

**HARRISON TOWNSHIP
CARROLL COUNTY, OHIO**

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023**



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

Board of Trustees
Harrison Township
355 Avalon Rd NW
Dellroy, OH 44620

We have reviewed the *Independent Auditor's Report* of Harrison Township, Carroll County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

October 01, 2025

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**HARRISON TOWNSHIP
CARROLL COUNTY, OHIO**

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Independent Auditor's Report

Harrison Township
Carroll County
355 Avalon Rd NW
Dellroy, OH 44620

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Harrison Township, Carroll County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinions 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 of Harrison Township, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Harrison Township, as of December 31, 2024 and 2023, or 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 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 Harrison 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 Harrison 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 a basis of accounting 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 GAAP, 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 these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Harrison 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Harrison 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 Harrison Township's ability to continue as a going concern for a reasonable period of time.

Harrison Township
Carroll County
Independent Auditor's Report

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 June 3, 2025 on our consideration of Harrison Township's internal control over financial reporting and on 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 Harrison 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 Harrison Township's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 3, 2025

Harrison Township
Carroll 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, 2024

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$210,098	\$42,551	\$252,649
Licenses, Permits and Fees	-	4,600	4,600
Intergovernmental	49,694	171,982	221,676
Earnings on Investments	9,122	5,160	14,282
Miscellaneous	<u>20,268</u>	<u>5,200</u>	<u>25,468</u>
<i>Total Cash Receipts</i>	<u>289,182</u>	<u>229,493</u>	<u>518,675</u>
Cash Disbursements			
Current:			
General Government	132,798	11,500	144,298
Public Safety	-	959	959
Public Works	118,250	207,965	326,215
Health	12,483	6,320	18,803
Capital Outlay	<u>1,664</u>	<u>88,025</u>	<u>89,689</u>
<i>Total Cash Disbursements</i>	<u>265,195</u>	<u>314,769</u>	<u>579,964</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,987</u>	<u>(85,276)</u>	<u>(61,289)</u>
Other Financing Receipts (Disbursements)			
Loans Issued	-	28,485	28,485
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>28,485</u>	<u>28,485</u>
<i>Net Change in Fund Cash Balances</i>	<u>23,987</u>	<u>(56,791)</u>	<u>(32,804)</u>
<i>Fund Cash Balances, January 1</i>	<u>193,390</u>	<u>221,524</u>	<u>414,914</u>
<i>Fund Cash Balances, December 31</i>	<u>\$217,377</u>	<u>\$164,733</u>	<u>\$382,110</u>

See accompanying notes to the financial statement

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Harrison Township, Carroll County, Ohio (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 and cemetery maintenance. The Township contracts with Carrollton, Dellroy, Malvern and Waynesburg to provide fire services. The Township appropriates Fire Levy money to support the four volunteer fire departments.

Public Entity Risk Pools

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool for the Township's property and Casualty Insurance. This is a local government risk-sharing pool to provide risk management services, risk sharing facilities, and protection for every member of the Pool. Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable. Note 12 to the financial statement describes these assets.

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.

Motor Vehicle License Tax Fund - The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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 unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2024 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. However, the Township held no investments during the 2024 year.

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.

Accumulated Leave

Township employees earn sick, comp and vacation time that can be used for time off. In certain circumstances, such as at year end, the employees are entitled to cash payments for unused comp and vacation leave. The financial statements do not include a liability for unpaid leave.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Leases

The Township is the lessee in one lease (as defined by GASB 87) related to a vehicle lease. Disbursements are recognized when they are paid.

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. 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 13.

Note 3 – Compliance

The Township had disbursements exceeding appropriations and is in noncompliance with Ohio Revised Code Sections 5705.40 and 5705.41(B).

The Township had noncompliance with Ohio Administrative Code 117-2-02(C)(1) for not properly including approved budgetary information in the financial accounting system.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$292,484	\$289,182	(\$3,302)
Special Revenue	257,974	257,978	4
Total	\$550,458	\$547,160	(\$3,298)

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$290,138	\$265,195	\$24,943
Special Revenue	213,375	314,769	(101,394)
Total	\$503,513	\$579,964	(\$76,451)

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds 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:

	2024
Cash Management Pool:	
Demand deposits	\$382,110
Total deposits	\$382,110

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$0 in unremitted payroll withholdings.

Deposits

Deposits are insured through the Ohio Pooled Collateral System (OPCS), 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.

At December 31, 2024, \$0 of deposits were not insured or collateralized.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

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

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Township is a member of the 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;
- Vehicles,
- Equipment,
- Property,
- Automobile liability,

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

	2023
Cash and investments	\$33,494,547
Actuarial liabilities	\$10,885,549

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All 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, 2024.

Note 9 – Postemployment Benefits

OPERS offers a 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 2024, 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 2024, 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, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Finance Purchase Agreement	<u>\$28,485</u>	4.99%
Total	<u>\$28,485</u>	

Financed Purchases

The Township has entered into a financed purchase agreement for a Ford 550 where ownership of the underlying asset transfers to the Township by the end of the contract. The Ford 550 will replace the old Township truck and will assist in daily township activities, like road maintenance. The township will make future payments out of the gasoline tax fund.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Amortization

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

Year Ending December 31:	Finance Purchases
2025	\$15,275
2026	15,274
Total	<u><u>\$30,549</u></u>

Note 11 – Contingent Liabilities

The Township is defendant in one lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

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.

Note 12 – Public Entity Risk Pool

The Township participates in the Ohio Township Association Group Rating Plan for worker's compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – 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 facilitate effective cash planning and control. At year end the balances of these amounts was \$0.

Note 14 – 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. The Township spent all of the remaining COVID-19 funds consistent with the applicable program guidelines by year end 2024.

Harrison Township
Carroll 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	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$197,671	\$14,712	\$212,383
Licenses, Permits and Fees	-	5,600	5,600
Intergovernmental	50,260	170,030	220,290
Earnings on Investments	3,724	2,332	6,056
Miscellaneous	<u>57,977</u>	<u>1,900</u>	<u>59,877</u>
<i>Total Cash Receipts</i>	<u>309,632</u>	<u>194,574</u>	<u>504,206</u>
Cash Disbursements			
Current:			
General Government	116,257	15,075	131,332
Public Safety	-	374	374
Public Works	68,474	173,254	241,728
Health	12,013	7,610	19,623
Capital Outlay	<u>10,362</u>	<u>224,503</u>	<u>234,865</u>
<i>Total Cash Disbursements</i>	<u>207,106</u>	<u>420,816</u>	<u>627,922</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>102,526</u>	<u>(226,242)</u>	<u>(123,716)</u>
Special Item	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>103,526</u>	<u>(226,242)</u>	<u>(122,716)</u>
<i>Fund Cash Balances, January 1</i>	<u>89,864</u>	<u>447,766</u>	<u>537,630</u>
<i>Fund Cash Balances, December 31</i>	<u>\$193,390</u>	<u>\$221,524</u>	<u>\$414,914</u>

See accompanying notes to the financial statement

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
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 Harrison Township, Carroll County, Ohio (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 and cemetery maintenance. The Township contracts with Carrollton, Dellroy, Malvern and Waynesburg to provide fire services. The Township appropriates Fire Levy fund money to support a volunteer fire department.

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Note 2 – Summary of Significant Accounting Policies

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Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Basis of Accounting

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

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

A summary of 2023 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. However, the township held no investments during the 2023 year.

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.

Accumulated Leave

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

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

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. 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 12.

Note 3 – Compliance

The Township had appropriations exceeding estimated resources and is in noncompliance with Ohio Revised Code Sections 5705.39 and 5705.36.

The Township had disbursements exceeding appropriations and is in noncompliance with Ohio Revised Code Sections 5705.40 and 5705.41(B).

The Township had noncompliance with Ohio Administrative Code 117-2-02(C)(1) for not properly including approved budgetary information in the financial accounting system.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$310,632	\$310,632	\$0
Special Revenue	194,573	194,574	1
Total	<u>\$505,205</u>	<u>\$505,206</u>	<u>\$1</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$207,693	\$207,356	\$337
Special Revenue	279,700	420,816	(141,116)
Total	<u>\$487,393</u>	<u>\$628,172</u>	<u>(\$140,779)</u>

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds 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
<i>Cash Management Pool:</i>	
Demand deposits	\$414,914
Total deposits	<u>\$414,914</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository 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.

At December 31, 2023, \$47,514 of deposits were not insured or collateralized.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

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

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

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
- 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

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All 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 9 – Postemployment Benefits

OPERS offers a 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.

Note 10 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

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.

Note 11 – Public Entity Risk Pool

The Township participates in the Ohio Township Association Group Rating Plan for worker's compensation. Each year participants pay an enrollment fee to the program to cover the costs of administering the program.

Harrison Township
Carroll County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 250	\$ -	\$ 250
Total	<u><u>\$250</u></u>	<u><u>\$0</u></u>	<u><u>\$250</u></u>

The fund balance of special revenue funds is either restricted or committed. The restricted, committed, and assigned amounts in the special revenue fund would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Harrison Township
Carroll County
355 Avalon Rd NW
Dellroy, Ohio 44620

To the Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Harrison Township, Carroll County, Ohio, and have issued our report thereon dated June 3, 2025, wherein we noted Harrison 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 Harrison 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 Harrison Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Harrison 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 Harrison 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 and responses as items 2024-002 and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison 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 and responses as items 2024-001, 2024-002, and 2024-003.

Harrison Township
Carroll County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Harrison Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Harrison Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Harrison 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 Harrison 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 Harrison Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 3, 2025

**HARRISON TOWNSHIP
CARROLL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024 AND 2023**

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

Finding Number	2024-001
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Noncompliance- Estimated Resources

Ohio Revised Code Section 5705.39 and 5705.36, in part, require that a subdivision's total appropriations from each fund should not exceed total estimated resources and that subdivisions request increased or reduced amended certificates of estimated resources upon determination that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The Township had total appropriations exceeding total estimated resources during the year ended December 31, 2023 and thus did not request timely amended certificates throughout the year upon notice of increased or decreased resources or reduce appropriations in one fund.

The Township did not properly approve all appropriation measures during the year in comparison to the certificate of estimated resources, and thus causing appropriations to exceed estimated resources, throughout the year and at year-end.

We recommend the Township review its available resources versus its appropriations throughout the year and file amended certificates when necessary. This will facilitate the Township's appropriation process. The Township may also want to review the applicable Ohio Revised Code Sections. If it is determined that resources will be different than initially anticipated, the Township should amend its estimated resources and also amend the appropriations as necessary; however, appropriations should not exceed estimated resources.

Client Response: The Township will approve all appropriation measures through board resolution.

Finding Number	2024-002
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Noncompliance/Material Weakness- Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

The Township did not properly modify its appropriations throughout 2024 and 2023 and at years-end. Due to not properly approving appropriation modifications through board resolutions, disbursements exceeded appropriations for certain examined funds in years 2024 and 2023.

By not timely and properly approving the Township's appropriations, the Township may not effectively manage appropriations versus disbursements. If disbursements exceed appropriations, overspending may occur which may result in a negative fund balance.

We recommend the Township comply with the Ohio Revised Code by properly approving all appropriations, to ensure disbursements do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary throughout and at the end of the years.

Client Response: The Township will approve all appropriation measures through board resolution.

**HARRISON TOWNSHIP
CARROLL COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024 AND 2023**

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

Finding Number	2024-003
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Noncompliance/Material Weakness- Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

In 2024 and 2023, the County Budget Commission approved estimated receipts and the Trustee approved appropriations, in certain funds did not agree to the amounts entered in the Township's financial accounting system.

By not correctly including the approved estimated receipts and appropriations into the financial accounting system, it could become challenging for the Township to monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk of overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that the County Budget Commission approved estimated receipts and Trustee approved appropriations be incorporated into the Township's financial accounting system by the Fiscal Officer in a timely manner and not be adjusted without the proper approval. This will aid the Board of Trustees and the Fiscal Officer in their review of budgetary information.

Client Response: The Township will enter only Trustee approved appropriations and estimated resources into UAN.

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OHIO AUDITOR OF STATE KEITH FABER



HARRISON TOWNSHIP

CARROLL 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 10/14/2025

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