

**EDEN TOWNSHIP
LICKING COUNTY**

AUDIT REPORT

JANUARY 1, 2007 – DECEMBER 31, 2008

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Eden Township
10749 Eden Church Road
St. Louisville, Ohio 43071

We have reviewed the *Independent Auditors' Report* of Eden Township, Licking County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. 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 *Independent Auditors' Report* 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 *Independent Auditors' Report* 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. Eden Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 22, 2009

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**EDEN TOWNSHIP
LICKING COUNTY**

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Eden Township
Licking County
10749 Eden Church Road
St. Louisville, Ohio 43071

We have audited the accompanying financial statements of Eden Township, Licking County as of and for the years ended December 31, 2008 and 2007. 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 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. 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 this 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 paragraph, the financial statements referred to above for the years ending December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Eden Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended..

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Eden Township, Licking County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 a report dated April 28, 2009, on our consideration of Eden Township's internal control structure 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 read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 28, 2009

**EDEN TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 32,621	\$ 104,225	\$ -	\$ 136,846
Licenses, Permits, and Fees		-	-	-
Intergovernmental	81,642	116,073	-	197,715
Earnings on Investments	5,285	979	538	6,802
Miscellaneous	2,925	-	2,561	5,486
Total Cash Receipts	<u>122,473</u>	<u>221,277</u>	<u>3,099</u>	<u>346,849</u>
Cash Disbursements:				
Current:				
General Government	84,159	-	-	84,159
Public Safety	-	36,176	-	36,176
Public Works	4,716	161,183	-	165,899
Health	3,200	-	1,790	4,990
Capital Outlay	-	101,534	-	101,534
Debt Service:				
Redemption of Principal	-	27,715	-	27,715
Interest and Other Fiscal Charges	-	168	-	168
Total Cash Disbursements	<u>92,075</u>	<u>326,776</u>	<u>1,790</u>	<u>420,641</u>
Total Cash Receipts Over/(Under) Cash Disbursements	30,398	(105,499)	1,309	(73,792)
Other Financing Receipts/(Disbursements)				
Loan Proceeds	-	101,534	-	101,534
Other Financing Sources	-	340	-	340
Total Other Financing Receipts/(Disbursements)	<u>-</u>	<u>101,874</u>	<u>-</u>	<u>101,874</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	30,398	(3,625)	1,309	28,082
Fund Cash Balances, January 1	<u>32,631</u>	<u>210,683</u>	<u>18,006</u>	<u>261,320</u>
Fund Cash Balances, December 31	<u>\$ 63,029</u>	<u>\$ 207,058</u>	<u>\$ 19,315</u>	<u>\$ 289,402</u>

See notes to financial statements.

**EDEN TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 32,313	\$ 105,889	\$ -	\$ 138,202
Licenses, Permits, and Fees	2,248	-	-	2,248
Intergovernmental	40,367	99,196	-	139,563
Earnings on Investments	10,251	2,170	809	13,230
Miscellaneous	1,465	-	-	1,465
Total Cash Receipts	<u>86,644</u>	<u>207,255</u>	<u>809</u>	<u>294,708</u>
Cash Disbursements:				
Current:				
General Government	85,072	-	-	85,072
Public Safety	-	41,064	-	41,064
Public Works	17,423	143,578	-	161,001
Health	3,998	-	3,868	7,866
Debt Service:				
Redemption of Principal	-	10,000	-	10,000
Interest and Other Fiscal Charges	-	557	-	557
Total Cash Disbursements	<u>106,493</u>	<u>195,199</u>	<u>3,868</u>	<u>305,560</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(19,849)	12,056	(3,059)	(10,852)
Other Financing Receipts/(Disbursements)				
Sale Of Fixed Assets	600	-	-	600
Total Other Financing Receipts/(Disbursements)	<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	(19,249)	12,056	(3,059)	(10,252)
Fund Cash Balances, January 1	<u>51,880</u>	<u>198,627</u>	<u>21,065</u>	<u>271,572</u>
Fund Cash Balances, December 31	<u>\$ 32,631</u>	<u>\$ 210,683</u>	<u>\$ 18,006</u>	<u>\$ 261,320</u>

See notes to financial statements.

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Township of Eden, Licking County, is a body politic and corporate 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 and a publicly elected Fiscal Officer. The Township provides general governmental services including road and bridge maintenance, cemetery maintenance, fire protection services and emergency medical services. The Township contracts with Newton Township and Mary Ann Township for fire protection and emergency medical services.

The Township participates in the Ohio Governmental Risk Management Plan public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self insurance risk management plan. Member governments pay annual contributions to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible

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 cash 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 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 certificate of deposit is valued at cost. All other funds are maintained in an interest-bearing checking account.

D. Fund Accounting

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

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

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

Road and Bridge Fund – This fund receives property tax money levied for the funding of the repair of the Township's roads and bridges.

Fire Levy Fund – This fund receives property tax money levied for the payments to other governments to provide fire and emergency medical services.

Permanent Fund

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant Permanent Fund:

Eden Cemetery Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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.

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Process (Continued)

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.

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 reappropriated in the subsequent year.

A Summary of 2008 and 2007 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 in the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting

2. EQUITY IN POOLED CASH

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

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ 122,887	\$ 225,103
Certificate of Deposits	166,515	36,217
	<u>\$ 289,402</u>	<u>\$ 261,320</u>

Deposits:

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

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 was as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 83,983	\$ 122,473	\$ 38,490
Special Revenue	205,555	323,151	117,596
Permanent	<u> -</u>	<u> 3,099</u>	<u> 3,099</u>
Total	<u>\$ 289,538</u>	<u>\$ 448,723</u>	<u>\$ 159,185</u>

2008 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 116,613	\$ 92,075	\$ 24,538
Special Revenue	416,238	326,776	89,462
Permanent	<u> 1,790</u>	<u> 1,790</u>	<u> -</u>
Total	<u>\$ 534,641</u>	<u>\$ 420,641</u>	<u>\$ 114,000</u>

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 87,810	\$ 87,244	\$ (566)
Special Revenue	197,552	207,255	9,703
Permanent	<u> 600</u>	<u> 809</u>	<u> 209</u>
Total	<u>\$ 285,962</u>	<u>\$ 295,308</u>	<u>\$ 9,346</u>

2007 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 139,691	\$ 106,493	\$ 33,198
Special Revenue	396,178	195,199	200,979
Permanent	<u> 5,449</u>	<u> 3,868</u>	<u> 1,581</u>
Total	<u>\$ 541,318</u>	<u>\$ 305,560</u>	<u>\$ 235,758</u>

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (CONTINUED)

Contrary to ORC Section 5705.36, the Township had several funds in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

Contrary to ORC Section 5705.41 (B), in 2008 the Township had expenditures that exceeded appropriations at the legal level of control in the Gasoline Tax Fund.

Contrary to ORC Section 5705.41(D), the Township had expenditures where the invoice was dated prior to the fiscal certificate.

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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 payments, 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 June 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 Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2008 and 2007, members of PERS contributed 10.0% and 9.5% of their gross salaries, respectively. The Township contributed an amount equal to 14.00% and 13.85% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2008.

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

6. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest rate
DCFS USA - Truck	\$ 78,819	5.94%
Total	\$ 78,819	

The Township entered a master installment purchase agreement in 2008 to finance the purchase of a Sterling Truck. This truck is used for Township road maintenance. The agreement is collateralized by the truck.

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

Year Ended December 31	Backhoe
2009	\$ 22,715
2010	22,715
2011	22,715
2012	22,715
Total	\$ 90,860

7. 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 Township belongs to the Ohio Government 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 over 550 Ohio Governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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.

**EDEN TOWNSHIP
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

7. RISK MANAGEMENT (CONTINUED)

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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

	<u>2007</u>	<u>2006</u>
Assets	\$ 11,136,455	\$ 9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Retained Earnings	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

You can read the complete audited financial statements for the Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Eden Township
Licking County
10749 Eden Church Road
St. Louisville, Ohio 43071

We have audited the financial statements of Eden Township, Licking County as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated April 28, 2009, 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Eden Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, identified as 2008-001 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-001 to be material weaknesses.

We also noted other matters involving internal control over financial reporting, which we have reported to management of Eden Township in a separate letter dated April 28, 2009

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eden Township's financial statements are free of 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 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items 2008-001 and 2008-002. We also we noted certain immaterial instances of noncompliance that we have reported to the management of Eden Township in a separate letter dated April 28, 2009.

Eden Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Eden Township's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 28, 2009

**EDEN TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-001

Noncompliance Citation / Significant Deficiency / Material Weakness

Proper Classification of Receipts and Expenditures

Ohio Admin. Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements.

The testing of receipts and expenditures revealed that fifteen items were not properly classified by the Township Fiscal Officer. All of these items required reclassification. Items requiring reclassification included Property and Other Local Taxes, Intergovernmental Revenue, Public Works, Redemption of Principal, Interest Expense and Capital Outlay.

The Township Fiscal Officer should review the account code classifications in the UAN system and the "Ohio Township Handbook" chart of accounts and post receipts and expenditures to the proper line item account codes and fund. This will help ensure receipts and expenditures are properly reflected in the financial statements. In addition, fairly presented financial statements provide the Township Trustees with the ability to analyze information in a consistent manner which aids in making informed financial decisions regarding Township operations.

The Fiscal Officer should input the correct estimated receipts into the proper line item accounts on the budgetary system once they have been certified by the Budget Commission and the correct appropriation amounts into the proper line item accounts on the budgetary system once they have been approved by the Board. Monthly comparisons of budgeted and actual revenue and expenditures for all funds should be presented to the Board to allow for monitoring of fiscal operations of the Township. The Board of Trustees should review these reports for significant variances from expectations.

Client Response: The Fiscal Officer will review the account code classification in the UAN system.

FINDING NUMBER 2008-002

Noncompliance Citation

Ohio Revised Code Section 5705.41(B) prohibits the expenditure of funds unless they have been properly appropriated. In 2008, expenditures exceeded appropriations in the following funds:

Fund	Appropriations	Expenditures	Variance
Road and Bridge Fund	\$ 116,776	\$ 198,529	\$ (81,753)

We recommend that the Township review expenditures so that they do not exceed appropriations.

Client Response: We agree with finding and will try to improve in the future.

**EDEN TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-Eden-01	OAC 117-2-02(A) Maintaining Sufficient Accounting Records	No	Not Corrected; Included in the report as Finding 2008-001.



Mary Taylor, CPA
Auditor of State

EDEN 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 2, 2009**