

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

AUDIT REPORT

JANUARY 1, 2006 – DECEMBER 31, 2007

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Oxford Township
65492 Lydick Road
Quaker City, Ohio 43773

We have reviewed the *Independent Auditors' Report* of Oxford Township, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2006 through December 31, 2007. 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.

Finding for Adjustment

Ohio Rev. Code Section 5705.10 (D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2007, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$2,655 instead of to the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$2,655.

A finding for adjustment is hereby issued against the General Fund of Oxford Township in the amount of \$2,655 and in favor of the Gasoline Tax Fund, Special Revenue Fund type in the amount of \$2,655. This adjustment was not made to the Township's accounting system or posted to the Township's financial statements.

Finding for Adjustment – Not Adjusted from Previous Audit

Ohio Rev. Code Section 5705.10 (H) states that money paid into any fund may only be used for the purposes for which such fund is established.

In 2001 and 2000, the Township paid for the Township Clerk's health insurance and the employer's portion of the Township Clerk's retirement contributions from other funds other than the General Fund. The amounts paid in 2001 were as follows:

Motor Vehicle License Tax Fund	\$	894
Gasoline Tax Fund		2,202
Road & Bridge Fund		727
Permissive MVL Fund		482
Total	\$	4,305

The amounts paid in 2000 were as follows:

Motor Vehicle License Tax Fund	\$ 435
Gasoline Tax Fund	2,390
Road & Bridge Fund	591
Permissive MVL Fund	1,035
Total	\$ 4,451

These funds are restrictive in regards to allowable expenditures. The Township Clerk's normal job duties are administrative in nature and should be paid from the General Fund, which is the fund from which the Township Clerk's salary was paid. The Township declined to make this adjustment from the prior audit.

A finding for adjustment is hereby issued against the General Fund of Oxford Township in the amount of \$8,756, in favor of the Motor Vehicle License Tax Fund in the amount of \$1,329, the Gasoline Tax Fund in the amount of \$4,592, Road and Bridge Fund in the amount of \$1,318, and the Permissive Motor Vehicle License Tax Fund in the amount of \$1,517. This adjustment was not made to the Township's accounting system or posted to the Township's 2007-2006 financial statements.

Finding for Adjustment – Not Adjusted from Previous Audit

Ohio Rev. Code Section 5705.10 (C) states that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. In addition, all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2003, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$1,703 instead of to the Debt Service 3102 Fund, Debt service Fund type, in the amount of \$1,703.

A finding for adjustment is hereby issued against the General Fund of Oxford Township in the amount of \$1,703 and in favor of the Debt Service 3102 Fund, Debt Service Fund type in the amount of \$1,703. This adjustment was not made to the Township's accounting system or posted to the Township's financial statements.

Finding for Adjustment – Not Adjusted from Previous Audit

Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 provide guidelines pertaining to allowable interfund transfers. In certain circumstances, which are detailed in Ohio Revised Code Section 5705.14, transfers from funds other than the General Fund may be made only by resolution of the taxing authority, passed with an affirmative vote of two-thirds of the members.

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In addition to transfers from the General Fund and those permitted by Ohio Rev. Code Section 5705.14, the taxing authority of the political subdivision, with the approval of the Tax Commissioner and the Court of Common Pleas, may transfer from one fund to any other public funds under its supervision, with certain exceptions, which are detailed in Ohio Rev. Code Section 5705.15.

Ohio Rev. Code Section 5705.14 indicates that before an interfund transfer can be made from the General Fund, a resolution of the taxing authority of the political subdivision shall be passed by a majority of the governing board. See also, 1989 Ohio Attorney General Opinion Number 89-075 (Ohio Rev. Code Section 5705.14 (E) has been interpreted to require a resolution passed by a simple majority when transferring funds from the general revenue fund to specific funds).

In 2003, the Township transferred \$760 from the Cemetery Bequest 7001 Fund, Fiduciary Fund type, and \$663 from the Cemetery Bequest 7002 Fund, Fiduciary Fund type, to the Cemetery Levy Fund, Special Revenue Fund type, in the amount of \$1,423, without the approval of two-thirds of the Board of Trustees, the Tax Commissioner and the Court of Common Pleas.

A finding for adjustment is hereby issued against the Cemetery Levy Fund, Special Revenue Fund type, in the amount of \$1,423, in favor of the Cemetery Bequest 7001 Fund, Fiduciary Fund type, in the amount of \$760 and in favor of the Cemetery Bequest 7002 Fund, Fiduciary Fund type, in the amount of \$663. This adjustment was not made to the Township's accounting system or posted to the Township's financial statements.

Finding for Adjustment – Not Adjusted from Previous Audit

Ohio Rev. Code Section 5705.10 (D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2005, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$1,358 instead of to the Debt Service 3102 Fund, Debt Service Fund type, in the amount of \$1,358.

A finding for adjustment is hereby issued against the General Fund of Oxford Township in the amount of \$1,358 and in favor of the Debt Service 3102 Fund, Debt Service Fund type in the amount of \$1,358. This adjustment was not made to the Township's accounting system or posted to the Township's financial statements.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements.

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While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Oxford Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 16, 2008

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**OXFORD TOWNSHIP
GUERNSEY COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Oxford Township
Guernsey County
65492 Lydick Road
Quaker City, Ohio 43773

We have audited the accompanying financial statements of Oxford Township, Guernsey County as of and for the years ended December 31, 2007 and 2006. 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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ending December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Oxford Township as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

The Township declined to make adjustments to its accounting system for posting errors from the prior audit, which would have:

- decreased the General Fund January 1, 2006 cash fund balance by \$11,817;
- increased the Motor Vehicle License Tax Fund , Special Revenue Fund type, January 1, 2006 cash fund balance by \$1,329;
- increased the Gasoline Tax Fund, Special Revenue Fund type, January 1, 2006 cash fund balance by \$4,592;
- increased the Road and Bridge Fund, Special Revenue Fund type, January 1, 2006 cash fund balance by \$1,318;
- increased the Permissive Motor Vehicle License Tax Fund, Special Revenue Fund type, January 1, 2006 cash fund balance by \$1,517;
- decreased the Cemetery Levy Fund, Special Revenue Fund type, January 1, 2006 cash fund balance by \$1,423;
- increased the Debt Service 3102 Fund, Debt Service Fund type, January 1, 2006 cash fund balance by \$3,061;
- increased the Cemetery Bequest 7001 Fund, Fiduciary Fund type, January 1, 2006 cash fund balance by \$760;
- increased the Cemetery Bequest 7002 Fund, Fiduciary Fund type, January 1, 2006 cash fund balance by \$663;

In 2007, gasoline excise tax monies were incorrectly posted to the General Fund, in the amount of \$2,655 and these monies should have been post to the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$2,655.

Had the prior audit finding for adjustments and 2007 posting error been properly posted to the Township's accounting system:

- the 2007 General Fund revenues would have been decreased by \$2,655 and the December 31, 2007 cash balance of the General Fund would have been decreased by a cumulative \$14,472;
- the 2007 Gasoline Tax Fund revenues would have increased by \$2,655 and the December 31, 2007 cash balance of the Special Revenue Funds would have increased by a cumulative \$9,988;
- the December 31, 2007 cash balance of the Debt Service Fund would have increased by a cumulative \$3,061;
- the December 31, 2007 cash balance of the Fiduciary Funds would have increased by a cumulative \$1,423.

Also, in our opinion, because of the effect of the matters discussed in the preceding three paragraphs, the financial statements referred to above do not present fairly, in all material respects, the combined fund cash balances of Oxford Township, Guernsey County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements and reserve for encumbrances for the years then ended on the basis of accounting described in Note 1.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2008, on our consideration of Oxford Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent Funds	
Cash Receipts:						
Local Taxes	\$ 16,254	\$ 34,182	\$ -	\$ -	\$ -	\$ 50,436
Intergovernmental	8,687	101,700	-	5,294	-	115,681
Earnings on Investments	315	255	-	-	119	689
Other Revenue	9	5,329	-	-	-	5,338
Total Cash Receipts	<u>25,265</u>	<u>141,466</u>	<u>-</u>	<u>5,294</u>	<u>119</u>	<u>172,144</u>
Cash Disbursements:						
Current:						
General Government	21,614	1,535	-	-	-	23,149
Public Safety	-	8,016	-	-	-	8,016
Public Works	-	96,731	-	4,901	-	101,632
Health	259	14,432	-	-	-	14,691
Capital Outlay	-	22,654	-	529	-	23,183
Debt Service:						
Redemption of Principal	-	4,688	-	-	-	4,688
Interest and Other Fiscal Charges	-	1,776	-	-	-	1,776
Total Cash Disbursements	<u>21,873</u>	<u>149,832</u>	<u>-</u>	<u>5,430</u>	<u>-</u>	<u>177,135</u>
Total Cash Receipts Over/(Under) Cash Disbursements	3,392	(8,366)	-	(136)	119	(4,991)
Other Financing Receipts (Disbursements):						
Sale of Notes	-	15,333	-	-	-	15,333
Other Financing Sources	-	450	-	-	-	450
Other Financing Uses	(303)	-	-	-	-	(303)
Total Other Financing Receipts (Disbursements):	<u>(303)</u>	<u>15,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,480</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	3,089	7,417	-	(136)	119	10,489
Fund Cash Balances, January 1	<u>8,741</u>	<u>80,188</u>	<u>-</u>	<u>136</u>	<u>7,758</u>	<u>96,823</u>
Fund Cash Balances, December 31	<u>\$ 11,830</u>	<u>\$ 87,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,877</u>	<u>\$ 107,312</u>
Reserve for Encumbrances, December 31	<u>\$ 98</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291</u>

See notes to financial statements.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent Funds	
Cash Receipts:						
Local Taxes	\$ 13,362	\$ 25,064	\$ -	\$ -	\$ -	\$ 38,426
Intergovernmental	5,860	88,650	9,076	35,581	-	139,167
Earnings on Investments	28	109	-	-	80	217
Other Revenue	340	2,219	-	-	-	2,559
Total Cash Receipts	<u>19,590</u>	<u>116,042</u>	<u>9,076</u>	<u>35,581</u>	<u>80</u>	<u>180,369</u>
Cash Disbursements:						
Current:						
General Government	18,771	250	-	-	-	19,021
Public Safety	-	7,630	-	-	-	7,630
Public Works	656	82,977	-	-	-	83,633
Health	8	4,780	-	-	-	4,788
Capital Outlay	-	26,270	-	36,216	-	62,486
Debt Service:						
Redemption of Principal	-	488	9,000	-	-	9,488
Interest and Other Fiscal Charges	-	-	76	-	-	76
Total Cash Disbursements	<u>19,435</u>	<u>122,395</u>	<u>9,076</u>	<u>36,216</u>	<u>-</u>	<u>187,122</u>
Total Cash Receipts Over/(Under) Cash Disbursements	155	(6,353)	-	(635)	80	(6,753)
Other Financing Receipts (Disbursements):						
Sale of Notes	-	24,150	-	-	-	24,150
Transfers In	-	11,225	-	-	-	11,225
Transfers Out	-	-	-	(11,225)	-	(11,225)
Other Financing Uses	(134)	-	-	-	-	(134)
Total Other Financing Receipts (Disbursements):	<u>(134)</u>	<u>35,375</u>	<u>-</u>	<u>(11,225)</u>	<u>-</u>	<u>24,016</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	21	29,022	-	(11,860)	80	17,263
Fund Cash Balances, January 1	<u>8,720</u>	<u>51,166</u>	<u>-</u>	<u>11,996</u>	<u>7,678</u>	<u>79,560</u>
Fund Cash Balances, December 31	<u>\$ 8,741</u>	<u>\$ 80,188</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 7,758</u>	<u>\$ 96,823</u>
Reserve for Encumbrances, December 31	<u>\$ 190</u>	<u>\$ 464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654</u>

See notes to financial statements.

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Township of Oxford, Guernsey County, is a body politic and corporate 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 and a publicly elected Fiscal Officer. The Township provides road and bridge maintenance, cemetery maintenance, fire protection. The Township contracts with the Village of Quaker City, Village of Antrim, Village of Old Washington, and the Village of Fairview to provide fire protection services.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible

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 cash 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 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

All cash is maintained in an interest-bearing checking account and certificates of deposit. The Township values certificates of deposit 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:

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 Fund:

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

General Note Retirement Fund – This fund receives an allocation of gasoline tax monies for the repayment of general obligation note debt.

Capital Projects Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except for those financed through enterprise or trust funds). The Township had the following significant Capital Projects Funds:

Issue II Fund – This fund receives funding from the Ohio Public Works Commission, passed through the Guernsey County Engineer's Office, to perform repairs on Township roads.

Fiduciary Funds

These funds account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the Township classifies the fund as nonexpendable trust fund. Other trust funds are classified as expendable. The Township had the following significant Fiduciary Funds:

Cemetery Trust Funds – These permanent funds receive interest for the maintenance and upkeep of Township cemetery lots.

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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 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.

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.

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 2007 and 2006 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 in 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. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand Deposits	\$ 100,462	\$ 89,973
Certificates of Deposit	6,850	6,850
Total Deposits	\$ 107,312	\$ 96,823

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. During the year, the Township failed to have adequate collateral pledged.

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 was as follows:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 22,176	\$ 25,265	\$ 3,089
Special Revenue	136,069	157,249	21,180
Capital Projects	5,294	5,294	-
Fiduciary	<u> -</u>	<u> 119</u>	<u> 119</u>
Total	<u>\$ 163,539</u>	<u>\$ 187,927</u>	<u>\$ 24,388</u>

2007 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 30,916	\$ 22,274	\$ 8,642
Special Revenue	376,379	150,025	226,354
Capital Projects	5,430	5,430	-
Fiduciary	<u> -</u>	<u> -</u>	<u> -</u>
Total	<u>\$ 412,725</u>	<u>\$ 177,729</u>	<u>\$ 234,996</u>

2006 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 18,315	\$ 19,590	\$ 1,275
Special Revenue	150,041	151,417	1,376
Debt Service	9,901	9,076	(825)
Capital Projects	5,294	35,581	30,287
Fiduciary	<u> -</u>	<u> 80</u>	<u> 80</u>
Total	<u>\$ 183,551</u>	<u>\$ 215,744</u>	<u>\$ 32,193</u>

2006 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 20,299	\$ 19,759	\$ 540
Special Revenue	171,385	122,859	48,526
Debt Service	9,901	9,076	825
Capital Projects	47,884	47,441	443
Fiduciary	<u> -</u>	<u> -</u>	<u> -</u>
Total	<u>\$ 249,469</u>	<u>\$ 199,135</u>	<u>\$ 50,334</u>

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, the Township failed to obtain prior certification on a consistent basis during 2007 and 2006.

Contrary to Ohio Revised Code Section 5705.38, the legislative authority of the Township did not formally approve appropriations by the required date.

Contrary to Ohio Revised Code Section 5705.41 (B), budgetary expenditures exceeded appropriation authority during 2006.

Contrary to Section 5705.39, Ohio Revised Code, in 2007 and 2006, the Township had appropriations that exceeded estimated resources in the several funds.

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 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 June 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. RETIREMENT SYSTEMS

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2007 and 2006, members of PERS contributed 9.5% and 9.0% of their gross salaries, respectively. The Township contributed an amount equal to 13.85% and 13.70% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2007.

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

6. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, The Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members total insurable value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

6. RISK MANAGEMENT (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005, the latest information available.

Casualty Coverage	2006	2005
Assets	\$ 32,031,312	\$ 30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained Earnings	<u>\$ 20,587,360</u>	<u>\$ 18,141,062</u>
Property Coverage	2006	2005
Assets	\$ 10,010,963	\$ 9,177,796
Liabilities	(676,709)	(1,450,031)
Retained Earnings	<u>\$ 9,334,254</u>	<u>\$ 7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$11,714. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.

Based on discussion with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past two years are as follows:

<u>Contributions to OTARMA</u>	
2005	\$4,101
2006	4,102
2007	3,255

**OXFORD TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

7. DEBT

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest rate
Promissory Note - Truck	\$ 19,937	6.837%
Promissory Note – Dump Truck	14,858	4.860%
Total	\$ 34,795	

The Promissory Note – Truck was issued to finance the purchase of a new truck to be used for Township road maintenance. The note is collateralized solely by the truck.

The Promissory Note – Dump Truck was issued to finance the purchase of a dump truck to be used for Township road maintenance. The note is collateralized solely by the dump truck.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ended December 31	Promissory Note Truck	Promissory Note Dump Truck
2008	\$ 5,864	\$ 3,466
2009	5,864	3,466
2010	5,864	3,466
2011	5,864	3,466
2012	-	2,867
Total	\$ 23,456	\$ 16,731

8. TRANSFERS

Following is a summary of transfers in and out for all funds for 2006:

Fund	Transfer In	Transfer Out
Gasoline Tax Fund	\$ 11,225	\$ -
Misc. Capital Projects Fund	-	11,225
Totals	\$ 11,225	\$ 11,225

Transfers were made out of the Miscellaneous Capital Projects Fund to the Gasoline Tax Fund to reimburse those funds for expenditures of repairs and maintenance related to flooding in the township. The Township incorrectly posted FEMA monies into this Miscellaneous Capital Projects Fund instead of creating a separate fund for these monies.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Oxford Township
Guernsey County
65492 Lydick Road
Quaker City, Ohio 43773

We have audited the financial statements of Oxford Township, Guernsey County as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 25, 2008, which was adverse since the Township did not make any prior audit adjustments. We also we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oxford Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2007-09 and 2007-11, to be a significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described, we consider 2007-11 to be a material weakness.

We noted certain matters that we have reported to management in a separate letter dated September 25, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oxford Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 nine instances of noncompliance or other matters that we must report under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-01 through 2007-09. Also, we noted certain immaterial instances of noncompliance that we have reported to the management of Oxford Township in a separate letter dated September 25, 2008.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
September 25, 2008

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING 2007-01

Ohio Rev. Code Section 5705.10 (H) states that money paid into any fund may only be used for the purposes for which such fund is established.

In 2001 and 2000, the Township paid for the Township Clerk's health insurance and the employer's portion of the Township Clerk's retirement contributions from other funds other than the General Fund. The amounts paid in 2001 were as follows:

Motor Vehicle License Tax Fund	\$ 894
Gasoline Tax Fund	2,202
Road & Bridge Fund	727
Permissive MVL Fund	482
Total	\$ 4,305

The amounts paid in 2000 were as follows:

Motor Vehicle License Tax Fund	\$ 435
Gasoline Tax Fund	2,390
Road & Bridge Fund	591
Permissive MVL Fund	1,035
Total	\$ 4,451

These funds are restrictive in regards to allowable expenditures. The Township Clerk's normal job duties are administrative in nature and should be paid from the General Fund, which is the fund from which the Township Clerk's salary was paid. The Township declined to make this adjustment from the prior audit.

Client Response: We did not receive a response from Officials to this finding.

FINDING 2007-02

Ohio Rev. Code Section 5705.10 (C) states that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. In addition, all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2003, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$1,703 instead of to the Debt Service 3102 Fund, Debt service Fund type, in the amount of \$1,703.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

FINDING 2007-03

Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 provide guidelines pertaining to allowable interfund transfers. In certain circumstances, which are detailed in Ohio Revised Code Section 5705.14, transfers from funds other than the General Fund may be made only by resolution of the taxing authority, passed with an affirmative vote of two-thirds of the members.

In addition to transfers from the General Fund and those permitted by Ohio Rev. Code Section 5705.14, the taxing authority of the political subdivision, with the approval of the Tax Commissioner and the Court of Common Pleas, may transfer from one fund to any other public funds under its supervision, with certain exceptions, which are detailed in Ohio Rev. Code Section 5705.15.

Ohio Rev. Code Section 5705.14 indicates that before an interfund transfer can be made from the General Fund, a resolution of the taxing authority of the political subdivision shall be passed by a majority of the governing board. See also, 1989 Ohio Attorney General Opinion Number 89-075 (Ohio Rev. Code Section 5705.14 (E) has been interpreted to require a resolution passed by a simple majority when transferring funds from the general revenue fund to specific funds).

In 2003, the Township transferred \$760 from the Cemetery Bequest 7001 Fund, Fiduciary Fund type, and \$663 from the Cemetery Bequest 7002 Fund, Fiduciary Fund type, to the Cemetery Levy Fund, Special Revenue Fund type, in the amount of \$1,423, without the approval of two-thirds of the Board of Trustees, the Tax Commissioner and the Court of Common Pleas.

Client Response: We did not receive a response from Officials to this finding.

FINDING 2007-04

Ohio Rev. Code Section 5705.10 (D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2005, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$1,358 instead of to the Debt Service 3102 Fund, Debt Service Fund type, in the amount of \$1,358.

Client Response: We did not receive a response from Officials to this finding.

FINDING 2007-05

Ohio Rev. Code Section 5705.10 (D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2007, gasoline excise tax monies were incorrectly posted to the General Fund in the amount of \$2,655 instead of to the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$2,655.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

FINDING 2007-06

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Revised Code Sections 5705.41(D)(1) and 5705.41(D)(3), respectively:

Then and Now Certificates - If the fiscal officer can certify that both at the time the contractor order was made and at the time that he/she is completing his/her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Blanket Certificate – Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution or ordinance of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not properly certify the availability of funds prior to purchase commitment for 29.6% and 55.6% of the expenditures tested in 2007 and 2006, respectively. Failure to certify the availability of funds can result in overspending funds and negative cash fund balances.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING 2007-06 (Continued)

Noncompliance Citation (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Township Fiscal Officer certify that funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Township Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Township Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response: We did not receive a response from Officials to this finding.

FINDING 2007-07

Noncompliance Citation

Ohio Rev. Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The Township made appropriations exceeding total resources in the Gasoline Tax Fund and the Permissive MVL Fund in 2007. The Township made appropriations exceeding total resources in the Public Works Fund and the Miscellaneous Capital Projects Fund in 2006.

We recommend the Township do not appropriate amounts greater than the amount of estimated resources listed on the official certificate or the amended official certificate.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

FINDING 2007-08

Noncompliance Citation

Ohio Rev. Code Section 5705.38 (A) states, in part, that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1st.

The Township did not formally approve and certify their appropriation measure for 2006. Expenditures in the amount of \$198,481 were made without any formal approval.

We recommend the Board of Trustees approve, and certify to the County Auditor, the annual appropriation measure on or near January 1st of each year. If the Board of Trustees chooses to postpone passage of this measure until receipt of an Official Certificate of Estimated Resources, temporary appropriations should be approved by the Board of Trustees.

Client Response: We did not receive a response from Officials to this finding.

FINDING 2007-09

Noncompliance Citation and Significant Deficiency

Ohio Rev. Code Section 5705.41 (B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated. During the year ended December 31, 2006, all Township funds had expenditures which exceeded approved appropriations at the legal level of control.

The Township did not formally approve and certify their appropriation measure for 2006, therefore expenditures in all funds exceeded appropriations by \$198,481.

The Township Fiscal Officer should deny any payment requests exceeding appropriations. We recommend the Township Fiscal Officer and Board of Trustees compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, then the Board of Trustees should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

FINDING 2007-10

Significant Deficiency

Estimated Receipts

All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

He Township did not properly post budgeted receipts, and any amendments made to them, to the accounting system. Variances existed between the certificate of estimated resources and the amounts posted to the accounting system throughout the year. The following table details these variances at year end for both years under audit.

<u>Fund</u>	<u>Amount Per Last Amended Certificate</u>	<u>Amounts Posted to The Accounting System</u>	<u>Variance</u>
2007			
Cemetery Levy Fund	\$ 9,122	\$ 8,747	\$ (375)
2006			
General Fund	18,315	17,455	(860)
MVL Tax Fund	9,500	9,900	400
Gasoline Tax Fund	93,208	74,572	(18,636)
Road & Bridge Fund	12,918	11,519	(1,399)
Cemetery Levy Fund	6,454	6,268	(186)
Fire Fund	6,395	6,692	297
Permissive MVL Fund	1,100	1,480	380
FEMA Fund	20,169	-	(20,169)
Debt Service 3102 Fund	9,901	-	(9,901)
Issue II Fund	5,294	5,015	(279)

Because the information entered into the accounting system was inaccurate, the Township management was unable to effectively monitor budgetary activity throughout the year. Because budgeted receipts were unable to be effectively monitored, there was no indication to management when an amended certificate would become necessary.

We recommend the Township post all certificates of estimated resources as approved by the County Budget Commission to the receipt ledger.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

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

FINDING 2007-11

Material Weakness

Transaction Classifications and Postings

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements. The Township had no control procedure to ensure the accuracy of revenue and expenditure line account and fund postings. Throughout the audit period, numerous receipts and expenditures were not posted into accurate fund and/or line item account classifications based on the source of the receipt or purpose of the expenditure.

As a result, multiple revenue and expenditure accounts were materially misstated. Furthermore, this resulted in numerous reclassifications and/or adjustments being made to the financial statements to ensure accurate presentation of receipts, expenditures, and applicable fund balances.

Had the prior audit finding for adjustments and 2007 posting error been properly posted to the Township's accounting system:

- the 2007 General Fund revenues would have been decreased by \$2,655 and the December 31, 2007 cash balance of the General Fund would have been decreased by a cumulative \$14,472;
- the 2007 Gasoline Tax Fund revenues would have increased by \$2,655 and the December 31, 2007 cash balance of the Special Revenue Funds would have increased by a cumulative \$9,988;
- the December 31, 2007 cash balance of the Debt Service Fund would have increased by a cumulative \$3,061;
- the December 31, 2007 cash balance of the Fiduciary Funds would have increased by a cumulative \$1,423.

We recommend the Township Fiscal Officer review guidance within the Uniform Accounting Network Accounting Manual under Township Chart of Accounts. This guidance will allow the Township Fiscal Officer to make proper postings to revenue and expenditure account classifications based on the source of the revenue or purpose of the expenditure. Someone independent of the Township Fiscal Officer, preferably a member of the Board of Trustees, should periodically review postings to the accounting system for accuracy.

Client Response: We did not receive a response from Officials to this finding.

**OXFORD TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	ORC 5705.10 - Finding for Adjustment	No	Not Corrected: Finding will be repeated as Finding Number 2007-01
2005-002	ORC 5705.10 - Finding for Adjustment	No	Not Corrected: Finding will be repeated as Finding Number 2007-02
2005-003	ORC 5705.10 - Finding for Adjustment	No	Not Corrected: Finding will be repeated as Finding Number 2007-03
2005-004	ORC 5705.10 - Finding for Adjustment	No	Not Corrected: Finding will be repeated as Finding Number 2007-04
2005-005	ORC 5705.41(D)(1)- Invoice dates preceding purchase order dates	No	Not Corrected: Finding will be repeated as Finding Number 2007-07
2005-006	ORC 5705.38(A) - Appropriation Measure	No	Not Corrected: Finding will be repeated as Finding Number 2007-08
2005-007	ORC 5705.41(B) - Expenditures exceeding Appropriations	No	Not Corrected: Finding will be repeated as Finding Number 2007-09
2005-008	Estimated Receipts	No	Not Corrected: Finding will be repeated as Finding Number 2007-10
2005-009	Transaction Classifications and Postings	No	Not Corrected: Finding will be repeated as Finding Number 2007-11



Mary Taylor, CPA
Auditor of State

OXFORD TOWNSHIP

GUERNSEY 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
DECEMBER 31, 2008