



***HARRISON TOWNSHIP
ROSS COUNTY***

Regular Audit

**For the Years Ended
December 31, 2023 and 2022**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the Harrison Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 22, 2024

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HARRISON TOWNSHIP, ROSS COUNTY
Table of Contents
For the Years Ended December 31, 2023 and 2022

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Independent Auditor’s Report..... | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2023..... | 4 |
| Notes to the Financial Statements for the Year Ended December 31, 2023 | 5 |
| Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2022..... | 11 |
| Notes to the Financial Statements for the Year Ended December 31, 2022 | 12 |
| Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 18 |

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Independent Auditor's Report

Board of Trustees
Harrison Township, Ross County
2776 Possum Hollow Rd
Chillicothe, Ohio 45601

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Harrison Township, Ross County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 9, for 2023, and Note 9, for 2022, to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

March 19, 2024

HARRISON TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2023

| | Governmental Fund Types | | | Totals |
|---------------------------------------------------------------------------------------------------|-------------------------|--------------------|-------------------|------------------|
| | General | Special Revenue | Permanent Fund | |
| <u>Cash Receipts:</u> | | | | |
| Local Taxes | \$35,155 | \$29,254 | \$0 | 64,409 |
| Intergovernmental | 111,702 | 198,341 | 0 | 310,043 |
| Charges for Services | 0 | 48,364 | 0 | 48,364 |
| Earnings on Investments | 0 | 0 | 44 | 44 |
| Licenses, Permits, and Fees | 0 | 4,185 | 0 | 4,185 |
| Other Revenue | 2,542 | 13,052 | 0 | 15,594 |
| Total Cash Receipts | 149,399 | 293,196 | 44 | 442,639 |
| <u>Cash Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| General Government | 109,097 | 26,239 | 0 | 135,336 |
| Public Safety | 8,900 | 107,262 | 0 | 116,162 |
| Public Works | 0 | 162,599 | 0 | 162,599 |
| Health | 0 | 10,619 | 0 | 10,619 |
| Human Services | 0 | 4,900 | 0 | 4,900 |
| <i>Debt Service:</i> | | | | |
| Redemption of Principal | 0 | 13,330 | 0 | 13,330 |
| Interest and Fiscal Charges | 0 | 1,670 | 0 | 1,670 |
| Capital Outlay | 49,788 | 15,552 | 0 | 65,340 |
| Total Cash Disbursements | 167,785 | 342,171 | 0 | 509,956 |
| Total Cash Receipts Over/(Under) Cash Disbursements | (18,386) | (48,975) | 44 | (67,317) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | 0 | 30,000 | 0 | 30,000 |
| Transfers Out | (30,000) | 0 | 0 | (30,000) |
| Total Other Financing Sources (Uses) | (30,000) | 30,000 | 0 | 0 |
| Excess of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Uses | (48,386) | (18,975) | 44 | (67,317) |
| Fund Cash Balances, January 1, As Restated (See Note 8) | 205,057 | 236,668 | 14,436 | 456,161 |
| Fund Cash Balances, December 31 | \$156,671 | \$217,693 | \$14,480 | \$388,844 |

See accompanying notes to the financial statements.

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

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

Money market mutual funds are recorded as share values the mutual funds report.

D. Fund Accounting

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

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

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

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

Motor Vehicle License Fund - This fund receives motor vehicle license and permissive use tax monies to pay for constructing, maintaining, and repairing Township roads.

3. Permanent Funds

Permanent Funds - These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County budget Commission must approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are cancelled and re-appropriated in the subsequent year.

A summary of budgetary activity for 2023 appears in Note 3.

F. Fund Balance

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

1. Non-spendable

The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The bank statement amount of deposits and investments at December 31st was as follows:

| | 2023 |
|---------------------------------------|-----------|
| Demand deposits | \$378,765 |
| Money Market (Kingston National Bank) | 14,465 |
| Total deposits | 393,230 |
| Total investments | 0 |
| Total deposits and investments | \$393,230 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution’s public entity deposit pool.

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

3. BUDGETARY ACTIVITY

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$159,366 | \$149,399 | (\$9,967) |
| Special Revenue | 306,373 | 323,196 | 16,823 |
| Permanent Fund | 40 | 44 | 4 |
| Total | \$465,779 | \$472,639 | \$6,860 |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|-------------------------------------------------------|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$241,800 | \$197,785 | \$44,015 |
| Special Revenue | 514,177 | 342,171 | 172,006 |
| Permanent Fund | 0 | 0 | 0 |
| Total | \$755,977 | \$539,956 | \$216,021 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31st. If the property owner elects to pay semiannually, the first half is due December 31st and the second half payment is due the following June 20th.

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

5. DEBT

In November, 2020, the Township obtained a seven (7) year loan from Vinton County National Bank in the amount of \$85,078 for the purchase of a new 2020 Ford Dump Truck for the Township. The annual payments commenced in November, 2021, in the amount of \$12,154 plus 3.19% interest. However, the Township was able to pay \$20,000 toward the loan and paid \$2,752 in interest. In 2022, \$13,390 was paid in principal and \$1,610 in interest for a total of \$15,000. In 2023, \$13,390 was paid in principal and \$1,610 in interest for a total of \$15,000. As of December 2023, the loan balance outstanding was \$38,858.

Harrison Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2023

6. RETIREMENT SYSTEMS

The Township’s Firefighters belong to the Volunteers Firefighters Dependent Fund. All other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and Omissions

8. PRIOR PERIOD ADJUSTMENT

In January 2023, the Township had a system error that resulted in a restatement of the prior period cash balance.

| | General | Special Revenue |
|---------------------------------------------|-----------|--------------------|
| Fund Balance at December 31, 2022 | \$204,454 | \$235,969 |
| Understatement of Cash and Cash Equivalents | 603 | 699 |
| Fund Balance at December 31, 2022 | \$205,057 | \$236,668 |

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2023, the Township did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

HARRISON TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2022

| | Governmental Fund Types | | | Totals |
|---------------------------------------------------------------------------------------------------|-------------------------|--------------------|-------------------|------------------|
| | General | Special Revenue | Permanent Fund | |
| <u>Cash Receipts:</u> | | | | |
| Local Taxes | \$28,881 | \$25,423 | \$0 | 54,304 |
| Intergovernmental | 91,969 | 235,027 | 0 | 326,996 |
| Charges for Services | 0 | 63,850 | 0 | 63,850 |
| Earnings on Investments | 0 | 0 | 27 | 27 |
| Licenses, Permits, and Fees | 0 | 2,900 | 0 | 2,900 |
| Other Revenue | 5,355 | 33,162 | 0 | 38,517 |
| Total Cash Receipts | 126,205 | 360,362 | 27 | 486,594 |
| <u>Cash Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| General Government | 57,776 | 46,843 | 0 | 104,619 |
| Public Safety | 7,994 | 238,147 | 0 | 246,141 |
| Public Works | 0 | 107,075 | 0 | 107,075 |
| Health | 0 | 8,481 | 0 | 8,481 |
| Human Services | 0 | 6,000 | 0 | 6,000 |
| <i>Debt Service:</i> | | | | |
| Redemption of Principal | 0 | 12,890 | 0 | 12,890 |
| Interest and Fiscal Charges | 0 | 2,110 | 0 | 2,110 |
| Capital Outlay | 0 | 15,143 | 0 | 15,143 |
| Total Cash Disbursements | 65,770 | 436,689 | 0 | 502,459 |
| Total Cash Receipts Over/(Under) Cash Disbursements | 60,435 | (76,327) | 27 | (15,865) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | 0 | 40,000 | 0 | 40,000 |
| Transfers Out | (40,000) | 0 | 0 | (40,000) |
| Total Other Financing Sources (Uses) | (40,000) | 40,000 | 0 | 0 |
| Excess of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Uses | 20,435 | (36,327) | 27 | (15,865) |
| Fund Cash Balances, January 1, As Restated (See Note 8) | 184,019 | 272,296 | 14,409 | 470,724 |
| Fund Cash Balances, December 31 | \$204,454 | \$235,969 | \$14,436 | \$454,859 |

See accompanying notes to the financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

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

Money market mutual funds are recorded as share values the mutual funds report.

D. Fund Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

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

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

Motor Vehicle License Fund - This fund receives motor vehicle license and permissive use tax monies to pay for constructing, maintaining, and repairing Township roads.

3. Permanent Funds

Permanent Funds - These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County budget Commission must approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are cancelled and re-appropriated in the subsequent year.

A summary of budgetary activity for 2022 appears in Note 3.

F. Fund Balance

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

1. Non-spendable

The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The bank statement amount of deposits and investments at December 31st was as follows:

| | 2022 |
|---------------------------------------|-----------|
| Demand deposits | \$484,030 |
| Money Market (Kingston National Bank) | 14,421 |
| Total deposits | 498,451 |
| Total investments | 0 |
| Total deposits and investments | \$498,451 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution’s public entity deposit pool.

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

3. BUDGETARY ACTIVITY

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$106,235 | \$126,205 | \$19,970 |
| Special Revenue | 417,513 | 400,062 | (17,451) |
| Permanent Fund | 2 | 27 | 25 |
| Total | \$523,750 | \$526,294 | \$2,544 |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|-------------------------------------------------------|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$235,900 | \$105,770 | \$130,130 |
| Special Revenue | 563,554 | 436,689 | 126,865 |
| Permanent Fund | 0 | 0 | 0 |
| Total | \$799,454 | \$542,459 | \$256,995 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31st. If the property owner elects to pay semiannually, the first half is due December 31st and the second half payment is due the following June 20th.

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

5. DEBT

In November, 2020, the Township obtained a seven (7) year loan from Vinton County National Bank in the amount of \$85,078 for the purchase of a new 2020 Ford Dump Truck for the Township. The annual payments commenced in November, 2021, in the amount of \$12,154 plus 3.19% interest. However, the Township was able to pay \$20,000 toward the loan and paid \$2,752 in interest. In 2022, \$13,390 was paid in principal and \$1,610 in interest for a total of \$15,000. As of December 31, 2022, the loan balance outstanding was \$52,188.

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

6. RETIREMENT SYSTEMS

The Township’s Firefighters belong to the Volunteers Firefighters Dependent Fund. All other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and Omissions

8. PRIOR PERIOD ADJUSTMENT

In January 2022, the Township had a system error that resulted in a restatement of the prior period cash balance.

| | General | Special Revenue |
|---------------------------------------------|-----------|--------------------|
| Fund Balance at December 31, 2021 | \$181,504 | \$272,096 |
| Understatement of Cash and Cash Equivalents | 2,515 | 200 |
| Fund Balance at December 31, 2021 | \$184,019 | \$272,296 |

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the Township did receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards***

Board of Trustees
Donna Snyder, Fiscal Officer
Harrison Township, Ross County
2776 Possum Hollow Rd
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Harrison Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated March 19, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the Township.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Trustees
Harrison Township, Ross County
Independent Auditor's 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 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, opining 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 that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

March 19, 2024

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OHIO AUDITOR OF STATE KEITH FABER



HARRISON TOWNSHIP

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/2/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov