

ETNA TOWNSHIP
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of Etna Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Etna Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2023

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**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Etna Township
Licking County
81 Liberty Street
Etna, Ohio 43018

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of the Etna Township, Licking County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of the Etna Township, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Etna Township, as of December 31, 2022 and 2021, or changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our report. We are required to be independent of the Etna Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Etna Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Though the Etna Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinion on this accounting basis is in the “*Unmodified Opinion on Regulatory Basis of Accounting*” paragraph above.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Etna Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Etna Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Etna Township
Licking County
Independent Auditor's Report

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Etna Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023 on our consideration of the Etna Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Etna Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Etna Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 28, 2023

ETNA TOWNSHIP
LICKING COUNTY, OHIO

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts:					
Property and Other Taxes	\$ 487,301	\$ 405,001	\$ -	\$ -	\$ 892,302
Licenses, Permits, and Fees	132,903	-	-	-	132,903
Intergovernmental	1,908,660	731,278	-	981,500	3,621,438
Special Assessment	-	4,435	-	-	4,435
Earnings on Investments	40,871	4,128	-	-	44,999
Miscellaneous	20,633	3,300	-	-	23,933
<i>Total Cash Receipts</i>	<u>2,590,368</u>	<u>1,148,142</u>	<u>-</u>	<u>981,500</u>	<u>4,720,010</u>
Cash Disbursements:					
Current:					
General Government	776,466	-	-	-	776,466
Public Safety	131,634	-	-	-	131,634
Public Works	83,014	849,317	-	-	932,331
Health	87,284	-	-	-	87,284
Conservation-Recreation	21,855	-	-	-	21,855
Capital Outlay	9,184	-	-	931,500	940,684
Debt Service:					
Principal Retirement	-	-	87,600	-	87,600
<i>Total Cash Disbursements</i>	<u>1,109,437</u>	<u>849,317</u>	<u>87,600</u>	<u>931,500</u>	<u>2,977,854</u>
<i>Excess of Receipts over (under) Disbursements</i>	<u>1,480,931</u>	<u>298,825</u>	<u>(87,600)</u>	<u>50,000</u>	<u>1,742,156</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	100,099	-	100,099
Transfers Out	(100,099)	-	-	-	(100,099)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,099)</u>	<u>-</u>	<u>100,099</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	1,380,832	298,825	12,499	50,000	1,742,156
<i>Fund Cash Balances, January 1</i>	<u>2,051,027</u>	<u>1,525,128</u>	<u>26,163</u>	<u>225,635</u>	<u>3,827,953</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,431,859</u>	<u>\$ 1,823,953</u>	<u>\$ 38,662</u>	<u>\$ 275,635</u>	<u>\$ 5,570,109</u>

See accompanying notes to the financial statements

ETNA TOWNSHIP
LICKING COUNTY, OHIO
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Fiduciary Fund Type
	Custodial
Additions	
Other Amounts Collected for Distribution	\$2,850
<i>Total Additions</i>	2,850
<i>Net Change in Fund Balances</i>	2,850
<i>Fund Cash Balances, January 1</i>	\$0
<i>Fund Cash Balances, December 31</i>	\$2,850

See accompanying notes to the financial statements

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Etna Township, Licking County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, and cemetery maintenance. Fire protection and emergency medical services are provided by the West Licking Joint Fire District. The Township contracts with the Licking County Sheriff's Department to provide additional officers, who are dedicated to serving the Township.

Public Entity Risk Pool and Jointly Governed Organizations

The Township participates in a public entity risk pool and seven jointly governed organizations. Notes 6 and 13 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road and Bridge Fund - This fund receives property taxes for maintenance and repair of roads within the Township.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following debt service fund:

Debt Service Fund - This fund receives its funding mainly through transfers to fund the debt retirement of the State Route 310 project.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

Miscellaneous Capital Projects Fund - This fund accounts for restricted resources used for various capital improvements.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township has no trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for performance deposits related to right-of-way permits for road projects.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) the fiduciary fund type. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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. Unencumbered appropriations lapse at year-end.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies - (Continued)

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 re-appropriated.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the governmental fund. The classifications are as follows:

Nonspendable - The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies - (Continued)

Committed - Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2022 was as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,071,017	\$2,590,368	(\$1,480,649)
Special Revenue	1,180,277	1,148,142	(32,135)
Debt Service	100,000	100,099	99
Capital Projects	2,735,949	981,500	(1,754,449)
Total	\$8,087,243	\$4,820,109	(\$3,266,864)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,269,149	\$1,295,767	\$2,973,382
Special Revenue	2,514,018	1,051,126	1,462,892
Debt Service	87,600	87,600	0
Capital Projects	2,735,949	931,500	1,804,449
Total	\$9,606,716	\$3,365,993	\$6,240,723

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 - Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

<i>Cash Management Pool:</i>	2022
Demand deposits	\$1,100,780
Insured cash sweep	3,453,821
Total deposits	4,554,601
STAR Ohio	1,018,357
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$5,572,958

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 - Postemployment Benefits - (Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 - Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
ODOT State Route 310 Road Improvement Project	\$ 834,486	3.50%
OPWC CQ29S Taylor Road Improvement Project	631,016	0%
OPWC CQ37W Brandy Mill Resurfacing Project	<u>5,472</u>	0%
Total	<u><u>\$ 1,470,974</u></u>	

During 2017, the Township in conjunction with three other entities, Southwest Licking Local School District, Licking County and Etna Corporate Park Joint Economic Development Zone No. 2, participated in State Infrastructure Bank Bonds originally issued in the amount of \$4,745,000 at 3.50% interest. The Township is obligated to pay quarterly payments in varying amounts through May 2032. Payments are recorded in the Debt Service Fund as principal (no principal and interest breakdown is available) retirement.

Ohio Public Works Commission (OPWC) Loan (CQ29S) was issued for street improvements along Taylor Road. The Township repays the loan in semiannual installments of \$10,517 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue fund-type). No payments have been required as of December 31, 2022.

OPWC Loan (CQ37W) was issued for resurfacing Brandy Mill Drive. The Township will repay the loan in semiannual installments of \$274 over 10 years. The loan is interest-free loan. No payments have been required as of December 31, 2022.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 - Debt - (Continued)

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	ODOT State	
	Route 310 Project	OPWC Loans
2023	\$ 89,436	\$ 10,517
2024	90,262	21,581
2025	87,442	21,581
2026	86,200	21,581
2027	87,072	21,581
2028-2032	394,074	107,905
2033-2037	-	105,718
2038-2032	-	105,169
2043-2047	-	105,169
2048-2052	-	105,169
2053	-	10,517
Total	<u>\$ 834,486</u>	<u>\$ 636,488</u>

Note 10 - Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in May of 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 86,232	\$ 201,809	\$ 288,041
Total	<u>\$ 86,232</u>	<u>\$ 201,809</u>	<u>\$ 288,041</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of the debt service funds and the capital project funds are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue funds, debt service, and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements

The Township participates in and receives income tax sharing compensation through five Joint Economic Development Districts and two Joint Economic Development Zones:

Etna-Reynoldsburg Joint Economic Development District 1 (JEDD 1) - The JEDD 1 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. JEDD 1 was formed in 2015 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 1's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 1, the municipality and the Township. The JEDD 1 levies a 2.00 percent income tax.

The JEDD 1 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 1 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 1 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 1 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 1, the Township and City of Reynoldsburg provide certain services to the JEDD 1. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 1 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 1. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 20.00% to the Southwest Licking Local School District
2. 2.00% to the JEDD 1 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 1, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue plus payment to Southwest Licking Local School District:

5. 20.00% to the City of Reynoldsburg
6. 10.00% to the Board Improvement Account
7. Any remaining after all the other payments will be paid to the Township.

During 2022, the Township received \$188,633 under the JEDD 1 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 2 (JEDD 2) - The JEDD 2 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. JEDD 2 was formed in 2015 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 2's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 2, the municipality and the Township. The JEDD 2 levies a 2.00 percent income tax.

The JEDD 2 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 2 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 2 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 2 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 2, the Township and City of Reynoldsburg provide certain services to the JEDD 2. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 2 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 2. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 2.00% to the JEDD 2 Board
2. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
3. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 2, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

4. 20.00% to the Southwest Licking Local School District
5. 20.00% to the City of Reynoldsburg
6. 50.00% to the Township
7. Any remaining after all the other payments will be paid to the Board Improvement Account.

During 2022, the Township received \$98,990 under the JEDD 2 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 3 (JEDD 3) - The JEDD 3 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. JEDD 3 was formed in 2017 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 3's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 3, the municipality and the Township. The JEDD 3 levies a 2.00 percent income tax.

The JEDD 3 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 3 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 3 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 3 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 3, the Township and City of Reynoldsburg provide certain services to the JEDD 3. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 3 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 3. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 20.00% to the Southwest Licking Local School District
2. 2.00% to the JEDD 3 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 3, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

5. 15.00% to the City of Reynoldsburg
6. 20.00% to the Board Improvement Account
7. 5.00% to the West Licking Fire District
8. 5.00% to the Licking County Transportation Improvement District
9. 15.00% to the Career and Technology Centers of Licking County (C-TECH)
10. 15.00% to Licking County
11. Any remaining after all the other payments will be paid to the Township.

During 2022, the Township received \$151,127 under the JEDD 3 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 4 (JEDD 4) - The JEDD 4 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. JEDD 4 was formed in 2019 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 4's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 4, the municipality and the Township. The JEDD 4 levies a 2.00 percent income tax.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

The JEDD 4 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 4 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 4 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 4 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD 4, the Township and City of Reynoldsburg provide certain services to the JEDD 4. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 4 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 4. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 5.00% to the Southwest Licking Local School District
2. 5.00% to the JEDD 4 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 4, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

5. 15.00% to the City of Reynoldsburg
6. 20.00% to the Board Improvement Account
7. 5.00% to the Licking County Transportation Improvement District
8. 5.00% to the Career and Technology Centers of Licking County (C-TECH)
9. 5.00% to Licking County
10. Any remaining after all the other payments will be paid to the Township.

During 2022, the Township received \$29,895 under the JEDD 4 contract, which is included in the general fund as intergovernmental receipts.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

Etna-Reynoldsburg Joint Economic Development District 7 (JEDD 7) - The JEDD 7 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. JEDD 7 was formed in 2021 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 7's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 4, the municipality and the Township. The JEDD 7 levies a 2.00 percent income tax.

The JEDD 7 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 7 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 7 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 7 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD 7, the Township and City of Reynoldsburg provide certain services to the JEDD 7. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 7 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 7. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues are paid in the following order of priority:

1. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 7, if any, until paid in full, pro rata based on such cost.
2. 5.00% to the JEDD 7 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).

From the remaining, net revenue:

4. 20.00% to the City of Reynoldsburg
5. 30.00% to the Board Improvement Account for 30 years, 20.00% to the Board Improvement Account thereafter
6. 5.00% to the Licking County Transportation Improvement District
7. 15.00% to Licking County for 30 years, 10.00% to Licking County thereafter
8. Any remaining after all the other payments will be paid to the Township.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

During 2022, the Township received \$76,037 under the JEDD 7 contract, which is included in the general fund as intergovernmental receipts.

Etna Corporate Park Joint Economic Development Zone 1 (JEDZ 1) - The JEDZ 1 is a political subdivision of the State of Ohio established in accordance with Ohio Revised Code (ORC) Section 715.691. It is located in the Township, pursuant to a contract with the City of Newark as provided in the statutory scheme for Joint Economic District Zones. Within its district, Newark's income tax is applicable to economic activity. The JEDZ 1 levies a 1.75 percent income tax. The City of Newark assesses and collects the income tax on behalf of the JEDZ 1.

The JEDZ 1 operates under a board established by the City of Newark, the Township, and Southwest Licking Local School District with the City of Newark and Township appointing three members of the Board and Southwest Licking Local School District appointing one member of the Board all of whom serve terms of two years. The City of Newark, Township and the Southwest Licking Local School District, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ 1 operates on a calendar year basis. The term of the contract for the existence of the JEDZ 1 shall be in force and effect through December 31st of the year containing the 30th anniversary of the effective date of the contract.

As part of the contract forming the JEDZ 1, the Township and the City of Newark provide certain services to the JEDZ 1. The Township furnishes all usual and customary governmental services furnished by the Township to other territory of the Township, including, but not limited to, administration of zoning, maintenance of township roads, snow removal, and general administration. The City of Newark, pursuant to the JEDZ 1 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ 1. The Township and the City of Newark may provide additional services as allowed by law as the Township and/or the City of Newark and the Board deem appropriate and agree.

The net income tax revenues are distributed annually as follows:

1. 20.00% to the JEDZ 1. The JEDZ 1 by resolution has distributed half of this amount to Prologis.

The remaining 80.00% is distributed in the following manner:

2. 37.50% to the Township
3. 37.50% to Southwest Licking Local School District
4. 12.50% to the City of Newark
5. 0.625% to the Career and Technology Centers of Licking County (C-TECH)
6. 6.25% to Licking County
7. 5.625% to the City of Newark Income Tax Department

During 2022, the Township received \$204,030 under the JEDZ 1 contract, which is included in the general fund as intergovernmental receipts.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

Etna Corporate Park Joint Economic Development Zone 2 (JEDZ 2) - The JEDZ 1 is a political subdivision of the State of Ohio established in accordance with Ohio Revised Code (ORC) Section 715.691. It is located in the Township, pursuant to a contract with the City of Newark as provided in the statutory scheme for Joint Economic District Zones. Within its district, Newark's income tax is applicable to economic activity. The JEDZ 2 levies a 1.75 percent income tax. The City of Newark assesses and collects the income tax on behalf of the JEDZ 2.

The JEDZ 2 operates under a board established by the City of Newark, the Township, and Southwest Licking Local School District with the City of Newark and Township appointing three members of the Board and Southwest Licking Local School District appointing one member of the Board all of whom serve terms of two years. The City of Newark, Township and the Southwest Licking Local School District, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ 2 operates on a calendar year basis. The term of the contract for the existence of the JEDZ 2 shall be in force and effect through December 31st of the year containing the 30th anniversary of the effective date of the contract.

As part of the contract forming the JEDZ 2, the Township and the City of Newark provide certain services to the JEDZ 2. The Township furnishes all usual and customary governmental services furnished by the Township to other territory of the Township, including, but not limited to, administration of zoning, maintenance of township roads, snow removal, and general administration. The City of Newark, pursuant to the JEDZ 2 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ 2. The Township and the City of Newark may provide additional services as allowed by law as the Township and/or the City of Newark and the Board deem appropriate and agree.

The net income tax revenues are distributed quarterly as follows:

1. 20.00% to the JEDZ 2.

The remaining 80.00% is distributed in the following manner:

2. 37.50% to the Township
3. 35.00% to Southwest Licking Local School District
4. 10.625% to the City of Newark
5. 1.25% to the Career and Technology Centers of Licking County (C-TECH)
6. 5.00% to Licking County
7. 5.00% to the West Licking Joint Fire District
8. 5.625% to the City of Newark Income Tax Department

During 2022, the Township received \$1,062,794 under the JEDZ 2 contract, which is included in the general fund as intergovernmental receipts.

Note 14 - Compliance

The Village is in noncompliance with ORC 5705.41(D).

ETNA TOWNSHIP
LICKING COUNTY, OHIO

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts:					
Property and Other Taxes	\$ 539,732	\$ 1,007,020	\$ -	\$ -	\$ 1,546,752
Licenses, Permits, and Fees	260,513	-	-	-	260,513
Intergovernmental	2,789,553	679,936	-	485,262	3,954,751
Special Assessment	-	36,012	-	-	36,012
Earnings on Investments	4,125	193	-	-	4,318
Miscellaneous	30,837	1,500	-	-	32,337
<i>Total Cash Receipts</i>	<u>3,624,760</u>	<u>1,724,661</u>	<u>-</u>	<u>485,262</u>	<u>5,834,683</u>
Cash Disbursements:					
Current:					
General Government	1,046,228	773,464	-	-	1,819,692
Public Safety	103,969	-	-	-	103,969
Public Works	324,997	1,424,625	-	-	1,749,622
Health	73,740	-	-	-	73,740
Conservation-Recreation	3,843	-	-	-	3,843
Capital Outlay	2,308,282	300,000	-	485,262	3,093,544
Debt Service:					
Principal Retirement	-	-	86,404	-	86,404
<i>Total Cash Disbursements</i>	<u>3,861,059</u>	<u>2,498,089</u>	<u>86,404</u>	<u>485,262</u>	<u>6,930,814</u>
<i>Excess of Receipts over (under) Disbursements</i>	<u>(236,299)</u>	<u>(773,428)</u>	<u>(86,404)</u>	<u>-</u>	<u>(1,096,131)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	100,000	-	100,000
Transfers Out	(100,000)	-	-	-	(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(336,299)	(773,428)	13,596	-	(1,096,131)
<i>Fund Cash Balances, January 1</i>	<u>2,387,326</u>	<u>2,298,556</u>	<u>12,567</u>	<u>225,635</u>	<u>4,924,084</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,051,027</u>	<u>\$ 1,525,128</u>	<u>\$ 26,163</u>	<u>\$ 225,635</u>	<u>\$ 3,827,953</u>

See accompanying notes to the financial statements

ETNA TOWNSHIP
LICKING COUNTY, OHIO
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Fiduciary Fund Type
	Custodial
Additions	
Other Amounts Collected for Distribution	\$7,500
<i>Total Additions</i>	<i>7,500</i>
Deductions	
Distributions to Other Funds	43,000
<i>Total Deductions</i>	<i>43,000</i>
<i>Net Change in Fund Balances</i>	<i>(35,500)</i>
<i>Fund Cash Balances, January 1</i>	<i>\$35,500</i>
<i>Fund Cash Balances, December 31</i>	<i>\$0</i>

See accompanying notes to the financial statements

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Etna Township, Licking County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, and cemetery maintenance. Fire protection and emergency medical services are provided by the West Licking Joint Fire District. The Township contracts with the Licking County Sheriff's Department to provide additional officers, who are dedicated to serving the Township.

Public Entity Risk Pool and Jointly Governed Organizations

The Township participates in a public entity risk pool and seven jointly governed organizations. Notes 6 and 13 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road and Bridge Fund - This fund receives property taxes for maintenance and repair of roads within the Township.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following debt service fund:

Debt Service Fund - This fund receives its funding mainly through transfers to fund debt retirement of the State Route 310 project.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

Miscellaneous Capital Projects Fund - This fund accounts for restricted resources used for various capital improvements.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township has no trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for performance deposits related to right-of-way permits for road projects.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) the fiduciary fund type. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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. Unencumbered appropriations lapse at year-end.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies - (Continued)

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 re-appropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the governmental fund. The classifications are as follows:

Nonspendable - The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies - (Continued)

Committed - Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes, but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2021 was as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,540,405	\$3,624,760	(\$915,645)
Special Revenue	3,860,538	1,724,661	(2,135,877)
Debt Service	125,000	100,000	(25,000)
Capital Projects	2,000,000	485,262	(1,514,738)
Total	\$10,525,943	\$5,934,683	(\$4,591,260)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,216,243	\$3,964,118	\$1,252,125
Special Revenue	5,339,451	2,501,768	2,837,683
Debt Service	125,000	86,404	38,596
Capital Projects	2,000,000	485,262	1,514,738
Total	\$12,680,694	\$7,037,552	\$5,643,142

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 - Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

<i>Cash Management Pool:</i>	2021
Demand deposits	\$141,656
Insured cash sweep	2,428,141
Certificates of deposit	256,929
Total deposits	2,826,726
STAR Ohio	1,001,227
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$3,827,953

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

Cash and investments	\$ 34,880,599
Acturial liabilities	\$ 10,601,444

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 - Postemployment Benefits - (Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 - Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
ODOT State Route 310 Road Improvement Project	\$ 922,086	3.50%
OPWC CQ29S Taylor Road Improvement Project	631,016	0%
OPWC CQ37W Brandy Mill Resurfacing Project	<u>5,472</u>	0%
Total	<u><u>\$ 1,558,574</u></u>	

During 2017, the Township in conjunction with three other entities, Southwest Licking Local School District, Licking County and Etna Corporate Park Joint Economic Development Zone No. 2, participated in State Infrastructure Bank Bonds originally issued in the amount of \$4,745,000 at 3.50% interest. The Township is obligated to pay quarterly payments in varying amounts through May 2032. Payments are recorded in the Debt Service Fund as principal (no principal and interest breakdown is available) retirement.

Ohio Public Works Commission (OPWC) Loan (CQ29S) was issued for street improvements along Taylor Road. The Township repays the loan in semiannual installments of \$10,517 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue fund-type). No payments to date have been required as of December 31, 2021.

OPWC Loan (CQ37W) was issued for resurfacing Brandy Mill Drive. The Township will repay the loan in semiannual installments of \$274 over 10 years. The loan is interest-free loan.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 - Debt - (Continued)

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	ODOT State	
	Route 310 Project	OPWC Loans
2022	\$ 87,600	\$ -
2023	89,436	10,517
2024	90,262	21,581
2025	87,442	21,581
2026	86,200	21,581
2027-2031	436,298	107,905
2032-2036	44,848	106,264
2037-2041	-	105,169
2042-2046	-	105,169
2047-2051	-	105,169
2052-2053	-	31,552
Total	<u>\$ 922,086</u>	<u>\$ 636,488</u>

Note 10 - Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in May of 2023. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 3,059	\$ 3,679	\$ 6,738
Total	<u>\$ 3,059</u>	<u>\$ 3,679</u>	<u>\$ 6,738</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service and capital projects are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements

The Township participates in and receives income tax sharing compensation through five Joint Economic Development Districts and two Joint Economic Development Zones:

Etna-Reynoldsburg Joint Economic Development District 1 (JEDD 1) - The JEDD 1 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. JEDD 1 was formed in 2015 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 1's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 1, the municipality and the Township. The JEDD 1 levies a 2.00 percent income tax.

The JEDD 1 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 1 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 1 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 1 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 1, the Township and City of Reynoldsburg provide certain services to the JEDD 1. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 1 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 1. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 20.00% to the Southwest Licking Local School District
2. 2.00% to the JEDD 1 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 1, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue plus payment to Southwest Licking Local School District:

5. 20.00% to the City of Reynoldsburg
6. 10.00% to the Board Improvement Account
7. Any remaining after all the other payments will be paid to the Township.

During 2021, the Township received \$26,188 under the JEDD 1 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 2 (JEDD 2) - The JEDD 2 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. JEDD 2 was formed in 2015 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 2's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 2, the municipality and the Township. The JEDD 2 levies a 2.00 percent income tax.

The JEDD 2 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 2 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 2 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 2 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 2, the Township and City of Reynoldsburg provide certain services to the JEDD 2. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 2 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 2. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 2.00% to the JEDD 2 Board
2. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
3. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 2, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

4. 20.00% to the Southwest Licking Local School District
5. 20.00% to the City of Reynoldsburg
6. 50.00% to the Township
7. Any remaining after all the other payments will be paid to the Board Improvement Account.

During 2021, the Township received \$38,477 under the JEDD 2 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 3 (JEDD 3) - The JEDD 3 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. JEDD 3 was formed in 2017 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 3's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 3, the municipality and the Township. The JEDD 3 levies a 2.00 percent income tax.

The JEDD 3 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 3 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 3 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 3 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

As part of the contract forming the JEDD 3, the Township and City of Reynoldsburg provide certain services to the JEDD 3. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 3 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 3. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 20.00% to the Southwest Licking Local School District
2. 2.00% to the JEDD 3 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 3, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

5. 15.00% to the City of Reynoldsburg
6. 20.00% to the Board Improvement Account
7. 5.00% to the West Licking Fire District
8. 5.00% to the Licking County Transportation Improvement District
9. 15.00% to the Career and Technology Centers of Licking County (C-TECH)
10. 15.00% to Licking County
11. Any remaining after all the other payments will be paid to the Township.

During 2021, the Township received \$43,455 under the JEDD 3 contract, which is included in the general fund as intergovernmental receipts.

Etna-Reynoldsburg Joint Economic Development District 4 (JEDD 4) - The JEDD 4 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. JEDD 4 was formed in 2019 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 4's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 4, the municipality and the Township. The JEDD 4 levies a 2.00 percent income tax.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

The JEDD 4 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 4 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 4 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 4 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD 4, the Township and City of Reynoldsburg provide certain services to the JEDD 4. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 4 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 4. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues, less refunds, are paid in the following order of priority:

1. 5.00% to the Southwest Licking Local School District
2. 5.00% to the JEDD 4 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).
4. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 4, if any, until paid in full, pro rata based on such cost.

From the remaining, net revenue:

5. 15.00% to the City of Reynoldsburg
6. 20.00% to the Board Improvement Account
7. 5.00% to the Licking County Transportation Improvement District
8. 5.00% to the Career and Technology Centers of Licking County (C-TECH)
9. 5.00% to Licking County
10. Any remaining after all the other payments will be paid to the Township.

During 2021, the Township received \$5,879 under the JEDD 4 contract, which is included in the general fund as intergovernmental receipts.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

Etna-Reynoldsburg Joint Economic Development District 7 (JEDD 7) - The JEDD 7 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. JEDD 7 was formed in 2021 in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the Township and the City of Reynoldsburg. JEDD 7's purpose is to promote and facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the JEDD 4, the municipality and the Township. The JEDD 7 levies a 2.00 percent income tax.

The JEDD 7 Board of Directors consists of five members, one member representing the City of Reynoldsburg to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), one member representing the owners of businesses located within the JEDD 7 to serve a term of three years (Board Member No. 3), one member representing the persons working within the JEDD 7 to serve a term of four years (Board Member No. 4), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 5). After service of an initial term, for each member shall be for four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The JEDD 7 operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if both parties agree in writing, said contract may be terminated after twenty-five (25) years. Additionally, such contract shall automatically renew for two (2) additional twenty-five (25) year terms, unless either party provides written notice of termination not later than two (2) years prior to the expiration of the original term or each additional term.

As part of the contract forming the JEDD 7, the Township and City of Reynoldsburg provide certain services to the JEDD 7. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to, road construction and maintenance, administration of zoning, snow removal, and general administration. The City of Reynoldsburg, pursuant to the JEDD 7 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDD 7. The Township and the City of Reynoldsburg may provide additional services as allowed by law as the Township and/or City of Reynoldsburg and Board deem appropriate and agree.

The gross revenues are paid in the following order of priority:

1. Repay the contracting parties the costs they incurred to establish or defend the existence of the JEDD 7, if any, until paid in full, pro rata based on such cost.
2. 5.00% to the JEDD 7 Board
3. 3.00% to the City of Reynoldsburg to cover expenses related to the administration of the income tax (currently through the Regional Income Tax Agency (RITA)).

From the remaining, net revenue:

4. 20.00% to the City of Reynoldsburg
5. 30.00% to the Board Improvement Account for 30 years, 20.00% to the Board Improvement Account thereafter
6. 5.00% to the Licking County Transportation Improvement District
7. 15.00% to Licking County for 30 years, 10.00% to Licking County thereafter
8. Any remaining after all the other payments will be paid to the Township.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

During 2022, the Township received \$0 under the JEDD 7 contract.

Etna Corporate Park Joint Economic Development Zone 1 (JEDZ 1) - The JEDZ 1 is a political subdivision of the State of Ohio established in accordance with Ohio Revised Code (ORC) Section 715.691. It is located in the Township, pursuant to a contract with the City of Newark as provided in the statutory scheme for Joint Economic District Zones. Within its district, Newark's income tax is applicable to economic activity. The JEDZ 1 levies a 1.75 percent income tax. The City of Newark assesses and collects the income tax on behalf of the JEDZ 1.

The JEDZ 1 operates under a board established by the City of Newark, the Township, and Southwest Licking Local School District with the City of Newark and Township appointing three members of the Board and Southwest Licking Local School District appointing one member of the Board all of whom serve terms of two years. The City of Newark, Township and the Southwest Licking Local School District, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ 1 operates on a calendar year basis. The term of the contract for the existence of the JEDZ 1 shall be in force and effect through December 31st of the year containing the 30th anniversary of the effective date of the contract.

As part of the contract forming the JEDZ 1, the Township and the City of Newark provide certain services to the JEDZ 1. The Township furnishes all usual and customary governmental services furnished by the Township to other territory of the Township, including, but not limited to, administration of zoning, maintenance of township roads, snow removal, and general administration. The City of Newark, pursuant to the JEDZ 1 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ 1. The Township and the City of Newark may provide additional services as allowed by law as the Township and/or the City of Newark and the Board deem appropriate and agree.

The net income tax revenues are distributed annually as follows:

1. 20.00% to the JEDZ 1. The JEDZ 1 by resolution has distributed half of this amount to Prologis.

The remaining 80.00% is distributed in the following manner:

2. 37.50% to the Township
3. 37.50% to Southwest Licking Local School District
4. 12.50% to the City of Newark
5. 0.625% to the Career and Technology Centers of Licking County (C-TECH)
6. 6.25% to Licking County
7. 5.625% to the City of Newark Income Tax Department

During 2021, the Township received \$306,713 under the JEDZ 1 contract, which is included in the general fund as intergovernmental receipts.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 - Jointly Governed Organizations/Intergovernmental Agreements - (Continued)

Etna Corporate Park Joint Economic Development Zone 2 (JEDZ 2) - The JEDZ 1 is a political subdivision of the State of Ohio established in accordance with Ohio Revised Code (ORC) Section 715.691. It is located in the Township, pursuant to a contract with the City of Newark as provided in the statutory scheme for Joint Economic District Zones. Within its district, Newark's income tax is applicable to economic activity. The JEDZ 2 levies a 1.75 percent income tax. The City of Newark assesses and collects the income tax on behalf of the JEDZ 2.

The JEDZ 2 operates under a board established by the City of Newark, the Township, and Southwest Licking Local School District with the City of Newark and Township appointing three members of the Board and Southwest Licking Local School District appointing one member of the Board all of whom serve terms of two years. The City of Newark, Township and the Southwest Licking Local School District, in their sole discretion, may reappoint members of the Board for additional terms on the Board. The members of the Board serve without compensation. The JEDZ 2 operates on a calendar year basis. The term of the contract for the existence of the JEDZ 2 shall be in force and effect through December 31st of the year containing the 30th anniversary of the effective date of the contract.

As part of the contract forming the JEDZ 2, the Township and the City of Newark provide certain services to the JEDZ 2. The Township furnishes all usual and customary governmental services furnished by the Township to other territory of the Township, including, but not limited to, administration of zoning, maintenance of township roads, snow removal, and general administration. The City of Newark, pursuant to the JEDZ 2 agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ 2. The Township and the City of Newark may provide additional services as allowed by law as the Township and/or the City of Newark and the Board deem appropriate and agree.

The net income tax revenues are distributed quarterly as follows:

1. 20.00% to the JEDZ 2.

The remaining 80.00% is distributed in the following manner:

2. 37.50% to the Township
3. 35.00% to Southwest Licking Local School District
4. 10.625% to the City of Newark
5. 1.25% to the Career and Technology Centers of Licking County (C-TECH)
6. 5.00% to Licking County
7. 5.00% to the West Licking Joint Fire District
8. 5.625% to the City of Newark Income Tax Department

During 2021, the Township received \$1,480,772 under the JEDZ 2 contract, which is included in the general fund as intergovernmental receipts.

Note 14 - Compliance

The Township is in noncompliance with ORC 5705.41(D) and 5705.09(F).

**Independent Auditor's 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***

Etna Township
Licking County
81 Liberty Street
Etna, Ohio 43018

To the Members of the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of the Etna Township, Licking County, Ohio, as of and for the years ended December 31, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated July 28, 2023, wherein we noted as described in Note 2 to the financial statements, the Etna Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Etna Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Etna Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Etna Township's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 through 2022-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Etna Township's financial statements are free from 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2022-002 and 2022-004.

Etna Township
Licking County
Independent Auditor's 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*

Etna Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Etna Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Etna Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Etna Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Etna Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 28, 2023

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements to properly record significant transactions for the years ended December 31, 2022 and 2021.

2022:

- In the General Fund, intergovernmental receipts were increased \$62,222, property and other taxes receipts were decreased \$108,817, and the cash fund balance was decreased \$46,595. In the Road and Bridge Fund (Special Revenue Fund Type), intergovernmental receipts were increased \$46,595, and the cash fund balance was increased \$46,595. These adjustments were necessary to properly record Homestead and Rollback amounts as intergovernmental and to properly record receipts in the appropriate funds.
- In the General Fund, transfers out were decreased \$442,755, and the cash fund balance was increased \$442,755. In the Road and Bridge Fund (Special Revenue Fund Type), transfers in were decreased \$442,755, and the cash fund balance was decreased \$442,755. These adjustments were necessary to remove a transfer the was made without approval from the Board of Trustees.
- In the General Fund, intergovernmental receipts were increased \$973, miscellaneous receipts were increased \$154, and the cash fund balance was increased \$1,127. In the Road Right Away Permit Fund (Custodial Fund Type), other amounts collected for distribution additions were decreased \$1,127 and the cash fund balance was decreased \$1,127. These adjustments were necessary to properly record grant, property tax and recycle receipts in the proper funds.

2021:

- In the General Fund, transfers out were increased \$100,000, and general government disbursements were decreased \$100,000. In the Debt Service Fund Type, transfers in were increased \$100,000, and other debt proceeds were decreased \$100,000. These adjustments were necessary to properly record transfers to the debt service fund from the general fund.
- In the American Rescue Plan Act Fund (Special Revenue Fund Type), intergovernmental receipts were increased \$463,576, and general government disbursements were increased \$463,576. In the General Fund intergovernmental receipts were decreased \$463,576, and general government disbursements were decreased \$463,576. These adjustments were necessary to record American Rescue Plan activity in the American Rescue Plan Act Fund (Special Revenue Fund Type). See further detail in Finding 2022-004.
- In the General Fund, public safety disbursements were decreased \$306,461, and public works disbursements were increased \$306,461. These adjustments were necessary to properly record trash collection disbursements.
- In the General Fund, intergovernmental receipts were increased \$2,760,520, property and other taxes receipts were decreased \$1,901,485, and miscellaneous receipts were decreased \$859,035. These adjustments were necessary to properly record the JEDD and JEDZ activity.

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-001 – (Continued)

- In the General Fund, license, permits and fees receipts were increased \$43,000, miscellaneous receipts were decreased \$10,000 and the cash fund balance at January, 1 was decreased \$33,000. In the Road Right Away Permit Fund (Custodial Fund Type), Distributions to Other Funds were increased \$43,000 and the cash fund balance at January, 1 was increased \$43,000. These adjustments were necessary to properly state beginning cash fund balances.

The amounts have been adjusted in the Township's audited financial statements and accounting system.

Control procedures not properly developed related to the financial statements limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Township Fiscal Officer will more closely examine the HINKLE prepared report prior to filing and will consider above adjustments in future years.

Finding Number	2022-002
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Material Weakness/Noncompliance – Purchase Orders

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Township had 30% and 30% of examined disbursements that were not certified in a timely manner for the years ended December 31, 2022 and 2021, respectively.

Without timely certification, the Township may expend more funds than available in the treasury, or in the process of collection, or appropriated. This may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Township may also use “Then & Now” certification to approve a purchase order, when applicable.

Client Response: The Township will develop additional procedures to help ensure purchases are authorized through timely and appropriate purchase orders.

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2022-003

Material Weakness – Estimated Receipts vs. Actual Receipts

Certain internal controls are necessary for Township’s to appropriately estimate their annual receipts and modify such estimates up or down in a timely manner, with approval by the County Budget Commission. It is critical for the Township to maintain detailed supporting documents from internal sources or external sources (if applicable) to support estimated receipts. Accurate estimated receipts are important because there is a relation to allowable appropriations based on estimated receipts and further accurate estimates are especially important to Ohio Townships, as their elected official salaries are based on the budgets and any revisions.

For 2021 and 2022, we noted the following:

- The Township budgeted receipts were in excess of actual receipts by approximately \$4.6 million (2021) and \$3.3 million (2022).

Including estimated receipts that are ultimately not collected during a year and not adjusting down or up accordingly could effect related appropriations and more significantly Township elected official compensation for a particular year. Elected official compensation is based on the Township Compensation Chart, which bases compensation on the most recent County Budget Commission approved amended certificate of resources. Estimated receipts on the County Budget Commission approved certificates should closely resemble actual receipts and should only include projects/activity related to, and the responsibility to record/report by, the Township itself.

We recommend that Township implement additional internal controls regarding the supporting documentation for estimated receipts that are included in the estimated resources. Such additional controls could include timeline ledgers to support and document information from either internal and/or external sources to support the inclusion of receipts, and/or commitment letters from outside funding sources such as grantors, banks, other agencies, etc.

Client Response: The Township Trustees affirm that estimated receipts are in fact included in good faith.

Finding Number	2022-004
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Material Weakness/Noncompliance – American Rescue Plan Act Fund

Ohio Rev. Code 5705.09(F) provides that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

In 2021, American Rescue Plan Act (ARPA) receipts and disbursements were posted to the General Fund, instead of properly establishing a separate ARPA Fund (Special Revenue Fund Type).

Not posting monies to the proper fund could result in disbursements being made that are not allowable based on the restrictions of the fund.

The Township should refer to the Township Handbook for guidance for the proper establishment of new funds. Also, the Township should refer to Ohio Auditor of State website for guidance on accounting for ARPA monies.

Client Response: The Township Fiscal Officer established the fund in 2022.

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2020-001	2019	<u>Financial Reporting/Material Weakness</u> – The Township had a lack of internal controls in place to ensure receipts, expenditures, and fund balances are properly classified on the financial statements.	Not Corrected	Repeated as 2022-001
2020-002	2020	<u>Material Weakness/Noncompliance – Coronavirus Relief Funds</u> – Ohio Rev. Code 5705.09(F) provides that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. The Township did not establish the required fund.	Not Corrected	Repeated as 2022-004
2020-003	2019	<u>Material Weakness/Noncompliance – Purchase Orders</u> – Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The Township had disbursements not timely certified.	Not Corrected	Repeated as 2022-002
2020-004	2019	<u>Material Weakness – Estimated Receipts vs. Actual Receipts</u> – Certain internal controls are necessary for Township’s to appropriately estimate their annual receipts and modify such estimates up or down in a timely manner, with approval by the County Budget Commission. It is critical for the Township to maintain detailed supporting documents from internal sources or external sources (if applicable) to support estimated receipts. Accurate estimated receipts are important because there is a relation to allowable appropriations based on estimated receipts and further accurate estimates are especially important to Ohio Townships, as their elected official salaries are based on the budgets and any revisions. The Township's estimated receipts exceeded actual receipts.	Not Corrected	Repeated as 2022-003

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OHIO AUDITOR OF STATE KEITH FABER



ETNA TOWNSHIP

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/28/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov