



**TAYLOR TOWNSHIP
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TAYLOR TOWNSHIP
UNION COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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, 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 March 1, 2001 on our tests of the Township's compliance with certain provisions of laws, regulations and contracts. That report is an integral part of our 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 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

March 1, 2001

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**TAYLOR TOWNSHIP
UNION COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$31,945	\$116,038	\$0	\$0	\$147,983
Intergovernmental	52,803	60,228	0	0	113,031
Special Assessments	0	0	2,627	0	2,627
Licenses, Permits, and Fees	1,200	5,025	0	0	6,225
Fines, Forfeitures, and Penalties	3,117	0	0	0	3,117
Earnings on Investments	13,113	2,355	0	171	15,639
Other Revenue	7,256	5,500	0	0	12,756
	<u>109,434</u>	<u>189,146</u>	<u>2,627</u>	<u>171</u>	<u>301,378</u>
Total Cash Receipts					
	<u>109,434</u>	<u>189,146</u>	<u>2,627</u>	<u>171</u>	<u>301,378</u>
Cash Disbursements:					
Current:					
General Government	60,501	0	0	0	60,501
Public Safety	0	91,105	0	0	91,105
Public Works	508	63,214	2,543	0	66,265
Health	2,109	6,407	0	12	8,528
Human Services	617	0	0	0	617
Conservation - Recreation	4,592	0	0	0	4,592
Capital Outlay	57,641	8,100	0	0	65,741
	<u>125,968</u>	<u>168,826</u>	<u>2,543</u>	<u>12</u>	<u>297,349</u>
Total Cash Disbursements					
	<u>125,968</u>	<u>168,826</u>	<u>2,543</u>	<u>12</u>	<u>297,349</u>
Total Receipts Over/(Under) Disbursements	<u>(16,534)</u>	<u>20,320</u>	<u>84</u>	<u>159</u>	<u>4,029</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(16,534)</u>	<u>20,320</u>	<u>84</u>	<u>159</u>	<u>4,029</u>
Fund Cash Balances, January 1	117,259	153,199	1,473	3,273	275,204
Fund Cash Balances, December 31	<u><u>\$100,725</u></u>	<u><u>\$173,519</u></u>	<u><u>\$1,557</u></u>	<u><u>\$3,432</u></u>	<u><u>\$279,233</u></u>
Reserve for Encumbrances, December 31	<u><u>\$3,941</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,941</u></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 EXPENDABLE TRUST FUND
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>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$33,811	\$123,645	\$0	\$0	\$157,456
Intergovernmental	40,172	56,054	0	0	96,226
Special Assessments	0	0	2,734	0	2,734
Licenses, Permits, and Fees	650	3,777	0	0	4,427
Fines, Forfeitures, and Penalties	779	0	0	0	779
Earnings on Investments	7,448	1,429	49	112	9,038
Other Revenue	1,729	8,945	0	0	10,674
	<u>84,589</u>	<u>193,850</u>	<u>2,783</u>	<u>112</u>	<u>281,334</u>
Total Cash Receipts					
	84,589	193,850	2,783	112	281,334
Cash Disbursements:					
Current:					
General Government	62,254	0	0	0	62,254
Public Safety	0	93,425	0	0	93,425
Public Works	0	59,022	2,538	0	61,560
Health	13,714	8,473	0	10	22,197
Capital Outlay	8,237	1,351	0	0	9,588
	<u>84,205</u>	<u>162,271</u>	<u>2,538</u>	<u>10</u>	<u>249,024</u>
Total Cash Disbursements					
	84,205	162,271	2,538	10	249,024
Total Receipts Over/(Under) Disbursements	<u>384</u>	<u>31,579</u>	<u>245</u>	<u>102</u>	<u>32,310</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	384	31,579	245	102	32,310
Fund Cash Balances, January 1	116,875	121,620	1,228	3,171	242,894
Fund Cash Balances, December 31	<u>\$117,259</u>	<u>\$153,199</u>	<u>\$1,473</u>	<u>\$3,273</u>	<u>\$275,204</u>
Reserve for Encumbrances, December 31	<u>\$48</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$48</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, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Taylor Township, Union County, Ohio, (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 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

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

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 to be accounted for in another fund.

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:

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

Fire Fund - This fund receives fire levy tax 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, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Capital Project Funds

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 project fund:

Broadway Street Lights - This fund receives special assessments from property owners for street lighting.

Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Woods and Thompson Trust - The corpus and 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.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

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 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.

**TAYLOR TOWNSHIP
UNION COUNTY**

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

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	\$113,122	\$152,204
Certificates of Deposit	166,111	123,000
Total deposits and investments	\$279,233	\$275,204

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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,727	\$109,434	\$23,707
Special Revenue	192,318	189,146	(3,172)
Capital Projects	2,673	2,627	(46)
Expendable Trust	10	171	161
Total	\$280,728	\$301,378	\$20,650

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$200,000	\$129,909	\$70,091
Special Revenue	342,000	168,826	173,174
Capital Projects	3,500	2,543	957
Expendable Trust	200	12	188
Total	\$545,700	\$301,290	\$244,410

**TAYLOR TOWNSHIP
UNION COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,040	\$84,589	(\$451)
Special Revenue	186,595	193,850	7,255
Capital Projects	2,800	2,783	(17)
Expendable Trust	2	112	110
Total	\$274,437	\$281,334	\$6,897

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$198,500	\$84,253	\$114,247
Special Revenue	306,000	162,271	143,729
Capital Projects	3,800	2,538	1,262
Expendable Trust	170	10	160
Total	\$508,470	\$249,072	\$259,398

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.

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, 2000 AND 1999
(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. The 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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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**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, 2000 and December 31, 1999, and have issued our report thereon dated March 1, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 March 1, 2001.

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

This report is intended 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.

JIM PETRO
Auditor of State

March 1, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
MARCH 27, 2001**