

OXFORD TOWNSHIP  
DELAWARE COUNTY, OHIO

Financial Statements  
December 31, 2004 and 2003

Wolf, Rogers, Dickey & Co.  
*Certified Public Accountants*





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Oxford Township  
5676 Steamtown Rd  
Ashley, Ohio 43003

We have reviewed the *Independent Auditors' Report* of Oxford Township, Delaware County, prepared by Wolf, Rogers, Dickey & Co. for the audit period January 1, 2003 through December 31, 2004. 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.

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's Office (AOS). 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. While the AOS 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 AOS 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 black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 27, 2005

**This Page is Intentionally Left Blank.**

Oxford Township  
Delaware County, Ohio

For the Years Ended  
December 31, 2004 and 2003

Table of Contents

Independent Auditors' Report	1-2
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, 2004	3
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, 2003	4
Notes to the Financial Statements	5-9
Independent Auditors' Report on Internal Control Over Financial Reporting And On Compliance And Other Matters, Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	10-11

# Wolf, Rogers, Dickey & Co.

Certified Public Accountants  
38 South Franklin Street  
P. O. Box 352  
Delaware, Ohio 43015-0352

---

Telephone: 740-362-9031  
Fax: 740-363-7799

## Independent Auditors' Report

Oxford Township  
Delaware County, Ohio

To the Board of Trustees:

We have audited the accompanying financial statements of Oxford Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 of Ohio prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 and 2003, the revisions require presenting entity-wide statements and also to present larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State of Ohio 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 of Ohio 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 two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Oxford Township, Delaware County, Ohio as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 our report dated November 4, 2005, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

November 4, 2005

Oxford Township  
Delaware County, Ohio  
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, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Non- Expendable Trusts</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Local taxes	\$ 54,445	23,053	-	77,498
Intergovernmental	44,650	78,249	-	122,899
Licenses, permits and fees	2,450	-	-	2,450
Earnings on investments	896	1,344	48	2,288
Other revenue	<u>792</u>	<u>-</u>	<u>-</u>	<u>792</u>
Total cash receipts	<u>103,233</u>	<u>102,646</u>	<u>48</u>	<u>205,927</u>
Cash disbursements:				
Current:				
General government	38,223	-	-	38,223
Public safety	380	-	-	380
Public works	17,212	62,298	-	79,510
Health	15,510	-	-	15,510
Conservation/recreation	18,030	-	-	18,030
Capital outlay	<u>23,135</u>	<u>29,199</u>	<u>-</u>	<u>52,334</u>
Total cash disbursements	<u>112,490</u>	<u>91,497</u>	<u>-</u>	<u>203,987</u>
Total receipts over (under) disbursements	(9,257)	11,149	48	1,940
Fund cash balances, January 1	<u>88,063</u>	<u>132,886</u>	<u>3,173</u>	<u>224,122</u>
Fund cash balances, December 31	\$ <u>78,806</u>	<u>144,035</u>	<u>3,221</u>	<u>226,062</u>
Reserves for encumbrances	\$ <u>65</u>	<u>863</u>	<u>-</u>	<u>928</u>

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



Oxford Township  
Delaware County, Ohio  
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, 2003

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Non- Expendable Trusts</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:					
Local taxes	\$ 51,639	22,153	-	-	73,792
Intergovernmental	81,226	66,338	331,164	-	478,728
License, permits and fees	2,200	-	-	-	2,200
Earnings on investments	672	1,075	-	54	1,801
Other revenue	<u>424</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>744</u>
Total cash receipts	<u>136,161</u>	<u>89,886</u>	<u>331,164</u>	<u>54</u>	<u>557,265</u>
Cash disbursements:					
Current:					
General government	41,070	-	-	-	41,070
Public safety	372	-	-	-	372
Public works	15,231	66,031	-	-	81,262
Health	15,309	-	-	-	15,309
Conservation/recreation	9,632	-	-	-	9,632
Capital outlay	<u>21,298</u>	<u>10,213</u>	<u>331,164</u>	<u>-</u>	<u>362,675</u>
Total cash disbursements	<u>102,912</u>	<u>76,244</u>	<u>331,164</u>	<u>-</u>	<u>510,320</u>
Total receipts over disbursements	33,249	13,642	-	54	46,945
Fund cash balances, January 1	<u>54,814</u>	<u>119,244</u>	<u>-</u>	<u>3,119</u>	<u>177,177</u>
Fund cash balances, December 31	\$ <u>88,063</u>	<u>132,886</u>	<u>-</u>	<u>3,173</u>	<u>224,122</u>
Reserves for encumbrances	\$ <u>1,046</u>	<u>452</u>	<u>-</u>	<u>-</u>	<u>1,498</u>

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

Oxford Township  
Delaware County, Ohio  
Notes to the Financial Statements  
December 31, 2004 and 2003

(1) Summary of Significant Accounting Policies

Description of the Entity

Oxford Township, Delaware County, Ohio (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 and cemetery maintenance.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, 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 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 of Ohio.

Cash and Investments

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

Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Oxford Township  
Delaware County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2004 and 2003

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

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:

Motor Vehicle License – This fund receives vehicle registration tax money.

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

Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or Trust funds). The Township had the following significant capital project fund:

Public Works Commission Fund – This fund is to account for the activity from a Grant from the State of Ohio for repairs on various Township roads.

Fiduciary Funds (Trust Fund)

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

Cemetery Bequest Funds (Nonexpendable Trust) – These funds received restricted donations. Interest earned may be used to maintain graves in the cemetery.

Budgetary Process

The Ohio Revised Code requires each fund to 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. Appropriations lapse at year end.

Estimated Resources

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

Oxford Township  
 Delaware County, Ohio  
 Notes to the Financial Statements, continued  
 December 31, 2004 and 2003

(1) Summary of Significant Accounting Policies, continued

Budgetary Process, continued

Encumbrances

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

A summary of 2003 and 2004 budgetary activity appears in Note 3.

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 and Investments

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

	<u>2004</u>	<u>2003</u>
Demand deposits	\$ 91,977	91,712
Investment in STAR-Ohio	132,585	130,910
Timed deposits	<u>1,500</u>	<u>1,500</u>
 Total deposits and investments	 \$ <u>226,062</u>	 <u>224,122</u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The Township has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

(3) Budgetary Activity

Budgetary activity for the years ended December 31, 2004 and 2003 follows:

<u>Fund Type</u>	<u>2004 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 93,125	103,233	10,108
Special Revenue	84,714	102,646	17,932
Non-Expendable trust	<u>30</u>	<u>48</u>	<u>18</u>
 Total	 \$ <u>177,869</u>	 <u>205,927</u>	 <u>28,058</u>

Oxford Township  
 Delaware County, Ohio  
 Notes to the Financial Statements, continued  
 December 31, 2004 and 2003

(3) Budgetary Activity, continued

<u>2004 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 170,146	112,555	57,591
Special Revenue	202,452	92,360	110,092
Non-Expendable Trust	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	\$ <u>374,098</u>	<u>204,915</u>	<u>169,183</u>

<u>2003 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 122,493	136,161	13,668
Special Revenue	83,334	89,886	6,552
Capital Projects	331,164	331,164	-
Non-Expendable Trust	<u>50</u>	<u>54</u>	<u>4</u>
Total	\$ <u>537,041</u>	<u>557,265</u>	<u>20,224</u>

<u>2003 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 152,566	103,958	48,608
Special Revenue	190,549	76,696	113,853
Capital Projects	331,164	331,164	-
Non-Expendable Trusts	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	\$ <u>675,779</u>	<u>511,818</u>	<u>163,961</u>

(4) Property Tax

Real property taxes become a lien on January 1 preceding 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 of Ohio, 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  
Delaware County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2004 and 2003

(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) Retirement Systems

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

(6) Risk Management

The Township has obtained commercial insurance for the following risks:

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

The Township also provides or reimburses health insurance coverage to Township Trustees and the Clerk through a private carrier.

(7) Component Unit

The Ashley Union Cemetery is considered a component unit of the Township. The Cemetery is considered a component unit because the Township appoints the majority of the Cemetery Board and provides one-half of the Cemetery's financial support. The financial statements of the Cemetery can be obtained by writing Mary Ogg, Clerk, at 8191 Ashley Road, Ashley, Ohio 43003.

# Wolf, Rogers, Dickey & Co.

Certified Public Accountants  
38 South Franklin Street  
P. O. Box 352  
Delaware, Ohio 43015-0352

Telephone: 740-362-9031  
Fax: 740-363-7799

**Independent Accountants' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters,  
Based On An Audit Of Financial Statements  
Performed In Accordance With *Government Auditing Standards***

Oxford Township  
Delaware County, Ohio

To the Board of Trustees:

We have audited the financial statements of Oxford Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated November 4, 2005, wherein we noted the Township followed accounting practices the Auditor of State of Ohio 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 the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error of fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated November 4, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring 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 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 no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated November 4, 2005.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

November 4, 2005





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**OXFORD TOWNSHIP**

**DELAWARE 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 30, 2005**