



**MARY ANN TOWNSHIP  
LICKING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



**JIM PETRO  
AUDITOR OF STATE**

**STATE OF OHIO**



MARY ANN TOWNSHIP  
LICKING COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Mary Ann Township  
Licking County  
5987 Grumms Lane NE  
Newark, Ohio 43055

We have audited the accompanying financial statements of Mary Ann 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 generally accepted auditing standards 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 of Mary Ann 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 7, 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 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 7, 2001

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**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$40,492	\$100,912	\$6,156	\$0	\$147,560
Intergovernmental	34,900	86,168	723	171,001	292,792
Licenses, Permits, and Fees	6,855	22,250	0	0	29,105
Earnings on Investments	3,032	540	0	0	3,572
Other Receipts	7,920	17,318	0	0	25,238
					0
Total Cash Receipts	<u>93,199</u>	<u>227,188</u>	<u>6,879</u>	<u>171,001</u>	<u>498,267</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	56,140	0	0	0	56,140
Public Safety	0	136,415	118	0	136,533
Public Works	8,215	128,972	0	0	137,187
Health	6,184	675	0	0	6,859
Redemption of Principal	0	0	20,000	0	20,000
Interest and Fiscal Charges	0	0	2,560	0	2,560
Capital Outlay	7,900	58,911	0	171,001	237,812
Total Cash Disbursements	<u>78,439</u>	<u>324,973</u>	<u>22,678</u>	<u>171,001</u>	<u>597,091</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>14,760</u>	<u>(97,785)</u>	<u>(15,799)</u>	<u>0</u>	<u>(98,824)</u>
<b>Other Financing Receipts:</b>					
Sale of Fixed Assets	820	0	0	0	820
Proceeds of Notes	0	106,675	0	0	106,675
Total Other Financing Receipts	<u>820</u>	<u>106,675</u>	<u>0</u>	<u>0</u>	<u>107,495</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	15,580	8,890	(15,799)	0	8,671
Fund Cash Balances, January 1, 2000	<u>52,549</u>	<u>139,840</u>	<u>38,513</u>	<u>0</u>	<u>230,902</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><b>\$68,129</b></u>	<u><b>\$148,730</b></u>	<u><b>\$22,714</b></u>	<u><b>\$0</b></u>	<u><b>\$239,573</b></u>

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

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$34,705	\$93,974	\$13,806	\$142,485
Intergovernmental	37,541	91,469	1,726	130,736
Fines, Forfeitures, and Penalties	6,163	26,750	0	32,913
Earnings on Investments	2,477	448	0	2,925
Other Receipts	6,255	8,255	0	14,510
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	87,141	220,896	15,532	323,569
<b>Cash Disbursements:</b>				
Current:				
General Government	50,426	0	0	50,426
Public Safety	0	42,074	256	42,330
Public Works	6,877	80,672	0	87,549
Health	4,474	238	0	4,712
Debt Service:				
Redemption of Principal	0	0	20,000	20,000
Interest and Fiscal Charges	0	0	3,840	3,840
Capital Outlay	5,527	52,922	0	58,449
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	67,304	175,906	24,096	267,306
Total Cash Receipts Over/(Under) Cash Disbursements	19,837	44,990	(8,564)	56,263
<b>Other Financing Receipts:</b>				
Sale of Fixed Assets	2,823	0	0	2,823
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	22,660	44,990	(8,564)	59,086
Fund Cash Balances, January 1, 1999	29,889	94,850	47,077	171,816
<b>Fund Cash Balances, December 31, 1999</b>	<b><u>\$52,549</u></b>	<b><u>\$139,840</u></b>	<b><u>\$38,513</u></b>	<b><u>\$230,902</u></b>

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

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Mary Ann Township, Licking County, (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, fire protection and emergency medical services.

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. 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:

Fire Department Special Levy Fund - This fund receives property tax money for operating of the fire department.

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

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant debt service fund:

General Bond Retirement Fund - This fund receives property tax money to pay for the retirement of debt principal and interest.

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**4. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio for Smokey Road.

**D. 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 and 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. Appropriations lapse at year end.

**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 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 forward, and need not be re-appropriated in the subsequent year.

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

**E. 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.

**F. 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.

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**2. EQUITY IN POOLED CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$239,573	\$230,902

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999.

**2000 Budgeted vs Actual Budgetary Basis Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$88,011	\$94,019	\$6,008
Special Revenue	247,885	333,863	85,978
Debt Service	7,120	6,879	(241)
Capital Projects	171,001	171,001	0
Total	\$514,017	\$605,762	\$91,745

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$134,859	\$78,439	\$56,420
Special Revenue	451,304	324,973	126,331
Debt Service	22,860	22,678	182
Capital Projects	171,001	171,001	0
Total	\$780,024	\$597,091	\$182,933

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,461	\$89,964	\$3,503
Special Revenue	199,202	220,896	21,694
Debt Service	25,260	15,532	(9,728)
Total	<u>\$310,923</u>	<u>\$326,392</u>	<u>\$15,469</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,673	\$67,304	\$37,369
Special Revenue	296,530	175,906	120,626
Debt Service	62,336	24,096	38,240
Total	<u>\$463,539</u>	<u>\$267,306</u>	<u>\$196,235</u>

**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.

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.

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$20,000	7%
General Obligation Notes	130,415	various
Total	\$150,415	

The general obligation bonds were issued to finance the purchase of a new fire truck. The bonds are collateralized solely by the Township's taxing authority. The general obligation notes were issued to finance the purchases of an ambulance, dump truck, tanker fire truck and an addition to the fire house.

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

Year ending December 31:	General Obligation Bonds	General Obligation Notes
2001	\$21,280	\$35,173
2002		27,620
2003		18,830
2004		17,974
2005		17,118
Subsequent		43,180
Total	\$21,280	\$159,895

**6. RETIREMENT SYSTEMS**

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**MARY ANN TOWNSHIP  
LICKING COUNTY**

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

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

Board of Trustees  
Mary Ann Township  
Licking County  
5987 Grumms Lane NE  
Newark, Ohio 43055

We have audited the financial statements of Mary Ann 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 7, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 7, 2001.

Mary Ann 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 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 7, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MARY ANN 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 3, 2001**