

***HARRISON TOWNSHIP***  
***MUSKINGUM COUNTY, OHIO***

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**







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Board of Trustees  
Harrison Township  
PO Box 215  
Philo, OH 43771

We have reviewed the *Independent Auditor's Report* of the Harrison Township, Muskingum County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**May 30, 2023**

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HARRISON TOWNSHIP  
MUSKINGUM COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Harrison Township  
Muskingum County  
P.O. Box 215  
Philo, OH 43771

To the Board of Trustees:

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

***Adverse Opinions***

We have audited the financial statements of Harrison Township, Muskingum County, Ohio (the Township), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

***Adverse Opinion on Regulatory Basis of Accounting***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Regulatory Basis of Accounting* paragraph, the accompanying financial statements referred to above do not 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, 2022 and 2021, and 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 Township, as of December 31, 2022 and 2021, or the changes in financial position, 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 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 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.

***Basis for Adverse Opinion on Regulatory Basis of Accounting***

During prior audit periods, the Township's audit report contained several Findings for Adjustment, which have not been made by the Township, as of the date of this report. The Township did make adjustments of \$24,725 in 2021 and \$40,000 in 2022 toward these outstanding Findings for Adjustment. The cumulative effect of these adjustments from prior audits not made would decrease the General Fund cash balance by \$27,666 and increase the Special Revenue Fund cash balance by \$27,666. The Township declined to make these adjustments.

***Emphasis of Matters***

As discussed in Note 11 to the financial statements for 2022 and 2021, the Township is experiencing financial difficulties. Management has declined to post the aforementioned adjustments discussed in the *Basis for Adverse Opinion on Regulatory Basis of Accounting* paragraph, due to the General Fund's cash balance not being sufficient to support these adjustments. Management's plan in regards to these financial difficulties is described in Note 11 to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 13 to the financial statements for 2022 and 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

***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 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 April 10, 2023, 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.



***Charles E. Harris & Associates, Inc.***  
April 10, 2023

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 20,913	\$ 186,677	\$ 102,157	\$ 309,747
Charges for Services	-	35,842	-	35,842
Intergovernmental	19,447	258,660	-	278,107
Earnings On Investments	1,061	295	-	1,356
Miscellaneous	3,093	41,650	-	44,743
<i>Total Cash Receipts</i>	<u>44,514</u>	<u>523,124</u>	<u>102,157</u>	<u>669,795</u>
<b>Cash Disbursements</b>				
Current:				
General Government	17,340	-	-	17,340
Public Safety	-	100,360	-	100,360
Public Works	-	208,584	-	208,584
Conservation-Recreation	-	114,296	-	114,296
Capital Outlay	-	15,735	-	15,735
Debt Service:				
Principal Retirement	-	-	86,346	86,346
Interest and Fiscal Charges	-	-	15,378	15,378
<i>Total Cash Disbursements</i>	<u>17,340</u>	<u>438,975</u>	<u>101,724</u>	<u>558,039</u>
<i>Net Change in Fund Cash Balances</i>	27,174	84,149	433	111,756
<i>Fund Cash Balances, January 1 (Restated, See Note 4)</i>	<u>(30)</u>	<u>774,761</u>	<u>17</u>	<u>774,748</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 27,144</u>	<u>\$ 858,910</u>	<u>\$ 450</u>	<u>\$ 886,504</u>

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

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

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

**Public Entity Risk Pools**

The Township participates in a public entity risk pool. Note 7 to the financial statements provides 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 which is organized on a fund type basis.

**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:

**Road & Bridge Fund** This fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads.

**Fire District Fund** This fund receives property tax monies to pay for fire protection and emergency medical services.

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

**Motor Vehicle License Tax Fund** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle registration fees restricted for maintenance and repair of roads within the Township.

**Park Levy** The Park Levy fund receives property tax funds to support the park and pool.

**Coronavirus Relief Fund** The Township received Federal Funding from American Rescue Plan Act to assist with recovery from the Coronavirus emergency.

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Township had the following significant Debt Service Funds:

***Fire Truck Debt Service Fund*** This fund receives property tax monies to retire a note for the purchase of a fire truck to be used to provide fire protection.

***Dump Truck Debt Service Fund*** This fund receives property tax money to retire a note for the purchase of a dump truck to be used for Township roads.

***EMS Squad Fund*** This fund receives property tax money to retire a note for the purchase of a EMS ambulance to be used to provide emergency protection.

***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 Township 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.

***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.

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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.

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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.

***Accumulated Leave***

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 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.

***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 12.

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,600	\$ 44,514	\$ 5,914
Special Revenue	603,175	523,124	(80,051)
Debt Service	102,159	102,157	(2)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 78,426	\$ 17,485	\$ 60,941
Special Revenue	1,336,874	439,979	896,895
Debt Service	102,176	101,724	452

Contrary to Ohio Revised Code Section 5705.41(D), funds were not properly certified prior to commitment to expend the funds.

**Note 4 – Prior Period Restatement**

For year ended December 31, 2022, an adjustment resulted in fund balance restatements.

Governmental Funds	Fund Balances at December 31, 2021	Restatement Amount	Fund Balances at January 1, 2022
General	\$ 39,970	\$ (40,000)	\$ (30)
Special Revenue	734,761	40,000	774,761

The restatement amount of \$40,000 represents the client made adjustments for prior period unposted adjustments from prior audits.

**Note 5 – Deposits**

To improve cash management, cash received by the Township is pooled. Monies for all funds 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:

	2022
<b>Cash Management Pool:</b>	
Demand deposits	\$ 886,504

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding no unremitted employee payroll withholdings.

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 5 – Deposits and Investments (Continued)**

**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 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.

Public utilities are also taxed on personal and real property located within the Township.

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
- 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: Most Current Information Available

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

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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, 2022.

***Social Security***

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, 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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Bank Loan - Fire Truck	\$ 82,216	3.75%
Bank Loan - Dump Truck	79,476	3.75%
Bank Loan - EMS Squad	109,450	3.35%
Total	\$ 271,142	

During 2017, the Township obtained a loan to finance the purchase of a fire truck for Township fire protection. The Township taxing authority collateralized the loan. The debt is being retired from the Fire Truck Debt Service Fund.



**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 10 – Debt (Continued)**

During 2019, the Township obtained a loan to finance the purchase of a Dump Truck for Township road maintenance. The Township’s taxing authority collateralized the loan. The debt is retired from the Dump Truck Debt Service Fund.

During 2020, the Township obtained a loan to finance the purchase of an ambulance for Township EMS protection. The Township taxing authority collateralized the loan. The debt is being retired from the EMS Squad Fund.

**Amortization**

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

Year Ending December 31:	Fire Truck	Dump Truck	EMS Squad
2023	\$ 35,067	\$ 21,794	\$ 24,172
2024	35,067	21,794	24,172
2025	30,201	21,794	24,172
2026	-	21,797	24,172
2027	-	-	24,172
Total	<u>\$ 100,335</u>	<u>\$ 87,179</u>	<u>\$ 120,860</u>

**Note 11 – Financial Difficulties**

At December 31, 2022, the following funds had adjustments which the Township declined to make in the following amounts (this table also includes adjustments from 2010 through 2020 that the Township declined to make in those years):

Governmental Funds	December 31, 2022 Balance	Adjustments Not Made	Effect on December 31, 2022 Balance
General	\$ 27,144	\$ (27,666)	\$ (522)
Special Revenue	858,910	27,666	886,576

The Township has no formal plans for increasing the revenue stream of the General Fund but is monitoring all expenditures of the General Fund. The adjustments not made in the Special Revenue Fund type affect the Gasoline Tax Fund, in the amount of \$27,666.

**Note 12 – Fund Balances**

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 facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

**Harrison Township**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 12 – Fund Balances (Continued)**

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 145	\$ 1,004	\$ 1,149

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

**Note 13 – 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. During 2022, the Township received \$47,356 American Rescue Plan Act funding. 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 funding, either federal or state, cannot be estimated.

**HARRISON TOWNSHIP  
MUSKINGUM 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	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 21,917	\$ 283,381	\$ 56,862	\$ 362,160
Charges for Services	-	51,058	-	51,058
Intergovernmental	21,636	254,825	-	276,461
Earnings On Investments	902	254	-	1,156
Miscellaneous	3,165	61,343	-	64,508
<i>Total Cash Receipts</i>	<u>47,620</u>	<u>650,861</u>	<u>56,862</u>	<u>755,343</u>
<b>Cash Disbursements</b>				
Current:				
General Government	15,972	-	-	15,972
Public Safety	-	108,589	-	108,589
Public Works	-	262,334	-	262,334
Conservation-Recreation	-	126,559	-	126,559
Capital Outlay	-	8,872	-	8,872
Debt Service:				
Principal Retirement	-	-	82,872	82,872
Interest and Fiscal Charges	-	-	19,288	19,288
<i>Total Cash Disbursements</i>	<u>15,972</u>	<u>506,354</u>	<u>102,160</u>	<u>624,486</u>
<b>Other Financing (Disbursements)</b>				
Transfers In	-	-	45,298	45,298
Transfers Out	-	(45,298)	-	(45,298)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>(45,298)</u>	<u>45,298</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	31,648	99,209	-	130,857
<i>Fund Cash Balances, January 1 (Restated, See Note 4)</i>	<u>8,322</u>	<u>635,552</u>	<u>17</u>	<u>643,891</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 39,970</u>	<u>\$ 734,761</u>	<u>\$ 17</u>	<u>\$ 774,748</u>

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

**Harrison Township**  
*Muskingum County*  
*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 Harrison Township, Muskingum County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, recreation, fire protection, and emergency medical services.

**Public Entity Risk Pools**

The Township participates in a public entity risk pool. Note 7 to the financial statements provides 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 which is organized on a fund type basis.

**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:

**Road & Bridge Fund** This fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads.

**Fire District Fund** This fund receives property tax monies to pay for fire protection and emergency medical services.

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

**Motor Vehicle License Tax Fund** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle registration fees restricted for maintenance and repair of roads within the Township.

**Park Levy** The Park Levy fund receives property tax funds to support the park and pool.

**Coronavirus Relief Fund** The Township received Federal Funding from American Rescue Plan Act to assist with recovery from the Coronavirus emergency.

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

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Township had the following significant Debt Service Funds:

***Fire Truck Debt Service Fund*** This fund receives property tax monies to retire a note for the purchase of a fire truck to be used to provide fire protection.

***Dump Truck Debt Service Fund*** This fund receives property tax money to retire a note for the purchase of a dump truck to be used for Township roads.

***EMS Squad Fund*** This fund receives property tax money to retire a note for the purchase of a EMS ambulance to be used to provide emergency protection.

***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 Township 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.

***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.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

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.

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

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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.

***Accumulated Leave***

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 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.

***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 12.

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

**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	\$ 36,000	\$ 47,620	\$ 11,620
Special Revenue	500,511	650,861	150,350
Debt Service	102,159	102,160	1

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 68,931	\$ 16,116	\$ 52,815
Special Revenue	1,109,720	552,714	557,006
Debt Service	102,176	102,160	16

Contrary to Ohio Revised Code Section 5705.41(D), funds were not properly certified prior to commitment to expend the funds.

**Note 4 – Prior Period Restatement**

For year ended December 31, 2021, an adjustment resulted in fund balance restatements.

Governmental Funds	Fund Balances at December 31, 2020	Restatement Amount	Fund Balances at January 1, 2021
General	\$ 33,047	\$ (24,725)	\$ 8,322
Special Revenue	610,827	24,725	635,552

The restatement amount of \$24,725 represents the client made adjustments for prior period unposted adjustments from prior audits.

**Note 5 – Deposits**

To improve cash management, cash received by the Township is pooled. Monies for all funds 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:

	2021
<b>Cash Management Pool:</b>	
Demand deposits	\$ 774,748

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding no unremitted employee payroll withholdings.

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

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**Note 5 – Deposits and Investments (Continued)**

**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 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.

Public utilities are also taxed on personal and real property located within the Township.

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
- 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:

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



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

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**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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.

***Social Security***

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, 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.

**Note 10 – Debt**

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

	Principal	Interest Rate
Bank Loan - Tractor	\$ 20,362	3.75%
Bank Loan - Fire Truck	110,333	3.75%
Bank Loan - Dump Truck	97,561	3.75%
Bank Loan - EMS Squad	129,232	3.35%
Total	\$ 357,488	

During 2016, the Township obtained a loan to finance the purchase of a tractor for Township road maintenance. The Township taxing authority collateralized the loan. The debt is being retired from the Tractor Debt Service Fund.

During 2017, the Township obtained a loan to finance the purchase of a fire truck for Township fire protection. The Township taxing authority collateralized the loan. The debt is being retired from the Fire Truck Debt Service Fund.

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

**Note 10 – Debt (Continued)**

During 2019, the Township obtained a loan to finance the purchase of a Dump Truck for Township road maintenance. The Township's taxing authority collateralized the loan. The debt is retired from the Dump Truck Debt Service Fund.

During 2020, the Township obtained a loan to finance the purchase of an ambulance for Township EMS protection. The Township taxing authority collateralized the loan. The debt is being retired from the EMS Squad Fund.

**Amortization**

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

Year Ending December 31:	Tractor	Fire Truck	Dump Truck	EMS Squad
2022	\$ 21,126	\$ 35,067	\$ 21,794	\$ 24,172
2023	-	35,067	21,794	24,172
2024	-	35,067	21,794	24,172
2025	-	30,201	21,794	24,172
2026	-	-	21,797	24,172
2027	-	-	-	24,172
Total	\$ 21,126	\$ 135,402	\$ 108,973	\$ 145,032

**Note 11 – Financial Difficulties**

At December 31, 2021, the following funds had adjustments which the Township declined to make in the following amounts (this table also includes adjustments from 2010 through 2020 that the Township declined to make in those years):

Governmental Funds	December 31, 2021 Balance	Adjustments Not Made	Effect on December 31, 2021 Balance
General	\$ 39,970	\$ (67,666)	\$ (27,696)
Special Revenue	734,761	67,666	802,427

The Township has no formal plans for increasing the revenue stream of the General Fund but is monitoring all expenditures of the General Fund. The adjustments not made in the Special Revenue Fund type affect the Gasoline Tax Fund, in the amount of \$56,760, the Road and Bridge Fund in the amount of \$(5,984), the Fire District Fund in the amount of \$18,877 and the Park Levy Fund in the amount of \$(1,987).

**Note 12 – Fund Balances**

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 facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

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

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**Note 12 – Fund Balances (Continued)**

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 144	\$ 1,062	\$ 1,206

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

**Note 13 – 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. During 2021, the Township received \$46,981 American Rescue Plan Act funding. 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 funding, either federal or state, cannot be estimated.

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

Harrison Township  
Muskingum County  
P.O. Box 215  
Philo, OH 43771

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 by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Harrison Township, Muskingum County, (the Township) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated April 10, 2023, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township. We issued an adverse opinion on the General and Special Revenue Fund balances because the Township declined to fully adjust its financial statements or accounting records for prior audit adjustments. These adjustments result in a material misstatement of General Fund and Special Revenue Fund cash balances as of December 31, 2022 and 2021.

***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 purpose 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-002 that we consider to be a significant deficiency.

**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*, which are described in the accompanying schedule of findings as items 2022-001 and 2022-002.


We also noted certain other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 10, 2023.

**Township's Responses 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 corrective action plan. 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**

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 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.



**Charles E. Harris & Associates, Inc.**  
April 10, 2023

HARRISON TOWNSHIP  
MUSKINGUM COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

**Finding 2022-001 – Noncompliance**

**Certifying the Availability of Funds**

**Ohio Revised Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every 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 a fiscal officer'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 sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

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

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution 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 taxing authority.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution 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.
3. Super Blanket Certificate – The Township 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, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Township did not properly certify the availability of funds prior to purchase commitment for 30% and 42% of the expenditures tested for 2022 and 2021, respectively.

**HARRISON TOWNSHIP  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**Finding 2022-001 – Noncompliance (Continued)**

**Certifying the Availability of Funds (Continued)**

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's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

**Management's Response** – See Corrective Action Plan.

**FINDING NUMBER 2022-002 – Noncompliance/Significant Deficiency**

**Approved Appropriations Matching Accounting System**

Ohio Admin. Code § 117-2-02-(C) (1) requires all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. This means designing an accounting system to provide ongoing and timely information of appropriations.

The Township did not have a control procedure in place to ensure that appropriations, as authorized by the County Auditor, were reconciled to the appropriations posted to the accounting system for both 2022 and 2021. This resulted in incorrect amounts posted to the accounting system and information available to Township officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. The budgetary footnote reflects all adjustments.

Fund	2022		Variance
	Posted in the Accounting System	Approved by Resolution	
General	\$ 31,900	\$ 78,426	\$ (46,526)
Motor Vehicle License	11,000	27,236	(16,236)
Gasoline Tax	189,000	272,823	(83,823)
Road and Bridge	92,500	188,941	(96,441)
Cemetery	1	300	(299)
Fire District	227,566	380,372	(152,806)
Road District	62,500	130,785	(68,285)
Park Levy	216,241	242,269	(26,028)

**HARRISON TOWNSHIP  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-002 – Noncompliance/Significant Deficiency (Continued)**

**Approved Appropriations Matching Accounting System (Continued)**

	2021		
Fund	Posted in the Accounting System	Approved by Resolution	Variance
General	\$ 30,100	\$ 68,931	\$ (38,831)
Motor Vehicle License	11,000	21,969	(10,969)
Gasoline Tax	186,500	210,883	(24,383)
Road and Bridge	141,126	181,287	(40,161)
Cemetery	1	300	(299)
Fire District	250,322	292,035	(41,713)
Road District	62,500	114,808	(52,308)
Park Levy	234,530	235,838	(1,308)

We recommend the Township implement procedures to ensure appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the County Auditor after each amendment.

**Management’s Response** – See Corrective Action Plan.



**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –  
PREPARED BY MANGEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	ORC section 5705.39 states that total appropriations from each fund shall not exceed the total of estimated resources.	Materially Corrected	N/A
2020-002	Ohio revised code section 5705.41 (D) prohibits expenditure of money without a signed certificate by fiscal officer.	Not Corrected	Same issue as the prior audit
2020-003	Lack of underlying documentation and support for expenditures.	Corrected	N/A
2020-004	Appropriations and amendments were not properly posted to the accounting system.	Not Corrected	Same issue as the prior audit
2020-005	All local offices should maintain an accounting system and accounting records sufficient to enable the public office to assemble, identify, analyze and classify its transactions.	Corrected	N/A
2020-006	ORC chapter 133 prohibits promissory notes and installment loans for debt.	Finding no longer valid	N/A
2020-007	Adjustments for mispostings from prior audits.	Not Corrected	\$27,666 is owed from the General Fund to the Gasoline Tax Fund at December 31, 2022
2020-008	Failure to timely remit Federal and State taxes.	Corrected	N/A

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**CORRECTIVE ACTION PLAN - PREPARED BY MANAGEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2022-001	Management will ensure purchase orders are completed and signed prior to the expenditure of money in the future.	Immediately	Jacala Ryberg – Fiscal Officer
2022-002	Management will ensure all budgetary information is promptly posted into the accounting system.	Immediately	Jacala Ryberg – Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**HARRISON TOWNSHIP**

**MUSKINGUM 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 6/13/2023**

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)