

ETNA TOWNSHIP

LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023**



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Columbus, Ohio 43215
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Board of Trustees
Etna Township
81 Liberty Street
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, 2023 through December 31, 2024. 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.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

February 02, 2026

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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***Opinions***

We have audited the accompanying financial statements of Etna Township, Licking County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinions 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 Etna Township, as of and for the years ended December 31, 2024 and 2023, and the related notes to the 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), 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 Etna Township, as of December 31, 2024 and 2023, 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 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 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 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 satisfy these requirements. 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.

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

Etna Township
Licking County
Independent Auditor's Report

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 25, 2025 on our consideration of 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 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 Etna Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 25, 2025

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, 2024

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 745,203	\$ 1,178,614	\$ -	\$ -	\$ 1,923,817
Licenses, Permits, & Fees	127,949	-	-	-	127,949
Intergovernmental	1,804,789	284,347	-	-	2,089,136
Special Assessments	3,764	-	-	-	3,764
Earnings on Investments	281,516	28,059	-	-	309,575
Miscellaneous	13,092	17,424	-	-	30,516
<i>Total Cash Receipts</i>	<u>2,976,313</u>	<u>1,508,444</u>	<u>-</u>	<u>-</u>	<u>4,484,757</u>
Cash Disbursements					
Current:					
General Government	1,256,677	5,920	-	-	1,262,597
Public Safety	153,165	93,507	-	-	246,672
Public Works	175,899	656,295	-	-	832,194
Health	62,635	-	-	-	62,635
Conservation-Recreation	5,756	-	-	-	5,756
Capital Outlay	675,845	26,147	-	-	701,992
Debt Service:					
Principal Retirement	-	-	98,517	-	98,517
<i>Total Cash Disbursements</i>	<u>2,329,977</u>	<u>781,869</u>	<u>98,517</u>	<u>-</u>	<u>3,210,363</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>646,336</u>	<u>726,575</u>	<u>(98,517)</u>	<u>-</u>	<u>1,274,394</u>
Other Financing Receipts (Disbursements)					
Advances In	-	300,000	-	-	300,000
Advances Out	(300,000)	-	-	-	(300,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>346,336</u>	<u>1,026,575</u>	<u>(98,517)</u>	<u>-</u>	<u>1,274,394</u>
<i>Fund Cash Balances, January 1</i>	<u>4,892,321</u>	<u>2,194,543</u>	<u>254,947</u>	<u>219,079</u>	<u>7,560,890</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 5,238,657</u>	<u>\$ 3,221,118</u>	<u>\$ 156,430</u>	<u>\$ 219,079</u>	<u>\$ 8,835,284</u>

See accompanying notes to the financial statements

Etna Township
Licking County, Ohio
Statement of Additions, Deductions and
Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2024

	Fiduciary Fund Type Custodial
Additions	
<i>Total Additions</i>	-
Deductions	
<i>Total Deductions</i>	-
<i>Operating Income (Loss)</i>	-
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, January 1</i>	2,850
<i>Fund Cash Balance, 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, 2024

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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 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:

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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 deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow 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 Township 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).

These statements include 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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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

A summary of 2024 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.

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 statements do not report these items as assets.

Accumulated Leave

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do 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 must observe constraints imposed upon the use of the governmental fund - resources. 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, 2024

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, 2024 was as follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,817,777	\$2,976,313	\$158,536
Special Revenue	2,145,441	1,808,444	(336,997)
Debt Service	325,835	0	(325,835)
Total	<u>\$5,289,053</u>	<u>\$4,784,757</u>	<u>(\$504,296)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,047,837	\$2,752,040	\$2,295,797
Special Revenue	2,306,851	804,306	1,502,545
Debt Service	142,517	98,517	44,000
Total	<u>\$7,497,205</u>	<u>\$3,654,863</u>	<u>\$3,842,342</u>

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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>	2024
Demand deposits	\$1,124,307
Insured cash sweep	3,592,507
Total deposits	4,716,814
STAR Ohio	4,121,320
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$8,838,134</u></u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is not holding any unremitted employee payroll withholdings.

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, 2024

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 Township's policy. The Pool covers the following risks:

- General liability
- Automobile Liability
- Automobile Physical Damage
- Public Officials Liability
- Property and Inland Marine
- Law enforcement liability
- Fidelity and Crime
- Employment Practices Liability
- Cyber Breach and Liability

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

	<u>2024</u>
Cash and investments	\$ 32,822,076
Actuarial liabilities	\$ 12,568,762

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, 2024.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 - Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
ODOT State Route 310 Road Improvement Project	\$ 654,788	3.50%
OPWC CQ29S Taylor Road Improvement Project	<u>599,465</u>	0%
Total	<u>\$ 1,254,253</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 is being retired from the Debt Service Fund.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	ODOT State Route 310 Project	OPWC Loan
2025	\$ 87,442	\$ 21,034
2026	86,200	21,034
2027	87,072	21,034
2028	87,430	21,034
2029	87,274	21,034
2030-2034	219,370	105,169
2035-2039	-	105,169
2040-2044	-	105,169
2045-2049	-	105,169
2050-2053	-	73,619
Total	<u>\$ 654,788</u>	<u>\$ 599,465</u>

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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. 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 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 122,063	\$ 22,437	\$ 144,500
Total	<u>\$ 122,063</u>	<u>\$ 22,437</u>	<u>\$ 144,500</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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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.

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 2024, the Township received \$193,353 under the JEDD 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, 2024

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

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.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

During 2024, the Township received \$45,694 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.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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 2024, the Township received \$188,380 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.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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 2024, the Township received \$52,956 under the JEDD 4 contract, which is included in the general fund as intergovernmental receipts.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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.

During 2024, the Township received \$90,540 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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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 2024, the Township received \$195,100 under the JEDZ 1 contract, which is included in the general fund as intergovernmental receipts.

Etna Corporate Park Joint Economic Development Zone 2 (JEDZ 2) - The JEDZ 2 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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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 2024, the Township received \$884,322 under the JEDZ 2 contract, which is included in the general fund as intergovernmental receipts.

Note 14 - Interfund Balances

Outstanding advances at December 31, 2024, consisted of \$300,000 advanced to the Road and Bridge Special Revenue Fund from the General Fund to provide working capital for operations and projects.

Note 15 - Compliance

The Township was not in compliance with Ohio Revised Code 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, 2023

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 585,241	\$ 1,115,885	\$ -	\$ -	\$ 1,701,126
Licenses, Permits, & Fees	127,264	-	-	-	127,264
Intergovernmental	1,710,945	222,792	-	2,313,854	4,247,591
Special Assessments	39,125	4,223	-	-	43,348
Earnings on Investments	232,885	23,172	-	-	256,057
Miscellaneous	783,482	27,794	-	-	811,276
<i>Total Cash Receipts</i>	<u>3,478,942</u>	<u>1,393,866</u>	<u>-</u>	<u>2,313,854</u>	<u>7,186,662</u>
Cash Disbursements					
Current:					
General Government	870,729	-	-	-	870,729
Public Safety	29,611	288,676	-	-	318,287
Public Works	27,165	1,025,009	-	-	1,052,174
Health	68,159	400	-	-	68,559
Conservation-Recreation	6,574	-	-	-	6,574
Capital Outlay	508,570	111,191	-	2,144,775	2,764,536
Debt Service:					
Principal Retirement	-	-	115,021	-	115,021
<i>Total Cash Disbursements</i>	<u>1,510,808</u>	<u>1,425,276</u>	<u>115,021</u>	<u>2,144,775</u>	<u>5,195,880</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,968,134</u>	<u>(31,410)</u>	<u>(115,021)</u>	<u>169,079</u>	<u>1,990,782</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	402,000	331,306	-	733,306
Transfers Out	(507,672)	-	-	(225,635)	(733,307)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(507,672)</u>	<u>402,000</u>	<u>331,306</u>	<u>(225,635)</u>	<u>(1)</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,460,462</u>	<u>370,590</u>	<u>216,285</u>	<u>(56,556)</u>	<u>1,990,781</u>
<i>Fund Cash Balances, January 1</i>	<u>3,431,859</u>	<u>1,823,953</u>	<u>38,662</u>	<u>275,635</u>	<u>5,570,109</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,892,321</u>	<u>\$ 2,194,543</u>	<u>\$ 254,947</u>	<u>\$ 219,079</u>	<u>\$ 7,560,890</u>

See accompanying notes to the financial statements

Etna Township
Licking County, Ohio
Statement of Additions, Deductions and
Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Fiduciary Fund Type Custodial
Additions	
<i>Total Additions</i>	-
Deductions	
<i>Total Deductions</i>	-
<i>Operating Income (Loss)</i>	-
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balance, January 1</i>	2,850
<i>Fund Cash Balance, 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, 2023

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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 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:

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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 deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow 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 Township 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).

These statements include 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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

A summary of 2023 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.

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 statements 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 statements do 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 must observe constraints imposed upon the use of the governmental fund - resources. 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, 2023

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, 2023 was as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,040,143	\$3,478,942	\$438,799
Special Revenue	663,997	1,795,866	152,569
Debt Service	325,835	331,306	5,471
Capital Projects	2,579,300	2,313,854	913,854
Total	<u>\$6,409,275</u>	<u>\$7,919,968</u>	<u>\$1,510,693</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,974,957	\$2,306,659	\$3,668,298
Special Revenue	2,879,442	1,642,730	1,236,712
Debt Service	364,398	125,538	238,860
Capital Projects	2,854,935	2,370,410	484,525
Total	<u>\$12,073,732</u>	<u>\$6,445,337</u>	<u>\$5,628,395</u>

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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>	2023
Demand deposits	\$3,145,303
Insured cash sweep	509,772
Total deposits	3,655,075
STAR Ohio	3,908,665
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u>\$7,563,740</u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is not holding any unremitted employee payroll withholdings.

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, 2023

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 Township'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, 2023:

Cash and investments	\$ 33,494,457
Acturial liabilities	\$ 10,885,549

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, 2023.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 - Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
ODOT State Route 310 Road Improvement Project	\$ 745,050	3.50%
OPWC CQ29S Taylor Road Improvement Project	<u>609,982</u>	0%
Total	<u>\$ 1,355,032</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 is retired from the Debt Service Fund.

OPWC Loan (CQ37W) was issued for resurfacing Brandy Mill Drive. The Township repaid the loan in full during 2023. The loan was interest-free. The loan was retired from the Debt Service Fund.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	ODOT State Route 310 Project	OPWC Loan
2024	\$ 90,262	\$ 10,517
2025	87,442	21,034
2026	86,200	21,034
2027	87,072	21,034
2028	87,430	21,034
2029-2033	306,644	105,169
2034-2038	-	105,169
2039-2033	-	105,169
2044-2048	-	105,169
2049-2053	-	94,653
Total	<u>\$ 745,050</u>	<u>\$ 609,982</u>

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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. 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 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Outstanding Encumbrances	\$ 288,179	\$ 217,454	\$ 10,517	\$ 516,150
Total	<u>\$ 288,179</u>	<u>\$ 217,454</u>	<u>\$ 10,517</u>	<u>\$ 516,150</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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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 2023, the Township received \$128,233 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.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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 2023, the Township received \$241,706 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, 2023

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 2023, the Township received \$91,580 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, 2023

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 2023, the Township received \$21,831 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, 2023

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)).

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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.

During 2023, the Township received \$111,673 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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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 2023, the Township received \$248,913 under the JEDZ 1 contract, which is included in the general fund as intergovernmental receipts.

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.

Etna Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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 2023, the Township received \$834,166 under the JEDZ 2 contract, which is included in the general fund as intergovernmental receipts.

Note 14 - Compliance

The Township was not in compliance with Ohio Revised Code 5705.41(D).

Note 15 - Miscellaneous Receipts

Miscellaneous receipts in the General Fund are primarily made up of paving and other reimbursements.

**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 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 as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Etna Township, Licking County, Ohio, and have issued our report thereon dated July 25, 2025, wherein we noted 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 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 Etna Township's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2024-002.

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 Etna Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. 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 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 Etna Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 25, 2025

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001

Material Weakness - Financial Statement Presentation

In our engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal controls relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following adjustments were made to the financial statements to properly record significant transactions for the years ended December 31, 2024 and 2023.

2024:

- In the General Fund, intergovernmental receipts were decreased by \$231,544, property and other local taxes receipts were increased by \$231,160, miscellaneous receipts were decreased by \$554, special assessment receipts were decreased by \$7,596, general government disbursements were increased by \$12, health disbursements were increased by \$27,477, and the cash fund balance was decreased by \$36,023. In the Road and Bridge Fund (Special Revenue Fund Type), intergovernmental receipts were decreased by \$449,134, property and other local taxes receipts were increased by \$491,077, general government disbursements were increased by \$5,920, and the cash fund balance was increased by \$36,023. These adjustments were necessary to properly record property taxes and special assessment receipts, and disbursements related to the collection of these receipts.
- In the Road Right of Way Permit Fund (Fiduciary Fund Type), other amounts collected for distribution receipts were decreased by \$2,536, and the cash fund balance was decreased by \$2,536. In the General Fund, miscellaneous receipts were increased by \$2,536, and the cash fund balance was increased by \$2,536. These adjustments were necessary to properly record Street Light reimbursements from the City of Newark.

2023:

- In the Road Right of Way Permit Fund (Fiduciary Fund Type), other amounts collected for distribution receipts were decreased by \$9,121, and the cash fund balance was decreased by \$9,121. In the General Fund, miscellaneous receipts were increased by \$9,121, and the cash fund balance was increased by \$9,121. These adjustments were necessary to properly record farm-land receipts and an excess reserve receipt from OTARMA.
- In the General Fund, intergovernmental receipts were increased by \$1,678,101, and property and other local taxes receipts were decreased by \$1,678,101. These adjustments were necessary to properly record the JEDD and JEDZ activity.
- In the General Fund, general government disbursements were decreased \$463,582, and capital outlay disbursements were increased by \$463,582. These adjustments were necessary to properly record road paving disbursements.
- In the Road and Bridge Fund (Special Revenue Fund Type), public works disbursements were decreased \$1,179,300, and the cash fund balance was increased \$1,179,300. In the Capital Project Fund, capital outlay disbursements were increased \$1,179,300, and the cash fund balance was decreased \$1,179,300. These adjustments were necessary to properly record 629 grant activity.

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2024-001 – (Continued)

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

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Township's activity.

We recommend the Township design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Township should consider having an outside third-party, or Trustee member with financial experience, review the financial report prior to filing in the Hinkle System.

Officials 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	2024-002
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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 56% and 35% of examined disbursements that were not certified in a timely manner for the years ended December 31, 2024 and 2023, 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.

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

**ETNA TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2019	<u>Material Weakness/Financial Reporting</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 2024-001 as transactions were not closely monitored prior to filing the current years reports.
2022-002	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 2024-002 as disbursements were not timely certified.
2022-003	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.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-004	2020	<u>Material Weakness/Noncompliance – American Rescue Plan Act Fund</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.	Corrective Action Taken and Finding is Fully Corrected	N/A

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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 2/12/2026

65 East State 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