



**Auditor of State  
Betty Montgomery**



**TAYLOR TOWNSHIP  
UNION COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Taylor Township  
Union County  
19817 Raymond Road  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Taylor Township, Union County, Ohio, (the Township) as of and for the years ended December 31, 2002, and December 31, 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2002, and December 31, 2001, 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 February 26, 2003, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**BETTY MONTGOMERY**  
Auditor of State

February 26, 2003

**TAYLOR TOWNSHIP  
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Non- Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$32,948	\$122,285	\$0	\$0	\$155,233
Intergovernmental	66,253	56,138	0	0	122,391
Special Assessments	0	0	2,687	0	2,687
Licenses, Permits, and Fees	1,550	4,000	0	0	5,550
Fines, Forfeitures, and Penalties	3,074	0	0	0	3,074
Earnings on Investments	4,533	1,172	0	76	5,781
Other Revenue	4,488	2,302	0	0	6,790
	<u>112,846</u>	<u>185,897</u>	<u>2,687</u>	<u>76</u>	<u>301,506</u>
Total Cash Receipts					
	<u>112,846</u>	<u>185,897</u>	<u>2,687</u>	<u>76</u>	<u>301,506</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	85,154	0	0	0	85,154
Public Safety	0	91,005	0	0	91,005
Public Works	1,481	47,857	2,934	0	52,272
Health	2,831	23,438	0	8	26,277
Human Services	950	0	0	0	950
Conservation - Recreation	1,052	0	0	0	1,052
Capital Outlay	11,078	11,600	0	0	22,678
	<u>102,546</u>	<u>173,900</u>	<u>2,934</u>	<u>8</u>	<u>279,388</u>
Total Cash Disbursements					
	<u>102,546</u>	<u>173,900</u>	<u>2,934</u>	<u>8</u>	<u>279,388</u>
Total Receipts Over/(Under) Disbursements	10,300	11,997	(247)	68	22,118
Fund Cash Balances, January 1	112,994	219,099	1,575	3,526	337,194
<b>Fund Cash Balances, December 31</b>	<u><b>\$123,294</b></u>	<u><b>\$231,096</b></u>	<u><b>\$1,328</b></u>	<u><b>\$3,594</b></u>	<u><b>\$359,312</b></u>
Reserve for Encumbrances, December 31	<u>\$335</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$335</u>

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

TAYLOR TOWNSHIP  
UNION COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Non- Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$33,754	\$137,654	\$0	\$0	\$171,408
Intergovernmental	58,494	55,665	0	0	114,159
Special Assessments	0	0	2,687	0	2,687
Licenses, Permits, and Fees	900	4,959	0	0	5,859
Fines, Forfeitures, and Penalties	4,467	0	0	0	4,467
Earnings on Investments	10,678	3,575	0	154	14,407
Other Revenue	10,816	3,541	0	0	14,357
<b>Total Cash Receipts</b>	<u>119,109</u>	<u>205,394</u>	<u>2,687</u>	<u>154</u>	<u>327,344</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	84,961	0	0	0	84,961
Public Safety	0	92,413	0	0	92,413
Public Works	7,163	53,826	2,669	0	63,658
Health	2,588	12,475	0	60	15,123
Conservation - Recreation	6,771	0	0	0	6,771
Capital Outlay	5,357	1,100	0	0	6,457
<b>Total Cash Disbursements</b>	<u>106,840</u>	<u>159,814</u>	<u>2,669</u>	<u>60</u>	<u>269,383</u>
Total Receipts Over Disbursements	12,269	45,580	18	94	57,961
Fund Cash Balances, January 1	<u>100,725</u>	<u>173,519</u>	<u>1,557</u>	<u>3,432</u>	<u>279,233</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$112,994</b></u>	<u><b>\$219,099</b></u>	<u><b>\$1,575</b></u>	<u><b>\$3,526</b></u>	<u><b>\$337,194</b></u>
Reserve for Encumbrances, December 31	<u>\$335</u>	<u>\$35</u>	<u>\$0</u>	<u>\$0</u>	<u>\$370</u>

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



**TAYLOR TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Taylor Township, Union County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general government services, including zoning operations and cemetery maintenance. The Township contracts with Liberty Township to provide fire services and EMS 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**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Fire Fund* - This fund receives fire tax levy money for funding fire and EMS services provided to the residents of the Township.

**TAYLOR TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

**3. Capital Projects Fund**

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

*Broadway Street Lights* - This fund receives special assessment taxes for street lighting.

**4. Fiduciary Funds (Trust Fund)**

This fund is used to account for resources restricted by a legally binding trust agreement. The Township had the following significant Fiduciary Fund:

*Woods and Thompson Trust* – The investment earnings are used to ensure the cemetery is adequately maintained.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**TAYLOR TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**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. The carrying amount of cash at December 31 was as follows:

	2002	2001
Demand deposits	\$356,312	\$88,823
Certificates of deposit	3,000	248,371
Total deposits	\$359,312	\$337,194

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,330	\$112,846	\$47,516
Special Revenue	150,659	185,897	35,238
Capital Projects	2,500	2,687	187
Non-Expendable Trust	60	76	16
Total	\$218,549	\$301,506	\$82,957

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,250	\$102,881	\$71,369
Special Revenue	367,150	173,900	193,250
Capital Projects	3,500	2,934	566
Non-Expendable Trust	575	8	567
Total	\$545,475	\$279,723	\$265,752

**TAYLOR TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,410	\$119,109	\$39,699
Special Revenue	165,509	205,394	39,885
Capital Projects	2,500	2,687	187
Non-Expendable Trust	125	154	29
Total	<u>\$247,544</u>	<u>\$327,344</u>	<u>\$79,800</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$171,450	\$107,175	\$64,275
Special Revenue	337,150	159,849	177,301
Capital Projects	4,000	2,669	1,331
Non-Expendable Trust	500	60	440
Total	<u>\$513,100</u>	<u>\$269,753</u>	<u>\$243,347</u>

**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 of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual 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.

**TAYLOR TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

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

Taylor Township  
Union County  
19817 Raymond Road  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Taylor Township, Union County, Ohio (the Township) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated February 26, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated February 26, 2003.

Taylor Township  
Union County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**BETTY MONTGOMERY**  
Auditor of State

February 26, 2003





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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Columbus, Ohio 43216-1140

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800-282-0370

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**TAYLOR TOWNSHIP**

**UNION 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  
MAY 22, 2003**