

**TAYLOR CREEK TOWNSHIP**  
**HARDIN COUNTY, OHIO**  
**AUDITED FINANCIAL STATEMENTS**  
**JANUARY 1, 2002 – DECEMBER 31, 2003**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Taylor Creek Township  
Kenton, Ohio

We have reviewed the Independent Auditor's Report of Taylor Creek 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. Taylor Creek Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 9, 2004

**This Page is Intentionally Left Blank.**

**TAYLOR CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

JANUARY 1, 2002 TO DECEMBER 31, 2003

Table of Contents

Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Governmental Fund Types For the Year Ended December 31, 2003	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Fiduciary Funds For the Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Governmental Fund Types For the Year Ended December 31, 2002	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Fiduciary Funds For the Year Ended December 31, 2002	5
Notes to Financial Statements	6
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

**This Page is Intentionally Left Blank.**

**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**

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, 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 Taylor Creek 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 or 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. 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 10, 2004

**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, 2003

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash receipts:</b>				
Taxes	\$ 13,356	\$ -		\$ 13,356
Intergovernmental	15,197	62,557	183,993	261,747
Fines, licenses, and permits	526	-		526
Interest Revenue	-	-		-
Miscellaneous	6,157	-		6,157
	<hr/>			<hr/>
Total cash receipts	35,235	62,557	183,993	281,785
<b>Cash disbursements:</b>				
Current:				
Public safety	3,625	-		3,625
Public health services	13,592	-		13,592
Public works	-	48,514		48,514
Conservation- Recreation	-	-		-
General government	47,995	-	-	47,995
Capital outlay	43,435	7,572	183,993	235,000
Debt Services:				
Redemption of Principal	3,270	-	-	3,270
	<hr/>			<hr/>
Total cash disbursements	111,918	56,086	183,993	351,996
Total receipts over/(under) disbursements	(76,682)	6,471	-	(70,211)
<b>Other Financing Sources (Uses)</b>				
Other Financing Sources	-	-		-
	<hr/>			<hr/>
Total Other Financing Sources (Uses)	-	-		-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(76,682)	6,471	-	(70,211)
Fund cash balances, January 1, 2003	121,731	39,662	-	161,393
	<hr/>			<hr/>
Fund cash balances, December 31, 2003	\$ 45,049	\$ 46,134	\$ -	\$ 91,182
Reserve for Encumbrances	\$ 17,236	\$ 7,439	\$ 40,259	64,934
	<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- FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Nonexpendable Trust</b>
<b>Operating receipts:</b>	
Interest	\$ 27
Total cash receipts	27
<b>Operating disbursements:</b>	
Supplies and materials	-
Total operating disbursements	-
Total receipts over/(under) disbursements	27
<b>Other Financing Sources (Uses)</b>	
Other Financing Sources	-
Total Other Financing Sources (Uses)	-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	27
Fund cash balances, January 1, 2003	1,655
Fund cash balances, December 31, 2003	\$ 1,682

*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, 2002

	General	Special Revenue	Capital Project	Total (Memorandum Only)
<b>Cash receipts:</b>				
Taxes	\$ 13,177	\$ -	\$ -	\$ 13,177
Intergovernmental	19,274	58,501	246,977	324,752
Fines, licenses, and permits	645	-	-	645
Interest Revenue	18,281	71	-	18,352
Miscellaneous	1,264	-	-	1,264
	<hr/>			
Total cash receipts	52,641	58,572	246,977	358,189
<hr/>				
<b>Cash disbursements:</b>				
Current:				
Public safety	3,775	-	-	3,775
Public health services	6,637	-	-	6,637
Public Works	-	33,395	-	33,395
Conservation- Recreation	-	-	-	-
General government	48,833	-	-	48,833
Capital outlay	4,284	4,050	246,977	255,310
Debt Services:				
Redemption of Principal	3,270	-	-	3,270
	<hr/>			
Total cash disbursements	66,799	37,445	246,977	351,221
	<hr/>			
Total receipts over/(under) disbursements	(14,159)	21,127	-	6,969
 <b>Other Financing Sources (Uses)</b>				
Other Financing Sources	-	-	-	-
	<hr/>			
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>			
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(14,159)	21,127	-	6,969
	<hr/>			
Fund cash balances, January 1, 2002	135,889	18,535	-	154,425
Fund Balance Adjustments	-	-	-	-
Fund Balance After Adjustments	135,889	18,535	-	154,425
	<hr/>			
Fund cash balances, December 31, 2002	121,731	39,662	-	161,393
Reserve for Encumbrances	22,604	14,192	224,251	261,047
	<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- FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<b>Nonexpendable Trust</b>
<b>Operating receipts:</b>	
Interest	\$ 67
Total cash receipts	67
<b>Operating disbursements:</b>	
Supplies and materials	-
Total operating disbursements	-
Total receipts over/(under) disbursements	67
<b>Other Financing Sources (Uses)</b>	
Other Financing Sources	-
Total Other Financing Sources (Uses)	-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	67
Fund cash balances, January 1, 2002	1,588
Fund cash balances, December 31, 2002	\$ 1,655

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

**TAYLOR CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Taylorcreek 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, including street maintenance and cemetery management. The Township also contracts out for emergency medical services and fire protection.

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:

**TAYLOR CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(continued)

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

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

*Cemetery fund* - This fund receives tax revenue and sale of lot receipts for the upkeep of the Township cemetery.

**Fiduciary Funds (Trust and Agency 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. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary funds:

*Cemetery Bequest Funds* - This fund receives proceeds from interest earned on principal to be used for cemetery maintenance.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**Apropriations** - 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 2003 and 2002 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 CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(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	\$ 13,445	\$ 6,769
Certificates of deposit	22,288	100,283
Other Investments	57,131	55,996
Total deposits	<u>\$ 92,864</u>	<u>\$ 163,048</u>

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

**3. BUDGETARY ACTIVITY**

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

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 40,362	\$ 35,235	\$ (5,127)
Special Revenue	58,602	62,557	3,955
Capital Projects	224,251	183,993	(40,259)
Nonexpendable Trusts	90	27	(63)
Total	<u>\$ 323,305</u>	<u>\$ 281,812</u>	<u>\$ (41,493)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 150,509	\$ 129,153	\$ 21,355
Special Revenue	91,690	63,524	28,166
Capital Projects	224,251	224,251	-
Nonexpendable Trusts	90	-	90
Total	<u>\$ 466,540</u>	<u>\$ 416,929</u>	<u>\$ 49,611</u>

**TAYLOR CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(continued)

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 38,993	\$ 52,641	\$ 13,648
Special Revenue	57,890	58,572	682
Nonexpendable Trust	118	67	(51)
Capital Projects	471,228	246,977	(224,251)
Total	<u>\$ 568,229</u>	<u>\$ 358,256</u>	<u>\$ (209,973)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 110,160	\$ 89,403	\$ 20,757
Special Revenue	92,710	51,637	41,073
Nonexpendable Trust	90	-	90
Capital Projects	471,228	471,228	-
Total	<u>\$ 674,188</u>	<u>\$ 612,268</u>	<u>\$ 61,920</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.

**TAYLOR CREEK TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(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.

**7. 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 or reimburse those officials covered under another plan.



# **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

June 10, 2004

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, 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 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 10, 2004.

## **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

**This Page is Intentionally Left Blank.**



**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

**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  
JULY 27, 2004**