



**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

**REGULAR AUDIT**

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



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



ST. ALBANS TOWNSHIP  
LICKING COUNTY

TABLE OF CONTENTS

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

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## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees  
St. Albans Township  
Licking County  
2585 Johnstown-Alexandria Road  
Alexandria, Ohio 43001

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

St. Albans Township  
Licking County  
Report of Independent Accountants  
Page 2

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

**JIM PETRO**  
Auditor of State

June 13, 2001

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$51,280	\$279,211	\$0	\$330,491
Intergovernmental	76,026	98,528	0	174,554
Charges for Services	0	28,000	0	28,000
Licenses, Permits, and Fees	6,265	0	0	6,265
Earnings on Investments	6,485	0	0	6,485
Other Receipts	4,743	8,548	0	13,291
	<u>144,799</u>	<u>414,287</u>	<u>0</u>	<u>559,086</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	\$133,085	\$0	\$0	\$133,085
Public Safety	370	246,006	0	246,376
Public Works	1,885	172,847	0	174,732
Debt Service:				
Redemption of Principal	18,230	0	0	18,230
Interest and Fiscal Charges	4,410	0	0	4,410
Capital Outlay	203,550	42,169	0	245,719
	<u>361,530</u>	<u>461,022</u>	<u>0</u>	<u>822,552</u>
<b>Total Cash Disbursements</b>				
<b>Total Cash Receipts (Under) Cash Disbursements</b>	<u>(216,731)</u>	<u>(46,735)</u>	<u>0</u>	<u>(263,466)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Proceeds of Notes	204,000	0	0	204,000
Transfers-In	51,155	17,500	0	68,655
Transfers-Out	(17,500)	0	(51,155)	(68,655)
	<u>237,655</u>	<u>17,500</u>	<u>(51,155)</u>	<u>204,000</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	20,924	(29,235)	(51,155)	(59,466)
<b>Fund Cash Balances, January 1, 2000</b>	<u>25,653</u>	<u>210,348</u>	<u>51,155</u>	<u>287,156</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><u>\$46,577</u></u>	<u><u>\$181,113</u></u>	<u><u>\$0</u></u>	<u><u>\$227,690</u></u>
<b>Reserve for Encumbrances, December 31, 2000</b>	<u><u>\$943</u></u>	<u><u>\$1,236</u></u>	<u><u>\$0</u></u>	<u><u>\$2,179</u></u>

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

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$50,602	\$275,251	\$0	\$0	\$325,853
Intergovernmental	79,583	88,920	0	94,888	263,391
Charges for Services	953	21,600	0	0	22,553
Licenses, Permits, and Fees	5,846	1,083	0	0	6,929
Earnings on Investments	4,666	3,825	0	0	8,491
Other Receipts	0	12,746	0	0	12,746
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	141,650	403,425	0	94,888	639,963
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>					
Current:					
General Government	\$119,871	\$0	\$0	\$0	\$119,871
Public Safety	550	176,802	0	0	177,352
Public Works	18,759	109,693	0	0	128,452
Health	5,554	0	0	0	5,554
Debt Service:					
Redemption of Principal	0	0	15,000	0	15,000
Interest and Fiscal Charges	0	0	1,050	0	1,050
Capital Outlay	4,422	89,834	0	94,888	189,144
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	149,156	376,329	16,050	94,888	636,423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(7,506)	27,096	(16,050)	0	3,540
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 1999	33,159	183,252	67,205	0	283,616
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31, 1999</b>	<b><u>\$25,653</u></b>	<b><u>\$210,348</u></b>	<b><u>\$51,155</u></b>	<b><u>\$0</u></b>	<b><u>\$287,156</u></b>

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



**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

St. Albans Township, Licking County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

**B. Basis of Accounting**

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

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

**C. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

Fire District Fund - This fund receives property tax money to pay for providing fire protection and emergency medical services.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for payment of bonds and note indebtedness.

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

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

**4. Capital Projects Fund**

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

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

**D. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

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

**E. Property, Plant and Equipment**

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

**F. Unpaid Vacation and Sick Leave**

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

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

**2. EQUITY IN POOLED CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$227,690	\$287,156

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

**3. BUDGETARY ACTIVITY**

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

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$372,217	\$399,954	\$27,737
Special Revenue	406,652	431,787	25,135
Total	\$778,869	\$831,741	\$52,872

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$193,380	\$379,973	(\$186,593)
Special Revenue	617,486	462,258	155,228
Debt Service	51,155	51,155	0
Total	\$862,021	\$893,386	(\$31,365)

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$115,463	\$141,650	\$26,187
Special Revenue	386,751	403,425	16,674
Debt Service	200	0	(200)
Capital Projects	0	94,888	94,888
Total	<u>\$502,414</u>	<u>\$639,963</u>	<u>\$137,549</u>

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$148,620	\$149,156	(\$536)
Special Revenue	569,995	376,329	193,666
Debt Service	67,405	16,050	51,355
Capital Projects	0	94,888	(94,888)
Total	<u>\$786,020</u>	<u>\$636,423</u>	<u>\$149,597</u>

**4. PROPERTY TAX**

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

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

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

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes - Land Purchase	\$198,145	5.74%
General Obligation Notes - Truck	\$8,545	6.06%
Total	\$206,690	

The general obligation notes were issued to finance the purchase of 40 acres of land and a new dump truck.

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

Year ending December 31:	General Obligation Notes - Land	General Obligation Notes - Truck
2001	\$23,097	\$9,070
2002	22,411	0
2003	21,739	0
2004	21,067	0
2005	20,395	0
Subsequent	188,636	0
Total	\$297,345	\$9,070

**6. RETIREMENT SYSTEMS**

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Board of Trustees  
St. Albans Township  
Licking County  
2825 Johnstown-Alexandria Road  
Newark, Ohio 43001

We have audited the accompanying financial statements of St. Albans Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 13, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-40645-001 through 2000-40645-003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 13, 2001.

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

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

**JIM PETRO**  
Auditor of State

June 13, 2001



ST. ALBANS TOWNSHIP  
LICKING COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND DECEMBER 31, 1999

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

<b>Finding Number</b>	<b>2000-40645-001</b>
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**Certification of Funds**

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment 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 encumbrance. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Board may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1000, the fiscal officer may authorize it to be paid without the affirmation of the Council, if such expenditure is otherwise valid.

Ninety-five percent of the transactions tested were not certified by the Clerk. This procedure is not only required by Ohio law but is also a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Township funds being over expended or exceeding budgetary spending limitations as set by the Board.

To improve controls over disbursements it is recommended that all Township disbursements, receive prior certification of the Clerk and that the Board periodically review the expenditures made to ensure they are within appropriations adopted by the Board certified by the Clerk and recorded against appropriations.

<b>Finding Number</b>	<b>2000-40645-002</b>
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**Amended Appropriations**

Ohio Rev. Code Section 5705.40 requires a township to comply with the same provisions of the law when filing amended or supplemental appropriations as they did when filing the original. Amended and supplemental appropriations are to be approved by the Board.

The Board did not approve changes to appropriations in the general fund in 2000. The appropriation increase in the amount of \$204,000 for the purchase of land was not approved by a Board resolution.

We recommend the Township adopt and maintain resolutions to reflect supplemental or amended appropriations and document appropriation changes in the minutes. The accompanying budgetary presentation reflects only actions the Board approved, and accordingly, resulted in the 2000 General Fund violation cited in finding 2000-40645-003 below.

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND DECEMBER 31, 1999  
(Continued)**

<b>Finding Number</b>	<b>2000-40645-003</b>
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**Expenditures Exceeding Appropriations**

Ohio Rev. Code Section 5705.41 (B) states in part that no subdivision or taxing unit is to expend money unless it has been appropriated.

Expenditures exceeded appropriations in the General Fund by \$185,593 in 2000, \$536 in 1999, and in the Capital Projects Fund by \$94,888 in 1999 since the Township did not appropriate Issue II monies.

We recommend the Board of Trustees monitor appropriations during the year to ensure expenditures do not exceed appropriations.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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**ST. ALBANS TOWNSHIP**

**LICKING COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 24, 2001**