



**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Turtle Creek Township
Shelby County
8347 State Route 705
Sidney, Ohio 45365

To the Board of Trustees:

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

We conducted our audit in accordance with 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

May 3, 2001

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$17,087	\$35,044	\$52,131
Intergovernmental	59,399	62,459	121,858
Special Assessments		539	539
Licenses, Permits, and Fees	4,510		4,510
Earnings on Investments	768	375	1,143
	<u>81,764</u>	<u>98,417</u>	<u>180,181</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	48,834		48,834
Public Works	30,500	139,364	169,864
Health	6,486		6,486
Capital Outlay	3,275		3,275
	<u>89,095</u>	<u>139,364</u>	<u>228,459</u>
Total Cash Disbursements			
Total Receipts (Under) Disbursements	(7,331)	(40,947)	(48,278)
Fund Cash Balances, January 1	<u>38,457</u>	<u>53,318</u>	<u>91,775</u>
Fund Cash Balances, December 31	<u>\$31,126</u>	<u>\$12,371</u>	<u>\$43,497</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$1,517</u>	<u>\$1,517</u>

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

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Fiduciary Fund</u>
	<u>Agency</u>
Operating Disbursements:	
Purchased Services	\$84,067
Non-Operating Receipts and Disbursements:	
Intergovernmental Receipts	<u>84,067</u>
Total Receipts Over/(Under) Disbursements	0
Fund Cash Balance, January 1	<u>0</u>
Fund Cash Balance, December 31	<u><u>\$0</u></u>

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

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$15,642	\$30,080		\$45,722
Intergovernmental	43,301	63,634	22,900	129,835
Special Assessments		551		551
Licenses, Permits, and Fees	6,375			6,375
Earnings on Investments	752	200		952
	<u>66,070</u>	<u>94,465</u>	<u>22,900</u>	<u>183,435</u>
Total Cash Receipts				
	<u>66,070</u>	<u>94,465</u>	<u>22,900</u>	<u>183,435</u>
Cash Disbursements:				
Current:				
General Government	31,769			31,769
Public Works	25,000	87,920		112,920
Health	5,495			5,495
Capital Outlay	8,369		22,900	31,269
	<u>70,633</u>	<u>87,920</u>	<u>22,900</u>	<u>181,453</u>
Total Cash Disbursements				
	<u>70,633</u>	<u>87,920</u>	<u>22,900</u>	<u>181,453</u>
Total Receipts Over/(Under) Disbursements	(4,563)	6,545	0	1,982
Fund Cash Balances, January 1	<u>43,020</u>	<u>46,773</u>	<u>0</u>	<u>89,793</u>
Fund Cash Balances, December 31	<u><u>\$38,457</u></u>	<u><u>\$53,318</u></u>	<u><u>\$0</u></u>	<u><u>\$91,775</u></u>

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

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**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Turtle Creek Township, Shelby County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with the Ft. Loramie Fire Department to provide fire services and Ft. Loramie Rescue Squad to provide ambulance 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

The Township has an interest-bearing checking account.

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:

Motor Vehicle Tax Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lighting Assessment Fund - This fund receives money from a special assessment levied against Township property owners to provide street lighting for residents.

3. Capital Project Funds

These funds are 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 project fund during 1999:

Public Works Projects - The Township, in conjunction with other Shelby County townships, received a grant from the State of Ohio to repair the Township roads.

4. Fiduciary Funds (Agency Fund)

These funds are used to account for resources for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund during 2000:

Multi-Township Road Project Fund - This fund accounts for money received from other Townships for a joint road work project.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. 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. 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.

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2000 and 1999 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. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$43,497</u>	<u>\$91,775</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,272	\$81,764	\$13,492
Special Revenue	99,076	98,417	(659)
Fiduciary	84,067	84,067	0
Total	<u>\$251,415</u>	<u>\$264,248</u>	<u>\$12,833</u>

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$106,729	\$89,095	\$17,634
Special Revenue	152,395	140,881	11,514
Fiduciary	84,067	84,067	0
Total	\$343,191	\$314,043	\$29,148

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,822	\$66,070	\$6,248
Special Revenue	91,906	94,465	2,559
Capital Projects	23,375	22,900	(475)
Total	\$175,103	\$183,435	\$8,332

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$102,842	\$70,633	\$32,209
Special Revenue	138,596	87,920	50,676
Capital Projects	23,459	22,900	559
Total	\$264,897	\$181,453	\$83,444

4. PROPERTY TAX

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

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

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

4. PROPERTY TAX (Continued)

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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
1997 Truck Lease	\$10,477	7%

The general obligation bonds were issued to finance the purchase of a new truck to be used for Township road maintenance.

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

Year ending December 31:	Truck Lease
2001	11,406
Total	\$11,406

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The Township has paid all contributions required through December 31, 2000.

**TURTLE CREEK TOWNSHIP
SHELBY COUNTY**

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

8. SUBSEQUENT EVENTS

The Township received ownership of Shelby Memorial Gardens Cemetery on April 4, 2001, as a result of a court order from the Judge of the Shelby County Common Pleas Court. This cemetery was under several liens and the operator prior to February 2001, no longer wished to take care of the cemetery. Beginning in February 2001, and thereafter, the Township will have this cemetery to maintain and additional expenditures and receipts will be incurred from the operation of the cemetery.



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

Turtle Creek Township
Shelby County
8347 State Route 705
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of Turtle Creek Township, Shelby County, (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 3, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 the Township in a separate letter dated May 3, 2001.

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 May 3, 2001.

Turtle Creek Township
Shelby County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

May 3, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TURTLE CREEK TOWNSHIP

SHELBY 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
JUNE 12, 2001**