Budgetary activity, except for agency funds, for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$229,147	\$251,518	\$22,371
Special Revenue	162,440	212,389	49,949
Capital Projects	0	268,670	268,670
Total	\$391,587	\$732,577	\$340,990

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$245,000	\$203,079	\$41,921
Special Revenue	222,341	189,353	32,988
Capital Projects	268,670	268,670	0
Total	\$736,011	\$661,102	\$74,909

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

Demand deposits	2021 \$387,719
Total deposits	387,719
STAR Ohio	150,157
Total investments	150,157
Total Deposits and Investments	537,876

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation: collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Investments**

A financial institution’s trust department holds the Village’s equity securities in book-entry form in the Village’s name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Taxes**

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 6 – Defined Benefit Pension Plan and Postemployment Benefits**

**Ohio Public Employees Retirement System**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For December 31, 2021, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS member in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

**Note 7 – Risk Management**

The Village of Harveysburg is a member of the Ohio Township Association Risk Management Authority Pool. The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2021
Cash and investments	\$ 34,880,599
Actuarial liabilities	\$ 10,601,444

**Note 8 – Interfund Activity**

During the year ended December, 2021, the Village had the following interfund activity:

	Transfer In	Transfer Out
General Fund		\$50,000
Police Levy	\$50,000	
Total	\$50,000	\$50,000

Transfers were made from the general fund to the policy levy fund to subsidize operations.

**Note 9 – Debt**

As of December 31, 2021 the Village had no debt.

**Note 10 – Contingent Liabilities**

**Grants**

Amounts grantor agencies pay to the Village are subject to audit and adjustments by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Litigation**

Year ended December 31, 2021, there is no pending litigation.

**Note 11- COVID-19**

The United States Government and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national rate of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village.



**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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During 2021, The Village received ARP Act funding in the amount of \$29,702 which is included in the applicable Special Revenue Fund.

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**Village of Harveysburg, Ohio**

Warren County

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$45,122	\$25,745		\$70,867
Intergovernmental	23,868	90,950	\$2,883	117,701
Charges for Services	107,149			107,149
Fines, Licenses and Permits	53,804	3,861		57,665
Earnings on Investments	380	193		573
Miscellaneous	817	1,925		2,742
<i>Total Cash Receipts</i>	<u>231,140</u>	<u>122,674</u>	<u>2,883</u>	<u>356,697</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	9,437	49,707		59,144
Public Health Services	562	22,063		22,625
Leisure Time Activities	2,041			2,041
Community Environment	6,417			6,417
Basic Utility Services	62,639			62,639
Transportation		68,383		68,383
General Government	105,102	2,390		107,492
Capital Outlay			2,883	2,883
Debt Service:				
Principal Retirement		5,137		5,137
Interest and Fiscal Charges		2,770		2,770
<i>Total Cash Disbursements</i>	<u>186,198</u>	<u>150,450</u>	<u>2,883</u>	<u>339,531</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>44,942</u>	<u>(27,776)</u>	<u>0</u>	<u>17,166</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In		30,000		30,000
Transfers Out	(30,000)			(30,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(30,000)</u>	<u>30,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	14,942	2,224	0	17,166
<i>Fund Cash Balances, January 1</i>	<u>235,063</u>	<u>200,387</u>	<u>0</u>	<u>435,450</u>
<i>Fund Cash Balances, December 31</i>	<u>\$250,005</u>	<u>\$202,611</u>	<u>\$0</u>	<u>\$452,616</u>

See accompanying notes to the basic financial statements

**Village of Harveysburg, Ohio**  
*Warren County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 2020*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
<i>Total Operating Cash Receipts</i>	<u>                    </u>
<b>Operating Cash Disbursements</b>	
<i>Total Operating Cash Disbursements</i>	<u>                    </u>
<i>Operating Income (Loss)</i>	<u>                    </u>
<b>Non-Operating Receipts (Disbursements)</b>	
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>                    </u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	
Transfers Out	(1)
<i>Net Change in Fund Cash Balances</i>	(1)
<i>Fund Cash Balances, January 1</i>	<u>1</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$0</u></u>

*See accompanying notes to the basic financial statements*

**Village of Harveysburg, Ohio**

*Warren County*

*Combined Statement of Additions, Deductions  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Fiduciary Fund Types*

*For the Year Ended December 31, 2020*

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	<u>Custodial</u>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	<u>\$131,603</u>
<i>Total Additions</i>	<u>131,603</u>
<b>Deductions</b>	
Distributions to Other Governments	104,285
Distributions to Other Funds (Primary Gov't)	<u>15,927</u>
<i>Total Deductions</i>	<u>120,212</u>
<i>Net Change in Fund Balances</i>	11,391
<i>Fund Cash Balances, January 1</i>	<u>3,114</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$14,505</u></u>

*See accompanying notes to the basic financial statements*

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**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Harveysburg, Warren County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Mayor is elected to a four-year term, and votes only to break a tie. The Village provides general government services, maintenance of Village roads, and police services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments. Note 7 to the financial statements provide additional information for this entity. This organization is a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services.

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

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Fund Accounting**

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant special revenue funds:

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

**Street Levy Fund** – This fund receives levy monies used for maintenance and construction of various street projects.

**Police Levy Fund** – This fund receives levy monies used for police protection services.

**Capital Project Funds** – These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Grant Construction Fund 4201**– This fund accounts for the monies that will be received from the Warren County Community Block Grant that was awarded for the reconstruction of two roads within the Village. No money was received from this grant award in 2020.

**Grant Construction Fund 4202** – This fund accounts for the monies received from the Ohio Public Grants Award. The Village has been awarded the grant but only \$2,882.52 was received in 2020 for engineering services for the reconstruction of the road projects.

**Fiduciary Funds** *Fiduciary funds* - include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

**Mayor's Court Fund** – This fund accounts for monies that are received and disbursed with regard to the Mayor's Court operations.

### **Budgetary Process**

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

**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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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

**Encumbrances** – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of the 2020 budgetary activity appears in Note 3.

### **Capital Assets**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

### **Accumulated Leave**



**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balances**

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

*Non-spendable* – The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

*Committed* – Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances at the year end.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 3 – Budgetary Activity**

Budgetary activity, except for agency funds, for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$233,267	\$231,140	(\$2,127)
Special Revenue	127,106	152,674	25,568
Capital Projects	223,750	2,883	(220,867)
Enterprise	0	0	0
<b>Total</b>	<b>\$584,123</b>	<b>\$386,697</b>	<b>(\$197,426)</b>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$251,989	\$216,198	\$35,791
Special Revenue	246,583	150,450	96,133
Capital Projects	223,750	2,883	220,867
Enterprise	0	0	0
<b>Total</b>	<b>\$722,322</b>	<b>\$369,531</b>	<b>\$352,791</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

Demand deposits	2020 \$317,086
Total deposits	317,086
STAR Ohio	150,035
Total investments	150,035
Total Deposits and Investments	467,121

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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Deposits

Deposits are insured by the Federal Deposit Insurance Corporation: collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Taxes**

**Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 6 – Defined Benefit Pension Plan and Postemployment Benefits**

**Ohio Public Employees Retirement System**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For December 31, 2020, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS member in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Note 7 – Risk Management**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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-General liability and casualty

- Public official’s liability

- Cyber

- Law enforcement liability  
 - Automobile

liability - Vehicles

– Property

- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2020

Cash and investments \$ 35,207,320

Actuarial liabilities \$10,519,942

**Note 8 – Interfund Activity**

During the year ended December, 2020, the Village had the following interfund activity:

	Transfer In	Transfer Out
General Fund	0	\$30,000
Police Levy	30,000	0
Total	\$30,000	\$30,000

Transfers were made from the general fund to the policy levy fund to subsidize operations.

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 9 – Debt**

Debt outstanding at December 31, 2020, was as follows:

Lease	Principal - \$25,612
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The Village leases a vehicle under a non-cancelable lease. The Village disbursed \$7,907 to pay lease costs for the year ended December 31, 2020.

**Amortization**

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

<u>Year Ending</u> <u>December 31:</u>	<u>Lease</u>
2021	\$7,907
2022	\$7,907
2023	\$7,907
2024	<u>\$7,907</u>
Total	\$31,628

**Note 10 – Contingent Liabilities**

**Grants**

Amounts grantor agencies pay to the Village are subject to audit and adjustments by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Litigation**

Year ended December 31, 2020, there is no pending litigation.

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 11 – COVID-19**

The United States Government and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village.

During 2020, The Village received CARES Act funding. Of the amounts received, \$3,260 was returned to the granting agency. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fun.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Harveysburg  
Warren County  
79 West Main Street  
Harveysburg, Ohio 45032

To the Village Council:

We have audited, 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Harveysburg, Warren County, (the Village) and have issued our report thereon dated November 30, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code §117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
November 30, 2023



**VILLAGE OF HARVEYSBURG  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 and 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2021-001**

**Material Weakness**

**Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were noted with financial reporting in 2021:

- The Village improperly posted Grant Construction activity, resulting in an understatement in intergovernmental revenue and capital outlay of \$74,023 in the Capital Project Fund.
- The Village improperly posted the Police Levy fund debt payments, resulting in an understatement in Principal and Interest of \$25,612, and \$3,131, respectively, and an overstatement in Capital Outlay of \$28,743.
- The Village improperly posted Mayor's Court activity, resulting in an overstatement of Beginning Fund Balance in the amount of \$1,432, an overstatement of Fines, Licenses and Permits for Distribution in the amount of \$4,150, an overstatement of Distributions to Other Governments in the amount of \$4,150, and an understatement of Ending Fund Balance in the amount of \$1,432, in the Custodial Fund.

The following errors were noted with financial reporting in 2020:

- The Village improperly posted Mayor's Court activity, resulting in an overstatement of Beginning Fund Balance in the amount of \$1,432, an overstatement of Fines, Licenses and Permits for Distribution in the amount of \$60,395, an overstatement of Distributions to Other Governments in the amount of \$58,963, and an understatement of Ending Fund Balance in the amount of \$1,432, in the Custodial Fund.
- The Village improperly posted Intergovernmental Revenue, resulting in an overstatement of \$8,015 in the General Fund and an understatement in the Street Levy Fund, State Highway fund, Permissive Motor Vehicle License Tax fund, and Police Levy fund, by \$2,562, \$103, \$2,312, and \$3,038 respectively.
- The Village improperly posted the Police Levy fund debt payments, resulting in an understatement in Principal and Interest of \$5,137, and \$2,770, respectively, and an overstatement in Capital Outlay of \$7,907.

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Village.

The Village corrected the financial statements and accounting records, where appropriate.

**FINDING NUMBER 2021-001  
(Continued)**

To help ensure the Village's financial statements are complete and accurate, the Village should implement internal control procedures to identify and correct errors and omissions in the recording of financial transactions.

**Officials' Response:**

The Officials' did not respond to this finding.

**VILLAGE OF HARVEYSBURG**

79 West Main Street  
Harveysburg, Ohio 45032

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2021 and 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Material Weakness- The Village reported various errors within their financial statements.	Not Corrected	Reissued as 2021-001
2019-002	The Village did not properly reconcile Mayor's Court.	Corrected	



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF HARVEYSBURG**

**WARREN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/21/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)