

**MARION 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  
Marion Township  
Alger, OH 45812

We have reviewed the Independent Auditor's Report of Marion 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. Marion 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 13, 2002

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**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

JANUARY 1, 2000 TO DECEMBER 31, 2001

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# **Vanessa L. Blevins, CPA**

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## **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, 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 Marion 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 our report dated June 17, 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.

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. However, this report is a public record and is available upon specific request.

Vanessa L. Blevins, CPA

June 17, 2002

**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, 2001

	General	Special Revenue	Total (Memorandum Only)
<b>Cash receipts:</b>			
Taxes	\$ 20,117	\$ 21,920	\$ 42,037
Charges for services	-	7,137	7,137
Intergovernmental	44,671	61,673	106,344
Fines, licenses, and permits	-	16,794	16,794
Interest Revenue	802	2,569	3,371
Miscellaneous	749	17,229	17,979
	<hr/>		
Total cash receipts	66,339	127,324	193,662
<b>Cash disbursements:</b>			
Current:			
Public safety	3,640	-	3,640
Public health services	-	29,034	29,034
Public works	-	51,804	51,804
General government	29,851	-	29,851
Capital outlay	-	24,942	24,942
	<hr/>		
Total cash disbursements	33,491	105,779	139,271
	<hr/>		
Total receipts over disbursements	32,848	21,544	54,392
<b>Other financing sources:</b>			
Contingencies	-	-	-
Other financing sources	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	32,848	21,544	54,392
	<hr/>		
Fund cash balances, January 1, 2001	22,733	86,677	109,410
Fund balance adjustments	-	2,050	2,050
	<hr/>		
Fund balance adjustments	22,733	88,727	111,460
	<hr/>		
Fund cash balances, December 31, 2001	\$ 55,581	\$ 110,271	\$ 165,851
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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, 2000

	General	Special Revenue	Total (Memorandum Only)
<b>Cash receipts:</b>			
Taxes	\$ 19,572	\$ 21,483	\$ 41,055
Charges for services	-	3,945	3,945
Intergovernmental	10,763	59,007	69,771
Fines, licenses, and permits	-	14,225	14,225
Interest Revenue	880	3,233	4,113
Miscellaneous	270	14,022	14,292
	<hr/>		
Total cash receipts	31,485	115,915	147,400
<b>Cash disbursements:</b>			
Current:			
Public safety	3,188	-	3,188
Public health services	-	32,289	32,289
Public Works	-	51,024	51,024
General government	29,277	2,025	31,302
Capital outlay	-	23,363	23,363
	<hr/>		
Total cash disbursements	32,465	108,701	141,166
Total receipts over disbursements	(980)	7,214	6,234
<b>Other financing sources:</b>			
Contingencies	-	(40)	(40)
Sale of Assets	-	5,287	5,287
	<hr/>		
Total other financing sources (uses)	-	5,247	5,247
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(980)	12,462	11,482
Fund cash balances, January 1, 2000	23,713	74,215	97,928
Fund Balance Adjustments	-	-	-
Fund balances after adjustment	<hr/>		
	23,713	74,215	97,928
Fund cash balances, December 31, 2000	<hr/>		
	22,733	86,677	109,410

*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>2001</u>	<u>2000</u>
Demand deposits	\$ 165,851	\$ 109,410
Certificates of deposit	-	-
Total deposits	\$ 165,851	\$ 109,410

**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, 2001 and 2000 was as follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 55,164	\$ 66,339	\$ 11,175
Special Revenue	125,289	127,324	2,034
Total	\$ 180,453	\$ 193,662	\$ 13,209

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 77,850	\$ 33,491	\$ 44,359
Special Revenue	210,157	105,779	104,378
Total	\$ 288,007	\$ 139,271	\$ 148,737

**MARION TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 46,108	\$ 31,485	\$ (14,623)
Special Revenue	126,385	121,203	(5,182)
Total	<u>\$ 172,493</u>	<u>\$ 152,688</u>	<u>\$ (19,805)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 69,491	\$ 32,465	\$ 37,025
Special Revenue	199,669	108,741	90,928
Total	<u>\$ 269,160</u>	<u>\$ 141,206</u>	<u>\$ 127,953</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 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.

**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**

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**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, 2001 and 2000, and have issued our report thereon dated June 17, 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 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 17, 2002







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
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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  
AUGUST 6, 2002**