



OHIO AUDITOR OF STATE
KEITH FABER



HARRISON TOWNSHIP
VINTON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Harrison Township
Vinton County
P.O. Box 344
Londonderry, Ohio 45647

To the Board of Trustees:

Report on the Audit of the Financial Statements

Qualified and Adverse Opinions

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

Qualified Opinion on the Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund types as for the years ended December 31, 2023 and 2022, and the related notes of Harrison Township, Vinton County, in accordance with the financial reporting provisions the Ohio Revised Code § 117.38 and Ohio Administrative Code 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 year 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 Additional Opinion Qualification

As described in Finding 2023-005 in the accompanying Schedule of Findings, the Fiscal Officer posted receipts and disbursements to incorrect funds in prior periods. Due to the impact these adjustments would have on the General Fund, the Township has declined to make these adjustments.

Had the posting errors noted in the preceding paragraph been properly posted to the financial statements and accounting system, the General Fund cash fund balance would have decreased \$55,751, the Motor Vehicle License Tax Fund cash fund balance would have increased \$6,071, Gasoline Tax Fund cash fund balance would have increased \$27,377, Road and Bridge Fund cash fund balance would have increased \$3,018, Cemetery Fund cash fund balance would have increased \$5,895, and EMS/Fire Fund cash fund balance would have increased \$13,390.

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 §117.38 and Ohio Administrative Code 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 § 117.38 and Ohio Administrative Code 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.

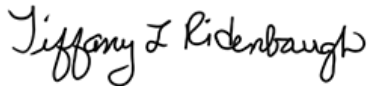
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 11, 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



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

August 11, 2025

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Harrison Township*Vinton 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 | \$51,101 | \$124,019 | \$175,120 |
| Intergovernmental | 27,195 | 166,034 | 193,229 |
| Earnings on Investments | 787 | 0 | 787 |
| Miscellaneous | 0 | 526 | 526 |
| <i>Total Cash Receipts</i> | <u>79,083</u> | <u>290,579</u> | <u>369,662</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 44,490 | 2,948 | 47,438 |
| Public Safety | 0 | 44,036 | 44,036 |
| Public Works | 30,406 | 214,414 | 244,820 |
| Health | 10 | 15,519 | 15,529 |
| Capital Outlay | 0 | 5,000 | 5,000 |
| Debt Service: | | | |
| Principal Retirement | 0 | 37,867 | 37,867 |
| Interest and Fiscal Charges | 0 | 6,570 | 6,570 |
| <i>Total Cash Disbursements</i> | <u>74,906</u> | <u>326,354</u> | <u>401,260</u> |
| <i>Net Change in Fund Cash Balances</i> | 4,177 | (35,775) | (31,598) |
| <i>Fund Cash Balances, January 1</i> | <u>29,165</u> | <u>185,054</u> | <u>214,219</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$33,342</u> | <u>\$149,279</u> | <u>\$182,621</u> |

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison Township, Vinton 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.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

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 which are all organized on a fund type basis.

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund This fund received property tax money for repairs on roads and bridges in the Township.

Basis of Accounting

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 (C). 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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 (C) permit.

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 or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 was as follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$48,151 | \$79,083 | \$30,932 |
| Special Revenue | 251,143 | 290,579 | 39,436 |
| Total | \$299,294 | \$369,662 | \$70,368 |

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 3 – Budgetary Activity (Continued)

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$109,957 | \$74,906 | \$35,051 |
| Special Revenue | 400,652 | 326,354 | 74,298 |
| Total | \$510,609 | \$401,260 | \$109,349 |

Note 4 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

| | |
|-----------------|---------|
| | 2023 |
| Demand deposits | 182,621 |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Note 6 – 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 (Township’s) policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 6 – Risk Management (Continued)

- Property
- Equipment breakdown

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

| | <u>2023</u> |
|-----------------------|---------------|
| Cash and investments | \$ 33,494,457 |
| Actuarial liabilities | \$ 10,885,549 |

Note 7– Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

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

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 9 – Debt

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

| | Principal | Interest Rate |
|------------------------------------|-----------|---------------|
| Promissory Note- Property/Garage | \$12,442 | 4.00% |
| Promissory Note- Fire Tanker | \$82,225 | 4.65% |
| Lease Agreement- Compact Excavator | \$5,171 | 3.75% |
| Lease Agreement- Utility Tractor | \$19,221 | 3.35% |
| Total | \$119,059 | |

The Township signed a promissory note with the Vinton County Bank in April 2016 for the purchase of property with a garage in the amount of \$36,000. Payments of \$4,438 are due annually with the final payment due in fiscal year 2026. Payments are made from the General Fund.

The Township signed a promissory note with the Vinton County Bank in July 2018 for the purchase of a fire tanker in the amount of \$148,000. Payments of \$18,845 are due annually with the final payment due in fiscal year 2028. Payments are made from the Fire and EMS Fund.

The Township signed a capital lease with John Deere Financial in July 2018 for the purchase of a compact excavator in the amount of \$59,177. Payments of \$5,559 are due bi-annually with the final payment due in fiscal year 2024. Payments are made from the Road and Bridge Fund.

The Township signed an installment contract with John Deere Financial in April 2020 for the purchase of a utility tractor in the amount of \$45,459. Payments of \$10,036 are due annually with the final payment due in fiscal year 2025. Payments are made from the Gasoline Tax Fund.

Amortization

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

| Year Ending December 31: | Property Loan | Fire Tanker Loan | Compact Excavator Loan | Tractor Loan |
|-----------------------------------|------------------|---------------------|------------------------------|--------------|
| 2024 | \$4,438 | \$18,845 | \$5,559 | \$10,036 |
| 2025 | 4,438 | 18,845 | 0 | 10,036 |
| 2026 | 4,612 | 18,845 | 0 | 0 |
| 2027 | 0 | 18,845 | 0 | 0 |
| 2028 | 0 | 18,005 | 0 | 0 |
| Total | \$13,488 | \$93,385 | \$5,559 | \$20,072 |

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Fund Balances (Continued)

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Township had no outstanding encumbrances in any governmental funds.

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.

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Harrison Township*Vinton 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 | \$47,825 | \$109,551 | \$157,376 |
| Intergovernmental | 21,021 | 475,855 | 496,876 |
| Earnings on Investments | 149 | 0 | 149 |
| Miscellaneous | 1,437 | 1,541 | 2,978 |
| <i>Total Cash Receipts</i> | <u>70,432</u> | <u>586,947</u> | <u>657,379</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 63,724 | 2,681 | 66,405 |
| Public Safety | 0 | 51,101 | 51,101 |
| Public Works | 5,000 | 402,484 | 407,484 |
| Health | 0 | 12,560 | 12,560 |
| Capital Outlay | 0 | 6,500 | 6,500 |
| Debt Service: | | | |
| Principal Retirement | 3,889 | 32,988 | 36,877 |
| Interest and Fiscal Charges | 771 | 8,243 | 9,014 |
| <i>Total Cash Disbursements</i> | <u>73,384</u> | <u>516,557</u> | <u>589,941</u> |
| <i>Net Change in Fund Cash Balances</i> | (2,952) | 70,390 | 67,438 |
| <i>Fund Cash Balances, January 1</i> | <u>32,117</u> | <u>114,664</u> | <u>146,781</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$29,165</u> | <u>\$185,054</u> | <u>\$214,219</u> |

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harrison Township, Vinton 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.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

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 which are all organized on a fund type basis.

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Natural Resources Conservation Service Fund This fund received grant receipts through the Emergency Watershed Program for the Graves, Clark, and Thompson road projects.

Basis of Accounting

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 (C). 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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 (C) permit.

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 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.

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. The Township did not encumber all commitments required by Ohio law.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

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.

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.

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the NRCS fund by \$270,133 for the year ended December 31, 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 was as follows:

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$47,744 | \$70,432 | \$22,688 |
| Special Revenue | 253,940 | 586,947 | 333,007 |
| Total | \$301,684 | \$657,379 | \$355,695 |

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 4 – Budgetary Activity (Continued)

| 2022 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$79,666 | \$73,631 | \$6,035 |
| Special Revenue | 369,856 | 516,983 | (147,127) |
| Total | \$449,522 | \$590,614 | (\$141,092) |

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

| | |
|-----------------|-----------|
| | 2022 |
| Demand deposits | \$214,219 |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Note 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

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 7– Risk Management (Continued)

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

| | <u>2022</u> |
|-----------------------|--------------|
| Cash and investments | \$32,288,098 |
| Actuarial liabilities | \$9,146,434 |

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

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

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Debt

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

| | <u>Principal</u> | <u>Interest Rate</u> |
|------------------------------------|------------------|----------------------|
| Promissory Note- Property/Garage | \$16,243 | 4.00% |
| Promissory Note- Fire Tanker | \$96,678 | 4.65% |
| Lease Agreement- Compact Excavator | \$15,782 | 3.75% |
| Lease Agreement- Utility Tractor | \$28,224 | 3.35% |
| Total | <u>\$156,927</u> | |

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 – Debt (Continued)

The Township signed a promissory note with the Vinton County Bank in April 2016 for the purchase of property with a garage in the amount of \$36,000. Payments of \$4,438 are due annually with the final payment due in fiscal year 2026. Payments are made from the General Fund.

The Township signed a promissory note with the Vinton County Bank in July 2018 for the purchase of a fire tanker in the amount of \$148,000. Payments of \$18,845 are due annually with the final payment due in fiscal year 2028. Payments are made from the Fire and EMS Fund.

The Township signed a capital lease with John Deere Financial in July 2018 for the purchase of a compact excavator in the amount of \$59,177. Payments of \$5,559 are due bi-annually with the final payment due in fiscal year 2024. Payments are made from the Road and Bridge Fund.

The Township signed an installment contract with John Deere Financial in April 2020 for the purchase of a utility tractor in the amount of \$45,459. Payments of \$10,036 are due annually with the final payment due in fiscal year 2025. Payments are made from the Gasoline Tax Fund.

Amortization

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

| Year Ending December 31: | Property Loan | Fire Tanker Loan | Compact Excavator Loan | Tractor Loan |
|-----------------------------------|------------------|---------------------|------------------------------|-----------------|
| 2023 | \$4,438 | \$18,845 | \$5,559 | \$10,036 |
| 2024 | 4,438 | 18,845 | 11,118 | 10,036 |
| 2025 | 4,438 | 18,845 | 0 | 10,036 |
| 2026 | 4,612 | 18,845 | 0 | 0 |
| 2027 | 0 | 18,845 | 0 | 0 |
| 2028 | 0 | 18,005 | 0 | 0 |
| Total | <u>\$17,926</u> | <u>\$112,230</u> | <u>\$16,677</u> | <u>\$30,108</u> |

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Harrison Township
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 11 – Fund Balances (Continued)

| Fund Balances | General | Special Revenue | Total |
|--------------------------|---------|--------------------|-------|
| Nonspendable: | | | |
| Unclaimed Monies | \$0 | \$0 | \$0 |
| Corpus | 0 | 0 | 0 |
| Outstanding Encumbrances | 247 | 426 | 673 |
| Total | \$247 | \$426 | \$673 |

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.

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OHIO AUDITOR OF STATE KEITH FABER



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

Harrison Township
Vinton County
P.O. Box 344
Londonderry, Ohio 45647

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 of Harrison Township, Vinton County, Ohio (the Township), as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated August 11, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified our opinion on the financial statements for 2023 and 2022 due to the Township not making a \$55,751 adjustment against the General Fund and in favor of the Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund, and EMS/Fire Fund in the amounts of \$6,071, \$27,377, \$3,018, \$5,895, and \$13,390, respectively.

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 opinions 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, and 2023-003 through 2023-005 that we consider to be material weaknesses.

Efficient • Effective • Transparent

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 2023-001 and 2023-002.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 11, 2025

**HARRISON TOWNSHIP
VINTON COUNTY**

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

| |
|---|
| 1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|---|

FINDING NUMBER 2023-001

Noncompliance/Material Weakness

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.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's NRCS fund, had expenditures in excess of appropriations of \$270,133 as of December 31, 2022. This noncompliance was caused by audit adjustments.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Trustees 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.

Officials' Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

FINDING NUMBER 2023-002

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer'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 §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Trustees can authorize the drawing of a warrant for the payment of the amount due.

The Board of Trustees has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions 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 expenditures by the Township.

HARRISON TOWNSHIP
VINTON COUNTY

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

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2023-002 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

2. Blanket Certificate – The auditor or fiscal officer may prepare “blanket” certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line-item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time. for any one particular line-item appropriation.

3. Super Blanket Certificate – The Board of Trustees 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, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Due to deficiencies in internal controls, forty percent (40%) of the transactions tested during 2022 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Township followed the exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. In addition, the Township has not approved a maximum amount for the use of blanket certificates.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, the Fiscal Officer should certify whether the funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used. The Township should adopt and approve a maximum amount for the use of blanket certificates.

Officials’ Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

FINDING NUMBER 2023-003

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) 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 is responsible for reviewing the reconciliations and related support.

HARRISON TOWNSHIP
VINTON COUNTY

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

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2023-003 (Continued)

Material Weakness (Continued)

Monthly bank to book reconciliations were not prepared in a timely manner as follows:

- January 2022 was not completed until February 28, 2022;
- March through May 2022 were not completed until July 20, 2022;
- August 2022 was not completed until November 22, 2022;
- September through November 2022 were not completed until January 4, 2023;
- December 2022 was not completed until February 7, 2023; and
- March through November 2023 were not completed until December 29, 2023.

Failure to reconcile monthly 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, 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 document the reviews as evident by signing monthly bank reconciliations or approval in the minute record.

Officials' Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

FINDING NUMBER 2023-004

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.

The following errors were noted in the financial statements that required audit adjustments or reclassification:

In 2022:

- General Fund intergovernmental receipts of \$3,059 incorrectly posted as property tax receipts;
- General Fund miscellaneous receipts of \$42 and general government disbursements of \$104 were overstated due to bank reconciliation errors;
- Gasoline Tax Fund debt service principal retirement and interest and fiscal charges of \$18,988 and \$2,243, respectively, were incorrectly recorded as capital outlay disbursements;
- Road and Bridge Fund intergovernmental receipts of \$592 were incorrectly recorded as taxes in the General Fund;
- Cemetery Fund intergovernmental receipts of \$751 were incorrectly recorded as taxes in the General Fund;

HARRISON TOWNSHIP
VINTON COUNTY

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

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2023-004 (Continued)

Material Weakness (Continued)

- Fire/EMS Fund intergovernmental receipts of \$3,004 were incorrectly recorded as taxes in the General Fund;
- Fire/EMS Fund public safety disbursements of \$1,895 and Gasoline Tax Fund public works disbursements of \$15 were overstated due to bank reconciliation errors;
- NRCS Fund intergovernmental receipts of \$28,650 were incorrectly recorded in the General Fund; and
- NRCS Fund on-behalf activity of intergovernmental receipts and public works disbursements of \$270,133 were omitted.

In 2023:

- General Fund intergovernmental receipts of \$6,242 incorrectly posted as property tax receipts;
- General Fund intergovernmental revenue was overstated \$2,475 and general governmental disbursements understated \$5 due to bank reconciliation errors;
- Gasoline Tax Fund debt service principal retirement and interest and fiscal charges of \$23,415 and \$2,177, respectively, were incorrectly recorded as capital outlay disbursements; and
- NRCS Fund intergovernmental receipts of \$1,365 were incorrectly recorded in the General Fund.

Additionally, during 2022, checks which should have been marked void were incorrectly marked cleared in UAN. This resulted in a decrease in disbursements for General Fund general government in the amount of \$295, Motor Vehicle License Tax Fund public works in the amount of \$34, Gasoline Tax public works in the amount of \$547 and Cemetery health in the amount of \$52.

The audited financial statements have been adjusted for the issues noted above.

The Fiscal Officer should review the Township handbook for guidance to ensure financial statements are complete and accurate.

Officials' Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

FINDING NUMBER 2023-005

Material Weakness/Finding for Adjustment

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.

As a result of the audit procedures performed in prior audits that were not previously adjusted, the financial statements had the following errors that required adjustment:

For the years ended December 31, 2021 and 2020:

- Road and Bridge Fund intergovernmental receipts of \$1,468 were incorrectly posted to the General Fund as taxes receipts;

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

| |
|---|
| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|---|

FINDING NUMBER 2023-005 (Continued)

Material Weakness/Finding for Adjustment (Continued)

- Cemetery Fund intergovernmental receipts of \$1,659 were incorrectly posted to the General Fund as taxes receipts;
- EMS/Fire Fund intergovernmental receipts of \$6,635 were incorrectly posted to the General Fund as taxes receipts;
- Road and Bridge Fund intergovernmental receipts of \$699 were incorrectly posted to the General Fund as taxes receipts;
- Cemetery Fund intergovernmental receipts of \$803 were incorrectly posted to the General Fund as taxes receipts;
- EMS/Fire Fund intergovernmental receipts of \$3,212 were incorrectly posted to the General Fund as taxes receipts;
- Road and Bridge Fund intergovernmental receipts of \$851 were incorrectly posted to the General Fund as intergovernmental receipts;
- Cemetery Fund intergovernmental receipts of \$886 were incorrectly posted to the General Fund as intergovernmental receipts; and
- EMS/Fire Fund intergovernmental receipts of \$3,543 were incorrectly posted to the General Fund as intergovernmental receipts

For the years ended December 31, 2019 and 2018:

- Motor Vehicle License Tax Fund and Gasoline Tax Fund receipts of \$976 and \$12,093, respectively were incorrectly posted to the General Fund.

For the years ended December 31, 2013 and 2012:

- Trustees' salaries, fringe benefits, insurance premiums, and insurance reimbursements were paid from the Motor Vehicle License Fund of \$5,095; Gasoline Tax Fund of \$15,284, and Cemetery Fund of \$2,547 that should have been paid from the General Fund due to lack of payroll certifications.

The Fiscal Officer has not posted these prior year audit adjustments to the Township's records, and therefore, they are not reflected in the accompanying financial statement beginning balances.

In accordance with the foregoing facts, a Finding for Adjustment is hereby issued against the Township's General Fund in the amount of \$55,751 and in favor of the Motor Vehicle License Tax Fund in the amount of \$6,071, Gasoline Tax Fund in the amount of \$27,377, Road and Bridge Fund in the amount of \$3,018; Cemetery Fund in the amount of \$5,895, and EMS/Fire Fund in the amount of \$13,390.

The Fiscal Officer should work to remedy the outstanding audit adjustments not reflected in the Township's UAN system when funds become available.

Officials' Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

HARRISON TOWNSHIP
VINTON COUNTY

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

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2023-006

Noncompliance/Finding for Recovery/Repaid Under Audit

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” **Ohio Rev. Code § 9.24(H)(3)**.

Ohio Rev. Code § 507.14 states that a township fiscal officer shall be held liable when the loss of public funds results from the fiscal officer’s negligence or other wrongful act.

In 2022, the Township paid penalties and interest to the IRS, State, and OPERS totaling \$278.56 and paid late fees on debt payments totaling \$221.92. In 2023, the Township paid a late fee payment on their credit card statement of \$30.76, penalties and interest to the IRS, State, and OPERS totaling \$157.91 and late fees on debt payments totaling \$66. The penalty, interest, and late fees do not represent a proper public purpose. Fiscal Officer Brad Timmons was in office during all of 2022 and through March 31, 2023 and late fees and penalties paid during 2022 and 2023 related to his time in office totaled \$609.71. Fiscal Officer James Lambert took over April 1, 2023 and late fees and penalties paid during 2023 related to his time in office totaled \$145.44.

The failure to timely pay invoices and OPERS pension withholding payments is considered gross negligence. Late payment fees and related finance charges incurred through gross negligence are illegal expenditures which do not serve a proper public purpose. These charges would have been avoided had the funds been remitted by the required due dates.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Fiscal Officer Brad Timmons and his bonding company, Ohio Township Association Risk Management Authority, in the amount of \$609.71 and against former Fiscal Officer James Lambert and his bonding company, Ohio Township Association Risk Management Authority, in the amount of \$145.44, and in favor of the Township’s General Fund in the amount of \$658.39, Gasoline Tax Fund in the amount of \$66.00 and Road and Bridge Fund in the amount of and \$30.76.

Mr. Timmons repaid the \$609.71 finding referenced above on June 4, 2025 check number 176. This amount was repaid to the Township’s General Fund in the amount of \$609.71 on receipt number 45-2025. Mr. Lambert repaid the \$145.44 on August 7, 2025 check number 2962. This was deposited by the Township on August 8, 2025.

Officials’ Response: All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction.

HARRISON TOWNSHIP, VINTON COUNTY

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

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|--|---------------|---|
| 2021-001 | Noncompliance-Ohio Rev. Code § 133.15 relating to unallowable types of debt. | Corrected. | |
| 2021-002 | Noncompliance- Ohio Rev. Code § 5705.41(B) relating to expenditures exceeding appropriations | Not Corrected | All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction. |
| 2021-003 | Noncompliance- Ohio Rev. Code § 5705.41(D)(1) relating to certification of expenditures | Not Corrected | All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction. |
| 2021-004 | Material Weakness - relating to several incorrect postings. | Not Corrected | All issues and findings related to the audit will be referred to the new replacement fiscal officer to review with the Trustees to devise a plan of correction. |

OHIO AUDITOR OF STATE KEITH FABER



HARRISON TOWNSHIP

VINTON 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 9/2/2025

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