



**ETNA TOWNSHIP
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

ETNA TOWNSHIP
LICKING COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Status of Prior Findings	13

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Etna Township
Licking County
P.O. Box 188
Etna, Ohio 43018

We have audited the accompanying financial statements of Etna Township, Licking County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Etna Township, Licking County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

JIM PETRO
Auditor of State

May 29, 2001

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**ETNA TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDING DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum) Only</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$172,881	\$114,737	\$287,618
Licenses, Permits and Fees	67,168	0	67,168
Intergovernmental Receipts	72,596	77,487	150,083
Interest Earnings	25,382	4,135	29,517
Other Receipts	8,617	4,186	12,803
Total Cash Receipts	<u>346,644</u>	<u>200,545</u>	<u>547,189</u>
 Cash Disbursements:			
General Government	141,463	0	141,463
Public Works	28,012	201,169	229,181
Health	15,733	0	15,733
Conservation - Recreation	3,100	0	3,100
Capital Outlay	8,415	71,261	79,676
Total Cash Disbursements	<u>196,723</u>	<u>272,430</u>	<u>469,153</u>
 Total Cash Receipts Over(Under) Cash Disbursements	<u>149,921</u>	<u>(71,885)</u>	<u>78,036</u>
 Other Financing Sources (Uses):			
Advances In	0	6,350	6,350
Advances Out	(6,350)	0	(6,350)
Total Other Financing Sources (Uses)	<u>(6,350)</u>	<u>6,350</u>	<u>0</u>
 Total of Cash Receipts and Other Sources Over (Under) Cash Disbursements and Other Uses	143,571	(65,535)	78,036
 Fund Cash Balances, January 1, 2000	<u>275,345</u>	<u>168,665</u>	<u>444,010</u>
 Fund Cash Balances, December 31, 2000	<u>\$418,916</u>	<u>\$103,130</u>	<u>\$522,046</u>
 Reserve For Encumbrances, December 31, 2000	<u>\$25,070</u>	<u>\$300</u>	<u>\$25,370</u>

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

**ETNA TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDING DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$149,621	\$93,508	\$243,129
Licenses, Permits and Fees	45,302	0	45,302
Intergovernmental Receipts	98,404	88,433	186,837
Interest Earnings	14,094	3,302	17,396
Other Receipts	1,453	17,784	19,237
Total Cash Receipts	<u>308,874</u>	<u>203,027</u>	<u>511,901</u>
 Cash Disbursements:			
General Government	116,401	0	116,401
Public Works	76,193	140,703	216,896
Health	18,424	0	18,424
Conservation - Recreation	1,595	0	1,595
Capital Outlay	4,494	32,738	37,232
Total Cash Disbursements	<u>217,107</u>	<u>173,441</u>	<u>390,548</u>
 Total Cash Receipts Over(Under) Cash Disbursements	<u>91,767</u>	<u>29,586</u>	<u>121,353</u>
 Other Financing Sources (Uses):			
Sale of Assets	131	12,506	12,637
Other Financing Sources	119	0	119
Total Other Financing Sources (Uses)	<u>250</u>	<u>12,506</u>	<u>12,756</u>
 Total of Rec. and Other Sources Over (Under) Disbursements and Other Uses	92,017	42,092	134,109
 Fund Cash Balances, January 1, 1999	<u>183,328</u>	<u>126,573</u>	<u>309,901</u>
 Fund Cash Balances, December 31, 1999	<u><u>\$275,345</u></u>	<u><u>\$168,665</u></u>	<u><u>\$444,010</u></u>

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

**ETNA TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Etna Township, Licking County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance. The Township contracts with the Licking County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded 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:

1. General Fund

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

2. Special Revenue Funds

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

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

**ETNA TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**ETNA TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2000	1999
Demand Deposits	\$11,374	\$53,969
STAR Ohio	510,672	390,041
	\$522,046	\$444,010
Total deposits and investments		

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$278,090	\$346,644	\$68,554
Special Revenue	192,960	206,895	13,935
Total	\$471,050	\$553,539	\$82,489

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$552,435	\$228,143	\$324,292
Special Revenue	366,550	272,730	93,820
Total	\$918,985	\$500,873	\$418,112

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$452,220	\$309,124	(\$143,096)
Special Revenue	307,550	215,533	(92,017)
Total	\$759,770	\$524,657	(\$235,113)

**ETNA TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$424,189	\$217,107	\$207,082
Special Revenue	293,800	173,441	120,359
Total	\$717,989	\$390,548	\$327,441

4. PROPERTY TAX

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

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

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

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

5. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000 respectively. For The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**ETNA TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. JOINTLY GOVERNED ORGANIZATION

Southwest Licking Fire District- The Township appoints a person to represent the Township on the 5 member board of the Southwest Licking Fire District. There is no ongoing financial interest or responsibility by the Township.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Trustees
Edna Township
Licking County
P.O. Box 188
Etna, Ohio 43018

We have audited the accompanying financial statements of Etna Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 29, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 29, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 29, 2001.

Etna Township
Licking County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

May 29, 2001

**ETNA TOWNSHIP
LICKING COUNTY**

**STATUS OF PRIOR FINDINGS
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

Finding Number	Finding Summary	Fully Corrected	Not Corrected/Explanation
1998-10645-001	Ohio Rev. Code Section 5705.36 and 5705.41(B) requesting an amended certificate of estimated resources and not to expend funds without appropriations for Issue II funds	Yes	
1998-10645-002	Ohio Rev. Code Section 117.28 Finding for recovery	Yes	
1998-10645-003	Ohio Rev. Code Section 117.28 Finding for recovery	Yes	



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OFFICE OF THE AUDITOR

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ETNA TOWNSHIP

LICKING 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
JULY 12, 2001**