



Mary Taylor, CPA
Auditor of State

HARRISON TOWNSHIP
PICKAWAY COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Government Wide Financial Statements For Year Ended December 31, 2009	
Statement of Net Assets – Modified-Cash Basis	9
Statement of Activities – Modified-Cash Basis	10
Fund Financial Statements For Year Ended December 31, 2009	
Statement of Modified-Cash Basis Assets and Fund Balances – Governmental Funds.....	11
Statement of Cash Receipts, Disbursements and Changes in Modified- Cash Basis Fund Balances – Governmental Funds	12
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – General Fund.....	13
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – Gasoline Tax Fund	14
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – Road and Bridge Fund	15
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual -Budget Basis – Fire District Fund	16
Government Wide Financial Statements For Year Ended December 31, 2008	
Statement of Net Assets Modified-Cash Basis	17
Statement of Activities Modified-Cash Basis	18
Fund Financial Statements For Year Ended December 31, 2008	
Statement of Modified-Cash Basis Assets and Fund Balances – Governmental Funds.....	19
Statement of Cash Receipts, Disbursements and Changes in Modified- Cash Basis Fund Balances – Governmental Funds	20
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – General Fund.....	21
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – Gasoline Tax Fund	22
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual - Budget Basis – Road and Bridge Fund	23
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual -Budget Basis – Fire District Fund	24

HARRISON TOWNSHIP
PICKAWAY COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Notes to the Basic Financial Statements	25
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	41
Schedule of Findings.....	43
Schedule of Prior Audit Findings.....	45



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Harrison Township
Pickaway County
P.O. Box 290
Ashville, Ohio 43103

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison Township, Pickaway County, Ohio (the Township), as of and for the year ended December 31, 2009 and December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison Township, Pickaway County, Ohio, as of December 31, 2009 and 2008, and the changes in modified cash financial position and the respective budgetary comparisons for the General, Gas Tax, Road & Bridge, and Fire funds, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 14, 2010

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
*UNAUDITED***

This discussion and analysis of Harrison Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Township's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$42,663, or 4.3 percent, a significant change from the prior year. This increase primarily occurred due to an increase in revenues in Operating Grants and Contributions.

The Township's general receipts are primarily property taxes. These receipts represent approximately 46 percent of the total cash received for governmental activities during the year.

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$53,276, or 5.6 percent, a significant change from the prior year. This increase primarily occurred because of decreased Public Works expenditures related to road repairs.

The Township's 2008 general receipts were primarily comprised of property taxes and note proceeds; these receipts represent 34% and 13% respectively of the total cash received for governmental activities during the year. Property tax receipts for 2008 changed very little compared to 2007 as development within the Township has slowed. The Township obtained a loan in the amount of \$245,000 for the purchase of a new fire truck.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the governmental activities include most of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all listed as governmental funds.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gas Tax Fund, Road & Bridge Fund, Fire Fund and Debt Service Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009, 2008 and 2007 on a modified cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$770,906	\$735,288	\$688,739
Investments	275,463	268,418	261,691
Total Assets	<u>\$1,046,369</u>	<u>\$1,003,706</u>	<u>\$950,430</u>
Net Assets			
Restricted for:			
Debt Service	\$273	\$1,632	\$0
Other Purposes	865,268	809,745	734,890
Unrestricted	180,828	192,329	215,540
Total Net Assets	<u>\$1,046,369</u>	<u>\$1,003,706</u>	<u>\$950,430</u>

As mentioned previously, net assets of governmental activities increased \$ 42,663 or 4.3 percent during 2009. The primary reasons contributing to the increases in cash balances was in the increase in property tax receipts in the Fire Fund which resulted from a levy passed in March 2008. For 2008, net assets of governmental activities increased \$53,276, or 5.6 percent, primarily because of decreased Public Works expenditures.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets on a modified cash basis in 2009, 2008 and 2007 for governmental activities.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$702,848	\$724,162	\$725,240
Operating Grants and Contributions	259,468	191,921	254,384
Total Program Receipts	<u>962,316</u>	<u>916,083</u>	<u>979,624</u>
General Receipts:			
Property and Other Local Taxes	844,877	638,103	807,823
Grants and Entitlements Not Restricted to Specific Programs	31,870	62,362	220,788
Note Proceeds	0	245,000	90,000
Interest	9,972	10,602	8,466
Miscellaneous	2,053	7,180	3,462
Total General Receipts	<u>888,772</u>	<u>963,247</u>	<u>1,130,539</u>
Total Receipts	<u>1,851,088</u>	<u>1,879,330</u>	<u>2,110,163</u>
Disbursements:			
General Government	102,238	131,404	122,547
Public Safety	1,283,779	1,069,705	971,997
Public Works	244,737	133,836	339,355
Health	58,922	57,717	54,090
Capital Outlay	41,010	400,024	230,011
Debt Service:			
Principal	65,000	30,000	0
Interest	12,739	3,368	2,020
Total Disbursements	<u>1,808,425</u>	<u>1,826,054</u>	<u>1,720,020</u>
Increase (Decrease) in Net Assets	42,663	53,276	390,143
Net Assets, January 1,	<u>1,003,706</u>	<u>950,430</u>	<u>560,287</u>
Net Assets, December 31	<u>\$1,046,369</u>	<u>\$1,003,706</u>	<u>\$950,430</u>

Program receipts represent only 52 percent in 2009 and 49 percent in 2008 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax revenues, building permits and inspection fees and charges to Madison Township, Walnut Township, Muhlenberg Township and Jackson Township for fire and EMS services provided under contract.

General receipts represent 48 percent in 2009 and 51 percent in 2008 of the Township's total receipts; of this amount, over 95 percent in 2009 and 66 percent in 2008 are local taxes. Receipts other than proceeds of notes are very insignificant and somewhat unpredictable revenue sources.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of salaries for trustees, fiscal officer, zoning inspector, zoning board and zoning appeals board members, UAN fees, tax collection fees, utilities, payroll expenses, and finally transfers supporting other funds as needed.

Public Safety expenditures are primarily associated with the costs of salaries and benefits for employees of the Fire department/EMS plus the cost of any training and supplies provided to these employees. Public works expenditures are those expenditures made by the Township for the care and maintenance of Township roads. Capital outlay is primarily used to purchase equipment for the maintenance of roads and for the fire department. In fiscal year 2008 the Township purchased a fire truck in the amount of \$322,631.

Governmental Activities

If you look at the Statement of Activities on page 12, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety, which account for 71 percent in 2009 and 58.6 percent in 2008 of all governmental disbursements, respectively. General government also represents a significant cost, about 5.6 percent in 2009 and 7.2 percent in 2008. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$102,238	\$102,238	\$131,404	\$131,404	\$122,547	\$76,972
Public Safety	\$1,283,779	\$906,368	\$1,069,705	\$662,143	\$971,997	\$333,381
Public Works	244,737	145,359	133,836	31,026	339,355	84,970
Health	58,922	(238,950)	57,717	(226,040)	54,090	13,040
Other	0	(187,655)	0	(121,954)	0	0
Capital Outlay	41,010	41,010	400,024	400,024	230,011	230,011
Debt Service;						
Principal	65,000	65,000	30,000	30,000	0	0
Interest	12,739	12,739	3,368	3,368	2,021	2,021
Total Expenses	<u>\$1,808,425</u>	<u>\$846,109</u>	<u>\$1,826,054</u>	<u>\$909,971</u>	<u>\$1,720,021</u>	<u>\$740,395</u>

The dependence upon property tax receipts is apparent as over 53.2 percent in 2009 and 50.2 percent in 2008 of governmental activities are supported through these general receipts.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

The Township's Funds

Total governmental funds had receipts of \$1,850,943 and disbursements of \$1,808,425 in fiscal year 2009 and receipts of \$1,634,330 and disbursements of \$1,826,054 in fiscal year 2008. The greatest change within governmental funds occurred within the Gas Tax Fund in 2009 where the fund balance decreased by \$42,522 due to increased road projects. The greatest change within governmental funds for fiscal year 2008 also occurred in the Gas Tax Fund; the fund balance increased by \$57,667 due to a reduction of expenditures on roadways. Both of these variances can be attributed to the timing of expenditures.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

During 2009 and 2008, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts did not change materially when compared to original budgeted receipts.

For fiscal year 2009, final disbursements were budgeted at \$141,850 while actual disbursements were \$116,294; however appropriations were not reduced. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances. In spite of overall actual receipts exceeding estimates and actual expenditures less than appropriations fund balance still decreased by \$11,501 for 2009.

For fiscal year 2008, final disbursements were budgeted at \$157,337 while actual disbursements were \$148,469. Again, in spite of the fact that overall actual receipts exceeded estimates and actual expenditures were less than appropriations, there was a decrease in fund balance of \$22,761 for 2008.

Debt Administration

At December 31, 2009, the Township's outstanding debt included \$240,000 in notes issued for the purchase of a fire truck and a medic. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Suzanne Trego, Fiscal Officer, Harrison Township, P.O. Box 290, Ashville, Ohio 43103.

HARRISON TOWNSHIP
PICKAWAY COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$770,906
Investments	275,463
<i>Total Assets</i>	<u>1,046,369</u>
Net Assets	
Restricted for:	
Debt Service	273
Other Purposes	865,268
Unrestricted	180,828
<i>Total Net Assets</i>	<u>\$1,046,369</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$102,238	\$0	\$0	(\$102,238)
Public Safety	1,283,779	377,411	0	(906,368)
Public Works	244,737	0	99,378	(145,359)
Health	58,922	297,872	0	238,950
Other	0	27,565	160,090	187,655
Capital Outlay	41,010	0	0	(41,010)
Debt Service:				
Principal	65,000	0	0	(65,000)
Interest	12,739	0	0	(12,739)
<i>Total Governmental Activities</i>	<u>\$1,808,425</u>	<u>\$702,848</u>	<u>\$259,468</u>	(\$846,109)
General Receipts				
Property Taxes Levied For:				
General Purposes				\$88,316
Public Works				107,622
Fire Protection				648,939
Grants and Entitlements not Restricted to Specific Programs				31,870
Earnings on Investments				9,972
Miscellaneous				2,053
<i>Total General Receipts</i>				<u>888,772</u>
Change in Net Assets				42,663
<i>Net Assets Beginning of Year</i>				<u>1,003,706</u>
<i>Net Assets End of Year</i>				<u><u>\$1,046,369</u></u>

See accompanying notes to the basic financial statements

HARRISON TOWNSHIP
PICKAWAY COUNTY

STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$78,422	\$149,871	\$114,568	\$368,182	\$273	\$59,590	\$770,906
Investments	102,406	68,057	80,000	0	0	25,000	275,463
<i>Total Assets</i>	<u>\$180,828</u>	<u>\$217,928</u>	<u>\$194,568</u>	<u>\$368,182</u>	<u>\$273</u>	<u>\$84,590</u>	<u>\$1,046,369</u>
Fund Balances							
Unreserved:							
Undesignated, Reported in:							
General Fund	\$180,828	\$0	\$0	\$0	\$0	\$0	\$180,828
Special Revenue Funds	0	217,928	194,568	368,182	0	84,590	865,268
Debt Service Fund	0	0	0	0	273	0	273
<i>Total Fund Balances</i>	<u>\$180,828</u>	<u>\$217,928</u>	<u>\$194,568</u>	<u>\$368,182</u>	<u>\$273</u>	<u>\$84,590</u>	<u>\$1,046,369</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$88,316	\$0	\$107,622	\$648,939	\$0	\$0	\$844,877
Charges for Services	0	0	0	653,083	0	0	653,083
Licenses, Permits and Fees	3,915	0	0	0	0	23,650	27,565
Intergovernmental	29,197	86,632	24,157	122,281	0	22,445	284,712
Earnings on Investments	7,460	2,462	0	0	0	50	9,972
Miscellaneous	760	0	0	7,774	0	22,200	30,734
Total Receipts	129,648	89,094	131,779	1,432,077	0	68,345	1,850,943
Disbursements							
Current:							
General Government	102,238	0	0	0	0	0	102,238
Public Safety	0	0	0	1,283,779	0	0	1,283,779
Public Works	1,350	131,616	102,271	0	0	9,500	244,737
Health	12,706	0	0	0	0	46,216	58,922
Capital Outlay	0	0	4,337	33,673	0	3,000	41,010
Debt Service:							
Principal Retirement	0	0	0	0	65,000	0	65,000
Interest and Fiscal Charges	0	0	0	0	12,739	0	12,739
Total Disbursements	116,294	131,616	106,608	1,317,452	77,739	58,716	1,808,425
Excess of Receipts Over (Under) Disbursements	13,354	(42,522)	25,171	114,625	(77,739)	9,629	42,518
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	76,380	25,000	101,380
Transfers Out	(25,000)	0	0	(76,380)	0	0	(101,380)
Other Financing Sources	145	0	0	0	0	0	145
Total Other Financing Sources (Uses)	(24,855)	0	0	(76,380)	76,380	25,000	145
Net Change in Fund Balances	(11,501)	(42,522)	25,171	38,245	(1,359)	34,629	42,663
Fund Balances Beginning of Year	192,329	260,450	169,397	329,937	1,632	49,961	1,003,706
Fund Balances End of Year	\$180,828	\$217,928	\$194,568	\$368,182	\$273	\$84,590	\$1,046,369

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$76,000	\$76,000	\$88,316	\$12,316
Licenses, Permits and Fees	31,371	31,371	3,915	(27,456)
Intergovernmental	0	0	29,197	29,197
Earnings on Investments	0	0	7,460	7,460
Miscellaneous	0	0	760	760
<i>Total receipts</i>	<u>107,371</u>	<u>107,371</u>	<u>129,648</u>	<u>22,277</u>
Disbursements				
Current:				
General Government	139,850	114,100	102,238	11,862
Public Safety	2,000	2,000	0	2,000
Public Works	8,000	8,000	1,350	6,650
Health	12,000	12,750	12,706	44
Capital Outlay	5,000	5,000	0	5,000
<i>Total Disbursements</i>	<u>166,850</u>	<u>141,850</u>	<u>116,294</u>	<u>25,556</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(59,479)</u>	<u>(34,479)</u>	<u>13,354</u>	<u>47,833</u>
Other Financing Sources (Uses)				
Transfers Out	0	(25,000)	(25,000)	0
Other Financing Sources	0	8	145	137
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(24,992)</u>	<u>(24,855)</u>	<u>137</u>
<i>Net Change in Fund Balance</i>	<u>(59,479)</u>	<u>(59,471)</u>	<u>(11,501)</u>	<u>47,970</u>
<i>Cash Balance Beginning of Year</i>	<u>192,329</u>	<u>192,329</u>	<u>192,329</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$132,850</u>	<u>\$132,858</u>	<u>\$180,828</u>	<u>\$47,970</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$77,250	\$77,250	\$86,632	\$9,382
Earnings on Investments	0	0	2,462	2,462
<i>Total receipts</i>	<u>77,250</u>	<u>77,250</u>	<u>89,094</u>	<u>11,844</u>
Disbursements				
Current:				
Public Works	123,800	137,800	131,616	6,184
<i>Total Disbursements</i>	<u>123,800</u>	<u>137,800</u>	<u>131,616</u>	<u>6,184</u>
 <i>Net Change in Fund Balance</i>	 (46,550)	 (60,550)	 (42,522)	 18,028
 <i>Cash Balance Beginning of Year</i>	 <u>260,450</u>	 <u>260,450</u>	 <u>260,450</u>	 <u>0</u>
 <i>Cash Balance End of Year</i>	 <u><u>\$213,900</u></u>	 <u><u>\$199,900</u></u>	 <u><u>\$217,928</u></u>	 <u><u>\$18,028</u></u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD & BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$85,000	\$85,000	\$107,622	\$22,622
Intergovernmental	3,122	3,122	24,157	21,035
<i>Total receipts</i>	<u>88,122</u>	<u>88,122</u>	<u>131,779</u>	<u>43,657</u>
Disbursements				
Current:				
Public Works	117,400	118,400	102,271	16,129
Capital Outlay	39,600	38,600	4,337	34,263
<i>Total Disbursements</i>	<u>157,000</u>	<u>157,000</u>	<u>106,608</u>	<u>50,392</u>
<i>Net Change in Fund Balance</i>	(68,878)	(68,878)	25,171	94,049
<i>Cash Balance Beginning of Year</i>	<u>169,397</u>	<u>169,397</u>	<u>169,397</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$100,519</u>	<u>\$100,519</u>	<u>\$194,568</u>	<u>\$94,049</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$520,000	\$520,000	\$648,939	\$128,939
Charges for Services	645,652	645,652	653,083	7,431
Intergovernmental	0	0	122,281	122,281
Miscellaneous	0	0	7,774	7,774
<i>Total receipts</i>	<u>1,165,652</u>	<u>1,165,652</u>	<u>1,432,077</u>	<u>266,425</u>
Disbursements				
Current:				
Public Safety	1,129,000	1,312,000	1,283,779	28,221
Capital Outlay	40,000	34,000	33,673	327
<i>Total Disbursements</i>	<u>1,169,000</u>	<u>1,346,000</u>	<u>1,317,452</u>	<u>28,548</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,348)</u>	<u>(180,348)</u>	<u>114,625</u>	<u>294,973</u>
Other Financing Uses				
Transfers Out	(81,000)	(76,380)	(76,380)	0
<i>Total Other Financing Uses</i>	<u>(81,000)</u>	<u>(76,380)</u>	<u>(76,380)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(84,348)	(256,728)	38,245	294,973
<i>Cash Balance Beginning of Year</i>	<u>329,937</u>	<u>329,937</u>	<u>329,937</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$245,589</u>	<u>\$73,209</u>	<u>\$368,182</u>	<u>\$294,973</u>

See accompanying notes to the basic financial statements

HARRISON TOWNSHIP
PICKAWAY COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$735,288
Investments	268,418
<i>Total Assets</i>	<u>1,003,706</u>
Net Assets	
Restricted for:	
Debt Service	1,632
Other Purposes	809,745
Unrestricted	192,329
<i>Total Net Assets</i>	<u>\$1,003,706</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$131,404	\$0	\$0	(\$131,404)
Public Safety	1,069,705	407,562	0	(662,143)
Public Works	133,836	0	102,810	(31,026)
Health	57,717	283,757	0	226,040
Other	0	32,843	89,111	121,954
Capital Outlay	400,024	0	0	(400,024)
Debt Service:				
Principal	30,000	0	0	(30,000)
Interest	3,368	0	0	(3,368)
<i>Total Governmental Activities</i>	<u>\$1,826,054</u>	<u>\$724,162</u>	<u>\$191,921</u>	(\$909,971)
General Receipts				
Property Taxes Levied For:				
General Purposes				\$77,990
Public Works				75,890
Fire Protection				484,223
Grants and Entitlements not Restricted to Specific Programs				62,362
Sale of Notes				245,000
Earnings on Investments				10,602
Miscellaneous				7,180
<i>Total General Receipts</i>				<u>963,247</u>
Change in Net Assets				53,276
<i>Net Assets Beginning of Year</i>				<u>950,430</u>
<i>Net Assets End of Year</i>				<u>\$1,003,706</u>

See accompanying notes to the basic financial statements

HARRISON TOWNSHIP
PICKAWAY COUNTY

STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$94,895	\$194,466	\$89,397	\$329,937	\$1,632	\$24,961	\$735,288
Investments	97,434	65,984	80,000	0	0	25,000	268,418
<i>Total Assets</i>	<u>\$192,329</u>	<u>\$260,450</u>	<u>\$169,397</u>	<u>\$329,937</u>	<u>\$1,632</u>	<u>\$49,961</u>	<u>\$1,003,706</u>
Fund Balances							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	\$192,329	\$0	\$0	\$0	\$0	\$0	\$192,329
Special Revenue Funds	0	260,450	169,397	329,937	0	49,961	809,745
Debt Service Fund	0	0	0	0	1,632	0	1,632
<i>Total Fund Balances</i>	<u>\$192,329</u>	<u>\$260,450</u>	<u>\$169,397</u>	<u>\$329,937</u>	<u>\$1,632</u>	<u>\$49,961</u>	<u>\$1,003,706</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$77,990	\$0	\$75,890	\$484,223	\$0	\$0	\$638,103
Charges for Services	0	0	0	662,519	0	0	662,519
Licenses, Permits and Fees	8,493	0	0	0	0	24,350	32,843
Intergovernmental	24,434	89,722	20,989	96,180	0	13,088	244,413
Earnings on Investments	8,040	2,508	0	0	0	53	10,601
Miscellaneous	1	0	100	16,950	0	28,800	45,851
Total Receipts	118,958	92,230	96,979	1,259,872	0	66,291	1,634,330
Disbursements							
Current:							
General Government	131,404	0	0	0	0	0	131,404
Public Safety	2,000	0	0	1,067,705	0	0	1,069,705
Public Works	4,975	35,144	93,717	0	0	0	133,836
Health	10,000	0	0	0	0	47,717	57,717
Capital Outlay	90	0	0	396,934	0	3,000	400,024
Debt Service:							
Principal Retirement	0	0	0	0	30,000	0	30,000
Interest and Fiscal Charges	0	0	0	0	3,368	0	3,368
Total Disbursements	148,469	35,144	93,717	1,464,639	33,368	50,717	1,826,054
Excess of Receipts Over (Under) Disbursements	(29,511)	57,086	3,262	(204,767)	(33,368)	15,574	(191,724)
Other Financing Sources (Uses)							
Sale of Notes	0	0	0	245,000	0	0	245,000
Transfers In	6,750	581	0	927	35,000	1,441	44,699
Transfers Out	0	0	0	(35,000)	0	(9,699)	(44,699)
Total Other Financing Sources (Uses)	6,750	581	0	210,927	35,000	(8,258)	245,000
Net Change in Fund Balances	(22,761)	57,667	3,262	6,160	1,632	7,316	53,276
Fund Balances Beginning of Year	215,090	202,783	166,135	323,777	0	42,645	950,430
Fund Balances End of Year	\$192,329	\$260,450	\$169,397	\$329,937	\$1,632	\$49,961	\$1,003,706

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$75,000	\$75,000	\$77,990	\$2,990
Licenses, Permits and Fees	6,000	6,000	8,493	2,493
Intergovernmental	19,498	18,286	24,434	6,148
Earnings on Investments	0	6,180	8,040	1,860
Miscellaneous	0	0	1	1
<i>Total receipts</i>	<u>100,498</u>	<u>105,466</u>	<u>118,958</u>	<u>13,492</u>
Disbursements				
Current:				
General Government	138,337	138,837	131,404	7,433
Public Safety	2,000	2,000	2,000	0
Public Works	5,000	5,000	4,975	25
Health	10,000	10,000	10,000	0
Capital Outlay	2,000	1,500	90	1,410
<i>Total Disbursements</i>	<u>157,337</u>	<u>157,337</u>	<u>148,469</u>	<u>8,868</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(56,839)</u>	<u>(51,871)</u>	<u>(29,511)</u>	<u>22,360</u>
Other Financing Sources				
Transfers In	0	6,750	6,750	0
Other Financing Sources	0	8	0	(8)
<i>Total Other Financing Sources</i>	<u>0</u>	<u>6,758</u>	<u>6,750</u>	<u>(8)</u>
<i>Net Change in Fund Balance</i>	<u>(56,839)</u>	<u>(45,113)</u>	<u>(22,761)</u>	<u>22,352</u>
<i>Cash Balance Beginning of Year</i>	<u>215,090</u>	<u>215,090</u>	<u>215,090</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$158,251</u>	<u>\$169,977</u>	<u>\$192,329</u>	<u>\$22,352</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$75,000	\$75,000	\$89,722	\$14,722
Earnings on Investments	0	0	2,508	2,508
<i>Total receipts</i>	<u>75,000</u>	<u>75,000</u>	<u>92,230</u>	<u>17,230</u>
Disbursements				
Current:				
Public Works	73,175	73,175	35,144	38,031
<i>Total Disbursements</i>	<u>73,175</u>	<u>73,175</u>	<u>35,144</u>	<u>38,031</u>
Other Financing Sources				
Transfers In	0	581	581	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>581</u>	<u>581</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,825	2,406	57,667	55,261
<i>Cash Balance Beginning of Year</i>	<u>202,783</u>	<u>202,783</u>	<u>202,783</u>	<u>202,783</u>
<i>Cash Balance End of Year</i>	<u><u>\$204,608</u></u>	<u><u>\$205,189</u></u>	<u><u>\$260,450</u></u>	<u><u>\$258,044</u></u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD & BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$52,815	\$52,815	\$75,890	\$23,075
Intergovernmental	0	5,532	20,989	15,457
Miscellaneous	0	0	100	100
<i>Total receipts</i>	<u>52,815</u>	<u>58,347</u>	<u>96,979</u>	<u>38,632</u>
Disbursements				
Current:				
Public Works	116,931	116,931	93,716	23,215
<i>Total Disbursements</i>	<u>116,931</u>	<u>116,931</u>	<u>93,716</u>	<u>23,215</u>
<i>Net Change in Fund Balance</i>	(64,116)	(58,584)	3,263	61,847
<i>Cash Balance Beginning of Year</i>	<u>166,134</u>	<u>166,134</u>	<u>166,134</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u><u>\$102,018</u></u>	<u><u>\$107,550</u></u>	<u><u>\$169,397</u></u>	<u><u>\$61,847</u></u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$500,000	\$500,000	\$484,223	(\$15,777)
Charges for Services	560,000	586,846	662,519	75,673
Intergovernmental	11,246	20,000	96,180	76,180
Miscellaneous	0	0	16,950	16,950
<i>Total receipts</i>	<u>1,071,246</u>	<u>1,106,846</u>	<u>1,259,872</u>	<u>153,026</u>
Disbursements				
Current:				
Public Safety	1,072,012	1,123,012	1,067,705	55,307
Capital Outlay	50,000	400,000	396,934	3,066
<i>Total Disbursements</i>	<u>1,122,012</u>	<u>1,523,012</u>	<u>1,464,639</u>	<u>58,373</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(50,766)</u>	<u>(416,166)</u>	<u>(204,767)</u>	<u>211,399</u>
Other Financing Sources (Uses)				
Transfers In	0	245,927	245,927	0
Transfers Out	(30,000)	(35,000)	(35,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(30,000)</u>	<u>210,927</u>	<u>210,927</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(80,766)	(205,239)	6,160	211,399
<i>Cash Balance Beginning of Year</i>	<u>323,777</u>	<u>323,777</u>	<u>323,777</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$243,011</u>	<u>\$118,538</u>	<u>\$329,937</u>	<u>\$211,399</u>

See accompanying notes to the basic financial statements

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 1 – Reporting Entity

Harrison Township, Pickaway County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire & emergency medical services and cemetery maintenance. Police protection is provided by the Pickaway County Sheriff's office.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

C. Joint Ventures and Public Entity Risk Pool

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the *modified* cash basis of accounting, the Township does not report assets for equity interests in joint ventures. The Township participates in two joint ventures and one public entity risk pool. Note 11 to the financial statements provides additional information for joint ventures and Note 6 for additional information on the public entity risk pool. These organizations are:

Joint Ventures:

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – The Harrison Township Board of Trustees approved an agreement with the Board of County Commissioners, Pickaway County, Ohio ("County"), the Village of Ashville, Ohio ("Ashville"), and the Village of South Bloomfield, Ohio, ("South Bloomfield") to cooperate in creating and preserving jobs and employment opportunities and to cooperate in inducing and fostering economic development.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 1 – Reporting Entity (continued)

Northern Pickaway County Joint Economic Development District (JEDD) - The Harrison Township Board of Trustees approved the formation of this district with the City of Columbus (“Columbus”) and the Village of Ashville (“Ashville”). The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Revised Code. The purpose of the JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio, Pickaway County, Columbus, Ashville, and Harrison Township.

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority – This risk-sharing pool, available to Ohio Townships provides property and casualty insurance for its members.

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

As discussed further in Note 2.C, these financial statements are presented on a *modified* cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. In the government-wide financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the *modified* cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township’s accounting policies.

A. Basis of Presentation

The Township’s basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are classified as governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are as follows:

General Fund – used to account for all financial resources, except those required to be accounted for 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.

Gasoline Tax Fund – receives gasoline tax money to finance constructing, maintaining and repairing Township roads.

Road and Bridge Fund – receives property and other local taxes for constructing, maintaining, and repairing Township roads and bridges.

Fire District Fund – receives tax proceeds and charges for services to fund the Township's fire department.

Debt Service Fund – receives transfers from other funds to pay debt service expenditures.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$7,460 and during 2008 the Township received \$8,040.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for maintenance of roads and fire equipment & services. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances. The township did not reserve any portion of the fund balance for the year ended 2009 and 2008.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, the Gas Tax Fund, the Road & Bridge Fund and the Fire Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 - Deposits and Investments (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, \$521,794 of the Township's bank balance of \$771,794 was exposed to custodial credit risk while at December 31, 2008, \$537,934 of the Township's bank balance of \$787,934 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2009, the Township had the following investments:

Certificates of Deposit	Carrying Value	Maturity
General Fund	\$ 74,305	12 months
General Fund	28,101	24 months
Gasoline Tax	23,094	12 months
Gasoline Tax	44,963	24 months
Road & Bridge Fund	80,000	12 months
Cemetery Fund	25,000	12 months
Total	\$ 275,463	

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 - Deposits and Investments (continued)

As of December 31, 2008, the Township had the following investments:

Certificates of Deposit	Carrying Value	Maturity
General Fund	\$ 97,434	12 months
Gasoline Tax	65,984	12 months
Road & Bridge Fund	80,000	12 months
Cemetery Fund	25,000	12 months
Total	<u>\$ 268,418</u>	

The Certificates Of Deposit are investments made from monies in specific funds.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2009 and 2008 for real and public utility property taxes represent collections of the 2008 and 2007 taxes. Property tax payments received during 2009 and 2008 for tangible personal property (other than public utility property) is for 2009 and 2008 taxes.

2009 and 2008 real property taxes are levied after October 1, 2008 and October 1, 2007 on the assessed values as of January 1, 2008 and January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 and 2008 real property taxes are collected in and intended to finance 2010 and 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 and 2008 public utility property taxes which became a lien on December 31, 2008 and December 31, 2007, are levied after October 1, 2008 and October 1, 2007, and are collected in 2009 and 2008 with real property taxes.

2009 and 2008 tangible property taxes are levied after October 1, 2008 and 2007, on the value as of December 31, 2008 and December 31, 2007. Collections are made in 2009 and 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 was 6.25%, and was 0% for 2009.

Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 5 – Property Taxes (continued)

The full tax rate for all Township operations for the year ended December 31, 2009, was \$8.40 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$ 24,956,190
Public Utility Property	28,801,980
Tangible Personal Property	<u>200,400</u>
Total Assessed Values	<u><u>\$ 53,958,570</u></u>

The full tax rate for all Township operations for the year ended December 31, 2008, was \$8.40 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$ 26,258,950
Public Utility Property	21,996,960
Tangible Personal Property	<u>1,882,224</u>
Total Assessed Values	<u><u>\$ 50,138,134</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 6 – Risk Management (continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	(12,880,766)	(12,981,818)
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$16,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2009</u>	<u>2008</u>
14,697	14,652

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 – Defined Benefit Pension Plan (continued)

Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009 and December 31, 2008, members in state and local classifications contributed ten percent of covered payroll, public safety members contributed ten percent.

The Township's contribution rate for 2009 and 2008 was 14 percent, except for those plan members in public safety, for whom the Township's contribution rate was 24 percent of covered payroll. For the period January 1, through March 31, 2009, a portion of the Township's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent,

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, 2007 were \$35,775, \$37,442, and \$35,549 respectively. The full amount has been contributed for 2009 and 2008.

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are established by State statute. For 2009, a portion of the Township's contribution equal to 6.5 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township's contributions to OP&F for firefighters were \$114,491 for the year ended December 31, 2009, \$95,729 and for the year ended December 31, 2008 and were \$81,791 for December 31, 2007. The full amount has been contributed for all three years.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 10 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through March 31, 2009, and 5.5 percent from July 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009 and 2008 were \$2,325, and \$2,340 and \$2,222 respectively; 100 percent has been contributed for 2009 and 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 - Postemployment Benefits (continued)

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F which were allocated to fund postemployment healthcare benefits for firefighters were \$7,728 for the year ended December 31, 2009, \$6,642 for the year ended December 31, 2008 and \$5,520 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 9 - Notes Payable

A summary of the note transactions for the years ended December 31, 2009 and 2008 follows:

	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
2007 Medic Note (4.490%)	\$ 60,000	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
2008 Fire Truck Note (4.375%)	245,000	-	35,000	210,000	35,000
	<u>\$ 305,000</u>	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 240,000</u>	<u>\$ 65,000</u>

	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
2007 Medic Note (4.490%)	\$ 90,000	\$ -	\$ 30,000	\$ 60,000	\$ 30,000
2008 Fire Truck Note (4.375%)	-	245,000	-	245,000	35,000
	<u>\$ 90,000</u>	<u>\$ 245,000</u>	<u>\$ 30,000</u>	<u>\$ 305,000</u>	<u>\$ 65,000</u>

In 2007, the Township issued \$90,000 of general obligation notes to finance the purchase of a new ambulance. In 2008 the Township issued \$245,000 of general obligation notes to finance the purchase of a fire truck. In both instances the notes were issued through a local bank. Debt payments and interest are payable in annual and semi-annual installments, respectively. Debt is paid from the Township's debt service fund.

Following is a summary of the Township's future annual debt service requirements:

Year Ending December 31:	<u>Medic Note</u>		<u>Fire Truck Note</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 30,000	\$ 674	\$ 35,000	\$ 9,188
2011	-	-	35,000	7,656
2012	-	-	35,000	6,125
2013	-	-	35,000	4,594
2014	-	-	35,000	3,063
2015	-	-	35,000	1,531
Total	<u>\$ 30,000</u>	<u>\$ 674</u>	<u>\$ 210,000</u>	<u>\$ 32,157</u>

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 10 – Interfund Transfers

The Township made the following interfund transfers:

2009 Interfund Transfers:

From	To	Amount
General Fund	Cemetery Fund	\$ 25,000
Fire Fund	Debt Service Fund	76,380
		\$ 101,380

2008 Interfund Transfers:

From	To	Amount
Fire Fund	Debt Service Fund	\$ 35,000
FEMA Fund	General Fund	6,750
FEMA Fund	Road and Bridge Fund	581
FEMA Fund	Fire Fund	927
FEMA Fund	Cemetery Fund	1,441
		\$ 44,699

In both 2009 and 2008 the interfund transfers from the Fire Fund to the Debt Service Fund were to pay debt service expenditures related to the outstanding notes payable. The 2009 interfund transfer from the General Fund to the Cemetery Fund was to finance cemetery operations; the transfers from the FEMA Fund to the respective funds were for reimbursement of expenditures related to wind damage.

Note 11 – Joint Ventures

North Gate Alliance Cooperative Economic Development Agreement (CEDA) - The CEDA, which was passed by a Resolution dated 12/6/04, was created for the contracting parties to cooperate in creating and preserving jobs and employment opportunities and to cooperate in inducing and fostering economic development in the northern portion of the county. The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes all of unincorporated Harrison Township. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) - The JEDD, which was passed by Resolution #06-32 dated 06/19/2006, was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, Columbus, Ashville, the Township and the District. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Township contributed \$3,294 of the initial costs in 2006. A Board of Directors has been established, which includes one member representing Columbus; one representing the Township; and one member selected by the two members described above. As businesses locate in the JEDD, one representative from a company within the JEDD will be on the board and one representative from workers in the JEDD will be on the board. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District's fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 11 – Joint Ventures (continued)

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the “Agreement”) dated August 30, 2007 by and among the City of Columbus, Ohio (“Columbus”), the Village of Ashville, Ohio (“Ashville”), the Village of South Bloomfield, Ohio (“South Bloomfield”), and the Township. This agreement established a 50-year moratorium on annexation of an area of land bounded by the Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.



Mary Taylor, CPA

Auditor of State

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

Harrison Township
Pickaway County
P.O. Box 290
Ashville, Ohio 43103

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison Township, Pickaway County, Ohio (the Township) as of and for the year ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 14, 2010, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 permits the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 timely corrected. We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated October 14, 2010.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 14, 2010

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

**Trustee Compensation Documentation
- Material Noncompliance/Material Weakness**

Ohio Rev. Code Section 505.24(C) permits trustees to receive annual salaries instead of per diem payments. When paid by salary, Ohio Rev. Code 505.24(C) does not prescribe a "documentation of time spent" requirement. However, for salaries not paid from the general fund, 2004 Op. Att'y Gen. No. 2004-036 requires trustees to establish administrative procedures to document the proportionate amount chargeable to restricted Township funds based on the kinds of services rendered. The "administrative procedures" can be in the form of timesheets or a similar method of record keeping, as long as each Trustee documents time spent on township business and the type of service performed in a manner similar to Trustees paid per diem compensation. If Trustees do not document their time, all salaries and benefits must be paid from the General Fund.

Ohio Revised Code 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund is established.

Ohio Rev. Code 5735.27(A)(5)(d) states that expenditures within the gas tax fund must be for the planning, constructing, maintenance, widening and reconstructing of public roads and highways within the township or paying principal & interest and charges on related obligations incurred. Ohio Rev. Code Section 517.03 states that expenditures from the cemetery fund must be used only to defray the expenses of the purchase or appropriation, and the enclosing, care, supervision, repair, and improving of lands for cemetery purposes.

The Township was informed of this requirement in the 2007/2006 management letter.

During 2009 and 2008 the Township allocated two trustees' salaries to the General Fund and the remaining Trustee's salary to the Road and Bridge Fund. For both 2009 and 2008 this resulted in the Road and Bridge Fund being charged \$11,318 for salaries, retirement, and health insurance for trustee activities which were actually attributable to the General Fund.

The Township has posted adjustments to correct the above misstatements to its financial statements and accounting records.

We recommend the Township implement the use of time allocation sheets and submit them timely to the Fiscal Officer so that Trustees' salaries and benefits costs can be properly allocated to funds based upon actual time spent on various activities in their roles as Township Trustees.

Officials' Response:

The trustees have each spent one third of their time on the roads, and have thus allocated one of them to roads for payroll, without keeping specific time sheets due to the difficulty of doing so. In 2010 and all future years, the trustees have chosen to charge all of their payroll to the general fund.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

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

FINDING NUMBER 2009-002

Financial Reporting- Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments and reclassifications were made to the December 31, 2009 financial statements and, where applicable, the accounting records:

- An adjustment to reclassify \$11,318 of Trustee salaries from the Road & Bridge Fund to the General Fund (See Finding 2009-001).
- Adjustments in Governmental Activities (\$110,389), the Road and Bridge Fund (\$20,517) and the Fire Fund (\$89,872) to reclassify receipts from Property Taxes to Intergovernmental Revenue for property tax exemption, replacement and reimbursement.

The following audit adjustments and reclassifications were made to the December 31, 2008 financial statements and, where applicable, the accounting records:

- An adjustment to reclassify \$11,318 of Trustee salaries from the Road & Bridge Fund to the General Fund (See Finding 2009-001).
- Adjustments in Governmental Activities (\$64,566), the General Fund (\$6,323), Road and Bridge Fund (\$9,999) and the Fire District Fund (\$48,244) to reclassify receipts from Property Taxes to Intergovernmental Revenue for property tax exemption, replacement and reimbursement.
- Adjustments to reclassify \$245,000 of note proceeds from the Debt Service Fund to the Fire Fund and to present the \$245,000 expenditure for a fire truck as Capital Outlay within the Fire Fund instead of Redemption of Principal in the Debt Service Fund.

Although the Township has implemented various controls over financial reporting, the need to issue audit adjustments suggests controls may not be effective or may not be operating as management intended.

We recommend the Township analyze controls currently in place over financial reporting and determine the controls are functioning as intended and are adequate to reduce the risk of reporting incomplete or inaccurate financial information within the financial statements.

Officials' Response:

We have noted these changes and now understand the different classifications desired for intergovernmental funds received for replacements, reimbursements and rollbacks, and will attempt to correct them in the future.

**HARRISON TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Rev. Code 505.603 – Cafeteria Plan – Township did not require employees to provide supporting documentation for reimbursement.	Yes	Finding No Longer Valid
2007-002	Material Weakness – Financial Statement Adjustments	No	Re-Issued as Finding #2009-002

This Page is Intentionally Left Blank.



Mary Taylor, CPA
Auditor of State

HARRISON TOWNSHIP

PICKAWAY 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
DECEMBER 7, 2010**