

***ENOCH TOWNSHIP
NOBLE COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2004 & 2003

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



**Auditor of State
Betty Montgomery**

Board of Trustees
Enoch Township
44155 TR 312 Camp Run Rd.
Caldwell, OH 43724

We have reviewed the *Report of Independent Accountants* of Enoch Township, Noble County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2003 through December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Enoch Township, Noble County is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 22, 2006

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**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2004 & 2003**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees
Enoch Township
Caldwell, Ohio

We have audited the accompanying financial statements of Enoch Township, Noble County, Ohio, (the Township), as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Enoch Township, Noble County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements and changes in fund cash balances, its combined statement of receipts-budget and actual and combined statement of disbursements and encumbrances compared with expenditure authority for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2005, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
December 15, 2005

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH
BALANCES - ALL FUND TYPES
As of December 31, 2004 and 2003

	<u>2004</u> <u>Balances</u>	<u>2003</u> <u>Balances</u>
Cash and Cash Equivalents	\$ <u>91,769</u>	\$ <u>108,349</u>

Cash Balances By Fund Class

Governmental Fund Types:

General Fund	\$ 30,195	\$ 25,763
Special Revenue Funds	54,852	72,491
Debt Service Fund	<u>-</u>	<u>3,373</u>
Subtotal	85,047	101,627

Fiduciary Fund Type:

Nonexpendable Trust Fund	<u>6,722</u>	<u>6,722</u>
Total	\$ <u>91,769</u>	\$ <u>108,349</u>

See Accompanying Notes to the Financial Statements.

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
For the Year Ended December 31, 2004

	Governmental Fund Types			Fiduciary Fund Type	(Memorandum Only)
	General	Special Revenue	Debt Service	Non-Expendable Trust	Total
Receipts:					
Taxes	\$ 5,727	\$ 29,415	\$ -	\$ -	\$ 35,142
Intergovernmental	12,100	95,979	-	-	108,079
Interest Earnings	201	134	-	-	335
Miscellaneous	1,605	605	-	-	2,210
Total Receipts	19,633	126,133	-	-	145,766
Disbursements:					
General Government	30,039	-	-	-	30,039
Public Safety	1,659	-	-	-	1,659
Public Works	11,292	94,008	-	-	105,300
Other	-	9,721	-	-	9,721
Capital Outlay	95	37,544	-	-	37,639
Debt Service:					
Principal	-	4,088	-	-	4,088
Interest	-	900	-	-	900
Total Disbursements	43,085	146,261	-	-	189,346
Excess of Receipts Over/(Under) Disbursements	(23,452)	(20,128)	-	-	(43,580)
Other Financing Sources/(Uses):					
Transfers-In	27,884	-	-	-	27,884
Transfers-Out	-	(24,511)	(3,373)	-	(27,884)
Proceeds of Notes	-	27,000	-	-	27,000
Total Other Financing Sources/(Uses)	27,884	2,489	(3,373)	-	27,000
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	4,432	(17,639)	(3,373)	-	(16,580)
Fund Balance January 1, 2004	25,763	72,491	3,373	6,722	108,349
Fund Balance December 31, 2004	\$ 30,195	\$ 54,852	\$ -	\$ 6,722	\$ 91,769
Reserve for Encumbrances	\$ 668	\$ 2,204	\$ -	\$ -	\$ 2,872

See Accompanying Notes to the Financial Statements.

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
For the Year Ended December 31, 2003

	Governmental Fund Types			Fiduciary Fund Type	(Memorandum Only)
	General	Special Revenue	Debt Service	Non-Expendable Trust	Total
Receipts:					
Taxes	\$ 13,944	\$ 29,457	\$ -	\$ -	\$ 43,401
Intergovernmental	12,301	91,013	1,719	-	105,033
Interest Earnings	283	189	-	-	472
Miscellaneous	-	3,370	-	-	3,370
Total Receipts	26,528	124,029	1,719	-	152,276
Disbursements:					
General Government	21,830	-	-	-	21,830
Public Works	1,557	108,452	-	-	110,009
Debt Service:					
Principal	-	-	16,087	-	16,087
Interest	-	-	441	-	441
Total Disbursements	23,387	108,452	16,528	-	148,367
Excess of Receipts Over/(Under) Disbursements	3,141	15,577	(14,809)	-	3,909
Other Financing Sources/(Uses):					
Transfers-In	-	75	-	-	75
Transfers-Out	(75)	-	-	-	(75)
Advances-In	-	1,200	-	-	1,200
Advances-Out	(1,200)	-	-	-	(1,200)
Total Other Financing Sources/(Uses)	(1,275)	1,275	-	-	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	1,866	16,852	(14,809)	-	3,909
Fund Balance January 1, 2003	23,897	55,639	18,182	6,722	104,440
Fund Balance December 31, 2003	\$ 25,763	\$ 72,491	\$ 3,373	\$ 6,722	\$ 108,349
Reserve for Encumbrances	\$ 668	\$ 26,715	\$ 3,373	\$ -	\$ 30,756

See Accompanying Notes to the Financial Statements.

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 2004

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 11,317	\$ 47,517	\$ 36,200
Special Revenue	<u>110,348</u>	<u>153,133</u>	<u>42,785</u>
	121,665	200,650	78,985
<u>Fiduciary Fund Type:</u>			
Non-Expendable Trust Fund	<u>650</u>	<u>-</u>	<u>(650)</u>
Total (Memorandum Only)	\$ <u>122,315</u>	\$ <u>200,650</u>	\$ <u>78,335</u>

See Accompanying Notes to the Financial Statements.

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 2003

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 10,960	\$ 26,528	\$ 15,568
Special Revenue Funds	85,744	125,304	39,560
Debt Service Fund	<u>4,126</u>	<u>1,719</u>	<u>(2,407)</u>
	100,830	153,551	52,721
<u>Fiduciary Fund Type:</u>			
Nonexpendable Trust Fund	<u>650</u>	<u>-</u>	<u>(650)</u>
Total (Memorandum Only)	\$ <u>101,480</u>	\$ <u>153,551</u>	\$ <u>52,071</u>

See Accompanying Notes to the Financial Statements.

ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
For the Year Ended December 31, 2004

<u>Fund Types/Funds</u>	<u>Carryover</u> <u>Appropriations</u>	<u>Year Ending</u> <u>2004</u> <u>Appropriations</u>	<u>Total</u>	<u>Actual</u> <u>2004</u> <u>Disbursements</u>	<u>Encumbrances</u> <u>as of</u> <u>12/31/04</u>	<u>Total</u>	<u>Variance</u> <u>Favorable/</u> <u>(Unfavorable)</u>
Governmental Funds:							
General Fund	\$ 668	\$ 64,296	\$ 64,964	\$ 43,085	\$ 668	\$ 43,753	\$ 21,211
Special Revenue Funds	26,715	139,825	166,540	170,772	2,204	172,976	(6,436)
Debt Service	<u>3,373</u>	<u>-</u>	<u>3,373</u>	<u>3,373</u>	<u>-</u>	<u>3,373</u>	<u>-</u>
Total (Memorandum Only)	\$ <u>30,756</u>	\$ <u>204,121</u>	\$ <u>234,877</u>	\$ <u>217,230</u>	\$ <u>2,872</u>	\$ <u>220,102</u>	\$ <u>14,775</u>

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See Accompanying Notes to the Financial Statements.

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
For the Year Ended December 31, 2003**

<u>Fund Types/Funds</u>	<u>Carryover Appropriations</u>	<u>Year Ending 2003 Appropriations</u>	<u>Total</u>	<u>Actual 2003 Disbursements</u>	<u>Encumbrances as of 12/31/03</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental Funds:							
General Fund	\$ 668	\$ 34,188	\$ 34,856	\$ 24,662	\$ 668	25,330	\$ 9,526
Special Revenue Funds	2,204	163,691	165,895	108,452	26,715	135,167	30,728
Debt Service Fund	-	22,307	22,307	16,528	3,373	19,901	2,406
	2,872	220,186	223,058	149,642	30,756	180,398	42,660
Fiduciary Fund:							
Nonexpendable Trust Fund	-	7,373	7,373	-	-	-	7,373
Total (Memorandum Only)	\$ 2,872	\$ 227,559	\$ 230,431	\$ 149,642	\$ 30,756	\$ 180,398	\$ 50,033

See Accompanying Notes to the Financial Statements.

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. DESCRIPTION OF THE ENTITY

Enoch Township, Noble County (the Township) is a body corporate and politic established for the purpose of exercising 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 and a publicly-elected Clerk. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

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 disbursement 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.)

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

C. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at purchase cost. Interest earned is recognized and recorded when received. See Note 2 for further description.

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: To account for the proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes. The Township had the following significant Special Revenue Funds:

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

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

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

Motor Vehicle License Tax Fund- This fund receives motor vehicle tax money for constructing, maintaining and repairing Township roads.

Debt Service Fund: This fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Fund:

Bond Retirement Fund: This fund was established to retire debt related to the purchase of a tractor and backhoe.

Fiduciary Fund Type:

This fund is used to account for resources held by the Township in a trustee capacity or agent for individuals or private organizations. The Township had the following significant Fiduciary Fund:

Archers Ridge Cemetery Trust Fund- This fund is a nonexpendable trust fund, where the principal is invested and the interest earnings are used for cemetery maintenance.

E. BUDGETARY PROCESS

1. **Budget**

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

2. **Estimated Resources**

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

3. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

The legal level of budgetary control is at the fund level in all funds. Any budgetary modifications at this level may only be made by resolution of the Township Board of Trustees.

4. **Encumbrances**

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

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

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. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of the Township's cash and investments at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand Deposits	\$ 85,168	\$101,748
Certificate of Deposit	<u>6,601</u>	<u>6,601</u>
Total Deposits	<u>\$ 91,769</u>	<u>\$108,349</u>

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2003.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio and are reflected in the accompanying financial statements as Intergovernmental Receipts.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The County

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

3. **PROPERTY TAX- (continued)**

Treasurer collects property tax on behalf of all taxing entities within the county. The County Auditor periodically remits to the taxing entities their portions of the taxes collected.

4. **DEBT**

Debt outstanding at December 31, 2004 related to the purchase of a truck was as follows:

Installment Loan	<u>Principal</u> \$ <u>22,912</u>	<u>Interest Rate</u> 4.00%
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Amortization of the above debt, including interest of \$2,026 is as follows:

<u>Year</u>	<u>Amount Due</u>
2005	\$ 5,985
2006	5,985
2007	5,985
2008	5,985
2009	<u>998</u>
	<u>\$24,938</u>

5. **RISK MANAGEMENT**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA's losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

5. RISK MANAGEMENT – (continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31 (latest information available):

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	<u>(13,640,962)</u>	<u>(11,791,300)</u>
Retained Earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>
<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	<u>(753,906)</u>	<u>(750,956)</u>
Retained Earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>

6. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer public employee retirement system. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The 2004 member contribution rate was 8.5%.

Contribution rates are prescribed by the Ohio Revised Code. For 2004 and 2003 members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2004.

7. TRANSFERS

Interfund transfers for the year ended December 31, 2004 consisted of the following:

<u>Transfer To:</u>	<u>Transfer From:</u>	
<u>General Fund</u>	<u>Debt Service</u>	<u>FEMA</u>
	\$3,373	\$24,511

Interfund transfers for the year ended December 31, 2003 consisted of the following:

<u>Transfer To:</u>	<u>Transfer From:</u>
<u>Motor Vehicle</u>	<u>General Fund</u>
	\$75

Unrestricted receipts collected in the general fund are transferred to finance various programs accounted for in other funds in accordance with budgetary authorizations. Also, money is transferred from restricted funds to the general fund for unused balances in accordance with the Ohio Revised Code and appropriate grant agreements.

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2003**

8. CONTINGENT LIABILITIES

The Township may be a defendant in various lawsuits. Although management cannot presently determine the outcome of these suits, it is the opinion of the Township legal counsel that the resolution of these matters will not materially adversely affect the Township's financial condition.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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**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**

To the Board of Trustees
Enoch Township
Caldwell, Ohio

We have audited the financial statements of Enoch Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated December 15, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the 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 an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 matter 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 we have reported to management of the Township in a separate letter dated December 15, 2005.

Compliance and Other Matters

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, grant agreements and other matters, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain instances of immaterial noncompliance, which we have reported to the management of the Township in a separate letter dated December 15, 2005.

This report is intended solely 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.

Charles E. Harris and Associates, Inc.

December 15, 2005

**ENOCH TOWNSHIP
NOBLE COUNTY, OHIO
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-001	Ohio Rev. Code Section 5705.41(D)- funds not certified prior to expenditure	Yes	Finding no longer valid. The fiscal officer now provides the appropriate certification.



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

ENOCH TOWNSHIP

NOBLE 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
APRIL 4, 2006**