

TAYLOR CREEK TOWNSHIP

HARDIN COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS

JANUARY 1, 1998 - DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Trustees
Taylor Creek Township

We have reviewed the Independent Auditor's Report of Taylor Creek Township, Hardin County, prepared by Vanessa L. Blevins, CPA for the audit period January 1, 1998 through December 31, 1999. 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. Taylor Creek Township is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 10, 2000

**TAYLOR CREEK TOWNSHIP
HARDIN, OHIO**

JANUARY 1, 1998 TO DECEMBER 31, 1999

Table of Contents

Report of Independent Accountants

Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Funds For the Year Ended December 31, 1999	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Funds For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5-9
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	

Vanessa L. Blevins, CPA

113 ½ S. Main Street, Suite 7
P.O. Box 472
Washington C.H., OH 43160

Phone: 740-333-1318
Fax: 740-333-3193

REPORT OF INDEPENDENT AUDITORS

Taylor Creek Township
18370 Township Road 133
Kenton, Ohio 43326

To the Members of the Board of Township Trustees:

We have audited the accompanying financial statements of Taylor Creek Township, Hardin County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

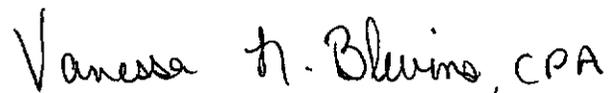
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Taylor Creek Township, Hardin County, Ohio, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2000, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public record and is available upon specific request.



Vanessa L. Blevins, CPA

May 16, 2000

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

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

	General	Special Revenue	Total (Memorandum Only)
Cash receipts:			
Local taxes	\$ 10,494	\$ -	\$ 10,494
Intergovernmental	29,620	60,125	89,745
Interest Revenue	3,440	1,410	4,850
Fines, licenses, and permits	1,105	-	1,105
Miscellaneous	3,532	-	3,532
	<hr/>		
Total cash receipts	48,191	61,535	109,726
	<hr/>		
Cash disbursements:			
Current:			
Security of persons and property	3,300	-	3,300
Public health services	4,977	-	4,977
Public Works	-	40,921	40,921
General government	32,977	-	32,977
Capital outlay	8,711	12,550	21,261
	<hr/>		
Total cash disbursements	49,965	53,471	103,436
	<hr/>		
Total receipts over disbursements	(1,774)	8,064	6,290
	<hr/>		
Fund cash balances, January 1, 1999	49,897	51,163	101,060
	<hr/>		
Fund cash balances, December 31, 1999	\$ 48,123	\$ 59,227	\$ 107,350
	<hr/>		

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

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

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

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 94
Total operating cash receipts	94
Cash disbursements:	
Personal services	-
Total operating cash disbursements	-
Operating income/(loss)	94
Fund cash balances, January 1, 1999	1,517
Fund cash balances, December 31, 1999	\$ 1,611

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

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General	Special Revenue	Total (Memorandum Only)
Cash receipts:			
Local taxes	\$ 10,018	\$ -	\$ 10,018
Intergovernmental	23,997	56,561	80,558
Interest Revenue	3,589	1,491	5,080
Fines, licenses, and permits	450	-	450
Miscellaneous	1,045	-	1,045
	<hr/>		
Total cash receipts	39,099	58,052	97,150
Cash disbursements:			
Current:			
Security of persons and property	3,400	-	3,400
Public health services	3,991	-	3,991
Public Works	-	48,522	48,522
General government	35,540	-	35,540
Capital outlay	7,684	4,049	11,733
	<hr/>		
Total cash disbursements	50,615	52,571	103,186
	<hr/>		
Total receipts over disbursements	(11,516)	5,480	(6,036)
	<hr/>		
Fund cash balances, January 1, 1998	61,414	45,683	107,096
	<hr/>		
Fund cash balances, December 31, 1998	49,897	51,163	101,061
	<hr/> <hr/>		

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

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 62
Total operating cash receipts	62
Cash disbursements:	
Personal services	88
Total operating cash disbursements	88
Operating income/(loss)	(26)
Fund cash balances, January 1, 1998	1,543
Fund cash balances, December 31, 1998	\$ 1,517

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

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Taylor Creek Township, Hardin County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected, three-member Board. The Township provides general governmental services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

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

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

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

Gas Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township streets.

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Fiduciary Funds (Trust Funds) - Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following significant fiduciary funds:

Maggie Wilson Trust - This fund receives earnings from investment. Only the earnings can be used to maintain the cemetery.

E. Budgetary Process

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

Appropriation - 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. Deposits are insured by the Federal Depository Insurance Corporation. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	1998
Demand deposits	\$ 83,461	\$ 69,077
Certificates of deposit	25,500	33,500
Total deposits	\$ 108,961	\$ 102,577

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 41,919	\$ 48,191	\$ 6,271
Special Revenue	58,052	61,535	3,483
Fiduciary	62	94	31
Total	<u>\$ 100,033</u>	<u>\$ 109,819</u>	<u>\$ 9,786</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,119	\$ 49,965	\$ 32,153
Special Revenue	94,217	53,471	40,746
Fiduciary	107	-	107
Total	<u>\$ 176,443</u>	<u>\$ 103,436</u>	<u>\$ 73,006</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,011	\$ 39,099	\$ 1,088
Special Revenue	54,714	58,052	3,338
Fiduciary	74	62	(12)
Total	<u>\$ 92,799</u>	<u>\$ 97,213</u>	<u>\$ 4,414</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,118	\$ 50,615	\$ 31,503
Special Revenue	94,217	52,571	41,646
Fiduciary	107	88	19
Total	<u>\$ 176,442</u>	<u>\$ 103,274</u>	<u>\$ 73,167</u>

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Township.

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

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

5. LEASES

Leases outstanding at December 31, 1999, were as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Deer Credit, Inc.	\$ 12,150	9.90%
Ford Motor Credit Company	<u>0</u>	
Total	<u>\$ 12,150</u>	

The Deer Credit, Inc. lease relates to the purchase of a tractor. The total cost of the lease is \$ 20,250. The lease will be repaid in annual installments of \$ 4,050, including interest, over 5 years. The Ford Motor Credit Company lease relates to the purchase of a pick-up truck. The total cost of the lease was \$ 36, 246. The lease was repaid with a one-time payment of \$ 15,000 and annual payments thereafter of \$ 5,312 for four years. The last payment was made on the lease in 1999.

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

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

Year ending <u>December 31:</u>	Deer Credit <u>Inc.</u>
2000	\$ 4,050
2001	4,050
2002	4,050
	<u>\$ 12,150</u>

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. 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 may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Township also provides health insurance reimbursement to the Trustees and the Clerk.

Vanessa L Blevins, CPA

113 ¼ S. Main Street, Suite 7
P.O. Box 472
Washington C.H., OH 43160

Phone: 740-333-1318
Fax: 740-333-3193

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

Taylor Creek Township
18370 Township Rd. 133
Kenton, Ohio 43326

To the Members of the Board of Township Trustees:

We have audited the financial statements of Taylor Creek Township, Hardin County, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 16, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Taylor Creek Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of Taylor Creek Township in a separate letter dated May 16, 2000.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

● Page 2

This report is intended for the information of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Vanessa L. Blevins, CPA

Vanessa L. Blevins, CPA

May 16, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TAYLOR CREEK TOWNSHIP

HARDIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 21, 2000**