

**HARRISON TOWNSHIP**

DAYTON REGION, LOGAN COUNTY

**REGULAR AUDIT**

JANUARY 1, 1999 – DECEMBER 31, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Paul Herbert, Clerk of Court  
Franklin County Municipal Court  
Columbus, Ohio

We have reviewed the independent auditor's report of the Franklin County Municipal Court, Franklin County, prepared by KPMG LLP, for the audit period January 1, 2000 through December 31, 2000. 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 Franklin County Municipal Court is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

June 25, 2001

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**HARRISON TOWNSHIP  
LOGAN COUNTY**

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**VANDERHORST & MANNING CPAs, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

**REPORT OF INDEPENDENT AUDITORS**

Board of Trustees  
Harrison Township  
4246 State Route 47  
Bellefontaine, Ohio 43311

We have audited the accompanying financial statements of the Harrison Township, Logan County, Ohio, (the Township), as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Harrison Township, Logan County, Ohio, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated May 29, 2001 on our consideration of the Township's internal control over financial reporting and our test of its compliance with certain provisions of law, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Vanderhorst & Manning CPAs, LLC  
Dayton, Ohio

May 29, 2001





**HARRISON TOWNSHIP  
LOGAN COUNTY**

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

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Taxes	\$ 22,805	\$ 37,146	\$ 0	\$ 59,951
Licenses, Permits and Fees	3,424	0	0	3,424
Intergovernmental Receipts	68,640	61,501	0	130,141
Interest	3,921	1,692	0	5,613
All Other Receipts	4,590	272	0	4,862
<b>Total Cash Receipts</b>	<u>103,380</u>	<u>100,611</u>	<u>0</u>	<u>203,991</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	35,334	0	0	35,334
Public Safety	18,000	0	0	18,000
Public Works	0	107,535	0	107,535
Health	2,055	0	0	2,055
Capital Outlay	30,000	19,983	0	49,983
<b>Total Cash Disbursements</b>	<u>85,389</u>	<u>127,518</u>	<u>0</u>	<u>212,907</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>17,991</u>	<u>(26,907)</u>	<u>0</u>	<u>(8,916)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Other Financing Sources	1,581	0	0	1,581
<b>Total Other Financing Receipts (Disbursements)</b>	<u>1,581</u>	<u>0</u>	<u>0</u>	<u>1,581</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>19,572</u>	<u>(26,907)</u>	<u>0</u>	<u>(7,335)</u>
<b>Fund Cash Balances, January 1, 2000</b>	<u>44,889</u>	<u>64,032</u>	<u>0</u>	<u>108,921</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u>\$ 64,461</u>	<u>\$ 37,125</u>	<u>\$ 0</u>	<u>\$ 101,586</u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

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	<b>Non-Expendable <u>Trust</u></b>
<b>Operating Cash Receipts:</b>	
Interest	\$ <u>8</u>
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>0</u>
Total Cash Disbursements	<u>0</u>
Operating Income	8
<b>Fund Cash Balance, January 1, 2000</b>	<u>245</u>
<b>Fund Cash Balance, December 31, 2000</b>	<u><u>\$ 253</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

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

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Taxes	\$ 23,525	\$ 38,724	\$ 0	\$ 62,249
Licenses, Permits and Fees	1,941	0	0	1,941
Intergovernmental Receipts	28,397	63,378	0	91,775
Interest	951	878	0	1,829
All Other Receipts	4,521	242	0	4,763
<b>Total Cash Receipts</b>	<u>59,335</u>	<u>103,222</u>	<u>0</u>	<u>162,557</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	30,416	0	0	30,416
Public Safety	18,000	0	0	18,000
Public Works	0	83,748	0	83,748
Health	1,265	0	0	1,265
Capital Outlay	33	32,246	0	32,279
<b>Total Cash Disbursements</b>	<u>49,714</u>	<u>115,994</u>	<u>0</u>	<u>165,708</u>
<b>Total Receipts Over/(Under) Disbursements</b>	9,621	(12,772)	0	(3,151)
Other Financing Receipts/(Disbursements):				
Other Financing Sources	683	0	0	683
<b>Total Other Financing Receipts (Disbursements)</b>	<u>683</u>	<u>0</u>	<u>0</u>	<u>683</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>10,304</u>	<u>(12,772)</u>	<u>0</u>	<u>(2,468)</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>34,585</u>	<u>76,804</u>	<u>0</u>	<u>111,389</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u>\$ 44,889</u>	<u>\$ 64,032</u>	<u>\$ 0</u>	<u>\$ 108,921</u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

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	<b>Non-Expendable <u>Trust</u></b>
<b>Operating Cash Receipts:</b>	
Interest	\$ <u>4</u>
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>0</u>
Total Cash Disbursements	<u>0</u>
Operating Income	4
<b>Fund Cash Balance, January 1, 1999</b>	<u>241</u>
<b>Fund Cash Balance, December 31, 1999</b>	<u><u>\$ 245</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Entity**

Harrison Township of Logan County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three – member Board of Trustees. The Township provides general governmental services, including road maintenance, cemetery management and fire protection.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Public Funds Interest Bearing Checking is valued at cost.

**D. Fund Accounting**

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

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

**D. Fund Accounting (Continued)**

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds:**

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

Gasoline Tax Fund – This fund receives gasoline tax and motor vehicle tax money for maintaining and repairing Township roads.

Road and Bridge Fund – This fund receives tax levy money for maintaining and repairing Township roads.

**Capital Project Funds:**

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

Capital Equipment Fund – This fund receives proceeds from certificates of deposits. The proceeds are being used to buy a new truck.

Public Works Commission Project Fund - This fund receives money from the Ohio Public Works Commission for the Township Highway System Project.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

**Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary funds:

Cemetery Bequest Fund – A non-expendable trust fund. Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

**E. 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

**E. Budgetary Process** (Continued)

**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 also 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 canceled, and reappropriated in the subsequent year.

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

**F. Property, Plant and Equipment**

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



**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

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

	<b>2000</b>	<b>1999</b>
Demand deposits	<u>\$101,839</u>	<u>\$109,166</u>

**Deposits:**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 was as follows:

**2000 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 51,250	\$104,961	\$ 53,711
Special Revenue	100,350	100,611	261
Capital Projects	0	0	0
Non-Expendable Trust	<u>4</u>	<u>8</u>	<u>4</u>
Total	<u>\$151,604</u>	<u>\$205,580</u>	<u>\$ 53,976</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 96,140	\$ 85,389	\$ 10,751
Special Revenue	164,382	127,518	36,864
Capital Projects	0	0	0
Non-Expendable Trust	<u>249</u>	<u>0</u>	<u>249</u>
Total	<u>\$ 260,771</u>	<u>\$212,907</u>	<u>\$ 47,864</u>

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 46,357	\$ 60,018	\$ 13,661
Special Revenue	117,587	103,222	(14,365)
Capital Projects	0	0	0
Non-Expendable Trust	<u>4</u>	<u>4</u>	<u>0</u>
Total	<u>\$163,948</u>	<u>\$163,244</u>	<u>\$ (704)</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 80,943	\$ 49,714	\$ 31,229
Special Revenue	194,391	115,994	78,397
Capital Projects	0	0	0
Non-Expendable Trust	<u>244</u>	<u>0</u>	<u>244</u>
Total	<u>\$275,578</u>	<u>\$165,708</u>	<u>\$ 109,870</u>

**4. PROPERTY TAX**

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

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

**HARRISON TOWNSHIP  
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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**4. PROPERTY TAX (Continued)**

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

**5. RETIREMENT SYSTEMS**

The Township officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

**HARRISON TOWNSHIP  
LOGAN COUNTY**

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

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**7. CONTINGENT LIABILITIES**

The Township is not a defendant in any lawsuits that counsel believes will materially adversely affect the Township's financial condition.

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

**8. SUBSEQUENT EVENTS**

No events have occurred subsequent to the financial statements, which would have a material impact.

**VANDERHORST & MANNING CPAs, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

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

Board of Trustees  
Harrison Township  
Logan County  
4246 State Route 47  
Bellefontaine, Ohio 43311

We have audited the financial statements of Harrison Township, Logan County, Ohio, (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 29, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 29, 2001.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 29, 2001.

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

Vanderhorst & Manning CPAs, LLC  
Dayton, Ohio

May 29, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**HARRISON TOWNSHIP**

**LOGAN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 3, 2001**