

HARRISON TOWNSHIP

DAYTON REGION, LOGAN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011



Dave Yost • Auditor of State

Board of Trustees
Harrison Township
3133 Road 130
Bellefontaine, Ohio 43311

We have reviewed the *Independent Auditors' Report* of Harrison Township, Logan County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2011 through December 31, 2012. 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. The Harrison Township is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 27, 2013

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**HARRISON TOWNSHIP
LOGAN COUNTY**

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Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

INDEPENDENT AUDITORS' REPORT

Harrison Township
Logan County
3133 Road 130
Bellefontaine, Ohio 43311

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Harrison Township, Logan County, Ohio, (the Township), as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

As described in Note 1of the financial statements, the Township prepared these financial statements using

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the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Harrison Township, Logan County, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03permits, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 Harrison Township, Logan County, adopted new accounting guidance in Governmental Accounting Standards Board Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Digitally signed by Manning Associates CPAs
DN: cn=Manning Associates CPAs, o, ou,
email=sscomer@manningcpallc.com, c=US
Date: 2013.06.26 14:57:50 -04'00



Manning & Associates CPAs, LLC
Dayton, Ohio
June 17, 2013

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**HARRISON TOWNSHIP
LOGAN COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 46,661	\$ 32,701	\$ 0	\$ 79,362
Charges for Services	4,174	0	0	4,174
Licenses, Permits, and Fees	5,504	0	0	5,504
Intergovernmental Receipts	19,062	98,205	23,030	140,297
Earnings on Investments	85	239	0	324
Miscellaneous	0	0	0	0
<i>Total Cash Receipts</i>	<u>\$ 75,486</u>	<u>\$ 131,145</u>	<u>\$ 23,030</u>	<u>\$ 229,661</u>
Cash Disbursements:				
Current:				
General Government	\$ 43,350	\$ 759	\$ 0	\$ 44,109
Public Safety	25,644	15,665	0	41,309
Public Works	0	93,562	105,172	198,734
Health	1,040	0	0	1,040
Capital Outlay	0	0	0	0
<i>Total Cash Disbursements</i>	<u>\$ 70,034</u>	<u>\$ 109,986</u>	<u>\$ 105,172</u>	<u>\$ 285,192</u>
<i>Total Receipts Over/(Under) Disbursements</i>	<u>5,452</u>	<u>21,159</u>	<u>(82,142)</u>	<u>(55,531)</u>
Other Financing Receipts/Disbursements				
Debt Proceeds	\$ 0	\$ 0	\$ 82,142	\$ 82,142
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 82,142</u>	<u>\$ 82,142</u>
<i>Net Change in Fund Cash Balances</i>	<u>5,452</u>	<u>21,159</u>	<u>0</u>	<u>26,611</u>
<i>Fund Cash Balances, January 1</i>	<u>\$ 55,401</u>	<u>\$ 119,181</u>	<u>\$ 0</u>	<u>\$ 174,582</u>
Fund Cash Balances, December 31				
Restricted	0	140,340	0	140,340
Unassigned (Deficit)	60,853	0	0	60,853
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 60,853</u></u>	<u><u>\$ 140,340</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 201,193</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP
LOGAN COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES (CASH BASIS)
PRIVATE PURPOSE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Receipts:	
Earnings on Investments	\$ <u>1</u>
<i>Total Cash Receipts</i>	\$ <u>1</u>
<i>Fund Cash Balances, January 1</i>	<u>282</u>
Fund Cash Balances, December 31	
Nonspendable	<u>283</u>
<i>Fund Cash Balances, December 31</i>	\$ <u><u>283</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP
LOGAN COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 43,968	\$ 31,637	\$ 0	\$ 75,605
Charges for Services	4,186	0	0	4,186
Licenses, Permits, and Fees	2,389	0	0	2,389
Intergovernmental Receipts	24,231	100,305	19,913	144,449
Earnings on Investments	115	168	0	283
Miscellaneous	144	0	0	144
<i>Total Cash Receipts</i>	<u>\$ 75,033</u>	<u>\$ 132,110</u>	<u>\$ 19,913</u>	<u>\$ 227,056</u>
Cash Disbursements:				
Current:				
General Government	\$ 52,888	\$ 713	\$ 0	\$ 53,601
Public Safety	25,705	15,115	0	40,820
Public Works	0	100,932	19,913	120,845
Health	1,051	0	0	1,051
Capital Outlay	275	0	0	275
<i>Total Cash Disbursements</i>	<u>\$ 79,919</u>	<u>\$ 116,760</u>	<u>\$ 19,913</u>	<u>\$ 216,592</u>
<i>Total Receipts Over/(Under) Disbursements</i>	<u>(4,886)</u>	<u>15,350</u>	<u>0</u>	<u>10,464</u>
<i>Fund Cash Balances, January 1</i>	<u>\$ 60,287</u>	<u>\$ 103,831</u>	<u>\$ 0</u>	<u>\$ 164,118</u>
Fund Cash Balances, December 31				
Restricted	0	119,181	0	119,181
Unassigned (Deficit)	<u>55,401</u>	<u>0</u>	<u>0</u>	<u>55,401</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 55,401</u></u>	<u><u>\$ 119,181</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 174,582</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP
LOGAN COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES (CASH BASIS)
PRIVATE PURPOSE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Receipts:

Earnings on Investments	\$ <u>1</u>
<i>Total Cash Receipts</i>	\$ <u>1</u>

<i>Fund Cash Balances, January 1</i>	\$ <u>281</u>
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Fund Cash Balances, December 31

Nonspendable	<u>282</u>
<i>Fund Cash Balances, December 31</i>	\$ <u><u>282</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Harrison Township, Logan 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 and cemetery maintenance. The Township contracts with Riverside Emergency Medical, Robinaugh Ambulance, and the City of Bellefontaine to provide emergency medical services. The Township contracts with City of Bellefontaine to provide fire protection.

The Township participates in the Ohio Plan Risk Management (OPRM). 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.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

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

D. Fund Accounting

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

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund:

The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds:

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund – This fund receives gasoline money for constructing, maintaining and repairing Township roads.

3. Capital Project Funds:

These funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Funds:

Public Works Fund – This fund accounts for Issue II money spent on behalf of the Township for maintaining and repairing Township roads.

Miscellaneous Capital Projects Fund – This fund accounts for Logan County Sales Tax money spent on behalf of the Township for maintaining and repairing Township roads.

4. Private Purpose Trust

The Township's Fiduciary fund is a private purpose trust. Trust funds account for assets held in a trust agreement for individuals, private organizations, or other governments and are not available to support Township programs. The Township had the following Trust Fund:

Private Purpose Trust Cemetery Bequest Fund – Amounts donated are maintained in perpetuity. Investment earnings are used for maintaining of the designees' grave.

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) cash as of January 1. The County Budget Commission must also 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 2012 and 2011 budgetary activity appears in Note 3.

F. Fund Balances

In 2011, the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which had no effect on fund balances. 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:

1. Nonspendable

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

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balances (Continued)

2. Restricted

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

3. 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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. 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.

G. Property, Plant and Equipment

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

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2012</u>	<u>2011</u>
Demand Deposits	<u>\$201,476</u>	<u>\$174,864</u>

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

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2012 was as follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 70,000	\$ 75,486	\$ 5,486
Special Revenue	133,400	131,145	(2,255)
Capital Projects	105,172	105,172	0
Trust	1	1	0
Total	<u>\$ 308,573</u>	<u>\$ 311,804</u>	<u>\$ 3,231</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 85,000	\$ 70,034	\$ 14,966
Special Revenue	166,900	109,986	56,914
Capital Projects	105,172	105,172	0
Trust	30	0	30
Total	<u>\$ 357,102</u>	<u>\$ 285,192</u>	<u>\$ 71,910</u>

Budgetary activity for the year ending December 31, 2011 was as follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 80,100	\$ 75,033	\$ (5,067)
Special Revenue	136,600	132,110	(4,490)
Capital Projects	19,913	19,913	0
Trust	1	1	0
Total	<u>\$ 236,614</u>	<u>\$ 227,057</u>	<u>\$ (9,557)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 109,100	\$ 79,919	\$ 29,181
Special Revenue	171,100	116,760	54,340
Capital Projects	19,913	19,913	0
Trust	30	0	30
Total	<u>\$ 300,143</u>	<u>\$ 216,592</u>	<u>\$ 83,551</u>

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

4. PROPERTY TAX

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

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

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

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

5. RETIREMENT SYSTEMS

The Township's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equal to 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2012.

6. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

6. RISK MANAGEMENT (Continued)

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 782 and 761 members as of December 31, 2011 and 2010 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2011 and 2010 (the latest information available).

	2011	2010
Assets	\$12,501,280	\$12,036,541
Liabilities	(5,328,761)	(4,845,056)
Members' Equity	\$7,172,519	\$7,191,485

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

7. DEBT

Debt outstanding at December 31, 2012 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$ 82,142	0.0%

**HARRISON TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

7. DEBT (Continued)

The Township received \$82,142 from Ohio Public Works Commission for the state capital improvement program. Loan proceeds were used for widening Township road. The loan will be repaid in semi-annual installments, with an interest rate of 0.0% over a twenty year period, maturing in 2033.

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

Year Ending December 31	Ohio Public Works Commission	
	Principal	Interest
2013	\$ 2,054	\$ 0
2014	4,107	0
2015	4,107	0
2016	4,107	0
2017	4,107	0
2018-2022	20,535	0
2023-2027	20,535	0
2028-2032	20,535	0
2033	2,055	0
Total	\$ 82,142	\$ 0

Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

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

Harrison Township
Logan County
3133 Road 130
Bellefontaine, Ohio 43311

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Harrison Township, Logan County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated June 17, 2013, wherein we noted the Township followed a special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township, in 2011, adopted Government Accounting Standard Number 54.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect, and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in the report that we reported to the Township's management in a separate letter dated June 17, 2013.

Purpose of the Report

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

Digitally signed by Manning
Associates CPAs
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ou,
email=scomer@manningcpallc.com,
c=US
'Date: 2013.06.26 14:55:11 -04'00



Manning & Associates CPAs, LLC
Dayton, Ohio

June 17, 2013

**HARRISON TOWNSHIP
LOGAN COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 AND 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2010-001	Misposting of receipts and expenditures	Partially	Reissued as verbal comment
2010-002	ORC 5705.36 - Estimated receipts exceeded actual in 2010 and 2009	Yes	Finding no longer valid

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Dave Yost • Auditor of State

HARRISON TOWNSHIP

LOGAN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 10, 2013**