



**Auditor of State
Betty Montgomery**

**XENIA TOWNSHIP
GREENE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT

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, 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 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.

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* consider this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11 (B) and § 115.56 mandate the Auditor of State to audit Ohio governments.

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, 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 May 12, 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.

Xenia Township
Greene County
Independent Accountant's Report
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This report is intended solely for the information and use of the 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 12, 2004

**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, 2003**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$60,110	\$560,795		\$620,905
Intergovernmental	315,632	229,134		544,766
Special Assessments		15,371		15,371
Charges for Services		26,500		26,500
Licenses, Permits, and Fees	6,596			6,596
Earnings on Investments	2,804	463		3,267
Other Revenue	21,000	15,403		36,403
	<u>406,142</u>	<u>847,666</u>		<u>1,253,808</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	239,754	48,266		288,020
Public Safety		400,376		400,376
Public Works		452,695		452,695
Health	12,763			12,763
Capital Outlay	64,500	4,000	28,669	97,169
	<u>317,017</u>	<u>905,337</u>	<u>28,669</u>	<u>1,251,023</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>89,125</u>	<u>(57,671)</u>	<u>(28,669)</u>	<u>2,785</u>
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		50		50
Transfers-In	7,331		12,000	19,331
Transfers-Out	(12,000)		(7,331)	(19,331)
	<u>(4,669)</u>	<u>50</u>	<u>4,669</u>	<u>50</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	84,456	(57,621)	(24,000)	2,835
Fund Cash Balances, January 1	<u>165,074</u>	<u>597,365</u>	<u>125,251</u>	<u>887,690</u>
Fund Cash Balances, December 31	<u><u>\$249,530</u></u>	<u><u>\$539,744</u></u>	<u><u>\$101,251</u></u>	<u><u>\$890,525</u></u>
Reserve for Encumbrances, December 31	<u><u>\$10,221</u></u>	<u><u>\$46,915</u></u>		<u><u>\$57,136</u></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, 2002**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$49,919	\$464,350		\$514,269
Intergovernmental	199,323	163,369		362,692
Special Assessments		15,162		15,162
Charges for Services		34,500		34,500
Licenses, Permits, and Fees	5,948			5,948
Earnings on Investments	6,745	1,562		8,307
Other Revenue	20,710	9,935		30,645
	<u>282,645</u>	<u>688,878</u>		<u>971,523</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	235,718	7,631		243,349
Public Safety		361,439		361,439
Public Works		388,306		388,306
Health	13,051	284		13,335
Capital Outlay		52,855	117,069	169,924
	<u>248,769</u>	<u>810,515</u>	<u>117,069</u>	<u>1,176,353</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>33,876</u>	<u>(121,637)</u>	<u>(117,069)</u>	<u>(204,830)</u>
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		12,554		12,554
Transfers-In	34,394	1,789	175,500	211,683
Transfers-Out	(173,000)	(2,500)	(36,183)	(211,683)
	<u>(138,606)</u>	<u>11,843</u>	<u>139,317</u>	<u>12,554</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(104,730)	(109,794)	22,248	(192,276)
Fund Cash Balances, January 1	<u>269,804</u>	<u>707,159</u>	<u>103,003</u>	<u>1,079,966</u>
Fund Cash Balances, December 31	<u>\$165,074</u>	<u>\$597,365</u>	<u>\$125,251</u>	<u>\$887,690</u>
Reserve for Encumbrances, December 31	<u>\$19,771</u>	<u>\$51,223</u>		<u>\$70,994</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, 2003 AND 2002**

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 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 and Investments

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

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:

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.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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.

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:

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

Dump Truck Fund – This fund had a beginning fund balance and received monies from the general fund to purchase a dump truck.

Refurbish Ambulance Fund – This fund had a beginning fund balance and received monies from the special revenue fund to refurbish the Township ambulance.

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.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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 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.

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 and investments. The carrying amount of cash at December 31 was as follows:

	2003	2002
Demand deposits	\$890,525	\$887,690

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$272,632	\$413,473	\$140,841
Special Revenue	815,292	847,716	32,424
Capital Projects	0	12,000	12,000
Total	\$1,087,924	\$1,273,189	\$185,265

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$452,534	\$339,238	\$113,296
Special Revenue	1,349,074	952,252	396,822
Capital Projects	186,000	36,000	150,000
Total	\$1,987,608	\$1,327,490	\$660,118

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$288,647	\$317,039	\$28,392
Special Revenue	655,729	703,221	47,492
Capital Projects	175,500	175,500	0
Total	\$1,119,876	\$1,195,760	\$75,884

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$558,450	\$441,540	\$116,910
Special Revenue	1,307,866	864,238	443,628
Capital Projects	327,252	153,252	174,000
Total	\$2,193,568	\$1,459,030	\$734,538

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, 2003 AND 2002
(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 2003 and 2002, 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 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

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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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT 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, Greene County (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 12, 2004. We noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 12, 2004.

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 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 May 12, 2004.

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Xenia Township
Greene County
Independent Accountant's Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 12, 2004

**XENIA TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Finding For Recovery - Repaid Under Audit

Our review of the Township's payroll system disclosed that one employee's hours worked for the period ending July 19, 2003 were incorrectly posted. The approved time sheet reflected 13.75 hours worked, however 23.75 hours were posted to the payroll system, which resulted in an overpayment of \$106.61 to this employee.

In accordance with the forgoing facts, and according to Ohio Rev. Code Section 117.28, a Finding for Recovery for funds illegally expended is hereby issued against Sheila Seiter, Clerk, and Steve Helling, jointly and severally, in the amount of one hundred, six dollars and sixty-one cents (\$106.61), in favor of the Township's General Fund. This amount was repaid to the Township on March 12, 2004.

The Township should implement procedures to provide that hours posted to the payroll system agree with the hours authorized as being worked.

**XENIA TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40329-001	ORC Sec. 5705.39 - Appropriations exceeded estimated resources.	Yes	
2001-40329-002	ORC Sec. 5705.14 – Illegal fund transfers.	No	Partially Corrected – Management letter citation issued.



**Auditor of State
Betty Montgomery**

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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
JUNE 17, 2004**