

OXFORD TOWNSHIP  
DELAWARE COUNTY, OHIO

Financial Statements  
December 31, 2006 and 2005

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





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Oxford Township  
5675 Steamtown Road  
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, 2005 through December 31, 2006. 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. 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 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

October 8, 2007

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Oxford Township  
Delaware County, Ohio

For the Years Ended  
December 31, 2006 and 2005

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## **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, 2006 and 2005. 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 years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity-wide statements and also to present larger (i.e. major) funds separately. 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 years ended December 31, 2006 and 2005 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, 2006 and 2005, or their changes in financial position for the years 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, 2006 and 2005, 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 years ended December 31, 2006 and 2005. 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 July 20, 2007, 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

July 20, 2007

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, 2006

	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trusts</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Local taxes	\$ 63,614	23,485	-	87,099
Intergovernmental	72,082	96,527	-	168,609
Licenses, permits and fees	2,150	325	-	2,475
Earnings on investments	5,856	6,740	131	12,727
Charges for services	44	-	-	44
Other revenue	<u>963</u>	<u>2,000</u>	<u>-</u>	<u>2,963</u>
Total cash receipts	<u>144,709</u>	<u>129,077</u>	<u>131</u>	<u>273,917</u>
Cash disbursements:				
Current:				
General government	91,309	-	-	91,309
Public safety	385	-	-	385
Public works	14,242	32,213	-	46,455
Health	13,492	279	-	13,771
Conservation/recreation	4,800	-	-	4,800
Capital outlay	<u>12,009</u>	<u>8,500</u>	<u>-</u>	<u>20,509</u>
Total cash disbursements	<u>136,237</u>	<u>40,992</u>	<u>-</u>	<u>177,229</u>
Total receipts over disbursements	8,472	88,085	131	96,688
Fund cash balances, January 1	<u>80,466</u>	<u>185,546</u>	<u>3,284</u>	<u>269,296</u>
Fund cash balances, December 31	\$ <u>88,938</u>	<u>273,631</u>	<u>3,415</u>	<u>365,984</u>
Reserves for encumbrances	\$ <u>369</u>	<u>-</u>	<u>-</u>	<u>369</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, 2005

	<u>General</u>	<u>Special Revenue</u>	<u>Non- Expendable Trusts</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Local taxes	\$ 56,580	23,183	-	79,763
Intergovernmental	60,432	89,587	-	150,019
License, permits and fees	2,300	525	-	2,825
Earnings on investments	1,978	3,240	63	5,281
Other revenue	<u>483</u>	<u>600</u>	<u>-</u>	<u>1,083</u>
Total cash receipts	<u>121,773</u>	<u>117,135</u>	<u>63</u>	<u>238,971</u>
Cash disbursements:				
Current:				
General government	82,236	-	-	82,236
Public safety	384	-	-	384
Public works	15,232	75,174	-	90,406
Health	14,573	450	-	15,023
Conservation/recreation	6,853	-	-	6,853
Capital outlay	<u>835</u>	<u>-</u>	<u>-</u>	<u>835</u>
Total cash disbursements	<u>120,113</u>	<u>75,624</u>	<u>-</u>	<u>195,737</u>
Total receipts over disbursements	1,660	41,511	63	43,234
Fund cash balances, January 1	<u>78,806</u>	<u>144,035</u>	<u>3,221</u>	<u>226,062</u>
Fund cash balances, December 31	\$ <u>80,466</u>	<u>185,546</u>	<u>3,284</u>	<u>269,296</u>
Reserves for encumbrances	\$ <u>1,843</u>	<u>1,054</u>	<u>-</u>	<u>2,897</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, 2006 and 2005

(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.

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Oxford Township  
Delaware County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2006 and 2005

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

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)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Township had the following significant fiduciary funds:

Non-expendable Trust Funds (2005 classification) – These funds received restricted donations. Interest earned may be used to maintain graves in the cemetery. In 2006, the monies from these funds were transferred to comply with the updated standards.

Private Purpose Trust Funds (classification for 2006) – During 2006, this fund received money from trusts for perpetual care of certain individuals' cemetery lots located in the Ashley Union 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.

Oxford Township  
 Delaware County, Ohio  
 Notes to the Financial Statements, continued  
 December 31, 2006 and 2005

(1) Summary of Significant Accounting Policies, continued

Budgetary Process, continued

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.

Encumbrances

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

A summary of 2005 and 2006 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>2006</u>	<u>2005</u>
Demand deposits	\$ 59,989	70,579
Investment in STAR-Ohio	304,495	197,217
Timed deposits	<u>1,500</u>	<u>1,500</u>
Total deposits and investments	\$ <u>365,984</u>	<u>269,296</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.

Oxford Township  
 Delaware County, Ohio  
 Notes to the Financial Statements, continued  
 December 31, 2006 and 2005

(3) Budgetary Activity

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

<u>2006 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 114,414	144,709	30,295
Special Revenue	100,345	129,077	28,732
Non-Expendable trust	<u>60</u>	<u>131</u>	<u>71</u>
Total	\$ <u>214,819</u>	<u>273,917</u>	<u>59,098</u>

<u>2006 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 201,844	136,606	65,238
Special Revenue	229,854	40,992	188,862
Non-Expendable Trust	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	\$ <u>433,198</u>	<u>177,598</u>	<u>255,600</u>

<u>2005 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 107,466	121,773	14,,307
Special Revenue	91,086	117,135	26,049
Non-Expendable Trust	<u>45</u>	<u>63</u>	<u>18</u>
Total	\$ <u>198,597</u>	<u>238,971</u>	<u>40,374</u>

<u>2005 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 167,065	121,956	45,109
Special Revenue	179,663	76,678	102,985
Non-Expendable Trusts	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	\$ <u>348,228</u>	<u>198,634</u>	<u>149,594</u>

Oxford Township  
 Delaware County, Ohio  
 Notes to the Financial Statements, continued  
 December 31, 2006 and 2005

(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 an Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property 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 2006 and 2005, PERS members contributed 9% and 8.5%, respectively of their gross salaries. The Township contributed an amount equal to 13.7% and 13.55%, respectively of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

(6) Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2006 and 2005 the Township contracted with Rinehart-Walters-Danner & Associates Insurance Agency Inc. as their broker for coverage with the American Alternative Insurance Corporation as listed below:

<u>Type</u>	<u>Amount</u>	<u>Limit</u>
General Liability	\$1,000,000 3,000,000	Per Occurrence General Aggregate
Public Officials E&O	1,000,000	Aggregate
Auto Liability	1,000,000	Per Occurrence
Property	356,645	Scheduled
Equipment	12,012 75,658	Blanket Scheduled

Oxford Township  
Delaware County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2006 and 2005

(7) Risk Management, continued

The Township paid \$5,300 and \$5,401 for these coverages in 2006 and 2005, respectively.

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

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

(8) 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, Cemetery Clerk, at 8191 Ashley Road, Ashley, Ohio 43003.

# Wolf, Rogers, Dickey & Co.

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**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, 2006 and 2005, and have issued our report thereon dated July 20, 2007, 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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.

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 organization's internal control.

#### Internal Control Over Financial Reporting, continued

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. In a separate letter to Township's management dated July 20, 2007, we reported other matters involving internal controls over financial reporting we did not deem significant deficiencies.

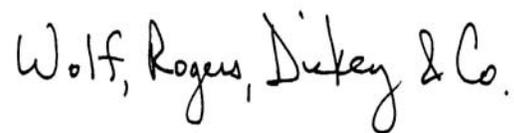
#### Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as items 2006-01.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated July 20, 2007.

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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.



Certified Public Accountants

July 20, 2007

Oxford Township  
Delaware County, Ohio  
Schedule of Findings  
December 31, 2006 and 2005

**Findings Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS**

Finding Number 2006-01

Ohio Revised Code Section 505.24(C) states that townships are required to establish administrative procedures to document the proportionate amount of Trustee salaries not paid from the General Fund (effective October 19, 2004) based on the kinds of services rendered. The “administrative procedures” can be timesheets or a similar method of record keeping, as long as the trustees document all time spent on township business and the type of service performed. If trustees do not document their time then no part of salaries may be paid from funds other than the General Fund.

We noted that all the trustees salaries, along with the Township’s portion of Medicare expense, contributions to the Ohio Public Employee Retirement System, and trustees health insurance is being charged to the Gasoline Tax Fund. There is no resolution by the Board of Trustees as to the administrative procedures to support the allocation to the Gasoline Tax Fund.

Response by Township

The Township will be charging Trustee salaries, related payroll taxes, contributions to OPERS, and health insurance to the General Fund.



Mary Taylor, CPA  
Auditor of State

**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  
NOVEMBER 8, 2007**