



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Oxford Township  
Guernsey County  
P.O. Box 75  
Fairview, Ohio 43736

To the Board of Trustees:

We have audited the accompanying financial statements of Oxford Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 2001, the Township paid the Clerk's health insurance and employer's portion of retirement contributions from Special Revenue Funds rather than the General Fund. The amount paid from the Special Revenue Funds was \$4,305. Ohio Rev. Code Section 505.60 requires paying these costs from the same fund as the Clerk's compensation was paid (the General Fund). Had this amount been properly expended from the General Fund, the effect would have been to decrease the disbursements and increase the cash balance of the Special Revenue Funds by \$4,305 to \$40,800 and to increase the disbursements and decrease the cash balance of the General Fund by a cumulative amount of \$8,756 to a deficit of \$764, as of December 31, 2001.

In 2000, the Township paid the Clerk's health insurance and employer's portion of retirement contributions from Special Revenue Funds rather than the General Fund. The amount paid from the Special Revenue Funds was \$4,451. Ohio Rev. Code Section 505.60 requires paying these costs from the same fund as the Clerk's compensation was paid (the General Fund). Had this amount been properly expended from the General Fund, the effect would have been to decrease the disbursements and increase the cash balance of the Special Revenue Funds by \$4,451 to \$42,119 and to increase the disbursements and decrease the cash balance of the General Fund by \$4,451 to \$1,206, as of December 31, 2000.

In our opinion, because of the effects of the matter referred to in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the combined fund cash balances of the General and Special Revenue Funds of the Township as of December 31, 2001 and 2000, nor the General Fund's disbursements for the years then ended on the basis of accounting described in Note 1. In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Debt Service, Capital Projects, and Fiduciary Funds as of December 31, 2001 and 2000, and the combined cash receipts and disbursements of the Special Revenue, Debt Service, Capital Projects, and Fiduciary Funds 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 September 20, 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", written in a cursive style.

**Jim Petro**  
Auditor of State

September 20, 2002

OXFORD TOWNSHIP  
GUERNSEY COUNTY

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

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
<b>Cash Receipts:</b>						
Local Taxes	\$10,111	\$16,506	\$	\$	\$	\$26,617
Intergovernmental	5,755	64,361	11,119	4,126		85,361
Charges for Services					250	250
Earnings on Investments	21				279	300
Other Revenue	25	1,121				1,146
<b>Total Cash Receipts</b>	<u>15,912</u>	<u>81,988</u>	<u>11,119</u>	<u>4,126</u>	<u>529</u>	<u>113,674</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	13,073					13,073
Public Safety		7,000				7,000
Public Works	504	77,773				78,277
Health		2,839				2,839
Debt Service:						
Redemption of Principal			8,000			8,000
Interest and Fiscal Charges			2,546			2,546
Capital Outlay				4,855		4,855
<b>Total Cash Disbursements</b>	<u>13,577</u>	<u>87,612</u>	<u>10,546</u>	<u>4,855</u>	<u>0</u>	<u>116,590</u>
Total Cash Receipts Over/(Under) Cash Disbursements	2,335	(5,624)	573	(729)	529	(2,916)
Fund Cash Balances, January 1	5,657	37,668	3,367	775	7,651	55,118
<b>Fund Cash Balances, December 31</b>	<u><u>\$7,992</u></u>	<u><u>\$32,044</u></u>	<u><u>\$3,940</u></u>	<u><u>\$46</u></u>	<u><u>\$8,180</u></u>	<u><u>\$52,202</u></u>

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

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$8,311	\$14,614	\$	\$	\$	\$22,925
Intergovernmental	4,756	61,422	2,292	3,869		72,339
Charges for Services					75	75
Earnings on Investments					266	266
Other Revenue	26	211				237
<b>Total Cash Receipts</b>	<b>13,093</b>	<b>76,247</b>	<b>2,292</b>	<b>3,869</b>	<b>341</b>	<b>95,842</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	15,715					15,715
Public Safety		4,200				4,200
Public Works	457	79,464				79,921
Health	30	2,885				2,915
Debt Service:						
Redemption of Principal			2,000			2,000
Interest and Fiscal Charges			710			710
Capital Outlay		42,417		4,427		46,844
<b>Total Cash Disbursements</b>	<b>16,202</b>	<b>128,966</b>	<b>2,710</b>	<b>4,427</b>	<b>0</b>	<b>152,305</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,109)	(52,719)	(418)	(558)	341	(56,463)
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds from Sale of Public Debt:						
Sale of Notes		30,000				30,000
Sale of Fixed Assets		13,596				13,596
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>43,596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,596</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,109)	(9,123)	(418)	(558)	341	(12,867)
Fund Cash Balances, January 1	8,766	46,791	3,785	1,333	7,310	67,985
<b>Fund Cash Balances, December 31</b>	<b>\$5,657</b>	<b>\$37,668</b>	<b>\$3,367</b>	<b>\$775</b>	<b>\$7,651</b>	<b>\$55,118</b>

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



**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Oxford Township, Guernsey 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, and fire protection. The Township contracts with the Village of Quaker City, Village of Antrim, Village of Old Washington, and Village of Fairview to provide fire 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 Fund:

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

The debt service fund is 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 gasoline tax money for the repayment of general obligation note debt.

**4. Capital Projects 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 Projects Fund:

Public Works Commission Projects 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.

**5. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant Fiduciary Fund:

Cemetery Bequest Fund – This fund receives interest for the maintenance and upkeep of Township cemetery lots.

**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 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. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

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.

**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:

	2001	2000
Demand deposits	\$46,202	\$49,118
Certificates of deposit	6,000	6,000
Total deposits	\$52,202	\$55,118

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$14,313	\$15,912	\$1,599
Special Revenue	77,258	81,988	4,730
Debt Service	11,119	11,119	0
Capital Projects	3,869	4,126	257
Fiduciary	0	529	529
Total	\$106,559	\$113,674	\$7,115

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$19,791	\$13,577	\$6,214
Special Revenue	106,400	87,612	18,788
Debt Service	0	10,546	(10,546)
Capital Projects	776	4,855	(4,079)
Total	<u>\$126,967</u>	<u>\$116,590</u>	<u>\$10,377</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$12,135	\$13,093	\$958
Special Revenue	83,797	119,843	36,046
Debt Service	2,750	2,292	(458)
Capital Projects	7,469	3,869	(3,600)
Fiduciary	0	341	341
Total	<u>\$106,151</u>	<u>\$139,438</u>	<u>\$33,287</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,810	\$16,202	\$5,608
Special Revenue	116,045	128,966	(12,921)
Debt Service	3,888	2,710	1,178
Capital Projects	0	4,427	(4,427)
Total	<u>\$141,743</u>	<u>\$152,305</u>	<u>(\$10,562)</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority at the legal level of control in the General Fund, the Gasoline Tax Fund, the General Note Retirement Fund, and the Public Works Commission Fund, for the year ended December 31, 2001. Budgetary expenditures exceeded appropriation authority at the legal level of control in the Gasoline Tax Fund and the Public Works Commission Fund, for the year ended December 31, 2000.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board 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.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**4. PROPERTY TAX (Continued)**

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.

**5. DEBT**

Debt outstanding at December 31, 2001, was as follows:

	Principal	Interest Rate
General Obligation Note - Truck	\$6,000	7.00%
General Obligation Note - Tractor	24,000	6.50%
Total	\$30,000	

The general obligation notes were issued to finance the purchase of a new truck and a new tractor to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

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

	General Obligation Note - Truck	General Obligation Note - Tractor
Year ending December 31:		
2002	\$2,426	\$7,582
2003	2,284	7,186
2004	2,142	6,793
2005	6,395	6,395
Total	\$6,852	\$27,956

**7. RETIREMENT SYSTEMS**

The Township's elected officials, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% 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.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Vehicles

The Township is uninsured for the following risks:

- Errors and omissions.

**9. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

**JIM PETRO, AUDITOR OF STATE**

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

Oxford Township  
Guernsey County  
P.O. Box 75  
Fairview, Ohio 43736

To the Board of Trustees:

We have audited the accompanying financial statements of Oxford Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated September 20, 2002, wherein we noted the Township paid for the Clerk's health insurance and employer's portion of retirement contributions from Special Revenue Funds rather than the General Fund. 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 2001-41030-001 through 2001-41030-007. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 20, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-41030-008.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness. We also 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 September 20, 2002.

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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

September 20, 2002



**OXFORD TOWNSHIP  
GUERNSEY 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 2001-41030-001**

**Finding for Recovery**

Ohio Rev. Code Section 505.60 (A) states the Board of Township Trustees may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

Ohio Rev. Code Section 505.60 (B) states the Board may also contract for group health care services with health insuring corporations holding certificates of authority under Chapter 1751 of the Revised Code for township officers and employees. If the board so contracts, it shall provide uniform coverage under any such contracts for township officers and full-time township employees and their immediate dependents.

Ohio Constitution, Art. II, Section 20 prohibits elected officials from receiving in-term increases in compensation.

The Township started offering and paying the premiums for vision insurance benefits for Paul Mellott, Jr., Oxford Township Clerk, after his term of office began. These new benefits constitute an in-term increase in compensation. The total premiums paid during the audit period were one hundred sixty-two dollars and seventy-five cents (\$162.75).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public money illegally expended is hereby issued against Paul Mellott, Jr., Oxford Township Clerk, and his surety, the Personal Service Insurance Company, jointly and severally, in the amount of one hundred sixty-two dollars and seventy-five cents (\$162.75), in favor of Oxford Township, Guernsey County, in the following proportions: Motor Vehicle License Tax Fund \$130.20; Gasoline Tax Fund \$10.85; and the Road and Bridge Fund \$21.70.

**FINDING NUMBER 2001-41030-002**

**Finding for Recovery**

Ohio Rev. Code Section 505.60 (A) states the Board of Township Trustees may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

Ohio Rev. Code Section 505.60 (B) states the Board may also contract for group health care services with health insuring corporations holding certificates of authority under Chapter 1751 of the Revised Code for township officers and employees. If the board so contracts, it shall provide uniform coverage under any such contracts for township officers and full-time township employees and their immediate dependents.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**FINDING NUMBER 2001-41030-002 (Continued)**

**Finding for Recovery (Continued)**

Ohio Constitution, Art. II, Section 20 prohibits elected officials from receiving in-term increases in compensation.

The Township started offering and paying the premiums for vision and dental insurance benefits for John W. Flesher, Oxford Township Trustee, after his term of office began. The total premiums paid during the audit period were five hundred fourteen dollars and seventy-two cents (\$514.72).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public money illegally expended is hereby issued against John W. Flesher, Oxford Township Trustee, and his surety, the Personal Service Insurance Company, jointly and severally, in the amount of five hundred fourteen dollars and seventy-two cents (\$514.72), in favor of Oxford Township, Guernsey County, in the following proportions: Motor Vehicle License Tax Fund \$338.43; Gasoline Tax Fund \$91.62; Road and Bridge Fund \$69.06; and Permissive Motor Vehicle License Tax Fund \$15.61.

**FINDING NUMBER 2001-41030-003**

**Finding for Adjustment**

Ohio Rev. Code Section 5705.10 states that all revenue derived from a specific source shall be credited to a special fund for the purpose for which the monies were received.

In 2001, the Clerk recorded tax settlement monies into the Road and Bridge Fund in the amount of \$1,320; however, the amount was allocated to the Cemetery Fund by the County Auditor.

A finding for adjustment is hereby issued against the Road and Bridge Fund of Oxford Township in the amount of \$1,320, in favor of the Cemetery Fund. The Clerk has posted this adjustment to the Township's financial statements, and this adjustment is reflected in the accompanying 2001 financial statements.

**FINDING NUMBER 2001-41030-004**

**Finding for Adjustment**

Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 state in part that money may be transferred from the general fund to any other fund of the subdivision by resolution of the taxing authority. Additionally, transfers can be made by a two-thirds vote of its members if specifically authorized by Ohio Rev. Code Section 5705.14. Otherwise, transfers can be made only by resolution of the taxing authority passed with affirmative vote of two-thirds of the members and with the approval of the Tax Commissioner and the Court of Common Pleas.

In 2000 the Township transferred \$879 from the Note Retirement Fund to the Gasoline Tax Fund without the approval of two-thirds of the Trustees, the Tax Commissioner or the Court of Common Pleas.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**FINDING NUMBER 2001-41030-004 (Continued)**

**Finding for Adjustment (Continued)**

A finding for adjustment is hereby issued against the Gasoline Tax Fund in favor of the Note Retirement Fund in the amount of \$879. The Clerk has posted this adjustment to the Township's financial records and this adjustment is reflected in the accompanying 2000 financial statements.

**FINDING NUMBER 2001-41030-005**

**Finding for Adjustment**

Ohio Rev. Code Section 5705.10 states that money in a fund may only be used for the purpose for which the fund was established.

In 2001 and 2000, the Township paid for the Clerk's health insurance and the employer's portion of retirement contributions from funds other than the General Fund. The amounts paid in 2001 are as follows: \$894 from the Motor Vehicle License Tax Fund, \$2,202 from the Gasoline Tax Fund, \$727 from the Road and Bridge Fund, and \$482 from the Permissive Motor Vehicle License Tax Fund. The amounts paid in 2000 are as follows: \$435 from the Motor Vehicle License Tax Fund, \$2,390 from the Gasoline Tax Fund, \$591 from the Road and Bridge Fund, and \$1,035 from the Permissive Motor Vehicle License Tax Fund. These funds are restrictive in regards to allowable expenditures. The Clerk's normal job duties are administrative in nature and his salary and benefits should be paid from the General Fund. Additionally, Ohio Rev. Code Section 505.60 specifically requires the payment of health insurance costs from the same fund(s) as the person's compensation, in this case the general fund.

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, the 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 posted to the Township's financial statements.

**FINDING NUMBER 2001-41030-006**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**FINDING NUMBER 2001-41030-006 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)**

The following exceptions to this basic requirement are provided by statute:

- A. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he is completing his 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. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
- B. Amounts of less than \$1,000 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.

The Clerk's prior certification of available funds was not obtained for 68% of transactions tested and there was no evidence of a "Then and Now" certificate being used by the Clerk.

We recommend the Township obtain the Clerk's prior certification of available funds prior to incurring the obligation.

**FINDING NUMBER 2001-41030-007**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been appropriated.

The following funds had expenditures which exceeded appropriations at the legal level of control:

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2001-41030-007 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)**

For the year ended December 31, 2001:

General Fund		
General Government		
County Auditor's and Treasurer's Fees	\$	600
Gasoline Tax Fund		
Public Works		
Public Employees' Retirement System	\$	3,565
General Note Retirement Fund		
Debt Service		
Principal Payments	\$	8,000
Interest Payments	\$	2,546
Public Works Commission Fund		
Capital Outlay		
Improvement of Sites	\$	4,079

For the year ended December 31, 2000:

Gasoline Tax Fund		
Public Works		
Other	\$	12,288
Capital Outlay		
Machinery, Equipment, and Furniture	\$	30,000
Public Works Commission Fund		
Capital Outlay		
Repairs and Maintenance	\$	1,333
Other	\$	3,093

These variances resulted from posting audit adjustments necessary to agree legislatively approved amounts to the Township's accounting system.

We recommend the Clerk post appropriations to the accounting system as approved by the Board of Trustees.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**FINDING NUMBER 2001-41030-008**

**Material Weakness**

**Receipt Ledger Classifications and Posting**

Several receipts were not posted into accurate revenue classifications based on the source of the receipt. As a result, several audit reclassifying entries were prepared to post these revenues into the correct classifications. This situation could also result in inaccurate financial information being distributed to Township officials and resulted in the Township incurring additional audit costs.

We recommend the Township Clerk consult the Ohio Administrative Code and/or the Ohio Township Manual when monies are received, to help ensure these receipts are posted to the appropriate receipt classification and accurate financial statements are prepared.

**OXFORD TOWNSHIP  
GUERNSEY COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
1999-41030-001	Ohio Rev. Code Section 5705.10 for improperly posting Cemetery Fund real estate taxes into the General Fund.	No	The Clerk did post the adjustment to correct the prior finding for adjustment; however, the Clerk improperly posted Cemetery Fund revenue into the Road and Bridge Fund in 2001.
1999-41030-002	Ohio Rev. Code Section 5705.41(D) for not properly encumbering.	No	Repeated as finding 2001-41030-006.
1999-41030-003	Ohio Rev. Code Section 5705.41(B) for expenditures exceeding appropriations.	No	Repeated as finding 2001-41030-007.
1999-4103-004	44 C.F.R. section 206.205(b)(1) for not properly accounting for FEMA money.	Yes	Corrected.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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  
NOVEMBER 7, 2002**