



**HARRISON TOWNSHIP
SCIOTO COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HARRISON TOWNSHIP
SCIOTO COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Harrison Township
Scioto County
237 Wheelers Mill Road
Wheelersburg, Ohio 45694

To the Board of Trustees:

We have audited the accompanying financial statements of Harrison Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Harrison Township, Scioto County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2002, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

March 14, 2002

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 44,889	\$ 271,768	\$ 316,657
Intergovernmental	33,557	108,859	142,416
Earnings on Investments	1,110	2,220	3,330
Other Revenue	19,080	2,795	21,875
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	98,636	385,642	484,278
Cash Disbursements:			
Current:			
General Government	69,459		69,459
Public Safety		129,157	129,157
Public Works	5,028	189,732	194,760
Health	23,888		23,888
Capital Outlay		60,529	60,529
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	98,375	379,418	477,793
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	261	6,224	6,485
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		40,000	40,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	40,000	40,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	261	46,224	46,485
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	24,871	143,129	168,000
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$ 25,132	\$ 189,353	\$ 214,485

The notes to the financial statements are an integral part of this statement.

HARRISON TOWNSHIP
SCIOTO COUNTY

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 43,427	\$ 216,298	\$	\$ 259,725
Intergovernmental	33,841	113,043	151,937	298,821
Earnings on Investments	1,912	3,824		5,736
All Other Revenue	<u>14,773</u>			<u>14,773</u>
Total Cash Receipts	<u>93,953</u>	<u>333,165</u>	<u>151,937</u>	<u>579,055</u>
Cash Disbursements:				
Current:				
General Government	62,129			62,129
Public Safety		107,895		107,895
Public Works	5,055	224,002		229,057
Health	22,821			22,821
Capital Outlay	<u>104</u>		<u>151,937</u>	<u>152,041</u>
Total Cash Disbursements	<u>90,109</u>	<u>331,897</u>	<u>151,937</u>	<u>573,943</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,844</u>	<u>1,268</u>	<u>0</u>	<u>5,112</u>
Fund Cash Balances, January 1	<u>21,027</u>	<u>141,861</u>		<u>162,888</u>
Fund Cash Balances, December 31	<u>\$ 24,871</u>	<u>\$ 143,129</u>	<u>\$ 0</u>	<u>\$ 168,000</u>

The notes to the financial statements are an integral part of this statement.

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. 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:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money to construct, maintain and repair Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to construct, maintain and repair Township roads.

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Projects Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Projects Fund:

Ohio Public Works Fund - The Township received a grant from the Ohio Public Works Commission to pave Township roads.

D. 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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash balances as of January 1. The County Budget Commission must also 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 carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2000	2001
Demand deposits	\$25,000	\$25,000
Total deposits	25,000	25,000
Repurchase agreement	143,000	189,485
Total investments	143,000	189,485
Total deposits and investments	\$168,000	\$214,485

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

Investments: The Township's agent holds securities collateralizing repurchase agreements. The securities are not in the Township's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 was as follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,157	\$98,636	\$16,479
Special Revenue	395,737	425,642	29,905
Total	\$477,894	\$524,278	\$46,384

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$107,028	\$98,375	\$8,653
Special Revenue	497,867	379,418	118,449
Total	\$604,895	\$477,793	\$127,102

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,869	\$93,953	\$11,084
Special Revenue	301,969	333,165	31,196
Capital Projects	151,937	151,937	0
Total	\$536,775	\$579,055	\$42,280

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$103,897	\$90,109	\$13,788
Special Revenue	443,830	331,897	111,933
Capital Projects	175,325	151,937	23,388
Total	\$723,052	\$573,943	\$149,109

4. PROPERTY TAX

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

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

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

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

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Debt Agreement	\$40,000	5.10%
Total	\$40,000	

The debt agreement was issued to finance the purchase of a truck to be used for Township road maintenance. The debt is collateralized by the truck.

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

Year ending December 31:	Promissory Note
2002	\$9,367
2003	9,367
2004	9,367
2005	9,367
2006	9,367
Total	\$46,835

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000 PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township's contribution rate returned to 13.55% as of January 1, 2001. The Township has paid all contributions required through December 31, 2001.

**HARRISON TOWNSHIP
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Vehicles
- Property
- Public Officials' liability

The Township also provides health and life insurance coverage to elected officials through a private carrier.



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

Harrison Township
Scioto County
237 Wheelers Mill Road
Wheelersburg, Ohio 45694

To the Board of Trustees:

We have audited the accompanying financial statements of Harrison Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 14, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 14, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

March 14, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

HARRISON TOWNSHIP

SCIOTO 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
MAY 14, 2002**