

TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO
AUDITED FINANCIAL STATEMENTS
JANUARY 1, 2000 – DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Township Trustees
Taylor Creek Township
Kenton, OH 43326

We have reviewed the Independent Auditor's Report of Taylor Creek Township, Hardin County, prepared by Vanessa L. Blevins, for the audit period January 1, 2000 through December 31, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 22, 2002

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**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

JANUARY 1, 2000 TO DECEMBER 31, 2001

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REPORT OF INDEPENDENT ACCOUNTANTS

Taylor Creek Township
18370 Township Road 133
Kenton, Ohio 43326

To 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, 2001 and 2000. 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 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, 2001 and 2000, 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 or report dated June 19, 2002, 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.

Vanessa L. Blevins, CPA

June 19, 2002

**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, 2001

	General	Special Revenue	Capital Project	Total (Memorandum Only)
Cash receipts:				
Local taxes	\$ 14,639	\$ -	\$ -	\$ 14,639
Intergovernmental	29,643	56,926	328,238	414,807
Interest Revenue	19,812	2,481	-	22,293
Fines, licenses, and permits	705	-	-	705
Miscellaneous	1,137	-	-	1,137
	<hr/>			
Total cash receipts	65,936	59,406	328,238	453,581
	<hr/>			
Cash disbursements:				
Current:				
Public Safety	5,325	-	-	5,325
Public Health Services	7,668	-	-	7,668
Public Works	129	79,155	-	79,284
General government	42,446	-	328,238	370,684
Capital outlay	109,744	30,079	-	139,823
	<hr/>			
Total cash disbursements	165,311	109,235	328,238	602,784
	<hr/>			
Total receipts over disbursements	(99,375)	(49,828)	-	(149,203)
	<hr/>			
Fund cash balances, January 1, 2001	235,264	67,364	-	302,628
Fund balance adjustments	-	1,000	-	1,000
Fund balance after adjustments	235,264	68,364	-	303,628
	<hr/>			
Fund cash balances, December 31, 2001	\$ 135,889	\$ 18,535	\$ -	\$ 154,425
	<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, 2001

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 118
Total operating cash receipts	<u>118</u>
Cash disbursements:	
Salaries	90
Total operating cash disbursements	<u>90</u>
Operating income/(loss)	28
Fund cash balances, January 1, 2001	<u>1,560</u>
Fund cash balances, December 31, 2001	<u><u>\$ 1,588</u></u>

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, 2000

	General	Special Revenue	Total (Memorandum Only)
Cash receipts:			
Local taxes	\$ 13,642	\$ -	\$ 13,642
Intergovernmental	224,759	58,230	282,990
Interest Revenue	6,914	912	7,826
Fines, licenses, and permits	712	-	712
Miscellaneous	831	7,108	7,938
	<hr/>	<hr/>	<hr/>
Total cash receipts	246,857	66,250	313,108
Cash disbursements:			
Current:			
Public safety	3,800	-	3,800
Public health services	6,761	-	6,761
Public works	-	45,564	45,564
General government	38,814	-	38,814
Capital outlay	10,341	12,550	22,891
	<hr/>	<hr/>	<hr/>
Total cash disbursements	59,716	58,114	117,830
Total receipts over disbursements	187,141	8,137	195,278
Fund cash balances, January 1, 2000	<hr/>	<hr/>	<hr/>
Fund cash balances, December 31, 2000	48,123	59,227	107,350
	<hr/>	<hr/>	<hr/>
Fund cash balances, December 31, 2000	235,264	67,364	302,628
	<hr/> <hr/>	<hr/> <hr/>	<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, 2000

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 39
Total operating cash receipts	<hr/> 39
Cash disbursements:	
Salaries	90
Total operating cash disbursements	<hr/> 90
Operating income/(loss)	(51)
Fund cash balances, January 1, 2000	<hr/> 1,611
Fund cash balances, December 31, 2000	<hr/> <hr/> \$ 1,560

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

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

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.

Motor Vehicle License Tax Fund - This fund receives tax money for maintaining and repairing Township roads.

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2001 AND 2000

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 investments. Only the earnings can be used to maintain the cemetery.

Lightner Trust - This fund receives earnings from investments. 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>2001</u>	<u>2000</u>
Demand deposits	\$ 6,135	\$ 75,901
Certificates of deposit	149,878	228,287
Total deposits	<u>\$ 156,013</u>	<u>\$ 304,188</u>

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2001 AND 2000

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 43,509	\$ 246,857	\$ 203,348
Special Revenue	61,500	66,250	4,750
Capital Projects	390,923	-	(390,923)
Fiduciary	90	39	(51)
Total	<u>\$ 496,022</u>	<u>\$ 313,147</u>	<u>\$ (182,875)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 83,731	\$ 59,716	\$ 24,015
Special Revenue	103,047	58,114	44,933
Capital Projects	390,923	-	390,923
Fiduciary	90	90	-
Total	<u>\$ 577,791</u>	<u>\$ 117,920</u>	<u>\$ 459,871</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 33,799	\$ 65,936	\$ 32,137
Special Revenue	59,059	59,406	347
Capital Projects	390,923	328,238	(62,685)
Fiduciary	90	118	28
Total	<u>\$ 483,871</u>	<u>\$ 453,699</u>	<u>\$ (30,173)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 214,523	\$ 165,311	\$ 49,212
Special Revenue	161,340	109,235	52,105
Capital Projects	390,923	328,238	62,685
Fiduciary	90	90	-
Total	<u>\$ 766,876</u>	<u>\$ 602,874</u>	<u>\$ 164,002</u>

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2001 AND 2000

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. DEBT

The Township received a loan from The Ohio Public Works Commission for repairs to Township Road 133. The principal loan amount was \$ 32,700.40 with 0% interest for a ten year period. The payments are made on January 1st and July 1st of each year for \$ 1,635.02.

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 2001 and 2000, 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, 2001.

**TAYLOR CREEK TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)
DECEMBER 31, 2001 AND 2000

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

757 W. Elm Street
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Washington C.H., OH 43160

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

June 19, 2002

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

To the Board of Township Trustees:

We have audited the financial statements of Taylor Creek Township as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 19, 2002. 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 June 19, 2002.

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.

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.

Sincerely,

Vanessa L. Blevins, CPA



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
AUGUST 8, 2002**