

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**AUDIT REPORT**

**JANUARY 1, 2015 - DECEMBER 31, 2016**





# Dave Yost • Auditor of State

Board of Trustees  
Harrison Township  
650 Butterbean Ridge Road  
Philo, Ohio 43771

We have reviewed the *Independent Auditors' Report* of Harrison Township, Muskingum County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2015 through December 31, 2016. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 1, 2017

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**HARRISON TOWNSHIP  
MUSKINGUM COUNTY  
JANUARY 1, 2015 - DECEMBER 31, 2016**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Harrison Township  
Muskingum County  
650 Butterbean Ridge Road  
Philo, Ohio 43771

To the Township Trustees:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of Harrison Township, Muskingum County, as of and for the years ended December 31, 2016 and 2015.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using 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), which is an accounting basis other than accounting principles generally accepted in the United States (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonable determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

#### **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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Harrison Township, Muskingum County as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

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

During 2016, the Trustees' salaries were incorrectly allocated to the Gasoline Tax Fund, Special Revenue Fund type in the amount of \$1,313, the Road & Bridge Fund, Special Revenue Fund type in the amount of \$1,313 that should have been allocated to the General Fund in the amount of \$2,123 and the Park Levy Fund, Special Revenue Fund type of \$503. The Township declined to make these adjustments during this audit period. See note 11 for the effect on each fund.

During 2015, the Trustees' salaries were incorrectly allocated to the Gasoline Tax Fund, Special Revenue Fund type in the amount of \$3,673, and the Road & Bridge Fund, Special Revenue Fund type in the amount of \$3,673 that should have been allocated to the General Fund in the amount of \$5,775, the Park Levy Fund, Special Revenue Fund type of \$1,484 and the Fire District Fund, Special Revenue Fund type in the amount of \$87. The Township declined to make these adjustments during this audit period. See note 11 for the effect on each fund.

During 2014, the Trustees' salaries and employer fringes were incorrectly allocated to the Gasoline Tax Fund, Special Revenue Fund type in the amount of \$13,634 and the Road & Bridge Fund, Special Revenue Fund type in the amount of \$3,970 that should have been allocated to the General Fund. The Township declined to make these adjustments during this audit period. See note 11 for the effect on each fund.

During 2013, the Trustees' salaries and employer fringes were incorrectly allocated to the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$12,885 and the Road & Bridge Fund, Special Revenue Fund type in the amount of \$16,969 that should have been allocated to the General Fund. The Township declined to make these adjustments during this audit period. See note 11 for the effect on each fund.



During 2012, the Trustees' salaries and employer fringes were incorrectly allocated to the Gasoline Tax Fund in the amount of \$21,395, the Road & Bridge Fund in the amount of \$13,325, Motor Vehicle License Tax Fund in the amount of \$1,539 and the Road District Fund (all Special Revenue Fund types) in the amount of \$2,777, that should have been posted to the General Fund. The Township posted debt payments incorrectly to the Special Revenue Fund type in the amount of \$8,429 instead of Debt Service Fund type. Additionally during 2012 revenues were incorrectly posted General Fund, in the amount of 12,062, Special Revenue Fund types, the Motor Vehicle License Tax Fund and the Road & Bridge Fund, in the amounts of \$6,889 and \$5,977, respectfully, and the Pool Debt Service Fund, in the amount of \$4,234 instead of to the Special Revenue Fund Types, the Gasoline Tax Fund, in the amount of \$2,000, the Fire District Fund, in the amount of \$4,875, the Road District Fund, in the amount of \$2,294, the Park Levy Fund in the amount of \$5,374, the Fire and Rescue Fund, in the amount of \$2,500 and the Firefighting Equipment Debt Service Fund in the amount of \$4,234. The Township declined to make these adjustments during this audit period and prior audit period. See note 8 for the effect on each fund.

During 2011, the Trustees' salaries and employer fringes were incorrectly allocated to the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$17,695, the Road & Bridge Fund, Special Revenue Fund type in the amount of \$9,019 and the Road District Fund, Special Revenue Fund type, in the amount of \$6,468 that should have been allocated to the General Fund. Also, the Township posted debt payments incorrectly to Park Levy Fund, Special Revenue Fund type, in the amount of \$5,476 instead of the Pool Debt Service Fund, in the amount of \$5,476. The Township declined to make these adjustments during this audit period and prior audit period. See note 8 for the effect on each fund.

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

In our opinion, based on the effects of the matters described in the basis for Adverse Opinion on Regulatory Basis paragraph, the financial statements referred to above do not present fairly, in all material respects, the combined cash balances of Harrison Township, Muskingum County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits, described in Note 2.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2017, on our consideration of Harrison 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. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 23, 2017

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 15,627	\$ 221,030	\$ 33,334	\$ 269,991
Charges for Services	-	68,223	-	68,223
Intergovernmental	17,518	115,384	1,914	134,816
Earnings on Investments	791	236	-	1,027
Miscellaneous	812	2,669	-	3,481
<b>Total Cash Receipts</b>	<u>34,748</u>	<u>407,542</u>	<u>35,248</u>	<u>477,538</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	36,335	-	-	36,335
Public Safety	-	69,790	-	69,790
Public Works	-	157,462	-	157,462
Conservation/Recreation	-	57,754	-	57,754
Health	-	527	-	527
Capital Outlay	-	162,382	-	162,382
Debt Service:				
Principal Retirement	-	17,128	31,147	48,275
Interest and Fiscal Charges	-	3,108	1,853	4,961
<b>Total Cash Disbursements</b>	<u>36,335</u>	<u>468,151</u>	<u>33,000</u>	<u>537,486</u>
<b>Excess of Cash Receipts Over/(Under) Cash Disbursements</b>	(1,587)	(60,609)	2,248	(59,948)
<b>Other Cash Financing Sources</b>				
<b>Debt Proceeds</b>	-	128,442	-	128,442
<b>Total Other Cash Financing Sources</b>	-	128,442	-	128,442
<b>Net Change in Fund Cash Balance</b>	(1,587)	67,833	2,248	68,494
<b>Fund Cash Balances, January 1</b>	<u>23,376</u>	<u>224,592</u>	<u>(6,306)</u>	<u>241,662</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	214,457	-	214,457
Assigned	12,142	77,968	-	90,110
Unassigned (Deficit)	9,647	-	(4,058)	5,589
<b>Fund Cash Balances, December 31</b>	<u>\$ 21,789</u>	<u>\$ 292,425</u>	<u>\$ (4,058)</u>	<u>\$ 310,156</u>

See notes to financial statements.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 12,952	\$ 132,600	\$ 34,467	\$ 180,019
Charges for Services	-	39,005	-	39,005
Intergovernmental	21,774	148,718	-	170,492
Earnings on Investments	687	205	-	892
Miscellaneous	4,520	2,818	-	7,338
<b>Total Cash Receipts</b>	<u>39,933</u>	<u>323,346</u>	<u>34,467</u>	<u>397,746</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	33,353	-	-	33,353
Public Safety	-	63,565	-	63,565
Public Works	-	195,168	-	195,168
Conservation/Recreation	-	52,783	-	52,783
Health	1,876	-	-	1,876
Capital Outlay	165	48,208	-	48,373
Debt Service:				
Principal Retirement	-	-	31,531	31,531
Interest and Fiscal Charges	-	-	3,340	3,340
<b>Total Cash Disbursements</b>	<u>35,394</u>	<u>359,724</u>	<u>34,871</u>	<u>429,989</u>
<b>Net Change in Fund Cash Balance</b>	4,539	(36,378)	(404)	(32,243)
<b>Fund Cash Balances, January 1</b>	<u>18,837</u>	<u>260,970</u>	<u>(5,902)</u>	<u>273,905</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	163,033	-	163,033
Assigned	9,257	61,559	-	70,816
Unassigned (Deficit)	14,119	-	(6,306)	7,813
<b>Fund Cash Balances, December 31</b>	<u>\$ 23,376</u>	<u>\$ 224,592</u>	<u>\$ (6,306)</u>	<u>\$ 241,662</u>

See notes to financial statements.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

**Description of the Entity**

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

The Township participates in a public entity risk pool. Note 6 to the financial statements provide additional information for these entities.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**B. Fund Accounting**

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

**General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

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

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

**Fire District Fund** – This fund receives property tax monies for fire operations.

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

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**Debt Service Funds**

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

**EMS Building Debt Service Fund** – This fund receives property tax monies to retire a note for the purchase of a building to be used for Township EMS services.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

**Appropriations**

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

**Estimated Resources**

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

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2016 and 2015 appear in Note 3.

**E. Deposits and Investments**

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

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**F. Capital Assets**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**H. Fund Balance**

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

**Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted**

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

**Committed**

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

**Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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.

**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.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**H. Fund Balance (Continued)**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2016 and 2015 is as follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 70,901	\$ 34,748	\$ (36,153)
Special Revenue	410,207	535,984	125,777
Debt Service	40,000	35,248	(4,752)
Total	\$ 521,108	\$ 605,980	\$ 84,872

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 108,826	\$ 48,477	\$ 60,349
Special Revenue	693,632	546,119	147,513
Debt Service	49,022	33,000	16,022
Total	\$ 851,480	\$ 627,596	\$ 223,884

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 62,880	\$ 39,933	\$ (22,947)
Special Revenue	365,100	323,346	(41,754)
Debt Service	8,300	34,467	26,167
Total	\$ 436,280	\$ 397,746	\$ (38,534)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,688	\$ 44,651	\$ 69,037
Special Revenue	790,785	421,283	369,502
Debt Service	19,523	34,871	(15,348)
Total	\$ 923,996	\$ 500,805	\$ 423,191

Contrary to ORC 5705.39, the Township had funds where appropriations exceeded estimated resources.  
 Contrary to ORC 5705.41(B), the Township had one fund where expenditures exceeded appropriations.  
 Contrary to ORC 5705.41(D), the Township made expenditures prior to certifications.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**4. EQUITY IN POOLED CASH**

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

	<u>2016</u>	<u>2015</u>
Demand Deposits	<u>\$ 310,156</u>	<u>\$ 241,662</u>
Total Deposits	<u>\$ 310,156</u>	<u>\$ 241,662</u>

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

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**6. RISK MANAGEMENT**

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 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.

Commercial Insurance



**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**6. RISK MANAGEMENT(Continued)**

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2015 (the latest information available):

	2016	2015
Assets	\$38,473,283	\$37,313,311
Liabilities	(8,244,140)	(8,418,518)
Retained Earnings	\$30,229,143	\$28,894,793

At December 31, 2016 and 2015, respectively, the liabilities above include approximately \$7.4 and \$7.8 million of estimated incurred claims payable. The assets above also include approximately \$6.9 and \$7.7 million of unpaid claims to be billed to approximately 1,010 members and 989 member governments in the future, as of December 31, 2016 and 2015, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$7,044.

Based on discussion 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.

Contributions to OTARMA

2016	\$15,654
2015	14,916
2014	14,804

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

**7. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

Some of the Township's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016 and 2015, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2016.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**7. DEFINED BENEFIT PENSION PLANS**

*Social Security*

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2016.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**9. DEBT**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest rate
Bank Loan – EMS Building	\$ 24,090	3.75%
Bank Loan – Dump Truck	111,294	3.75%
Total	\$ 135,384	

During 2012, the Township obtained a loan to finance the purchase of an Emergency Management Services (EMS) building for the Township EMS services. The Township's taxing authority collateralized the loan. The debt is retired from the EMS Debt Service Fund.

During 2016, the Township obtained a loan to finance the purchase of an dump truck to be used for maintaining township roads. The Township's taxing authority collateralized the loan. The debt is retired from the Gasoline Tax Fund, Road & Bridge Fund and the Road District Fund.

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

Year Ended December 31	EMS Building	Dump Truck
2017	\$ 24,148	\$ 21,126
2018	-	21,126
2019	-	21,126
2020	-	21,126
2021	-	21,126
2022-2026	-	21,126
Total	\$ 24,148	\$ 126,756

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**10. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**11. FINANCIAL ADJUSTMENTS NOT MADE**

At December 31, 2011, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2011	Adjustments	Effect on
Fund	Balance	Not Made	December 31, 2011
			Balance
General	\$ 6,860	\$ (33,182)	\$ (26,322)
Special Revenue			
Gasoline Tax	44,865	17,695	62,560
Road & Bridge	44,810	9,019	53,829
Road District	9,780	6,468	16,248
Park Levy	21,118	5,476	26,594
Debt Service			
Pool	5,482	(5,476)	6

At December 31, 2012, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2012	Adjustments	Effect on
Fund	Balance	Not Made	December 31, 2012
			Balance
General	\$ 19,507	\$ (51,098)	\$ (31,591)
Special Revenue			
Motor Vehicle	17,591	(5,350)	12,241
Gasoline Tax	48,957	24,714	73,671
Road & Bridge	55,481	7,348	62,829
Fire District	47,035	4,875	51,910
Road District	24,896	5,071	29,967
Park Levy	17,434	5,374	22,808
Fire and Rescue	-	2,500	2,500
Debt Service			
Firefighter Equip	-	9,102	9,102
Tractor	4,286	(4,195)	91
Pool	3,904	1,659	5,563

The December 31, 2012 Balance and the Adjustments Not Made do not include the adjustments not made in 2011.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**11. FINANCIAL ADJUSTMENTS NOT MADE (Continued)**

At December 31, 2013, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2013	Adjustments	Effect on
Fund	Balance	Not Made	Balance
General	\$ 26,544	\$ (29,854)	\$ (3,310)
Special Revenue			
Gasoline Tax	51,166	12,885	64,051
Road & Bridge	57,343	16,969	74,312

The December 31, 2013 Balance and the Adjustments Not Made do not include the adjustments not made in 2011 and 2012.

At December 31, 2014, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2014	Adjustments	Effect on
Fund	Balance	Not Made	Balance
General	\$ 18,837	\$ (17,604)	\$ 1,233
Special Revenue			
Gasoline Tax	60,125	13,634	73,759
Road & Bridge	26,155	3,970	30,125

The December 31, 2014 Balance and the Adjustments Not Made do not include the adjustments not made in 2011, 2012 and 2013.

At December 31, 2015, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2015	Adjustments	Effect on
Fund	Balance	Not Made	Balance
General	\$ 23,591	\$ (5,775)	\$ 17,816
Special Revenue			
Gasoline Tax	52,961	3,673	56,634
Road & Bridge	10,307	3,673	13,980
Park Levy	24,022	(1,484)	22,538
Fire District	97,171	(87)	97,084

The December 31, 2015 Balance and the Adjustments Not Made do not include the adjustments not made in 2011, 2012, 2013 and 2014.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**11. FINANCIAL ADJUSTMENTS NOT MADE (Continued)**

At December 31, 2016, the following funds had adjustments which the Township declined to make in the following amounts:

	December 31, 2016	Adjustments	Effect on
Fund	Balance	Not Made	December 31, 2016
	Balance	Not Made	Balance
General	\$ 38,359	\$ (2,123)	\$ 36,236
Special Revenue			
Gasoline Tax	73,502	1,313	74,815
Road & Bridge	6,376	1,313	7,689
Park Levy	37,338	(503)	36,835

The December 31, 2016 Balance and the Adjustments Not Made do not include the adjustments not made in 2011, 2012, 2013, 2014 and 2015.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Harrison Township  
Muskingum County  
650 Butterbean Ridge Road  
Philo, Ohio 43771

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Harrison Township, Muskingum County as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 23, 2017, which was adverse as the Township did not make prior audit adjustments. We also noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Harrison 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2016-001, 2016-002, 2016-003, and 2016-005 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Harrison 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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed six instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-001, 2016-002, 2016-004, 2016-006, 2016-007 and 2016-008.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 23, 2017

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-001**

**Noncompliance/Material Weakness**

Ohio Revised Code Section 507.09 and 505.24(C) provides guidance for allocating township trustee compensation. Trustees' are paid by annual salary. To be paid on a salary basis in equal monthly instalments, the board of trustees must unanimously pass a resolution to allow it. To be paid from any fund(s) other than the general fund, the resolution must also specify the proportions of the salary to be paid from each fund. If the trustees use the salary method and are compensated from funds other than the general fund, they must certify the percentage of time spent working on matters that are to be paid from funds other than the general fund. Trustees must complete a certification prior to receiving his/her pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee spent during that pay period providing services related to each fund to be charged. If 100% of the compensation of the township trustee is to be paid from the general fund, no certification is required.

Also, the Township should record all employees' fringe benefits to the funds or budgets from which the trustees are compensated for services each year. Since the Trustees were improperly paid out of funds other than the General Fund, all fringes should have been charged to the General Fund as well.

In 2016, General Fund expenditures and Park Levy Fund Expenditures were understated by \$2,123 and \$503, respectively and expenditures in the Gasoline Tax Fund and Road and Bridge Fund were overstated by \$1,313 and \$1,313, respectively.

In 2015, General Fund expenditures, Park Levy Fund Expenditures and Fire District Fund expenditures were understated by \$5,775, \$1,484 and \$87, respectively and expenditures in the Gasoline Tax Fund and Road and Bridge Fund were overstated by \$3,673 and \$3,673 respectively.

These adjustments have not been posted to the accounting system or the financial statements.

In addition to the above, the Township also did not post prior year adjustments for the same noncompliance state above. That adjustment would have increased General Fund expenditures by \$119,676 and decreased expenditures in the MVL Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Road District Fund by \$1,539, \$65,609, \$43,283 and \$9,245, respectively.

We recommend the Township adopt formal administrative procedures regarding documenting time spent on various duties and implement the use of payroll certification sheets

Client Response: We received no response form the client.



**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-002**

**Noncompliance/Material Weakness**

Ohio Revised Code Section 5705.10 (D) provides, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2016, the Township posted all rollback and homestead reimbursement payments entirely to the General Fund instead of allocating it amongst the funds listed on the county auditor settlement sheet

In 2016, the General Fund was overstated by \$16,355 and the Road and Bridge Fund, Fire District Fund, Road District Fund, Parks Levy Fund, Truck Debt Service Fund and EMS Building Debt Service Fund were understated by \$3,828, \$4,350, \$2,436, \$3,828, \$347 and \$1,566, respectively.

We recommend the Fiscal Officer post homestead and rollback tax and personal property tax reimbursements in accordance with the semi-annual apportionment of taxes forms received from the County Auditor.

This adjustment was posted to the financial statement and accounting system.

Client Response: We received no response from the client.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-003**

**Material Weakness**

All local offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Township did not have control procedures in place to ensure the accuracy of the Fiscal Officer's receipt and expenditure line item account postings. Throughout the audit period, numerous receipts and expenditures were not always posted to accurate receipt or expenditure classifications based on upon the source of the receipt and the nature of the expenditure.

The following relate to 2016:

- A reclassification of \$30,000 was made to increase Capital Outlay and decrease Public Safety in the Fire District Fund.
- \$7,187 which is Principal Retirement of \$7,147 and Interest and Other Fiscal Charges of \$40 were adjusted from the Road District Fund and Posted to the Truck Debts Service Fund.
- \$25,806 which is Principal Retirement of \$24,000 and Interest and Other Fiscal Charges of \$1,806 were adjusted from the Fire District Fund and posted to the EMS Building Debt Service Fund.
- A reclassification of \$4,111 to Principal Retirement and \$889 of Interest and Other Fiscal Charges was made in the Gasoline Tax Fund for the dump truck debt payment.
- A reclassification of \$2,055 to Principal Retirement and \$571 of Interest and Other Fiscal Charges was made in the Road and Bridge Fund for the dump truck debt payment.
- A reclassification of \$10,962 to Principal Retirement and \$2,538 of Interest and Other Fiscal Charges was made in the Road District Fund for the dump truck debt payment.
- Debt Proceeds and capital Outlay of \$128,422 were not recorded

The following relate to 2015:

- A reclassification of \$4,062 was made to increase Capital Outlay and decrease Public Works in the Gasoline Tax Fund.
- A reclassification of \$10,800 was made to increase Capital Outlay and decrease Public Works in the Road District Fund.
- A reclassification of \$7,400 was made to increase Capital Outlay and decrease Public Safety in the Fire District Fund.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-003 (Continued)**

- \$8,185 which is Principal Retirement of \$7,531 and Interest and Other Fiscal Charges of \$654 were adjusted from the Road District Fund and Posted to the Truck Debts Service Fund.
- \$16,573 which is Principal Retirement of \$14,908 and Interest and Other Fiscal Charges of \$1,665 were adjusted from the Fire District Fund and posted to the EMS Building Debt Service Fund.

These adjustments have been posted to the financial statements and the accounting system.

We recommend the Fiscal Officer refer to the Ohio Township Handbook for proper classification and take additional care in posting debt payments to the accounting system so the year-end financial statements properly reflect the Townships transactions.

Client Response: We received no response from the client

**FINDING NUMBER 2016-004**

**Noncompliance**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Township.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-004 (Continued)**

- Blanket Certificates. Fiscal officers may prepare “blanket” certificates if the Township has approved their use and established maximum amounts.
- Super Blanket Certificates. The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called “super blanket” certificate may be outstanding at a particular time for any line item appropriation.

The Township did not certify the availability of funds prior to the purchase commitment for 37% of expenditures tested. For these item the Township also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Client Response: We received no response from the client.

**FINDING NUMBER 2016-005**

**Material Weakness**

During our review of the Township’s disbursement system, we noted the following:

- Voucher packages did not consistently include invoices as supporting documentation to support the payment being made.

These conditions did not allow for proper documentation of certain disbursements and resulted in the Township not being able to properly reconcile their accounting system to the bank.

We recommend the Township consider implementing the following procedures to strengthen the internal controls over the proper disbursement of public funds.

- Voucher packages should contain evidence to support the expenditure, such as an invoice.

Client Response: We received no response from the client.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-006**

**Noncompliance**

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

At December 31, 2015, EMS Building Debt Service Fund and Debt Service Truck Fund had expenditures exceeding appropriation by \$26,686.

We recommend the Board of Trustees and Fiscal Officer compare, expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board of Trustees should take necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

Client Response: We received no response from the client

**FINDING NUMBER 2016-007**

**Noncompliance**

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total of estimated resources.

Based on tests performed, in 2016, we noted the General Fund, MVL Tax Fund, Cemetery Fund, Fire District Fund, Road District Fund and Park Levy Fund had appropriations exceeding estimated resources by \$14,344, \$3,984, \$1,151, \$92,907, \$1,669 and \$5,292, respectively.

Based on tests performed, in 2015, we noted the General Fund, MVL Tax Fund, Gasoline Tax Fund, Road & Bridge Fund, Cemetery Fund, Fire District Fund, Road District Fund and Park Levy Fund had appropriations exceeding estimated resources by \$12,482, \$9,844, \$42,102, \$18,245, \$851, \$119,417, \$21,590 and \$7,463, respectively.

Failure to monitor estimated resources and appropriations could result in the Township committing funds to be spent which are not available to spend.

We recommend the Township compare estimated resources to appropriations in all funds that are legally required to be budgeted, at the legal level of control, prior to making expenditure commitments, and make all necessary adjustments to ensure compliance with the above requirements.

Client Response: We received no response from the client.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

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

**FINDING NUMBER 2016-008**

**Noncompliance**

Ohio Revised Code Section 5705.10(H) states that money paid into any fund shall be used only for the purposes for which the fund was established. As a result, a deficit fund balance indicates that money from one fund was used to cover the expenses of another fund.

As of December 31, 2016, the Debt Service Truck Fund and Debt Service Back Hoe Fund had a negative cash balance of \$7,094 and \$673, respectively.

As of December 31, 2015, the Debt Service Truck Fund and Debt Service Back Hoe Fund had a negative cash balance of \$7,782 and \$673, respectively.

We recommend the Fiscal Officer monitor fund balances to properly ensure that monies from one fund are not utilized to pay the obligation of another fund.

Client Response: We have received no response from the client.

**HARRISON TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2012-001	Finding for recovery was issued in the amount of \$531.68 against Delores Mahon for salary overpayment	No	Not Corrected: The Township has not collected any of the Findings for Recovery from Delores Mahon
2014-01	ORC 507.09 and 505.24 ( C Certification of Trustee payroll	No	Not Corrected - Refer to Findng 2016-001
2014-02	ORC 5705.10(D) Misposting of Rollback and Homestead receipts	No	Not Corrected - Refer to Findng 2016-002
2014-03	Material Weakness Bank Reconciliations Recon and Cashbook	Yes	Finding no longer valid
2014-04	Material Weakness Debt payments not recorded correctly	No	Not Corrected - Refer to Findng 2016-003
2014-05	ORC 5705.41 (D) (1) Prior certification of money available to spend	No	Not Corrected - Refer to Findng 2016-004
2014-06	Material Weakness Voucher packages and checks recorded	No	Not Corrected - Refer to Findng 2016-005
2014-07	ORC 5705.41 (B) Expenditures exceeding appropriations	No	Not Corrected - Refer to Findng 2016-006
2014-08	ORC 5705.39 appropriations exceeding estimated revenue	No	Not Corrected - Refer to Findng 2016-007
2014-09	ORC 5705.10(H) negative fund balances	No	Not Corrected - Refer to Findng 2016-008

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# Dave Yost • Auditor of State

HARRISON TOWNSHIP

MUSKINGUM 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  
AUGUST 15, 2017