



OHIO AUDITOR OF STATE
KEITH FABER



HARRISON TOWNSHIP
VINTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

Harrison Township
Vinton County
36711 State Route 327
Ray, Ohio 45672

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Harrison Township, Vinton County, Ohio, (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund 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, except for the effects of the matter described in the *Basis for Additional Opinion Qualification* paragraphs, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 Township, as of December 31, 2021 and 2020, or the changes in financial position thereof for the year 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 Township, 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.

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 Township on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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.

Basis for Additional Opinion Qualification

As described in Finding 2021-004 in the accompanying Schedule of Findings, the Fiscal Officer posted receipts and disbursements incorrectly to the wrong funds in current and prior periods. Due to the impact these adjustments would have on the General Fund, the Township has declined to make these adjustments.

Had the posting errors noted in the preceding paragraph been properly posted to the financial statements and accounting system, the General Fund cash fund balance would have decreased \$55,751, the Motor Vehicle License Tax Fund cash fund balance would have increased \$6,071, Gasoline Tax Fund cash fund balance would have increased \$27,377, Road and Bridge Fund cash fund balance would have increased \$3,018, Cemetery Fund cash fund balance would have increased \$5,895, and EMS/Fire Fund cash fund balance would have increased \$13,390.

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 § 117.38 and Ohio Administrative Code §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 Township'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 Township'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 Township'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 July 21, 2022, on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 21, 2022

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Harrison Township*Vinton County, Ohio**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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$46,241	\$103,868	\$150,109
Intergovernmental	25,785	161,583	187,368
Earnings on Investments	214	0	214
Miscellaneous	836	20,493	21,329
<i>Total Cash Receipts</i>	<u>73,076</u>	<u>285,944</u>	<u>359,020</u>
Cash Disbursements			
Current:			
General Government	52,799	2,640	55,439
Public Safety	0	61,804	61,804
Public Works	16,759	230,872	247,631
Health	0	13,273	13,273
Capital Outlay	0	14,110	14,110
Debt Service:			
Principal Retirement	3,500	31,641	35,141
Interest and Fiscal Charges	939	8,549	9,488
<i>Total Cash Disbursements</i>	<u>73,997</u>	<u>362,889</u>	<u>436,886</u>
<i>Net Change in Fund Cash Balances</i>	(921)	(76,945)	(77,866)
<i>Fund Cash Balances, January 1</i>	<u>33,038</u>	<u>191,609</u>	<u>224,647</u>
<i>Fund Cash Balances, December 31</i>	<u>\$32,117</u>	<u>\$114,664</u>	<u>\$146,781</u>

See accompanying notes to the basic financial statements

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Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison Township, Vinton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township 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 Township 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 Township 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 Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire and Emergency Medical Services Fund This fund receives property tax money for emergency services including fire protection and emergency medical services.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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 Board of Trustees 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2021 budgetary activity appears in Note 3.

Deposits

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Fund Balance

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

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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 outstanding at 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 Township 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,168	\$73,076	\$24,908
Special Revenue	245,537	285,944	40,407
Total	\$293,705	\$359,020	\$65,315

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,443	\$74,258	\$18,185
Special Revenue	423,445	363,463	59,982
Total	\$515,888	\$437,721	\$78,167

Note 4 – Deposits

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$146,781

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or 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.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 5 – Property Taxes (Continued)

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

Note 6 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The 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

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

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$ 10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township 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 health care and survivor and disability benefits.

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which include 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 members 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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Pumper/Tanker Loan	\$110,522	4.00%
Property/Garage Loan	19,910	4.65%
Compact Excavator Lease	26,002	3.75%
Tractor Lease	36,992	3.35%
Total	\$193,426	

The Township signed a promissory note with the Vinton County National Bank on April 2016 for the purchase of property with a garage in the amount of \$36,000. Payments of \$4,438 are due annually with the final payment due in fiscal year 2026. Payments are made from the General Fund.

The Township signed a promissory note with the Vinton County National Bank in July 2018 for the purchase of a fire tanker in the amount of \$148,000. Payments of \$18,845 are due annually with the final payment due in fiscal year 2028. Payments are made the Fire and EMS Fund.

The Township signed a capital lease with John Deere Financial in July 2018 for the purchase of a compact excavator in the amount of \$59,177. Payments of \$5,559 are due bi-annually with the final payment due in fiscal year 2024. Payments are made from the Gas Tax Fund.

The Township signed a capital lease with John Deere Financial in April 2020 for the lease of a utility tractor in the amount of \$45,503. Payments of \$10,036 are due annually with the final payment due in fiscal year 2025. Payments are made from the Gas Tax Fund.

Amortization

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

			Compact Excavator	Utility Tractor
Year Ending	Property Loan	Fire Tanker Loan	Lease	Lease
<u>December 31:</u>				
2022	\$4,438	\$18,845	\$11,118	\$10,036
2023	4,438	18,845	11,118	10,036
2024	4,438	18,845	11,118	10,036
2025	4,438	18,845	0	10,036
2026	4,612	18,845	0	0
2027-2028	0	37,691	0	0
Total	\$22,364	\$131,916	\$33,354	\$40,144

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2021 (Continued)

Note 10 – Fund Balances (Continued)

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$0	\$0	\$0
Corpus	0	0	0
Outstanding Encumbrances	261	574	835
Total	\$261	\$574	\$835

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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Harrison Township*Vinton County, Ohio**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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$51,248	\$104,027	\$155,275
Intergovernmental	22,402	167,791	190,193
Earnings on Investments	349	0	349
Miscellaneous	2,339	542	2,881
<i>Total Cash Receipts</i>	<u>76,338</u>	<u>272,360</u>	<u>348,698</u>
Cash Disbursements			
Current:			
General Government	40,579	1,987	42,566
Public Safety	0	34,524	34,524
Public Works	26,251	84,907	111,158
Health	0	11,005	11,005
Capital Outlay	0	45,503	45,503
Debt Service:			
Principal Retirement	3,356	37,218	40,574
Interest and Fiscal Charges	1,082	8,344	9,426
<i>Total Cash Disbursements</i>	<u>71,268</u>	<u>223,488</u>	<u>294,756</u>
<i>Excess of Receipts Over Disbursements</i>	<u>5,070</u>	<u>48,872</u>	<u>53,942</u>
Other Financing Receipts			
Loans Issued	0	45,503	45,503
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>45,503</u>	<u>45,503</u>
<i>Net Change in Fund Cash Balances</i>	5,070	94,375	99,445
<i>Fund Cash Balances, January 1</i>	<u>27,968</u>	<u>97,234</u>	<u>125,202</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$33,038</u></u>	<u><u>\$191,609</u></u>	<u><u>\$224,647</u></u>

See accompanying notes to the basic financial statements

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Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison Township, Vinton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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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 Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire and Emergency Medical Services Fund Fund This fund receives property tax money for emergency services including fire protection and emergency medical services.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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 Board of Trustees 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2020 budgetary activity appears in Note 4.

Deposits

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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 outstanding at 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 Township 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Gasoline Tax Fund by \$24,508 for the year ended December 31, 2020.

Note 4 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,374	\$76,338	\$23,964
Special Revenue	204,119	317,863	113,744
Total	\$256,493	\$394,201	\$137,708

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 4 – Budgetary Activity (Continued)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,735	\$71,317	\$20,418
Special Revenue	286,401	223,596	62,805
Total	\$378,136	\$294,913	\$83,223

Note 5 – Deposits

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$224,647

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; y pledged by the financial institution to the Township; or 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.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 Township.

Note 7 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The 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

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 7 – Risk Management (Continued)

- 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:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All Township 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 health care and survivor and disability benefits.

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

Note 9 – 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 members 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 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Pumper Tanker Loan	123,522	4.00%
Property Garage Loan	23,410	4.65%
Compact Excavator Lease	36,132	3.75%
Tractor Lease	45,503	3.35%
Total	<u>\$228,567</u>	

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 10 – Debt (Continued)

The Township signed a promissory note with the Vinton County National Bank on April 2016 for the purchase of property with a garage in the amount of \$36,000. Payments of \$4,438 are due annually with the final payment due in fiscal year 2026. Payments are made from the General Fund.

The Township signed a promissory note with the Vinton County National Bank in July 2018 for the purchase of a fire tanker in the amount of \$148,000. Payments of \$18,845 are due annually with the final payment due in fiscal year 2028. Payments are made the Fire and EMS Fund.

The Township signed a capital lease with John Deere Financial in July 2018 for the purchase of a compact excavator in the amount of \$59,177. Payments of \$5,559 are due bi-annually with the final payment due in fiscal year 2024. Payments are made from the Gas Tax Fund.

The Township signed a capital lease with John Deere Financial in April 2020 for the lease of a utility tractor in the amount of \$45,503. Payments of \$10,036 are due annually with the final payment due in fiscal year 2025. Payments are made from the Gas Tax Fund.

Amortization

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

Year Ending December 31:	Property Loan	Fire Tanker Loan	Compact Excavator Lease	Tractor Lease
2021	\$4,438	\$18,845	\$11,118	\$10,036
2022	4,438	18,845	11,118	10,036
2023	4,438	18,845	11,118	10,036
2024	4,438	18,845	11,118	10,036
2025	4,438	18,845	0	10,036
2026-2028	4,612	56,535	0	0
Total	\$26,802	\$150,760	\$44,472	\$50,180

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$0	\$0	\$0
Corpus	0	0	0
Outstanding Encumbrances	49	108	157
Total	\$49	\$108	\$157

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Continued)

Note 11 – Fund Balances (Continued)

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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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

Harrison Township
Vinton County
36711 State Route 327
Ray, Ohio 45672

To the Board of Trustees:

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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Harrison Township, Vinton County, Ohio (the Township), and have issued our report thereon dated July 21, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified our opinion on the financial statements for 2021 and 2020 due to the Township not making a \$55,751 adjustment against the General Fund and in favor of the Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund, and EMS/Fire Fund in the amounts of \$6,071, \$27,377, \$3,018, \$5,895, and \$13,390, respectively.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2021-004 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2021-001 through 2021-003.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the Findings identified in our audit and described in the accompanying Schedule of Findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

This 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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 21, 2022

**HARRISON TOWNSHIP
VINTON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Noncompliance

Ohio Rev. Code Chapter 133 authorizes certain methods by which subdivisions may incur debt.

Ohio Rev. Code § 133.22 provides a subdivision may issue anticipatory-securities if it meets the requirements outlined in the statute.

Ohio Rev. Code § 133.10 permits a subdivision to issue anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision.

Ohio Rev. Code § 133.15 provides a subdivision is authorized to issue securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct.

Ohio Rev. Code § 133.18 provides the taxing authority of a subdivision, may by legislation submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

During 2021 and 2020, the Township made principal payments on outstanding promissory notes in the amount of \$16,500 and \$31,091, respectively. The promissory notes were used by the Township to purchase property and a garage, a truck, and a tanker.

This type of debt is not authorized in Ohio Rev. Code Chapter 133. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.

The Township should consult with legal counsel before incurring debt to determine if the debt is authorized by statute.

Officials' Response: Harrison Township will work to correct this going forward, by consulting our County Prosecutor before incurring debt.

FINDING NUMBER 2021-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's Gasoline Tax Fund had expenditures in excess of appropriations of \$24,508 as of December 31, 2020.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

HARRISON TOWNSHIP
VINTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-002 (Continued)

Noncompliance – Ohio Rev. Code § 5705.41(B) (Continued)

The Board of Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: Harrison Township will work to correct these errors going forward.

FINDING NUMBER 2021-003

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required meet the obligation or, the case of continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Trustees can authorize the drawing of a warrant for the payment of the amount due. The Board of Trustees has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

HARRISON TOWNSHIP
VINTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-003 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

3. Super Blanket Certificate – The Board of Trustees may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, one hundred percent of the transactions tested at year-end were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative fund cash balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

Officials’ Response: Harrison Township will work to correct these errors going forward, by utilizing Then and Now Purchase Orders.

FINDING NUMBER 2021-004

Material Weakness and Finding for Adjustment

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 in the financial statements that required audit adjustments or reclassifications:

In 2020:

- General Fund intergovernmental receipts of \$5,931 were incorrectly posted as property tax receipts;
- General Fund January 1, 2020 beginning fund balance was overstated \$1,521 in comparison to the December 31, 2019 audited fund balance due to prior audit adjustments from 2018 and 2019 being posted twice;
- General Fund miscellaneous receipts of \$1,839 were incorrectly posted as intergovernmental receipts;

**HARRISON TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-004 (Continued)

Material Weakness and Finding for Adjustment (Continued)

- General Fund general government disbursements were understated \$67;
- General Fund general government disbursements of \$1,733 were overstated due to the Fiscal Officer clearing checks/EFT's that never cleared the bank but should have been voided;
- General Fund interest receipts of \$59 were unrecorded;
- Motor Vehicle License Tax Fund January 1, 2020 beginning fund balance was overstated \$702 in comparison to the December 31, 2019 audited fund balance due to prior audit adjustments from 2018 and 2019 being posted twice;
- Motor Vehicle License Tax Fund public works disbursements of \$232 were overstated due to the Fiscal Officer clearing checks/EFT's that never cleared the bank but should have been voided;
- Gasoline Tax Fund debt service interest and fiscal charge disbursements of \$862 and \$773 were incorrectly posted as debt service principal retirement disbursements and public works disbursements, respectively;
- Gasoline Tax Fund debt service principal retirement disbursements of \$873 and \$4,787 were incorrectly posted as debt service interest and fiscal charge disbursements and public works disbursements, respectively;
- Gasoline Tax Fund January 1, 2020 beginning fund balance was overstated \$1,053 in comparison to the December 31, 2019 audited fund balance due to prior audit adjustments from 2018 and 2019 being posted twice;
- Gasoline Tax Fund loan issued receipts and capital outlay disbursements of \$45,503 were unrecorded;
- Gasoline Tax Fund public works disbursements of \$370 were overstated due to the Fiscal Officer clearing checks/EFT's that never cleared the bank but should have been voided;
- Cemetery Fund January 1, 2020 beginning fund balance was overstated \$234 in comparison to the December 31, 2019 audited fund balance due to prior audit adjustments from 2018 and 2019 being posted twice;
- Cemetery Tax Fund health disbursements of \$72 were overstated due to the Fiscal Officer clearing checks/EFT's that never cleared the bank but should have been voided; and
- EMS/Fire Fund public safety disbursements of \$64 were overstated due to the Fiscal Officer clearing checks/EFT's that never cleared the bank but should have been voided;

In 2021:

- General Fund intergovernmental receipts of \$2,778 were incorrectly posted as property tax receipts;
- General Fund public works disbursement of \$15,000 was incorrectly posted as general government disbursement;
- General Fund general government disbursements were understated \$20;
- Gasoline Tax Fund debt service principal retirement disbursements of \$18,641 were incorrectly posted as public works disbursements; and
- Gasoline Tax Fund debt service interest and fiscal charge disbursements of \$2,704 were incorrectly posted as public works disbursements.

**HARRISON TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-004 (Continued)

Material Weakness and Finding for Adjustment (Continued)

The audited financial statements and the Township's UAN accounting system have been adjusted for the issues noted above.

As a result of the audit procedures performed in current and prior audits that were not previously adjusted, the financial statements had the following errors that required adjustment:

For the year ended December 31, 2020:

- Road and Bridge Fund intergovernmental receipts of \$1,468 were incorrectly posted to the General Fund as taxes receipts;
- Cemetery Fund intergovernmental receipts of \$1,659 were incorrectly posted to the General Fund as taxes receipts; and
- EMS/Fire Fund intergovernmental receipts of \$6,635 were incorrectly posted to the General Fund as taxes receipts.

For the year ended December 31, 2021:

- Road and Bridge Fund intergovernmental receipts of \$699 were incorrectly posted to the General Fund as taxes receipts;
- Cemetery Fund intergovernmental receipts of \$803 were incorrectly posted to the General Fund as taxes receipts;
- EMS/Fire Fund intergovernmental receipts of \$3,212 were incorrectly posted to the General Fund as taxes receipts;
- Road and Bridge Fund intergovernmental receipts of \$851 were incorrectly posted to the General Fund as intergovernmental receipts;
- Cemetery Fund intergovernmental receipts of \$886 were incorrectly posted to the General Fund as intergovernmental receipts; and
- EMS/Fire Fund intergovernmental receipts of \$3,543 were incorrectly posted to the General Fund as intergovernmental receipts.

For the years ended December 31, 2019 and 2018:

- Motor Vehicle License Tax Fund and Gasoline Tax Fund receipts of \$976 and \$12,093, respectively were incorrectly posted to the General Fund.

For the years ended December 31, 2013 and 2012:

- Trustees' salaries, fringe benefits, insurance premiums, and insurance reimbursements were paid from the Motor Vehicle License Fund of \$5,095; Gasoline Tax Fund of \$15,284, and Cemetery Fund of \$2,547 that should have been paid from the General Fund due to lack of payroll certifications.

The Fiscal Officer has not posted these current year and prior year audit adjustments to the Township's records, and therefore, they are not reflected in the accompanying financial statements.

HARRISON TOWNSHIP
VINTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-004 (Continued)

Material Weakness and Finding for Adjustment (Continued)

In accordance with the foregoing facts, a Finding for Adjustment is hereby issued against the Township's General Fund in the amount of \$55,751 and in favor of the Motor Vehicle License Tax Fund in the amount of \$6,071, Gasoline Tax Fund in the amount of \$27,377, Road and Bridge Fund in the amount of \$3,018; Cemetery Fund in the amount of \$5,895, and EMS/Fire Fund in the amount of \$13,390.

The Fiscal Officer should review the Township handbook for guidance to ensure financial statements are complete and accurate. In addition, the Fiscal Officer should work to remedy the outstanding audit adjustments not reflected in the Township's UAN system when funds become available.

Officials' Response: Harrison Township will work to correct these errors going forward by settling aside money in the General Fund during the 2022 budget process to make necessary adjustments.

HARRISON TOWNSHIP, VINTON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Weakness - relating to several incorrect postings.	Not Corrected.	Harrison Township will set aside money in the General Fund in 2022 to make necessary adjustments.
2019-002	Material Weakness relating to bank reconciliations and long outstanding deposit in transit/memo receipt.	Not corrected.	Harrison Township is correcting by clearing outstanding deposit.
2019-003	Noncompliance - Ohio Rev. Code § 133.15 relating to unallowable types of debt.	Not Corrected.	Harrison Township will consult County Prosecutor before incurring future debt.

OHIO AUDITOR OF STATE KEITH FABER



HARRISON TOWNSHIP

VINTON 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 8/4/2022

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