



HARRISON TOWNSHIP, ROSS COUNTY

Regular Audit

**For the Years Ended
December 31, 2009 and 2008**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

Board of Trustees
Harrison Township
7489 Charleston Pike
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of Harrison Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 23, 2010

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HARRISON TOWNSHIP, ROSS COUNTY
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Independent Auditor's Report

Board of Trustees
Harrison Township, Ross County
2776 Possum Hollow Road
Chillicothe, OH 45601

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison Township (the Township), Ross County as of and for the years ended December 31, 2009 and 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 an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. 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 in the first paragraph above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2009 and 2008, and the respective changes in financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Cemetery, and Miscellaneous Special Revenue Funds for the years then ended in conformity with the cash basis of accounting presented in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 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 grants. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

Board of Trustees
Harrison Township, Ross County
Independent Auditor's Report

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 applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

March 31, 2010

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This discussion and analysis of the Union Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009 and 2008, within the limitations of the Township's modified cash basis 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 and 2008 are as follows:

In 2009, net assets of governmental activities decreased \$37,236, or 34.4 percent, not a significant change from the prior year.

In 2008, net assets of governmental activities decreased \$11,919, or 9.9 percent, not a significant change from the prior year.

The Township's general receipts are primarily property taxes and grants and entitlement not restricted to specific programs. These receipts represent respectively 14.7 and 28.2 percent of the total cash received in 2009 for governmental activities during the year. The Townships program receipts are primarily operating grants and contributions, which represent 44.7 percent of the total cash received in 2009 for governmental activities.

For 2008, property taxes and grants and entitlements not restricted to specific programs represent respectively 13.8 and 33.4 percent of the total cash received for governmental activities during the year. The Townships program receipts are primarily operating grants and contributions, which represent 48.5 percent of the total cash received in 2008 for governmental activities.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

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 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 basic 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.

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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the 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 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. 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.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2009
Unaudited

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the 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 taxes.

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

Governmental Activities. All of the Township's basic services are reported here, including fire and Township roads. State grants 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 consist of two categories: governmental and fiduciary.

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, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund and Miscellaneous Special Revenue Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources from those funds are not available to support the Township's programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$71,036	\$108,272	\$120,191
Total Assets	\$71,036	\$108,272	\$120,191
Net Assets			
<i>Restricted for:</i>			
Other Purposes	52,519	75,251	65,792
Unrestricted	18,517	33,021	54,399
Total Net Assets	\$71,036	\$108,272	\$120,191

As mentioned previously, net assets of governmental activities decreased by \$37,236, or 34.4 percent during 2009. Net assets of governmental activities decreased \$11,921, or 9.9 percent during 2008.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 2 reflects the changes in net assets in 2009, 2008, and 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$1,500	\$950	2,200
Operating Grants and Contributions	101,772	106,110	104,597
Capital Grants and Contributions	23,438	5,000	0
Total Program Receipts	<u>126,710</u>	<u>112,060</u>	<u>106,797</u>
General Receipts:			
Property and Other Local Taxes	34,812	31,570	26,902
Grants and Entitlements Not Restricted	64,297	73,007	107,764
Earnings on Investments	190	2,153	5,374
Miscellaneous	1,894	80	829
Sale of Capital Assets	0	0	2,180
Total General Receipts	<u>101,193</u>	<u>106,810</u>	<u>143,049</u>
Total Receipts	<u>227,903</u>	<u>218,870</u>	<u>249,846</u>
Disbursements:			
General Government	81,564	88,436	80,511
Public Safety	15,289	18,287	18,317
Public Works	137,285	103,657	105,619
Health	7,362	4,350	3,582
Human Services	7,500	0	0
Capital Outlay	6,348	5,559	23,010
Principal Retirement	9,000	9,000	9,000
Interest and Fiscal Charges	791	1,500	1,591
Total Disbursements	<u>265,139</u>	<u>230,789</u>	<u>241,630</u>
Increase (Decrease) in Net Assets	(37,236)	(11,919)	8,216
Net Assets, January 1,	<u>108,272</u>	<u>120,191</u>	<u>111,975</u>
Net Assets, Dec 31	<u><u>\$71,036</u></u>	<u><u>\$108,272</u></u>	<u><u>\$120,191</u></u>

Program receipts represent 55.6 percent of total receipts during 2009 and 51.2 percent of total receipts during 2008. Program receipts are comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, charges to for emergency medical services and fire services under contracts.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

General receipts represent 44.4 percent in 2009 and 48.8 percent in 2008 of the Township's total receipts, and of this amount, over 14.7 percent in 2009 and 15.3 percent in 2008 are property and other local taxes. State and federal grants and entitlements make up 28.2 percent in 2009 and 33.4 percent in 2008 of the Township's total receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Township represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, Fiscal Officer, and other general activities, as well as internal services such as payroll and purchasing. Since these costs do not represent direct service to residents, we try to limit these costs.

Public safety are costs associated with fire protection and emergency services. Public works are costs associated with maintaining Township roads.

Governmental Activities

If you look at the Statement of Activities 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 Public Works and General Government, which account for \$218,849 or 82.5 percent in 2009 and \$192,093 or 83.2 percent in 2008 of all governmental disbursements, respectively. The next three 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 during 2009 and 2008 is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost Of Services	Net Cost Of Services
	2009	2009	2008	2008	2007	2007
General Government	\$81,564	\$81,564	\$88,436	\$88,436	\$80,511	\$80,511
Public Safety	15,289	7,789	18,287	13,287	18,317	18,317
Public Workds	137,285	19,575	103,657	(2,453)	105,619	1,022
Health	7,362	5,862	4,350	3,400	3,582	1,382
Human Services	7,500	7,500	0	0	0	0
Other	0	0	0	0	0	0
Capital Outlay	6,348	6,348	5,559	5,559	23,010	23,010
Principal Retirement	9,000	9,000	9,000	9,000	9,000	9,000
Interest and Fiscal Charges	791	791	1,500	1,500	1,591	1,591
Total Expenses	\$265,139	\$138,429	\$230,789	\$118,729	\$241,630	\$134,833

The dependence upon property and unrestricted grants and entitlement receipts is apparent as over 52.2 percent in 2009, 51.4 percent in 2008 of governmental activities are supported through these general receipts.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$227,903 in 2009 and \$218,870 in 2008 and disbursements of \$265,139 in 2009 and \$230,789 in 2008. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$14,504 as the result of decreased receipts for 2009. The fund balance of the General Fund decreased \$21,378 as the result of decreased receipts and increased disbursements for 2008.

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, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009 and 2008, the Township did not amend its General Fund budget. Final budgeted receipts did not change from the original budgeted receipts. The difference between final budgeted receipts and actual receipts was not significant.

During 2009, General Fund final disbursements were budgeted at \$92,563 while actual disbursements were \$84,549, which is a difference of \$8,014 or 8.7 percent.

During 2008, General Fund final disbursements were budgeted at \$98,348 while actual disbursements were \$94,044, which is a difference of \$4,304 or 4.4 percent.

Debt Administration

At December 31, 2009, the Township's principal outstanding debt was \$9,000. 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 funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

HARRISON TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2009
Unaudited

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 Donna Snyder, Fiscal Officer, Harrison Township, Ross County, 7489 Charleston Pike, Chillicothe, OH 45601.

HARRISON TOWNSHIP, ROSS COUNTY

Statement of Net Assets

December 31, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$71,036</u>
<i>Total Assets</i>	<u>71,036</u>
<u>Net Assets:</u>	
<i>Restricted For:</i>	
Other Purposes	52,519
Unrestricted	<u>18,517</u>
<i>Total Net Assets</i>	<u><u>\$71,036</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY

Statement of Activities

For the Year Ended December 31, 2009

	Program Receipts			Governmental Activities	Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions		
<u>Governmental Activities:</u>					
General Government	\$81,564	\$0	\$0	\$0	(\$81,564)
Public Safety	15,289	0	7,500	0	(7,789)
Public Works	137,285	0	94,272	23,438	(19,575)
Health	7,362	1,500	0	0	(5,862)
Human Services	7,500	0	0	0	(7,500)
Capital Outlay	6,348	0	0	0	(6,348)
<i>Debt Service:</i>					
Principal Retirement	9,000	0	0	0	(9,000)
Interest and Fiscal Charges	791	0	0	0	(791)
<i>Total Governmental Activities</i>	<u>\$265,139</u>	<u>\$1,500</u>	<u>\$101,772</u>	<u>\$23,438</u>	<u>(138,429)</u>
<u>General Receipts:</u>					
Property Taxes					33,471
Other Taxes					1,341
Grants and Entitlements not Restricted to Specific Programs					64,297
Earnings on Investments					190
Miscellaneous					1,894
<i>Total General Receipts</i>					<u>101,193</u>
Change in Net Assets					(37,236)
<i>Net Assets at Beginning of Year</i>					<u>108,272</u>
<i>Net Assets at End of Year</i>					<u><u>\$71,036</u></u>

See accompanying notes to the basic financial statements.

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HARRISON TOWNSHIP, ROSS COUNTY

Balance Sheet

Governmental Funds

December 31, 2009

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$18,517	\$16,282	\$13,817
<i>Total Assets</i>	<u>\$18,517</u>	<u>\$16,282</u>	<u>\$13,817</u>
<u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$18,517	\$0	\$0
Special Revenue Funds	<u>0</u>	<u>16,282</u>	<u>13,817</u>
<i>Total Fund Balances</i>	<u>\$18,517</u>	<u>\$16,282</u>	<u>\$13,817</u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$16,361	\$6,059	\$71,036
\$16,361	\$6,059	\$71,036
\$0	\$0	\$18,517
16,361	6,059	52,519
\$16,361	\$6,059	\$71,036

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2009

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes and Other Local Taxes	\$21,758	\$0	\$13,054
Licenses, Permits and Fees	0	0	0
Intergovernmental	64,297	86,632	109
Earnings on Investments	166	17	0
Miscellaneous	110	1,693	0
<i>Total Receipts</i>	<u>86,331</u>	<u>88,342</u>	<u>13,163</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	81,564	0	0
Public Safety	400	0	0
Public Works	300	88,439	13,736
Health	285	0	0
Human Services	0	0	0
Capital Outlay	0	500	348
<i>Debt Service:</i>			
Principal Retirement	2,000	5,000	2,000
Interest and Fiscal Charges	0	791	0
<i>Total Disbursements</i>	<u>84,549</u>	<u>94,730</u>	<u>16,084</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,782</u>	<u>(6,388)</u>	<u>(2,921)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	0	0	0
Transfers Out	(16,286)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(16,286)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(14,504)	(6,388)	(2,921)
<i>Fund Balances at Beginning of Year</i>	<u>33,021</u>	<u>22,670</u>	<u>16,738</u>
<i>Fund Balances at End of Year</i>	<u><u>\$18,517</u></u>	<u><u>\$16,282</u></u>	<u><u>\$13,817</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Misc Special Revenue	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$0	\$34,812
1,400	0	0	1,400
0	23,438	15,031	189,507
0	0	7	190
100	0	91	1,994
1,500	23,438	15,129	227,903
0	0	0	81,564
0	0	14,889	15,289
0	23,438	11,372	137,285
7,077	0	0	7,362
0	0	7,500	7,500
0	0	5,500	6,348
0	0	0	9,000
0	0	0	791
7,077	23,438	39,261	265,139
(5,577)	0	(24,132)	(37,236)
0	0	16,286	16,286
0	0	0	(16,286)
0	0	16,286	0
(5,577)	0	(7,846)	(37,236)
21,938	0	13,905	108,272
<u>\$16,361</u>	<u>\$0</u>	<u>\$6,059</u>	<u>\$71,036</u>

HARRISON TOWNSHIP, ROSS 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
	Original	Final		Positive (Negative)
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$18,216	\$18,216	\$21,758	\$3,542
Intergovernmental	65,512	65,512	64,297	(1,215)
Earnings on Investments	700	700	166	(534)
Miscellaneous	80	80	110	30
<i>Total Receipts</i>	<u>84,508</u>	<u>84,508</u>	<u>86,331</u>	<u>1,823</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	88,263	88,263	81,564	6,699
Public Safety	500	500	400	100
Public Works	400	400	300	100
Health	400	400	285	115
Capital Outlay	1,000	1,000	0	1,000
<i>Debt Service:</i>				
Principal Retirement	2,000	2,000	2,000	0
<i>Total Disbursements</i>	<u>92,563</u>	<u>92,563</u>	<u>84,549</u>	<u>8,014</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,055)</u>	<u>(8,055)</u>	<u>1,782</u>	<u>9,837</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(16,286)	(16,286)	(16,286)	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(24,341)</u>	<u>(24,341)</u>	<u>(14,504)</u>	<u>9,837</u>
<i>Fund Balance at Beginning of Year</i>	<u>33,021</u>	<u>33,021</u>	<u>33,021</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$8,680</u></u>	<u><u>\$8,680</u></u>	<u><u>\$18,517</u></u>	<u><u>\$9,837</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$90,000	\$90,000	\$86,632	(\$3,368)
Earnings on Investments	1,000	1,000	17	(983)
Miscellaneous	0	0	1,693	1,693
<i>Total Receipts</i>	91,000	91,000	88,342	(2,658)
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	98,135	98,135	88,439	9,696
Capital Outlay	1,000	1,000	500	500
<i>Debt Service:</i>				
Principal Retirement	9,000	9,000	5,000	4,000
Interest and Fiscal Charges	1,400	1,400	791	609
<i>Total Disbursements</i>	109,535	109,535	94,730	14,805
<i>Excess of Receipts Over (Under) Disbursements</i>	(18,535)	(18,535)	(6,388)	12,147
<i>Fund Balance at Beginning of Year</i>	22,670	22,670	22,670	0
<i>Fund Balance at End of Year</i>	\$4,135	\$4,135	\$16,282	\$12,147

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$12,411	\$12,411	\$13,054	\$643
Intergovernmental	75	75	109	34
<i>Total Receipts</i>	12,486	12,486	13,163	677
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	17,500	17,500	13,736	3,764
Capital Outlay	500	500	348	152
<i>Debt Service:</i>				
Principal Retirement	2,000	2,000	2,000	0
<i>Total Disbursements</i>	20,000	20,000	16,084	3,916
<i>Excess of Receipts Over (Under) Disbursements</i>	(7,514)	(7,514)	(2,921)	4,593
<i>Fund Balance at Beginning of Year</i>	16,738	16,738	16,738	0
<i>Fund Balance at End of Year</i>	\$9,224	\$9,224	\$13,817	\$4,593

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Cemetery Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Licenses, Permits and Fees	1,000	1,000	1,400	400
Miscellaneous	500	500	100	(400)
<i>Total Receipts</i>	1,500	1,500	1,500	0
<u>Disbursements:</u>				
<i>Current:</i>				
Health	11,114	11,114	7,077	4,037
<i>Excess of Receipts Over (Under) Disbursements</i>	(9,614)	(9,614)	(5,577)	4,037
<i>Fund Balance at Beginning of Year</i>	21,938	21,938	21,938	0
<i>Fund Balance at End of Year</i>	\$12,324	\$12,324	\$16,361	\$4,037

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Special Revenue Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	23,438	23,438	23,438	0
<i>Total Receipts</i>	23,438	23,438	23,438	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	23,438	23,438	23,438	0
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0	\$0

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Fiduciary Net Assets
Fiduciary Fund - Strausbaugh Estate Trust Fund
December 31, 2009

	<u>Private Purpose Trust Strausbaugh Trust</u>
<u>Assets:</u>	
Cash and Cash Equivalents in Segregated Account	<u>\$14,304</u>
<i>Total Assets</i>	<u><u>\$14,304</u></u>
<u>Net Assets:</u>	
Held in Trust for Other Individuals	<u>\$14,304</u>
<i>Total Net Assets</i>	<u><u>\$14,304</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Changes Fiduciary Net Assets
Fiduciary Fund - Strausbaugh Estate Trust Fund
December 31, 2009

	<u>Private Purpose Trust Strausbaugh Trust</u>
<i>Additions:</i>	
Interest	\$33
<i>Deductions</i>	<u>0</u>
Change in Net Assets	33
<i>Net Assets - Beginning of Year</i>	<u>14,271</u>
<i>Net Assets - End of Year</i>	<u><u>\$14,304</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY

Statement of Net Assets

December 31, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$108,272</u>
<i>Total Assets</i>	<u>108,272</u>
<u>Net Assets:</u>	
<i>Restricted For:</i>	
Other Purposes	75,251
Unrestricted	<u>33,021</u>
<i>Total Net Assets</i>	<u><u>\$108,272</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY

Statement of Activities

For the Year Ended December 31, 2008

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>					
General Government	\$88,436	\$0	\$0	\$0	(\$88,436)
Public Safety	18,287	0	0	5,000	(13,287)
Public Works	103,657	0	106,110	0	2,453
Health	4,350	950	0	0	(3,400)
Capital Outlay	5,559	0	0	0	(5,559)
<i>Debt Service:</i>					
Principal Retirement	9,000	0	0	0	(9,000)
Interest and Fiscal Charges	1,500	0	0	0	(1,500)
<i>Total Governmental Activities</i>	<u>\$230,789</u>	<u>\$950</u>	<u>\$106,110</u>	<u>\$5,000</u>	<u>(118,729)</u>
 <u>General Receipts:</u>					
Property Taxes					30,111
Other Taxes					1,459
Grants and Entitlements not Restricted to Specific Programs					73,007
Earnings on Investments					2,153
Miscellaneous					80
<i>Total General Receipts</i>					<u>106,810</u>
Change in Net Assets					(11,919)
<i>Net Assets at Beginning of Year</i>					<u>120,191</u>
<i>Net Assets at End of Year</i>					<u><u>\$108,272</u></u>

See accompanying notes to the basic financial statements.

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HARRISON TOWNSHIP, ROSS COUNTY

Balance Sheet

Governmental Funds

December 31, 2008

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$33,021	\$22,670	\$16,738
<i>Total Assets</i>	<u>\$33,021</u>	<u>\$22,670</u>	<u>\$16,738</u>
<u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$33,021	\$0	\$0
Special Revenue Funds	0	22,670	16,738
<i>Total Fund Balances</i>	<u>\$33,021</u>	<u>\$22,670</u>	<u>\$16,738</u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$21,938	\$13,905	\$108,272
<u>\$21,938</u>	<u>\$13,905</u>	<u>\$108,272</u>
\$0	\$0	\$33,021
21,938	13,905	75,251
<u>\$21,938</u>	<u>\$13,905</u>	<u>\$108,272</u>

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes and Other Local Taxes	\$19,732	\$0	\$11,838
Licenses, Permits and Fees	0	0	0
Intergovernmental	73,007	97,321	1,006
Earnings on Investments	740	1,105	0
Miscellaneous	80	0	0
<i>Total Receipts</i>	<u>93,559</u>	<u>98,426</u>	<u>12,844</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	88,436	0	0
Public Safety	500	0	0
Public Works	130	84,593	10,339
Health	427	0	0
Capital Outlay	4,551	508	0
<i>Debt Service:</i>			
Principal Retirement	0	9,000	0
Interest and Fiscal Charges	0	1,500	0
<i>Total Disbursements</i>	<u>94,044</u>	<u>95,601</u>	<u>10,339</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(485)</u>	<u>2,825</u>	<u>2,505</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	0	0	0
Transfers Out	(20,893)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(20,893)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(21,378)	2,825	2,505
<i>Fund Balances at Beginning of Year</i>	<u>54,399</u>	<u>19,845</u>	<u>14,233</u>
<i>Fund Balances at End of Year</i>	<u><u>\$33,021</u></u>	<u><u>\$22,670</u></u>	<u><u>\$16,738</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$31,570
850	0	850
0	7,783	179,117
0	308	2,153
100	5,000	5,180
950	13,091	218,870
0	0	88,436
0	17,787	18,287
0	8,595	103,657
3,923	0	4,350
0	500	5,559
0	0	9,000
0	0	1,500
3,923	26,882	230,789
(2,973)	(13,791)	(11,919)
5,000	15,893	20,893
0	0	(20,893)
5,000	15,893	0
2,027	2,102	(11,919)
19,911	11,803	120,191
\$21,938	\$13,905	\$108,272

HARRISON TOWNSHIP, ROSS 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
	Original	Final		Positive (Negative)
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$17,500	\$17,500	\$19,732	\$2,232
Intergovernmental	64,215	64,215	73,007	8,792
Earnings on Investments	2,500	2,500	740	(1,760)
Miscellaneous	3,000	3,000	80	(2,920)
<i>Total Receipts</i>	<u>87,215</u>	<u>87,215</u>	<u>93,559</u>	<u>6,344</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	91,848	91,848	88,436	3,412
Public Safety	500	500	500	0
Public Works	500	500	130	370
Health	500	500	427	73
Capital Outlay	5,000	5,000	4,551	449
<i>Total Disbursements</i>	<u>98,348</u>	<u>98,348</u>	<u>94,044</u>	<u>4,304</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,133)</u>	<u>(11,133)</u>	<u>(485)</u>	<u>10,648</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	<u>(20,893)</u>	<u>(20,893)</u>	<u>(20,893)</u>	<u>0</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(32,026)</u>	<u>(32,026)</u>	<u>(21,378)</u>	<u>10,648</u>
<i>Fund Balance at Beginning of Year</i>	<u>54,399</u>	<u>54,399</u>	<u>54,399</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$22,373</u></u>	<u><u>\$22,373</u></u>	<u><u>\$33,021</u></u>	<u><u>\$10,648</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$97,600	\$97,600	\$97,321	(\$279)
Earnings on Investments	2,300	2,300	1,105	(1,195)
Miscellaneous	200	200	0	(200)
<i>Total Receipts</i>	100,100	100,100	98,426	(1,674)
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	100,144	100,144	84,593	15,551
Capital Outlay	1,000	1,000	508	492
<i>Debt Service:</i>				
Principal Retirement	9,000	9,000	9,000	0
Interest and Fiscal Charges	1,500	1,500	1,500	0
<i>Total Disbursements</i>	111,644	111,644	95,601	16,043
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,544)	(11,544)	2,825	14,369
<i>Fund Balance at Beginning of Year</i>	19,845	19,845	19,845	0
<i>Fund Balance at End of Year</i>	\$8,301	\$8,301	\$22,670	\$14,369

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$10,700	\$10,700	\$11,838	\$1,138
Intergovernmental	750	750	1,006	256
Miscellaneous	0	0	0	0
<i>Total Receipts</i>	11,450	11,450	12,844	1,394
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	17,500	17,500	10,339	7,161
Capital Outlay	500	500	0	500
<i>Total Disbursements</i>	18,000	18,000	10,339	7,661
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,550)	(6,550)	2,505	9,055
<i>Fund Balance at Beginning of Year</i>	14,233	14,233	14,233	0
<i>Fund Balance at End of Year</i>	\$7,683	\$7,683	\$16,738	\$9,055

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Cemetery Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Licenses, Permits and Fees	\$1,000	\$1,000	\$850	(\$150)
Miscellaneous	1,200	1,200	100	(1,100)
<i>Total Receipts</i>	2,200	2,200	950	(1,250)
<u>Disbursements:</u>				
<i>Current:</i>				
Health	6,000	6,000	3,923	2,077
<i>Excess of Receipts Over (Under) Disbursements</i>	(3,800)	(3,800)	(2,973)	827
<u>Other Financing Sources (Uses):</u>				
Transfers In	5,000	5,000	5,000	0
<i>Total Other Financing Sources (Uses)</i>	5,000	5,000	5,000	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	1,200	1,200	2,027	827
<i>Fund Balance at Beginning of Year</i>	19,911	19,911	19,911	0
<i>Fund Balance at End of Year</i>	\$21,111	\$21,111	\$21,938	\$827

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Fiduciary Net Assets
Fiduciary Fund - Strausbaugh Estate Trust Fund
December 31, 2008

	<u>Private Purpose Trust Strausbaugh Trust</u>
<u>Assets:</u>	
Cash and Cash Equivalents in Segregated Account	<u>\$14,271</u>
<i>Total Assets</i>	<u><u>\$14,271</u></u>
<u>Net Assets:</u>	
Held in Trust for Other Individuals	<u>\$14,271</u>
<i>Total Net Assets</i>	<u><u>\$14,271</u></u>

See accompanying notes to the basic financial statements.

HARRISON TOWNSHIP, ROSS COUNTY
Statement of Changes Fiduciary Net Assets
Fiduciary Fund - Strausbaugh Estate Trust Fund
December 31, 2008

	<u>Private Purpose Trust Strausbaugh Trust</u>
<i>Additions:</i>	
Interest	\$319
<i>Deductions</i>	<u>0</u>
Change in Net Assets	319
<i>Net Assets - Beginning of Year</i>	<u>13,952</u>
<i>Net Assets - End of Year</i>	<u><u>14,271</u></u>

See accompanying notes to the basic financial statements.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

The Harrison Township, Ross 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 Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries and fire and emergency protection. The Ross County Sheriff's Department provides the Township with protection at no cost to the Township.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general governmental services, maintenance of Township roads and bridges and cemetery maintenance. The Township also provides fire protection and emergency medical services through its volunteer fire department.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This 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 cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, 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 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. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no business-type activities.

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash and investment balances of the governmental and business-type 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, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support 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 or business-type activity is self-financing on a 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 and enterprise 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. Fiduciary funds are reported by type.

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 divided into two categories: governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the source, uses and balances of the current financial statement.

The following are the Township's major governmental funds:

General Fund – This fund is 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 purposes provided it is expended or transferred in accordance to the general laws of Ohio.

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining and repairing Township roads.

Road and Bridge Fund – This fund receives tax monies to pay for constructing, maintaining and repairing Township roads and bridges.

Note 2 – Summary of Significant Accounting Policies (continued)

Cemetery Fund – This fund receives charges for services to pay for maintaining the cemetery.

Miscellaneous Special Revenue Fund – This fund is used to account for on-behalf payments made by the County to repair Township roads and bridges using grant funding.

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

Fiduciary Fund (Trust Funds) – Fiduciary funds include private purpose trust funds and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township has a private purpose trust fund, the Strausbaugh Estate Trust Fund. This fund receives interest earnings from a certificate of deposit. The earnings are to be used for the upkeep and maintenance of designated cemetery plots.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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”.

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit, and STAR Ohio. The nonnegotiable certificate of deposit is reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

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 was \$166. The interest receipts credited to the General Fund during 2008 was \$740.

F. 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.

G. 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.

H. 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 cash basis of accounting.

I. 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 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Township’s cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Note 2 – Summary of Significant Accounting Policies (continued)

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 state grants reported in special revenue funds.

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. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

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, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, and Emergency Services Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis.

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 public deposits that the Trustees have identified as not required for use within the current five year 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.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (Continued)

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;
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's deposits may not be returned. All deposits are collateralized with eligible securities in amount equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institutions collateral pools at the Federal Reserve Bank, or at member banks of the federal reserve system, in the name of the respective depository bank and pledges as pool of collateral against all of the public deposits in holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (Continued)

At December 31, 2009, the carrying amount of all Township deposits was \$29,284. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2009, the Township’s bank balance of \$30,610 was covered by the Federal Deposit Insurance \$250,000 limit effective October 2008.

At December 31, 2008, the carrying amount of all Township deposits was \$26,700. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2008, the Township bank balance of \$36,060 was covered by the Federal Deposit Insurance \$250,000 limit effective October 2008.

Investments

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

	Fair Value	6 Months or Less
STAR Ohio	\$56,056	\$56,056
Totals	\$56,056	\$56,056

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

	Fair Value	6 Months or Less
STAR Ohio	\$95,843	\$95,843
Totals	\$95,843	\$95,843

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Township’s investment policy permits limits investment portfolio maturities to five years or less.

Credit Risk: Standard and Poor’s has assigned STAR Ohio an “AAAm” money market rating.

Custodial Credit Risk: For investments, custodian credit risk is the risk that, in the event of the failure of the counter party, the Township will not be able to recover the value of it’s investments or collateral securities in the possession of an outside party. Township policy provides that investment collateral is held by the counter party as trust department or agent, and may be held in the name of the Township or not.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in single issuer. The Township has no policy minimizing concentration of credit risk. At this time, the Township invests 100% of available funds in STAR Ohio.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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 property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2007, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2009 and 2008, was \$2.4 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

Real Property	2009	2008
Residential	8,710,400	8,592,780
Agricultural	3,994,450	4,048,400
Commercial/Industrial/Mineral	17,380	17,380
Tangible Personal Property	100,600	92,330
Public Utility	1,184,990	1,158,330
Total Assessed Value	<u>14,007,820</u>	<u>13,909,220</u>

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.

Risk Pool Membership

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. (APRCO), a division of York Insurance Service 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 APRCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

A. 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, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

B. 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, 2008 and 2007 (the latest information available):

	2008	2007
Assets	\$40,737,740	\$43,210,703
Liabilities	(12,981,818)	(13,357,837)
Net Assets	\$27,755,922	\$29,852,866

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township’s share of these unpaid claims collectible in the future years is approximately \$15,422.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 6 – Risk Management- (continued)

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>	
2007	\$8,100
2008	8,779
2009	7,711

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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. 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.

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.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 7 – Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2009 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$6,279, \$5,599, and \$5,767 respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$11,343 and for 2008 were \$11,198.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14.0 percent of covered payroll (17.63 percent for public safety and law enforcement); 7.0 from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009 of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008 include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 3.0 percent annually for the next eight years and 4.0 percent annually after six years.

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 8 - Postemployment Benefits – (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans for December 31, 2009 and December 31, 2008 were 358,584 and 356,388 respectively. Actual employer contributions for 2009 and 2008 which were used to fund postemployment benefits were \$5,064 and \$5,599 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$29.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.9 billion and \$10.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 9 - Notes Payable

A summary of the note transactions for the year ended December 31, 2009, follows:

<u>Description of Issue</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-08</u>	<u>Issued in 2009</u>	<u>Retired In 2009</u>	<u>Principal Balance 12-31-09</u>
<i>General Obligation Note – Dump Truck</i>	4.44%	\$18,000	\$0	\$9,000	\$9,000
		<u>\$18,000</u>	<u>\$0</u>	<u>\$9,000</u>	<u>\$9,000</u>

A summary of the note transactions for the year ended December 31, 2008, follows:

<u>Description of Issue</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-07</u>	<u>Issued in 2008</u>	<u>Retired In 2008</u>	<u>Principal Balance 12-31-08</u>
<i>General Obligation Note – Dump Truck</i>	4.44%	\$27,000	\$0	\$9,000	\$18,000
		<u>\$27,000</u>	<u>\$0</u>	<u>\$9,000</u>	<u>\$18,000</u>

In 2005, the Township issued a general obligation note in the amount of \$45,000 to purchase a dump truck.

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

<u>Year Ended December 31:</u>	<u>2008 Dump Truck</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$9,000	\$396
Total	<u>\$9,000</u>	<u>\$396</u>

Harrison Township, Ross County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009 and 2008

Note 10 – Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	<u>\$16,286</u>
Total Transfers from the General Fund	<u><u>\$16,286</u></u>

During 2008 the following transfers were made:

Transfers from the General Fund to:	
Cemetery	\$5,000
Other Governmental Funds	<u>15,893</u>
Total Transfers from the General Fund	<u><u>\$20,893</u></u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards**

Board of Trustees
Harrison Township, Ross County
2776 Possum Hollow Road
Chillicothe, OH 45601

We have audited the accompanying financial statements of Harrison Township, Ross County, Ohio (the Township) , as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 31, 2010, wherein, as discussed in Note 2, the Township followed the cash basis of accounting, which is a comprehensive basis other than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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 opinion 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.

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 combination of internet control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Trustees
Harrison Township, Ross County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the management of the Township in a separate letter dated March 31, 2010.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

March 31, 2010

HARRISON TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Year Ended December 31, 2009 and 2008

Description	Status	Comments
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Government Auditing Standards:

1. Finding No. 2007-001 The note payments were recorded as interest. The expenditures represented payments of both principal and interest, and should have been appropriated and recorded as such.	Corrected	N/A
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Mary Taylor, CPA
Auditor of State

HARRISON TOWNSHIP

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 6, 2010**