



**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF HARRISBURG
FRANKLIN COUNTY

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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, 2000 and December 31, 1999. 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, 2000 and December 31, 1999, 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 May 24, 2001 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. 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.

This report is intended solely for the information and use of the audit committee, management, 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

May 24, 2001

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$63,034	\$0	\$0	\$63,034
Special Assessments		0		0
Intergovernmental Receipts	51,327	11,670		62,997
Fines, Licenses, and Permits	51,457			51,457
Miscellaneous	6,505	142		6,647
Total Cash Receipts	<u>172,323</u>	<u>11,812</u>	<u>0</u>	<u>184,135</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	13,195			13,195
Transportation		2,245		2,245
General Government	133,420			133,420
Debt Service:				
Principal Payments	4,846			4,846
Interest Payments	841			841
Capital Outlay	9,356			9,356
Total Cash Disbursements	<u>161,658</u>	<u>2,245</u>	<u>0</u>	<u>163,903</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>10,665</u>	<u>9,567</u>	<u>0</u>	<u>20,232</u>
Fund Cash Balances January 1, 2000	<u>125,606</u>	<u>4,270</u>	<u>25</u>	<u>129,901</u>
Fund Cash Balances, December 31, 2000	<u><u>\$136,271</u></u>	<u><u>\$13,837</u></u>	<u><u>\$25</u></u>	<u><u>\$150,133</u></u>

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

VILLAGE OF HARRISBURG
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Agency</u>
Non-Operating Cash Receipts:	
Fines And Forfeitures	<u>\$63,475</u>
Total Non-Operating Cash Receipts	<u>63,475</u>
Non-Operating Cash Disbursements:	
Distribution Of Fines And Forfeitures	<u>62,831</u>
Total Non-Operating Cash Disbursements	<u>62,831</u>
Non-Operating Receipts Over/(Under) Non-Operating Disbursements	644
Fund Cash Balance, January 1, 2000	<u>303</u>
Fund Cash Balance, December 31, 2000	<u><u>\$947</u></u>

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

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$57,893	\$0	\$0	\$57,893
Special Assessments		0		0
Intergovernmental Receipts	392,791	9,438		402,229
Fines, Licenses, and Permits	25,273			25,273
Miscellaneous	24,871	146		25,017
	<u>500,828</u>	<u>9,584</u>	<u>0</u>	<u>510,412</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	26,042			26,042
Transportation		20,498		20,498
General Government	214,341			214,341
Debt Service:				
Principal Payments	4,440			4,440
Interest Payments	1,247			1,247
Capital Outlay	188,901			188,901
	<u>434,971</u>	<u>20,498</u>	<u>0</u>	<u>455,469</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>65,857</u>	<u>(10,914)</u>	<u>0</u>	<u>54,943</u>
Fund Cash Balances January 1, 1999	<u>59,749</u>	<u>15,184</u>	<u>25</u>	<u>74,958</u>
Fund Cash Balances, December 31, 1999	<u>\$125,606</u>	<u>\$4,270</u>	<u>\$25</u>	<u>\$129,901</u>

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

VILLAGE OF HARRISBURG
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Agency</u>
Non-Operating Cash Receipts:	
Fines And Forfeitures	<u>\$37,643</u>
Total Non-Operating Cash Receipts	<u>37,643</u>
Non-Operating Cash Disbursements:	
Distribution Of Fines And Forfeitures	<u>37,853</u>
Total Non-Operating Cash Disbursements	<u>37,853</u>
Non-Operating Receipts Over/(Under) Non-Operating Disbursements	(210)
Fund Cash Balance, January 1, 1999	<u>513</u>
Fund Cash Balance, December 31, 1999	<u><u>\$303</u></u>

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

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

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 Funds

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 Fund:

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

3. Capital Projects Fund

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). There were no receipts or disbursements in the Infrastructure Fund during the audit period.

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. Fiduciary Fund (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, 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 reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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.

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$ 151,080</u>	<u>\$ 130,204</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 160,937	\$ 172,323	\$ 11,386
Special Revenue	<u>10,800</u>	<u>11,812</u>	<u>1,012</u>
Total	<u>\$ 171,737</u>	<u>\$ 184,135</u>	<u>\$ 12,398</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 227,765	\$ 161,658	\$ 66,107
Special Revenue	<u>27,801</u>	<u>2,245</u>	<u>25,556</u>
Total	<u>\$ 255,566</u>	<u>\$ 163,903</u>	<u>\$ 91,663</u>

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 164,575	\$ 500,828	\$ 336,253
Special Revenue	10,800	9,584	(1,216)
Total	<u>\$ 175,375</u>	<u>\$ 510,412</u>	<u>\$ 335,037</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 217,108	\$ 434,971	\$ (217,863)
Special Revenue	27,801	20,498	7,303
Total	<u>\$ 244,909</u>	<u>\$ 455,469</u>	<u>\$ (210,560)</u>

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.

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Heartland Bank Loan - Truck	\$ 6,929	8.74%

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

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

Year ending December 31:	Heartland Bank Loan - Truck
2001	\$ 5,687
2002	1,669
Total	\$ 7,356

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. The plan provides retirement benefits, including postretirement 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% for 1999 and 10.84% for 2000 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

**VILLAGE OF HARRISBURG
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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, 2000 and December 31, 1999, and have issued our report thereon dated May 24, 2001. 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 May 24, 2001.

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 May 24, 2001.

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

May 24, 2001



STATE OF OHIO
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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
JUNE 21, 2001**