



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**XENIA TOWNSHIP
GREENE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Xenia Township
Greene County
8 Brush Row Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of Xenia Township, Greene County, (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 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, 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 August 7, 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.

This report is intended solely for the information and use of management, the Board of Trustees 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

August 7, 2002

**XENIA TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	General Fund	Special Revenue	Capital Project	
Cash Receipts:				
Taxes	\$50,995	\$535,331		\$586,326
Charges for Services		41,660		41,660
Licenses, Permits and Fees	6,492			6,492
Intergovernmental Receipts	632,046	159,886		791,932
Special Assessments		15,305		15,305
Interest	20,308	4,586		24,894
Other Revenue	26,761	23,067		49,828
	<u>736,602</u>	<u>779,835</u>		<u>1,516,437</u>
Total Revenue Receipts				
	<u>736,602</u>	<u>779,835</u>		<u>1,516,437</u>
Cash Disbursements:				
General Government	231,838	17,646		249,484
Public Safety		351,393		351,393
Public Works	438,027	369,177		807,204
Health	13,478	1,487		14,965
Capital Outlay	3,277	92,652	\$63,362	159,291
	<u>686,620</u>	<u>832,355</u>	<u>63,362</u>	<u>1,582,337</u>
Total Expenditure Disbursements				
	<u>686,620</u>	<u>832,355</u>	<u>63,362</u>	<u>1,582,337</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>49,982</u>	<u>(52,520)</u>	<u>(63,362)</u>	<u>(65,900)</u>
Other Financing Receipts/(Disbursements):				
Operating Transfers In		32,628	127,820	160,448
Operating Transfers Out	(125,100)	(2,720)	(32,628)	(160,448)
Sale of Assets		6,100		6,100
	<u>(125,100)</u>	<u>36,008</u>	<u>95,192</u>	<u>6,100</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(125,100)</u>	<u>36,008</u>	<u>95,192</u>	<u>6,100</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(75,118)</u>	<u>(16,512)</u>	<u>31,830</u>	<u>(59,800)</u>
Fund Cash Balance, January 1, 2001	<u>344,922</u>	<u>723,671</u>	<u>71,173</u>	<u>1,139,766</u>
Fund Cash Balance, December 31, 2001	<u>\$269,804</u>	<u>\$707,159</u>	<u>\$103,003</u>	<u>\$1,079,966</u>
Reserve for Encumbrances, December 31	<u>\$3,612</u>	<u>\$20,987</u>	<u>\$0</u>	<u>\$24,599</u>

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

**XENIA TOWNSHIP
GREENE COUNTY**

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

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Taxes	\$51,412	\$544,588		\$596,000
Charges for Services	3,750	28,500		32,250
Licenses, Permits and Fees	8,713			8,713
Intergovernmental Receipts	314,789	161,340		476,129
Special Assessments		13,514		13,514
Interest	48,997	7,979		56,976
Other Revenue	16,647	22,665		39,312
	<u>444,308</u>	<u>778,586</u>		<u>1,222,894</u>
Total Revenue Receipts				
	<u>444,308</u>	<u>778,586</u>		<u>1,222,894</u>
Cash Disbursements:				
General Government	206,428	9,060		215,488
Public Safety	3,229	320,825		324,054
Public Works	120,554	339,056		459,610
Health	13,624	103		13,727
Capital Outlay	69,605	151,272	\$98,713	319,590
	<u>413,440</u>	<u>820,316</u>	<u>98,713</u>	<u>1,332,469</u>
Total Expenditure Disbursements				
	<u>413,440</u>	<u>820,316</u>	<u>98,713</u>	<u>1,332,469</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>30,868</u>	<u>(41,730)</u>	<u>(98,713)</u>	<u>(109,575)</u>
Other Financing Receipts/(Disbursements):				
Operating Transfers In	1,201	10,350	53,200	64,751
Operating Transfers Out	(63,550)		(1,201)	(64,751)
Sale of Assets		12,800		12,800
	<u>(62,349)</u>	<u>23,150</u>	<u>51,999</u>	<u>12,800</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(62,349)</u>	<u>23,150</u>	<u>51,999</u>	<u>12,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(31,481)</u>	<u>(18,580)</u>	<u>(46,714)</u>	<u>(96,775)</u>
Fund Cash Balance, January 1, 2000	376,403	742,251	117,887	1,236,541
	<u>376,403</u>	<u>742,251</u>	<u>117,887</u>	<u>1,236,541</u>
Fund Cash Balance, December 31, 2000	<u>\$344,922</u>	<u>\$723,671</u>	<u>\$71,173</u>	<u>\$1,139,766</u>
Reserve for Encumbrances, December 31	<u>\$56,508</u>	<u>\$21,337</u>	<u>\$32,162</u>	<u>\$110,007</u>

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

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Xenia Township, Greene 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 of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

1. 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.

2. 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:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire District Fund – This fund receives property tax money for public safety and capital outlay related to the Township fire department.

**XENIA TOWNSHIP
GREENE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds are 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 Funds:

Tanker Truck – This fund is had a beginning fund balance that was used to purchase a tanker truck.

Grass Fire Truck - This fund had a beginning fund balance that was used to purchase a grass fire truck.

Tractor and Mower – This fund received monies from the general fund to purchase a tractor and mower.

E. Budgetary Process

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

1. 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 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.

2. 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.

3. 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 reappropriated

A summary of 2001 and 2000 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.

**XENIA TOWNSHIP
GREENE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$1,079,966	\$1,138,369
Certificates of deposit	0	1,397
Total deposits	1,079,966	1,139,766

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
General	\$753,594	\$736,602	(\$16,992)
Special Revenue	732,102	818,563	86,461
Capital Projects	85,039	127,820	42,781
Total	\$1,570,735	\$1,682,985	\$112,250

2001 Budgeted vs. Actual Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,098,396	\$815,332	\$283,064
Special Revenue	1,407,023	856,062	550,961
Capital Projects	281,743	95,990	185,753
Total	\$2,787,162	\$1,767,384	\$1,019,778

**XENIA TOWNSHIP
GREENE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$384,257	\$445,509	\$61,252
Special Revenue	729,457	801,736	72,279
Capital Projects	115,450	53,200	(62,250)
Total	\$1,229,164	\$1,300,445	\$71,281

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$685,439	\$533,498	\$151,941
Special Revenue	1,466,912	841,653	625,259
Capital Projects	233,337	132,076	101,261
Total	\$2,385,688	\$1,507,227	\$878,461

Contrary to Ohio law, appropriations exceeded estimated revenue in the following capital project funds for the year ended December 31, 2001: Tractor and Mower Fund by \$14,780; Dump Truck Fund by \$20,000; Tractor Fund by \$12,000; Grounds and Building Fund by \$30,000.

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

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.

**XENIA TOWNSHIP
GREENE COUNTY**

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

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

Xenia Township
Greene County
8 Brush Row Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of Xenia Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 7, 2002. 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.

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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40329-001 and 2001-40329-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 7, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 7, 2002.

Xenia Township
Greene County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

August 7, 2002

**XENIA TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2001-40329-001

Ohio Rev. Code Section 5705.39 prohibits a subdivision from making a fund appropriation in excess in the estimated resources available for expenditure from that fund. In fiscal year 2001 the following funds had appropriations in excess of the amount certified as available by the budget commission at December 31, 2001:

	<u>Estimated</u>		<u>Appropriated</u>		<u>Variance</u>
	<u>Resources</u>				
<u>Capital Projects Funds:</u>					
Tractor and Mower	\$ 25,220	\$	40,000	\$	(14,780)
Dump Truck	-		20,000		(20,000)
Tractor	-		12,000		(12,000)
Grounds and Building	-		30,000		(30,000)
	<u>\$ 25,220</u>	<u>\$</u>	<u>102,000</u>	<u>\$</u>	<u>(76,780)</u>

The Township should develop and implement procedures to monitor its budgetary activity to ensure planned operational activities are consistent with budgetary constraints. Budgetary documents should be entered in the Townships system and used to help evaluate its financial status and make related financial decisions.

FINDING NUMBER 2001-40329-002

Ohio Rev. Code Section 5705.14 states no transfer can be made from one fund of a subdivision to another fund, except as follows:

- The unexpended balance in any specific permanent improvement fund after the payment of all obligations incurred in the acquisition of such improvement shall be transferred to the sinking fund or bond retirement fund of the subdivision. However, if such money is not required to meet the obligation payable from such funds, it may be transferred to a special fund for the acquisition of permanent improvements, or, with the approval of the court of common pleas of the county in which such subdivision is located, to the general fund of the subdivision.
- The unexpended balance in any special fund, other than an improvement fund, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.
- Money may be transferred from the general fund to any other fund of the subdivision by resolution of the taxing authority.

FINDING NUMBER 2001-40329-002
(Continued)

In addition to the transfers listed above, which are authorized in Ohio Rev. Code Section 5705.14, the taxing authority of the Township, with the approval of the Tax Commissioner and of the Court of Common Pleas, may transfer funds pursuant to Ohio Rev. Code Sections 5705.15 and 5705.16, that are not authorized by 5705.14.

Contrary to the abovementioned section of codes, the Township transferred \$48,750 during the year ended December 31, 2000 from the special revenue fund (fire district fund) to capital projects funds (fire radio/computer fund \$10,200; grass fire truck fund \$36,000; 95 ambulance refurbish fund \$2,550) in violation of the above section of code. The financial statements have been adjusted to reflect the reversal of this transfer.

Additionally, the following transfers were made that were not in accordance with the above section of code for which the financial statements have not been adjusted:

Year Ended December 31, 2000:

\$1,201 was transferred from the capital projects fund (tractor/mower fund \$322; dump truck fund \$879) to the general fund.

Year Ended December 31, 2001:

\$2,720 was transferred from the special revenue fund (fire district fund) to the capital projects fund (95 ambulance refurbish fund).



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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XENIA TOWNSHIP

GREENE 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
SEPTEMBER 3, 2002**