

**MARION TOWNSHIP**

HARDIN COUNTY, OHIO

**AUDITED FINANCIAL STATEMENTS**

JANUARY 1, 2002 – DECEMBER 31, 2003





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Marion Township  
Alger, Ohio

We have reviewed the Independent Auditor's Report of Marion Township, Hardin County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2002 through December 31, 2003. 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. Marion Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 9, 2004

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**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

JANUARY 1, 2002 TO DECEMBER 31, 2003

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**Vanessa L Blevins, CPA**

757 W. Elm Street  
P.O. Box 472  
Washington C.H., OH 43160

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

**REPORT OF INDEPENDENT ACCOUNTANTS**

Marion Township  
8315 State Route 195  
Alger, Ohio 45812

To the Board of Township Trustees:

We have audited the accompanying financial statements of Marion Township, Hardin County, Ohio, (the Township) as of and for the years ended December 31, 2003 and 2002. 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 Marion Township, Hardin County, Ohio, as of December 31, 2003 and 2002, 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 June 10, 2004, 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

June 10, 2004

**MARION 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, 2003

	General	Special Revenue	Total (Memorandum Only)
<b>Cash receipts:</b>			
Taxes	\$ 21,212	\$ 22,057	\$ 43,269
Charges for services	-	6,387	6,387
Intergovernmental	27,732	63,782	91,514
Fines, licenses, and permits	-	15,775	15,775
Interest Revenue	35	53	88
Miscellaneous	129	12,900	13,029
	<hr/>		
Total cash receipts	49,108	120,953	170,062
<b>Cash disbursements:</b>			
Current:			
Public safety	7,372	-	7,372
Public health services	-	29,312	29,312
Public works	-	53,526	53,526
General government	27,127	-	27,127
Capital outlay	-	26,760	26,760
	<hr/>		
Total cash disbursements	34,498	109,598	144,096
	<hr/>		
Total receipts over disbursements	14,610	11,355	25,965
<b>Other financing sources:</b>			
Contingencies	-	-	-
Other financing sources	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	14,610	11,355	25,965
Fund cash balances, January 1, 2003	72,158	108,514	180,672
Fund balance adjustments	-	-	-
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Fund cash balances, December 31, 2003	\$ 86,768	\$ 119,869	\$ 206,637
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*The notes to the financial statements are an integral part of this statement.*

**MARION 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, 2002

	General	Special Revenue	Total (Memorandum Only)
<b>Cash receipts:</b>			
Taxes	\$ 20,282	\$ 22,034	\$ 42,316
Charges for services	-	5,298	5,298
Intergovernmental	36,083	61,060	97,142
Fines, licenses, and permits	-	13,675	13,675
Interest Revenue	537	944	1,481
Miscellaneous	291	6,865	7,156
	<hr/>		
Total cash receipts	57,192	109,875	167,067
	<hr/>		
<b>Cash disbursements:</b>			
Current:			
Public safety	7,380	-	7,380
Public health services	-	26,629	26,629
Public Works	-	49,235	49,235
General government	33,235	-	33,235
Capital outlay	-	35,768	35,768
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Total cash disbursements	40,615	111,632	152,247
	<hr/>		
Total receipts over disbursements	16,577	(1,757)	14,820
	<hr/>		
<b>Other financing sources:</b>			
Contingencies	-	-	-
Sale of Assets	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
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Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	16,577	(1,757)	14,820
	<hr/>		
Fund cash balances, January 1, 2002	55,581	110,271	165,851
Fund Balance Adjustments	-	-	-
Fund balances after adjustment	55,581	110,271	165,851
	<hr/>		
Fund cash balances, December 31, 2002	72,158	108,514	180,672
Reserve For Encumbrances	\$ 37	\$ 72	\$ 109
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*The notes to the financial statements are an integral part of this statement.*



**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Marion 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:

**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

*Cemetery Fund* - This fund receives money and fees from the sale of lots, and grave openings and closings for purpose of maintaining, grooming and operating of Township cemeteries.

*Fire District Fund* - This fund receives money from a special levy for the purpose of fire protection.

**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 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.

**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.

**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(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>2003</u>	<u>2002</u>
Demand deposits	\$ 206,637	\$ 180,672
Certificates of deposit	-	-
Total deposits	\$ 206,637	\$ 180,672

**Deposits**

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

Budgetary activity for the years ending December 31, 2003 and 2002 was as follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 47,852	\$ 49,108	\$ 1,256
Special Revenue	117,541	120,953	3,412
Total	\$ 165,393	\$ 170,062	\$ 4,669

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 119,491	\$ 34,498	\$ 84,993
Special Revenue	223,372	109,598	113,774
Total	\$ 342,864	\$ 144,096	\$ 198,767

**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 52,818	\$ 57,192	\$ 4,374
Special Revenue	126,923	109,875	(17,048)
Total	<u>\$ 179,741</u>	<u>\$ 167,067</u>	<u>\$ (12,674)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 105,950	\$ 40,652	\$ 65,298
Special Revenue	233,100	111,704	121,396
Total	<u>\$ 339,050</u>	<u>\$ 152,356</u>	<u>\$ 186,694</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. 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.

**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**5. 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 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 2003 and 2002, 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, 2003.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Automobile Liability, Comprehensive and Collision
- Property Coverage

The Township provides health coverages for an official through a private carrier.

**Vanessa L Blevins, CPA**

757 W. Elm Street  
P.O. Box 472  
Washington C.H., OH 43160

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

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

Marion Township  
8315 State Route 195  
Alger, Ohio 45812

To the Board of Township Trustees:

We have audited the financial statements of Marion Township, Hardin County, (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 10, 2004. 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 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 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.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 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. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Vanessa L. Blevins, CPA

June 10, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**MARION 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  
JULY 27, 2004**