



**HARRISON TOWNSHIP
PERRY COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Harrison Township
Perry County
11377 Township Road 161 NE
Crooksville, Ohio 43731

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Harrison Township, Perry 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 2.

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 2 of the financial statements, the financial statements are prepared by the 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 2 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 *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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, 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.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 28, 2025

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Harrison Township
Perry County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 32,749	\$ 248,719	\$ 281,468
Licenses, Permits and Fees	249,272	-	249,272
Intergovernmental	25,802	160,480	186,282
Earnings on Investments	579	328	907
Miscellaneous	-	22,125	22,125
<i>Total Cash Receipts</i>	<u>308,402</u>	<u>431,652</u>	<u>740,054</u>
Cash Disbursements			
Current:			
General Government	105,499	-	105,499
Public Safety	-	139,235	139,235
Public Works	14,295	131,236	145,531
Health	58,534	104,678	163,212
Capital Outlay	-	112,114	112,114
Debt Service:			
Principal Retirement	13,787	-	13,787
Interest and Fiscal Charges	2,506	-	2,506
<i>Total Cash Disbursements</i>	<u>194,621</u>	<u>487,263</u>	<u>681,884</u>
<i>Excess of Receipts Over Disbursements</i>	<u>113,781</u>	<u>(55,611)</u>	<u>58,170</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	17,000	-	17,000
Other Financing Sources	1,503	-	1,503
<i>Total Other Financing Receipts (Disbursements)</i>	<u>18,503</u>	<u>-</u>	<u>18,503</u>
<i>Net Change in Fund Cash Balances</i>	<u>132,284</u>	<u>(55,611)</u>	<u>76,673</u>
<i>Fund Cash Balances, January 1</i>	<u>51,046</u>	<u>430,698</u>	<u>481,744</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 183,330</u></u>	<u><u>\$ 375,087</u></u>	<u><u>\$ 558,417</u></u>

See accompanying notes to the basic financial statements.

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HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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, Perry 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 contracts with the Village of Crooksville and the Village of Roseville to provide fire services and emergency medical services.

The township participates in one jointly governed organization and the Ohio Township Association Risk Management Authority public entity risk pool. Notes 7 & 8 to the financial statements provide additional information for these entities. These organizations are:

Public Entity Risk:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio local governments. OTARMA provide 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 judgements, settlements, and other expenses resulting from covered claims exceeding the member's deductible.

Jointly Governed Organizations:

Harrison Township Union Cemetery

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 § 117.38 and Ohio Administrative Code § 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 earned, and recognizes disbursement 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. DEPOSIT 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.

D. Fund Accounting

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

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 Funds:

Gasoline Tax Fund-This fund receives gasoline tax money for constructing, maintaining, and repairing Township Roads

Fire Fund-This fund receives levied property tax monies for fire protection services

EMS Fund-This fund receives levied property tax monies for EMS services

Joint Cemetery Fund-This fund receives levied property tax monies for cemetery

Miscellaneous Special Revenue Fund-This fund receives COVID-19 State and Local Fiscal Recovery Funds passed through from the State of Ohio.

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.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. 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.

3. Encumbrances

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

A summary of 2023 activity appears in Note 3.

F. Fund Balance

Fund balance are divided into four 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. Nonspendable

The Township classifies assets as nonspendable 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 government; or is imposed by law through constitutional provisions.

3. Committed

Trustees can commit amounts via formal action (resolution). The Township 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 fund balanced 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, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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 first followed by assigned, and the 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do include a liability for unpaid leave.

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 carrying amount of deposits and investments at December 31 was as follows:

Demand Deposits \$558,417

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2023

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$326,905	\$326,905
Special Revenue	0	431,652	\$431,652
Total	<u>\$0</u>	<u>\$758,557</u>	<u>\$758,557</u>

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. BUDGETARY ACTIVITY (Continued)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$194,621	(\$194,621)
Special Revenue	0	487,263	(487,263)
Total	\$0	\$681,884	(\$681,884)

Contrary to Ohio Rev. Code §§ 5705.38(A), 5705.40 and 5705.41(B), the Township failed to formally adopt appropriations resulting in expenditures in excess of appropriations for all funds. Additionally, the Township did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission. Because the Township did not certify the amounts available to the budget commission no amended certificate of estimated resources were issued and therefore all appropriations exceeded the amount certified as available by the budget commission during 2023 for all funds.

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 adjust 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. The second half payment is due the following June 20.

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

5. RETIREMENT SYSTEM

The Township's full-time employees and elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2023OPERS members contributed 10.0% of their wages, respectively. The Township contributed an amount equal to 14.0% of participant's gross salaries for 2023, respectively. The Township has paid all contributions required through December 31, 2023.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

6. POSTEMPLOYMENT BENEFITS

OPERS offer 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2023:

Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

8. HARRISON TOWNSHIP UNION CEMETERY

The Township is affiliated with the Harrison Township Union Cemetery. The Board of Trustees of the Union cemetery is appointed by the Village of Crooksville and Harrison Township. Taxes levied by the Harrison Township for Cemetery maintenance are collected by Perry County, and distributed to the Township, which then distributes the proceeds to the Union Cemetery. The Union cemetery is a legally separate entity that prepares and files its own financial statements. The financial activity of the Union Cemetery is not included in the accompanying financial statements. Independent audits of the Union Cemetery are performed by the Auditor of State.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 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 2024, the Township received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines

10. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

11. DEBT

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan - John Deere Tractor	\$59,984	3.350%
Total	<u><u>\$59,984</u></u>	

The Township entered into a bank loan to finance the purchase of a new tractor for Township road maintenance and is being repaid from the General Fund. The loan entered into by the Township was not a legal method of debt for a Township under Ohio Rev. Code § 133.

Amortization

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

Year Ending December 31:	Bank Loan - John Deere Tractor
2024	16,292
2025	16,292
2026	16,292
2027	16,292
Total	<u><u>\$65,168</u></u>

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. FUND BALANCES

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	0	0	0
Total	\$0	\$0	\$0

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

13. SUBSEQUENT EVENTS

During 2024, the Township reached a settlement agreement with Pike Township, Perry County and Clayton Township, Perry County relating to the allocation of solid waste fees from Tunnel Hill Reclamation received in prior years. As a result, Harrison Township remitted payment to Pike Township, Perry County in the amount of \$52,228 and Clayton Township, Perry County in the amount of \$59,209.

During 2024, the Township received notice from the Internal Revenue Service (IRS) of penalties, late fees and interest relating to late and improper withholding remittances by the Township over a period of several years. In 2024, the Township remitted payment to the IRS totaling \$45,759 relating to these penalties, late fees and interest. As of the date of the report, the Township has received an additional notice from the IRS of \$2,100 for late fees, penalties and interest dating back to 2011.

Harrison Township
Perry County, Ohio
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 30,660	\$ 239,096	\$ 269,756
Licenses, Permits and Fees	178,567	-	178,567
Intergovernmental	24,837	253,091	277,928
Earnings on Investments	177	109	286
Miscellaneous	4,448	22,954	27,402
<i>Total Cash Receipts</i>	<u>238,689</u>	<u>515,250</u>	<u>753,939</u>
Cash Disbursements			
Current:			
General Government	236,530	-	236,530
Public Safety	-	138,584	138,584
Public Works	-	212,663	212,663
Health	73,386	79,407	152,793
Debt Service:			
Principal Retirement	13,334	-	13,334
Interest and Fiscal Charges	2,958	-	2,958
<i>Total Cash Disbursements</i>	<u>326,208</u>	<u>430,654</u>	<u>756,862</u>
<i>Excess of Receipts Over Disbursements</i>	<u>(87,519)</u>	<u>84,596</u>	<u>(2,923)</u>
Other Financing Receipts			
Other Financing Sources	6,767	-	6,767
<i>Total Other Financing Receipts</i>	<u>6,767</u>	<u>-</u>	<u>6,767</u>
<i>Net Change in Fund Cash Balances</i>	<u>(80,752)</u>	<u>84,596</u>	<u>3,844</u>
<i>Fund Cash Balances, January 1</i>	<u>131,798</u>	<u>346,102</u>	<u>477,900</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 51,046</u>	<u>\$ 430,698</u>	<u>\$ 481,744</u>

See accompanying notes to the basic financial statements.

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HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Jointly Governed Organizations:

Harrison Township Union Cemetery

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 § 117.38 and Ohio Administrative Code § 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 earned, and recognizes disbursement 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. DEPOSIT 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.

D. Fund Accounting

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

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 Funds:

Gasoline Tax Fund-This fund receives gasoline tax money for constructing, maintaining, and repairing Township Roads

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EMS Fund-This fund receives levied property tax monies for EMS services

Joint Cemetery Fund-This fund receives levied property tax monies for cemetery

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. Unencumbered appropriations lapse at year end.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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 unencumbered 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 yearend are carried over, and need not be re-appropriated.

A summary of 2022 activity appears in Note 3.

F. Fund Balance

Fund balance are divided into four 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. Nonspendable

The Township classifies assets as nonspendable 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 government: or is imposed by law through constitutional provisions.

3. Committed

Trustees can commit amounts via formal action (resolution). The Township 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 fund balanced 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, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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 first followed by assigned, and the 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do include a liability for unpaid leave.

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 carrying amount of deposits and investments at December 31 was as follows:

Demand Deposits	\$481,744
-----------------	-----------

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2022

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$246,456	\$246,456
Special Revenue	0	515,250	\$515,250
Total	\$0	\$761,706	\$761,706

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. BUDGETARY ACTIVITY (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$326,208	(\$326,208)
Special Revenue	0	430,654	(430,654)
Total	\$0	\$756,862	(\$756,862)

Contrary to Ohio Rev. Code §§ 5705.38(A), 5705.40 and 5705.41(B), the Township failed to formally adopt appropriations resulting in expenditures in excess of appropriations for all funds. Additionally, the Township did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission. Because the Township did not certify the amounts available to the budget commission no amended certificate of estimated resources were issued and therefore all appropriations exceeded the amount certified as available by the budget commission during 2022 for all funds.

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 adjust 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. The second half payment is due the following June 20.

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

5. RETIREMENT SYSTEM

The Township's full-time employees and elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2022 OPERS members contributed 10.0% of their wages, respectively. The Township contributed an amount equal to 14.0% of participant's gross salaries for 2022, respectively. The Township has paid all contributions required through December 31, 2022.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

6. POSTEMPLOYMENT BENEFITS

OPERS offer 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

8. HARRISON TOWNSHIP UNION CEMETERY

The Township is affiliated with the Harrison Township Union Cemetery. The Board of Trustees of the Union cemetery is appointed by the Village of Crooksville and Harrison Township. Taxes levied by the Harrison Township for Cemetery maintenance are collected by Perry County, and distributed to the Township, which then distributes the proceeds to the Union Cemetery. The Union cemetery is a legally separate entity that prepares and files its own financial statements. The financial activity of the Union Cemetery is not included in the accompanying financial statements. Independent audits of the Union Cemetery are performed by the Auditor of State.

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

9. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 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 received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines

10. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

11. DEBT

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan - John Deere Tractor	\$73,771	3.350%
Total	<u>\$73,771</u>	

The Township entered into a bank loan to finance the purchase of a new tractor for Township road maintenance and is being repaid from the General Fund. The loan entered into by the Township was not a legal method of debt for a Township under Ohio Rev. Code § 133.

Amortization

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

Year Ending December 31:	Bank Loan - John Deere Tractor
2023	16,292
2024	16,292
2025	16,292
2026	16,292
2027	16,292
Total	<u>\$81,460</u>

HARRISON TOWNSHIP, PERRY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

12. FUND BALANCES

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Harrison Township
Perry County
11377 Township Road 161 NE
Crooksville, Ohio 43731

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of 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 of Harrison Township, Perry County, Ohio (the Township) and have issued our report thereon dated August 28, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-006 that we consider to be material weaknesses.


Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-003 and 2023-004.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 28, 2025

**HARRISON TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 and .A16.

Our audit identified the following adjustments for 2023:

- Principal and interest payments on the Township's tractor loan in the amounts of \$13,787 and \$2,506, respectively, were classified as General Government disbursements rather than as Principal and Interest in the General Fund.
- The purchase of a freightliner was recorded as Other Financing Uses rather than Capital Outlay in the Miscellaneous Special Revenue Fund (SLFRF) in the amount of \$112,114.
- A receipt from the sale of a Township dump truck was recorded as Other Financing Sources, rather than Sale of Capital Assets in the General Fund in the amount of \$17,000.
- A homestead and rollback receipt from the State was deposited in the Township bank account, however never posted to the accounting system. This resulted in Intergovernmental receipts and General Government disbursements being understated by \$1,663 and \$126, respectively, in the General Fund and Intergovernmental receipts being understated by \$2,405, \$2,495, \$1,548, and \$2,815 in the Road and Bridge, Fire, EMS and Joint Cemetery Fund, respectively.
- An Ohio Public Employees Retirement and a Federal Tax payment to the Internal Revenue Services that cleared the bank but was never posted to the Township's accounting system. This resulted in General Government disbursements to be understated in the General Fund by \$2,582 and understating Public Works disbursements in the Gasoline Tax Fund by \$1,490 and the Road and Bridge Fund by \$38.
- A payment that was improperly voided in the amount of \$220 in the Gasoline Tax fund, thus understating Public Work Disbursements in the amount of \$220. We also found a cemetery receipt that was posted twice in the amount of \$625, resulting in Miscellaneous Receipts being overstated in the Cemetery Fund.
- Payments to the Harrison Township Union Cemetery were improperly classified as General Government rather than Health totaling \$64,400 in the Cemetery Special Revenue Fund.
- Payments made to the Village of Crooksville and Village of Roseville for fire and EMS contracts were improperly classified as General Government rather than Public Safety totaling \$135,071 in the Fire and EMS Special Revenue Funds.
- Payment made for asphalt was improperly classified as General Government rather than Public Works totaling \$14,295 in the General Fund.

Our audit identified the following adjustments for 2022:

- Principal and interest payments on the Township's tractor loan in the amounts of \$13,334 and \$2,958, respectively, were classified as General Government disbursements rather than as Principal and Interest in the General Fund.
- State and Local Fiscal Recovery Funds of \$84,153 were incorrectly classified as Other Financing Sources rather than Intergovernmental in the Miscellaneous Special Revenue Fund (SLFRF).

**HARRISON TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-001 (Continued)

Material Weakness (Continued)

- A property tax receipt that was posted twice. This resulted in Property Tax Receipts being overstated by \$1,687 in the General Fund, \$2,441 in the Road and Bridge Fund, \$2,532 in the Fire Fund, \$1,571 in the EMS Fund, and \$2,848 in the Joint Cemetery Fund. We also identified an interest receipt that was posted twice to the Township's accounting system, resulting in Earning on Investments in the General Fund to be overstated by \$18 and in the Gas Tax Fund by \$8.
- Payments to the Harrison Township Union Cemetery were improperly classified as General Government rather than Health totaling \$64,400 in the Cemetery Special Revenue Fund.
- Payments made to the Village of Crooksville and Village of Roseville for fire and EMS contracts were improperly classified as General Government rather than Public Safety totaling \$135,450 in the Fire and EMS Special Revenue Funds.
- Payments made for limestone and asphalt were improperly classified as General Government rather than Public Works totaling \$33,150 in the General Fund.

Immaterial errors ranging from \$1,483 to \$17,450 were also noted. These errors were brought to management's attention, however, have not been adjusted to the accompanying financial statements.

We also identified several errors and inconsistencies within the notes to the financial statement that required revision and/or adjustment.

Audit adjustments, with which management has agreed, have been recorded in the accompanying financial statements to properly reflect these amounts. Incorrect financial statement classifications and balances could result in inaccurate reporting of the Township's financial information. The Township has also corrected these errors in their accounting system.

The Fiscal Officer should refer to the Ohio Township Handbook for proper classification and take additional care in posting transactions to the Township's ledgers and financial statements, in addition to reviewing the notes to the financial statements for accuracy and completeness in order to ensure the Township's year-end financial statements reflect the appropriate sources and uses of the Township's receipts and disbursements.

FINDING NUMBER 2023-002

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board of Trustees is responsible for reviewing the reconciliations and related support.

**HARRISON TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-002 (Continued)

Material Weakness (Continued)

Our testing of the Township's monthly bank reconciliations noted unexplained variances between the Township's bank balances and the Township's accounting records for the period of January 1, 2022 through December 31, 2023. These unexplained variances ranged from \$3 to \$171,149 during the audit period.

A large portion of these adjusting factors were due to receipts and expenditures not being recorded in the accounting system, primarily due to the Township not performing timely bank reconciliations. For fiscal year 2023, we noted the monthly bank reconciliations for March through December were not completed until February 2024. For fiscal year 2022, we noted the monthly bank reconciliations for July through September were not completed until November 2022 and November and December reconciliations were not completed until March 2023. These issues were not identified and resolved by the Fiscal Officer prior to the preparation of the Township's financial statements and therefore resulted in adjustments, with which management has agreed, being made to the financial statements and posted adjustments to their accounting records.

Failure to reconcile timely increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations timely, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and maintain evidence of these reviews.

FINDING NUMBER 2023-003

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority.

The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

The Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission in 2023 or 2022. This was not detected by the Township due to deficiencies in the budgetary compliance and monitoring control policies and procedures. Failure to obtain the required amended certificate of estimated resources can lead to improper budgeting and limits the effectiveness of management monitoring.

**HARRISON TOWNSHIP
PERRY COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-003 (Continued)

Noncompliance and Material Weakness (Continued)

The Fiscal Officer should, on or about the first day of each fiscal year, certify to the County Auditor the total amount from all sources available for expenditures from each fund and obtain the approved amended certificate of estimated resources.

FINDING NUMBER 2023-004

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1. In addition, Ohio Rev. Code § 5705.40 states any appropriation measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation. Furthermore, Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

The Township was unable to provide evidence of permanent appropriations being adopted for 2023 or 2022. This resulted in all expenditures exceeding legally adopted appropriations as of December 31, 2023 and 2022.

Failure to properly approve appropriations and have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, resulting in deficit spending practices or monies being spent on purposes other than those intended by the Board.

The Board of Trustees should approve all appropriations measures, supplemental appropriations, and amendments and such approvals should be documented in the minutes. In addition, the Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

FINDING NUMBER 2023-005

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**HARRISON TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-005 (Continued)

Material Weakness (Continued)

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the Township, and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipt's ledger.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The Township had appropriations posted to the accounting system in 2023 and 2022; however as noted in Finding 2023-005, the Township could not provide evidence of appropriations approved by the Board. Additionally, the Township had estimated receipts posted to the accounting system in 2023 and 2022, however the Township did not obtain Official or Amended Certificates of Estimated Resources for 2023 or 2022 as described in Finding 2023-003. These errors required adjustment to the budgetary note disclosure for 2023 and 2022.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the notes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

FINDING NUMBER 2023-006

Material Weakness

A well-designed system of internal control will include monitoring of financial reports and information by the governing board in order to compensate for any lack of segregation of duties. The small size of the Township's staff did not allow for an adequate segregation of duties. The Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling. It is therefore important for the Board of Township Trustees to monitor financial activity closely and to follow up on any audit findings.

The results of our audit indicated a weakness in management's role to establish and maintain effective internal controls and to ensure and document the Township is complying with legal requirements as evidenced by the material noncompliance citations and material weaknesses included in our report.

**HARRISON TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-006 (Continued)

Material Weakness (Continued)

The small size of the Township's staff did not allow for an adequate segregation of duties as the Township Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling Township monies. We noted no instances of the monthly bank reconciliations being presented to the Trustees for approval. Furthermore, as discussed in Finding Number 2023-002, we noted unexplained variances throughout the audit period on the Township's bank reconciliations that did not originally contain explanations. Failure to adequately monitor the activities of the Township by the Board of Trustees could result in errors or irregularities to occur and remain undetected.

The Township Trustees should become more actively involved in monitoring the financial activity of the Township. Trustees should assure that the Fiscal Officer performs a monthly bank reconciliation. Trustees should then review the validity of the computations and reconciling items and attest to the reconciliation's accuracy.

In addition to bank reconciliations, the Trustees should also assure the Fiscal Officer maintains and presents to the Board monthly with the following records: receipts ledger, appropriations ledger, cash journal, budget vs. actual reports for receipts and disbursements, payroll journal and check register. Supervisory reviews should be performed by Trustees and evidenced by the initials of each members performing the review and the date of the review was performed. The presentation of these records and reviews by Trustees should be noted in the Township's minutes.

The Trustees should make appropriate inquiries to help determine the continued integrity of financial information such as:

- Are current receipts sufficient to cover expenditures?
- Are actual receipts and expenditures in line with the budget?
- Are receipts and expenditures in line with prior years?
- If unusual fluctuations occur, is the reason documented, and properly budgeted for?
- Are anticipated receipts being received in a timely manner?

The information obtained as a result of such reviews and inquiries will provide important data necessary to manage the Township.

Officials' Response: We did not receive a response from Officials to the above findings.

HARRISON TOWNSHIP
PERRY COUNTY
11377 Township Road 161 NE
Crooksville, Ohio 43731

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 and 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting errors requiring adjustment and reclassification on the Township's Financial Statements	Not Corrected	The new Township Fiscal Officer is working on correcting.
2021-002	Ohio Rev. Code § 133 – promissory note was issued which is not an allowable form of debt for a township	Not Corrected	The new Township Fiscal Officer is working on correcting.
2021-003	Ohio Rev. Code § 5705.36(A) – failure to certify the total amount from all sources available for expenditure with the County Auditor	Not Corrected	The new Township Fiscal Officer is working on correcting and is working with the County Auditor's Office to submit the required forms.
2021-004	Ohio Rev. Code § 5705.38(A) – failure to adopt appropriations	Not Corrected	The new Township Fiscal Officer is working on correcting.
2021-005	Failure to post authorized budgetary measures to the accounting system.	Not Corrected	The new Township Fiscal Officer is working on correcting.
2021-006	Lack of adequate segregation of duties	Not Corrected	The new Township Fiscal Officer is working on correcting.

OHIO AUDITOR OF STATE KEITH FABER



HARRISON TOWNSHIP

PERRY 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 9/9/2025

65 East State 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