



Mary Taylor, CPA
Auditor of State

**XENIA TOWNSHIP
GREENE COUNTY**

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GREENE COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Xenia Township
Greene County
8 Brush Row Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Xenia Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Xenia Township, Greene County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Fire District and Fire, Rescue, Ambulance funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2010, 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 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*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 10, 2010

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

This discussion and analysis of the Xenia Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of the governmental activities at year end were \$1,769,797, which was a decrease over 2008 of \$1,781,528 by \$11,731.
- The Township's general receipts are primarily property taxes and local government distribution. Property tax receipts for 2009 increased very little compared to 2008. The General Fund was affected by an increase from unexpected estate tax receipts.
- The General Fund expended the cost of a computer server system and eight new computers for use township-wide including administration, road and fire department. Maintenance agreement costs were also expended to maintain the server. The fund has also seen a larger than normal expenditure to have vacant and unmaintained properties mowed due to the current poor level of the economy at costs increasing from \$3,585 in 2008 to \$3,708 in 2009. A replacement SUV vehicle (used) was purchased for use by zoning and administration for \$11,500.
- The State was hit with a high wind event on September 14th of 2008 as a result of "Ike" down South. FEMA grant funds were reimbursed to the Township in the amount of \$20,880 which was 75% of the total expense of \$27,839. The breakdown is as follows: General Fund \$3,013, Road Fund \$17,441 and Fire Fund \$426.
- No new Capital Improvement Funds were established in 2009. However, the one from 2007; for three replacement dump trucks over a period of seven years was continued. The funds were transferred from the General Fund. The project for a replacement back hoe was completed early with the \$41,345 purchase of a demo model including trade-in of old unit. The 2009 fund portion was not needed and the balance of \$6,655 was returned to General Fund where it originated from per the Probate Court Judge's approval per Ohio Rev. Code.
- The Fire, Rescue, Ambulance EMS Billing Fund had one major expenditure purchase of a new ambulance at a cost of \$186,000. The fund also had other large purchases of a cardiac heart monitor for \$16,330, portable radios and battery charging units. The records clerk position was reorganized to an administrative assistant/EMS responder position increasing the costs from approximately \$10,000 per year to \$15,000. The excess revenue in this fund was set aside in previous years to save for the replacement ambulance to be purchased.
- The Fire District Fund had several changes as well: 1) Payroll expenses returned to normal following the many changes in staffing from prior years. Revenue continued to be received from the new levy, which started in 2006, to cover the part-time firefighter/EMS positions to cover 24 hour staffing. The captain's position was not filled and the funding for the salary and related benefits was used for part time staffing. 2) A new contract was negotiated with Caesarscreek Township for fire and EMS coverage at a new rate of \$100,000 per year, and 3) purchase orders were approved for remodeling of the fire station 51 meeting room and restrooms. The expenses were shared between the fire fund and general fund. Project completion is expected in early 2010. The fund received a reimbursement from the State of Ohio for a fire training grant from 2008 for \$1,100.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

- The Debt Service Fund established in 2006 utilizing revenue from the newest fire levy through the Fire fund for the replacement fire engine received and expended its third of five annual payments in 2009.
- The Road and Bridge Fund had no significant change. However, the previous cash carryover balance was conservatively used to repair and maintain roads. Approximately \$197,000 was expended on the annual road program as a joint bid venture with the County Engineer. A new second levy was place on the November ballot to provide additional funding for continued excellent condition of the road. However, the levy was defeated. Long time employed Superintendent advised of his retirement in January of 2010 requesting a partial early payout of his vacation leave as permitted by the resolution established by the Board several years prior.
- The Lighting Assessment Fund for the cost of street lights in two areas of the Township was assessed as normal to the affected property owners according to an annual resolution. Therefore, the usual funds of approximately \$16,000 were received and expended to the utility company as permitted by law.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how Xenia Township did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

In the statement of net assets and the statement of activities, we show the Township's activities as Governmental activities. All of the Township's basic services are reported here, including zoning, road, fire, EMS, and two cemeteries. Property taxes, local government distributions, levies, gas and vehicle license taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole.

Governmental Funds – All of Xenia Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township has four major governmental funds: General, Road and Bridge, Fire District and Fire, Rescue, Ambulance EMS Billing. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 as compared to 2008 on a cash basis.

**(Table 1)
Net Assets**

	Governmental Activities	
	2008	2009
Assets		
Cash and Cash Equivalents	\$1,781,528	\$1,769,797
Total Assets	<u>1,781,528</u>	<u>1,769,797</u>
Net Assets		
Restricted for:		
Capital Projects	56,747	37,443
Other Purposes	1,017,801	992,790
Unrestricted	<u>706,980</u>	<u>739,564</u>
Total Net Assets	<u><u>\$1,781,528</u></u>	<u><u>\$1,769,797</u></u>

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

As mentioned previously, net assets of governmental activities decreased only minimally during 2009. The primary reasons contributing to the changes in cash balances are as follows:

- Increase in unexpected estate tax receipts of \$116,582.
- Large decrease in interest revenue from investments.
- Reimbursement from State for Fire Training Grant classes in 2008 of \$1,100.
- Sale of fixed assets, no longer needed, totaling \$15,411.
- Expenses of server, computers, meeting room and restrooms remodeling, SUV for zoning and administration, ambulance and back hoe.
- Reimbursement of FEMA Grant funds for the September 14, 2008 Wind Event of \$20,880.
- The Township had several roads that were due to be resurfaced as part of the Annual Road Program participating with the County Engineer by the joint bid process. These expenses were paid using the four various road funds.
- Health benefit costs grew slightly as staffing and type of coverage changed.
- Fuel and salt prices decreased due to a milder winter than the prior year.

Table 2 reflects the changes in net assets in 2009. Below is a comparative analysis of government-wide data with 2008.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2008	Governmental Activities 2009
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 241,764	\$ 327,577
Operating Grants and Contributions	335,414	367,228
Total Program Receipts	577,178	694,805
General Receipts:		
Property and Other Local Taxes	948,361	950,900
Grants and Entitlements Not Restricted to Specific Programs	385,598	280,126
Cable Franchise Fee	58,631	55,232
Sale of Fixed Assets		15,410
Interest	29,788	4,876
Miscellaneous	6,630	7,248
Total General Receipts	1,429,008	1,313,792
Total Receipts	2,006,186	2,008,597

(Continued)

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

**(Table 2)
Changes in Net Assets
(Continued)**

	Governmental Activities 2008	Governmental Activities 2009
Disbursements:		
General Government	327,800	323,013
Public Safety	596,036	676,830
Public Works	668,002	599,283
Health/Cemetery	12,929	12,807
Capital Outlay	167,414	343,491
Debt Service	64,904	64,904
Total Disbursements	<u>1,837,085</u>	<u>2,020,328</u>
Increase (Decrease) in Net Assets	<u>169,101</u>	<u>(11,731)</u>
Net Assets, January 1,	<u>1,612,427</u>	<u>1,781,528</u>
Net Assets, December 31,	<u><u>\$1,781,528</u></u>	<u><u>\$1,769,797</u></u>

Program receipts represent the smallest percent of the total receipts and are comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, permissive motor vehicle license, police-fire fund, street lighting assessments, grants and fire district (such as charges to Caesarscreek Township for fire and EMS services provided under contract).

General receipts represent the largest percent of the Township's total receipts, and of this amount, most are from the local government distribution and property taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board and the Fiscal Officer. Since these costs do not represent direct services to residents, we try to limit these costs to the General Fund unrestricted receipts.

Public Safety are the costs of police and fire protection, and medical services. Public Works are the cost of maintaining the roads.

The Lighting Assessment Funds is for the cost of street lights in the Wilberforce and Oldtown community areas of the Township. The Township pays the cost directly to the vendor and assessments are entered onto the affected property owners tax duplicate based upon their property's frontage to the road. The assessments should be re-evaluated for lot splits and a resolution passed annually.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for road and fire and EMS. General government also represents a significant cost. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)
Governmental Activities**

	Total Cost Of Services 2009	Net cost Of Services 2009
General Government	\$ 323,013	(\$ 319,507)
Public Safety	676,830	(250,295)
Public Works	599,283	(351,186)
Health/Cemetery	12,807	(12,807)
Other		16,667
Capital Outlay	343,491	(343,491)
Debt Services	64,904	(64,904)
Total Expenses	\$2,020,328	(\$1,325,523)

The dependence upon property tax receipts is apparent that governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$2,008,597 and disbursements of \$2,020,328.

The greatest changes within governmental funds from 2008 to 2009 occurred within Fire, Rescue, Ambulance EMS Billing, which was mainly due to large equipment purchases.

The fund balance of the Fire, Rescue, Ambulance EMS Billing Fund decreased by \$130,298. This is mostly due to the purchase of a new replacement ambulance for approximately \$186,000 after saving monies over the past several years. The EMS Billing Fund is still in a stable situation and will be able to start saving for the next replacement vehicle.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

The Fire District Fund revenue has remained steady. Further, the funds have still been able to increase to allow for saving for the next replacement tanker truck. All of the fire levies, except one renewable for 3 mills are permanent and based on valuations at the time each was approved. The 3 mil levy approved in 2005 provides approximately \$347,000 per year in revenue. The levy is for five years, 2005-2009. The renewal has been scheduled for the May 2010 ballot in hope to continue with the excellent staffing coverage and replacement apparatus schedule as committed. The levy funds have allowed for payment of the debt service fund for the replacement engine which will be paid in full in 2011. The expenditures in the Fire District Fund have shown a steady increase over the past several years due to increased number of responses, the increased cost to transport, as well as the increased mandates for staffing, training and education placed upon the employees. Worth noting is the cost to maintain 24 hour on duty coverage vs. the prior volunteer and part-time day shift staffing is the largest portion of fire fund expenses. Also, the contract and purchase order for the replacement tanker scheduled for 2009 was approved in early 2010. This indicates that the Fire Fund is in a stable situation. There was also a pension benefit payout of \$10,553 for the prior fire chief who purchased military time from when he was deployed to Iraq while employed by the Township in 2008 and the employer's portion was paid in 2009.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Township amended its General Fund budget a few times to reflect changing circumstances. Final budgeted receipts were changed from the original budgeted receipts for several line items and various reasons. The difference between final budgeted receipts and actual receipts were significant due to unexpected estate tax receipts of \$116,582 and the return of the unused funds of \$6,655 from the completed back hoe capital improvement project.

General Fund final disbursements were budgeted at \$1,030,164 while actual disbursements were \$411,494 including transfers in and out for capital improvements. All expected receipts plus carryover are appropriated at the beginning of the year. The result is the increase in fund balance to \$739,564 for 2009. Several changes took place affecting payroll: 1) the part time secretary's hours were increased slightly; 2) the zoning intern position was not utilized as much as the prior year; 3) contract services were used to assist the fiscal officer at a minimal expense; and 4) the volunteer zoning boards were given the option, per the Prosecutor's opinion, to change from paid per meeting status to true volunteer unpaid members or formal paid employees. Only two members chose the paid employee option, thus actually reducing the prior expense of the boards.

Capital Assets and Debt Administration

Capital Assets

For financial reporting purposes, Xenia Township did not track its capital assets and infrastructure.

Debt

Xenia Township started a Debt Service Fund during 2006 as recommended by the County Auditor's Office to process the lease/purchase loan and payments for the replacement fire truck. The revenue is from the new fire levy through the Fire Fund. The truck was purchased from Sutphen in 2006 through Republic First National Corp./All Points Finance. The first payment was due April 2007 for annual payments for five years ending the year 2011.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base. Our financial forecast predicts a balanced 2010 budget; therefore, the Board of Trustees and the administration have implemented five year plans to maintain balance and provide for future needs. We reviewed our sources of revenue and determined that increases were unlikely. There may still be a threat of loss of the Local Government Revenue which is a significant portion of the general fund revenue. We have reviewed the disbursement history of the Township. We have seen an increase in expenditures to cover the costs to have vacant properties mowed at a cost of \$1,062 in 2007 to \$3,708 in 2009 with the hopes that the property owners will make good on their debt via a property tax assessment. The Township will continue to save the unexpected estate tax revenue as savings for a future replacement government facility. We increased staffing levels in the fire department in order to meet the requirements of services. As a result, we will continue with Fire Ambulance EMS Billing and the new fire levy based on current valuation for five years from 2005-2009. All departments have been asked to be cautious of their spending for fuel, utilities, and supplies by planning with bulk purchase benefits.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sheila J. Seiter, Fiscal Officer, Xenia Township, 8 Brush Row Road, Xenia, Ohio 45385.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$1,769,797
Total Assets	<u>1,769,797</u>
Net Assets:	
Restricted for:	
Capital Projects	37,443
Other Purposes	992,790
Unrestricted	739,564
Total Net Assets	<u>\$1,769,797</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Total
Governmental Activities:				
General Government	\$323,013	\$3,506		(\$319,507)
Public Safety	676,830	273,804	\$152,731	(250,295)
Public Works	599,283	33,600	214,497	(351,186)
Health	12,807			(12,807)
Other		16,667		16,667
Capital Outlay	343,491			(343,491)
Debt Service:				
Principal	56,083			(56,083)
Interest	8,821			(8,821)
Total Governmental Activities	<u>\$2,020,328</u>	<u>\$327,577</u>	<u>\$367,228</u>	<u>(1,325,523)</u>
General Receipts:				
Property Taxes				950,900
Grants and Entitlements not Restricted to Specific Programs				280,126
Sale of Fixed Assets				15,410
Cable Franchise Fees				55,232
Earnings on Investments				4,876
Miscellaneous				<u>7,248</u>
Total General Receipts				<u>1,313,792</u>
Change in Net Assets				(11,731)
Net Assets Beginning of Year				<u>1,781,528</u>
Net Assets End of Year				<u><u>\$1,769,797</u></u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Fire, Rescue, Ambulance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$739,564	\$131,531	\$557,569	\$192,957	\$148,176	\$1,769,797
Total Assets	<u>739,564</u>	<u>131,531</u>	<u>557,569</u>	<u>192,957</u>	<u>148,176</u>	<u>1,769,797</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	16,692	2,788	41,267	17,443	3,982	82,172
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	722,872					722,872
Special Revenue Funds		128,743	516,302	175,514	106,751	927,310
Capital Projects Funds					37,443	37,443
Total Fund Balances	<u>\$739,564</u>	<u>\$131,531</u>	<u>\$557,569</u>	<u>\$192,957</u>	<u>\$148,176</u>	<u>\$1,769,797</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Fire, Rescue, Ambulance</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts:						
Property and Other Local Taxes	\$71,072	\$304,155	\$510,768		\$98,504	\$984,499
Charges for Services			100,000	\$173,804		273,804
Licenses, Permits and Fees	58,738					58,738
Intergovernmental	280,126	81,821	126,852		158,556	647,355
Special Assessments					16,667	16,667
Earnings on Investments	4,829				46	4,875
Miscellaneous	5,966	334	636	312		7,248
Total Receipts	<u>420,731</u>	<u>386,310</u>	<u>738,256</u>	<u>174,116</u>	<u>273,773</u>	<u>1,993,186</u>
Disbursements:						
Current:						
General Government	296,359				26,654	323,013
Public Safety			595,702	81,128		676,830
Public Works		429,469			169,814	599,283
Health	12,807					12,807
Capital Outlay	48,350	250	17,890	223,286	53,715	343,491
Debt Service:						
Principal Retirement					56,083	56,083
Interest and Fiscal Charges					8,821	8,821
Total Disbursements	<u>357,516</u>	<u>429,719</u>	<u>613,592</u>	<u>304,414</u>	<u>315,087</u>	<u>2,020,328</u>
Excess of Receipts Over (Under) Disbursements	<u>63,215</u>	<u>(43,409)</u>	<u>124,664</u>	<u>(130,298)</u>	<u>(41,314)</u>	<u>(27,142)</u>
Other Financing Sources (Uses):						
Sale of Fixed Assets		13,069	2,342			15,411
Transfers In	6,655				37,286	43,941
Transfers Out	(37,286)				(6,655)	(43,941)
Total Other Financing Sources (Uses)	<u>(30,631)</u>	<u>13,069</u>	<u>2,342</u>		<u>30,631</u>	<u>15,411</u>
Net Change in Fund Balances	32,584	(30,340)	127,006	(130,298)	(10,683)	(11,731)
Fund Balances Beginning of Year	<u>706,980</u>	<u>161,871</u>	<u>430,563</u>	<u>323,255</u>	<u>158,859</u>	<u>1,781,528</u>
Fund Balances End of Year	<u>\$739,564</u>	<u>\$131,531</u>	<u>\$557,569</u>	<u>\$192,957</u>	<u>\$148,176</u>	<u>\$1,769,797</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$68,250	\$71,072	\$71,072	
Licenses, Permits and Fees	64,000	58,738	58,738	
Intergovernmental	164,885	180,543	280,126	\$99,583
Earnings on Investments	21,000	4,829	4,829	
Miscellaneous		5,966	5,966	
Total Receipts	<u>318,135</u>	<u>321,148</u>	<u>420,731</u>	<u>99,583</u>
Disbursements:				
Current:				
General Government	488,130	454,013	302,628	151,385
Health	28,300	28,300	12,807	15,493
Capital Outlay	504,065	510,565	58,773	451,792
Total Disbursements	<u>1,020,495</u>	<u>992,878</u>	<u>374,208</u>	<u>618,670</u>
Excess of Receipts Over (Under) Disbursements	<u>(702,360)</u>	<u>(671,730)</u>	<u>46,523</u>	<u>718,253</u>
Other Financing Sources (Uses):				
Transfers In		6,655	6,655	
Transfers Out		(37,286)	(37,286)	
Total Other Financing Sources (Uses)		<u>(30,631)</u>	<u>(30,631)</u>	
Net Change in Fund Balance	(702,360)	(702,361)	15,892	718,253
Unencumbered Cash Balance Beginning of Year	676,618	676,618	676,618	
Prior Year Encumbrances Appropriated	<u>30,362</u>	<u>30,362</u>	<u>30,362</u>	
Fund Balance End of Year	<u>\$4,620</u>	<u>\$4,619</u>	<u>\$722,872</u>	<u>\$718,253</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$293,125	\$293,125	\$304,155	\$11,030
Intergovernmental	41,875	59,316	81,821	22,505
Miscellaneous			334	334
Total Receipts	<u>335,000</u>	<u>352,441</u>	<u>386,310</u>	<u>33,869</u>
Disbursements:				
Current:				
Public Works	497,249	522,759	432,257	90,502
Capital Outlay	2,000	2,000	250	1,750
Total Disbursements	<u>499,249</u>	<u>524,759</u>	<u>432,507</u>	<u>92,252</u>
Excess of Receipts Over (Under) Disbursements	<u>(164,249)</u>	<u>(172,318)</u>	<u>(46,197)</u>	<u>126,121</u>
Other Financing Sources (Uses):				
Sale of Fixed Assets	5,000	13,069	13,069	
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>13,069</u>	<u>13,069</u>	
Net Change in Fund Balance	(159,249)	(159,249)	(33,128)	126,121
Unencumbered Cash Balance Beginning of Year	138,558	138,558	138,558	
Prior Year Encumbrances Appropriated	<u>23,313</u>	<u>23,313</u>	<u>23,313</u>	
Fund Balance End of Year	<u>\$2,622</u>	<u>\$2,622</u>	<u>\$128,743</u>	<u>\$126,121</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$560,875	\$510,768	\$510,768	
Charges for Services	100,000	100,000	100,000	
Intergovernmental	80,125	126,852	126,852	
Miscellaneous		601	636	\$35
Total Receipts	<u>741,000</u>	<u>738,221</u>	<u>738,256</u>	<u>35</u>
Disbursements:				
Current:				
Public Safety	821,429	820,988	602,873	218,115
Capital Outlay	281,864	281,864	51,986	229,878
Total Disbursements	<u>1,103,293</u>	<u>1,102,852</u>	<u>654,859</u>	<u>447,993</u>
Excess of Receipts Over (Under) Disbursements	<u>(362,293)</u>	<u>(364,631)</u>	<u>83,397</u>	<u>448,028</u>
Other Financing Sources (Uses):				
Sale of Fixed Assets		2,342	2,342	
Total Other Financing Sources (Uses)		<u>2,342</u>	<u>2,342</u>	
Net Change in Fund Balance	(362,293)	(362,289)	85,739	448,028
Unencumbered Cash Balance Beginning of Year	396,375	396,375	396,375	
Prior Year Encumbrances Appropriated	<u>34,188</u>	<u>34,188</u>	<u>34,188</u>	
Fund Balance End of Year	<u>\$68,270</u>	<u>\$68,274</u>	<u>\$516,302</u>	<u>\$448,028</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE, RESCUE, AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$150,000	\$150,000	\$173,804	\$23,804
Miscellaneous			312	312
Total Receipts	<u>150,000</u>	<u>150,000</u>	<u>174,116</u>	<u>24,116</u>
Disbursements				
Current:				
Public Safety	143,529	139,387	85,780	53,607
Capital Outlay	<u>327,080</u>	<u>331,222</u>	<u>236,077</u>	<u>95,145</u>
Total Disbursements	<u>470,609</u>	<u>470,609</u>	<u>321,857</u>	<u>148,752</u>
Net Change in Fund Balance	(320,609)	(320,609)	(147,741)	172,868
Unencumbered Cash Balance Beginning of Year	129,345	129,345	129,345	
Prior Year Encumbrances Appropriated	<u>193,910</u>	<u>193,910</u>	<u>193,910</u>	
Fund Balance End of Year	<u>\$2,646</u>	<u>\$2,646</u>	<u>\$175,514</u>	<u>\$172,868</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

The Xenia Township, Greene County, Ohio (the Township), is a body politic and corporate established in 1803 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary Township, and has no component units or other organizations.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and EMS Services and cemetery maintenance. The Township also provides fire and EMS coverage by means of contracts with Caesarscreek Township, Greene County and Central State University within Xenia Township. Police protection is provided by the Greene County Sheriff's Office.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. Xenia Township has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. Some Townships have three categories of funds: governmental, proprietary and fiduciary. Xenia Township only has governmental funds.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township has four major governmental funds: General, Road & Bridge, Fire District and Fire, Rescue, Ambulance. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution/ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution/ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution/ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. 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 negative receipts (contra revenue), respectively.

During 2009, the Township invested in only one six month certificate of deposit due to the poor economy and low interest rates. The Township's interest receipt was recorded at the amount reported and confirmed at the end of the term of the certificate of deposit.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2009 was \$4,829.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

Xenia Township committed to a Long-Term Obligation in 2006 for a fire truck. The term is five years from 2007-2011. See Note 9 for Debt.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for each fund, except for the general fund.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis, by law, is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance—Budget and Actual—Budget Basis presented for the general fund and other major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) The encumbrances outstanding at year end (budgetary basis) amounted to \$16,692 for the General Fund, \$3,982 for Gas Tax, \$2,788 for Road and Bridge Fund, \$41,267 for Fire District Fund and \$17,443 for Fire, Rescue, Ambulance Fund for a grand total of \$82,172 for the year.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,538,963 of the Township's bank balance of \$1,788,963 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of December 31, 2009, the Township had no investments pending.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible property taxes were levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments were phased out – the assessment percentage for all property including inventory for 2009 is zero percent. This was 12.5 percent in 2007 and reduced to 6.25 percent for 2008. Payments by multi-county taxpayers were due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment was due April 30; if paid semi-annually, the first payment was due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$12 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 property tax receipts were based are as follows:

Real Property:	
Agriculture & Residential	\$124,569,400
Commercial/Industrial/Mineral	12,337,690
Public Utility Property:	
Personal	5,687,290
Tangible Personal Property	<u>548,610</u>
Total Assessed Value	<u><u>\$143,142,990</u></u>

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 the Township contracted with the Ohio Government Risk Management Plan (The Ohio Plan), a risk sharing pool available to Ohio Governments. The Ohio Plan provides property and casualty coverage for its members. Coverage provided by The Ohio Plan is as follows:

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

6. RISK MANAGEMENT (Continued)

Legal Liability-real property	\$1,000,000	Per Occurrence
Automobile Liability	\$5,000,000	Per Occurrence
Wrongful Acts	\$5,000,000	Per Occurrence
Property	\$1,997,691	Total Coverage
Boiler and Machinery	\$1,997,691	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has Anthem Health and Life Insurance, and the Delta Dental Plan for employee insurance coverage. Swartzel Affiliate is used for the liability and risk coverage. The Board of Trustees and staff adjusted coverage and deductibles to reduce the costs of the health insurance program. Further, the Township started a Health Reimbursement Account in 2008. The program is administered through the Township health insurance agency of Ohio Insurance Services, Frank Harmon, Agent. The adjustments and use of the HRA has provided much savings on such health related expenses to the Township.

7. DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

7. DEFINED BENEFIT PENSION PLAN (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2009 was 14.00 percent. There are no employees/members in law enforcement or public safety.

The Township's employer required contributions for pension obligations to the traditional and combined plan for the years ended December 31, 2009, 2008, and 2007 were \$41,569, \$39,905 and \$37,167 respectively. The full amount has been contributed for 2009, 2008, and 2007. There were no contributions made to member directed plan for 2009.

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for the one full time firefighter as the Fire Chief was \$27,210 for the year ended December 31, 2009, \$6,577 for one full time Chief in January and a new Chief September through December for the year ended December 31, 2008, and \$20,326 for one full time Chief (on military duty most of the year) for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007. The Township had only one regular member contributing to the plan in 2009. However, the prior Chief purchased military time from when he was deployed to Iraq while employed by the Township in 2007 and the employer's portion was paid in 2009 of \$10,553.

8. POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employer units contributed at 14.00 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. From January 1 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$14,135, \$18,425, and \$14,759 respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependants.

OP&F provides access to post-employment health care coverage for any person who receives or eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at the rate expressed as percentages of the payroll of active pension plan members, currently 24.00 percent of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24.00 percent of the covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts: One for health care benefits under IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$7,646, \$1,848, and \$5,712, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

9. DEBT

The Township committed by full faith and credit to long term debt during 2006 for a fire truck. The debt will be payable from revenue from a voted property tax levy approved on the November 2005 ballot. The levy is for five years (2006-2010). The debt term is for five years of 2007-2011.

On May 1, 2006 the Township entered into a loan agreement with Republic First National Corporation to borrow \$282,180 at 4.99% interest, payable in 5 annual payments of \$64,904 for a new fire truck; the first payment payable on April 1, 2007.

The Township's long-term debt activity for the year ended December 31, 2009, was as follows:

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

9. DEBT (Continued)

<u>Year Ended</u>	<u>Fire Truck Loan</u>			
<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2010	\$ 58,881	\$6,023	\$ 64,904	
2011	61,819	3,085	64,904	
Totals	\$120,700	\$9,108	\$129,808	

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The 2008 valuation was \$143,142,990. The effects of the debt limitations at December 31, 2009, were an overall debt margin of \$14,909,314 and an un-voted debt margin of \$7,872,864. The end result is that the debt does not exceed the amount permitted by Revised Code.

10. INTERFUND TRANSFERS

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds-Cap Projects	\$37,286
Transfers from other Governmental Funds-Cap Projects to:	
General Fund	\$ 6,655

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and a refund of unused capital projects funds to the General Fund. Funds were transferred per resolution from General Fund to Capital Project Fund 4901 to continue the fourth year of saving to purchase three replacement dump trucks over a period of seven years at a rate of \$37,286 per year. Funds were transferred per resolution from Capital projects Fund 4903 to the General Fund to return the unused fund balance from the purchase of a back hoe.

11. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial. The Township has received approval of a State EMS Grant of \$5,000 for the July 1, 2009 to June 30, 2010 period. The total funds are to be reimbursed after the proof of the expenditure that meets grant requirements for training or EMS materials. Further, said expenditures and funds had yet to take place as of December 31, 2009. Funds are expected to be received in 2010.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)**

This discussion and analysis of the Xenia Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 are as follows:

- Net assets of the governmental activities at year end were \$1,781,528, which was an increase over 2007 of \$1,612,427 by \$169,101.
- The General Fund was affected by the increase in cash due to an unexpected increase in estate tax receipts. The Township's general receipts are primarily property taxes and local government distributions. The unexpected revenue received over the past several years from estate tax monies, together with the increased revenue from the new/revised cable franchise agreement has allowed for savings for a future replacement government facility. The fund has also seen a larger than normal expenditure to have vacant and unmaintained properties mowed due to the current poor level of the economy at costs increasing from \$1,062 in 2007 to \$3,585 in 2008. Funds of \$40,000 were expended to the Xenia Township portion of a major upgrade to Krepps Road. Spring Valley Township was the applicant for an Ohio Public Works Commission grant which covered their portion of the road. Property tax receipts for 2008 decreased very little compared to 2007.
- The State was hit with a high wind event on September 14th of 2008 as a result of "Ike" down South. The Township fronted the costs for the clean up and power outage. FEMA grant funds were applied for with reimbursement to the Township to come in 2009. The total reimbursed amount was \$20,880 representing 75% of the total expense of \$27,839. The breakdown is as follows: General Fund \$3,013, Road Fund \$17,441 and Fire Fund \$426.
- The area was hit with a record snow fall in February of 2008. The Township fronted the costs for the clean up. FEMA and State grant funds were applied for with reimbursed to the Township. The total reimbursed amount was \$9,293 which was 75% Federal and 25% State. The expenditures were mostly Road Funds for labor, salt and fuel.
- No new Capital Improvement Funds were established in 2008. The two established in 2006 were continued in 2008; one is for three replacement dump trucks over a period of seven years and one is for a replacement back hoe over a period of five years. The funds were transferred from the General Fund. One of the dump trucks was purchased in 2008 for a total expenditure of \$103,110.
- The Fire, Rescue, Ambulance EMS Billing Fund had one major expenditure activity. The excess revenue in this fund has been set aside over the past couple years to save for a replacement ambulance. The ambulance was ordered in 2008 for \$186,000 and received in 2009.
- The Fire District Fund had the most changes. Payroll expenses included many adjustments. The Fire Chief resigned in January leaving the position open until September when the new chief was appointed. During the interim, the two part time assistant chief's were given temporary raises to cover the duties. The assistant chief's did not have benefits. Revenue continued to be received from the new levy, which started in 2006, to cover the part-time firefighter/EMS positions to cover 24 hour staffing. The full time chief was called to military duty, thus creating the need to cover his position utilizing the two current assistant fire chiefs. The assistant chiefs part-time salary was doubled as well as their duties doubled to cover the chief's absence. Expenditures included just over \$50,000 for equipment.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

- An EMS Grant was received from the State for \$5,000 for training and small tools and equipment. All expenditures were completed.
- The Debt Service Fund established in 2006 utilizing revenue from the newest fire levy through the Fire fund for the replacement fire engine received and expended its second of five annual payments in 2008.
- The Road and Bridge Fund had no significant change. However, the previous cash carryover balance was conservatively used to repair and maintain roads. Approximately \$197,126 was expended on the annual road program as a joint bid venture with the County Engineer as well as other township organized upgrades such as crack fill, tree trimming and patch/berm repairs. 2008 saw almost \$20,000 more in expenditure for salt, grit and calcium than 2007 due to the larger amounts of snow. Note the FEMA event above.
- The Lighting Assessment Fund for the cost of street lights in two areas of the Township was assessed as normal to the affected property owners according to an annual resolution. Therefore, the usual funds of approximately \$16,000 were received and expended to the utility company as permitted by law.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how Xenia Township did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

In the statement of net assets and the statement of activities, we show the Township's activities as Governmental activities. All of the Township's basic services are reported here, including zoning, road, fire, EMS, and two cemeteries. Property taxes, local government distributions, levies, gas and vehicle license taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole.

Governmental Funds – All of Xenia Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township has four major governmental funds: General, Road and Bridge, Fire District and Fire, Rescue, Ambulance. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 as compared to 2007 on a cash basis.

**(Table 1)
Net Assets**

	Governmental Activities	
	2007	2008
Assets:		
Cash and Cash Equivalents	\$1,612,427	\$1,781,528
Total Assets	<u>1,612,427</u>	<u>1,781,528</u>
Net Assets:		
Restricted for:		
Capital Projects	106,571	56,747
Other Purposes	910,530	1,017,801
Unrestricted	<u>595,326</u>	<u>706,980</u>
Total Net Assets	<u><u>\$1,612,427</u></u>	<u><u>\$1,781,528</u></u>

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

As mentioned previously, net assets of governmental activities increased during 2008. The primary reasons contributing to the changes in cash balances are as follows:

- Increase in unexpected estate tax receipts.
- Expenditure of \$103,110 for a new replacement dump truck using capital fund monies.
- State for EMS Grant of \$5,000.
- Expenditure of \$40,000 by Xenia Township for our portion of upgrades to Krepps Road as a joint venture with Spring Valley Township as an OPWC grant fund user.
- The Township had several roads that were due to be resurfaced as part of the Annual Road Program participating with the County Engineer by the joint bid process. These expenses were paid using the four various road funds.
- Health benefit costs grew slightly as staffing and type of coverage changed.
- Fuel and salt prices increased due to economy changes and FEMA snow event.

Table 2 reflects the changes in net assets in 2008. Below is a comparative analysis of government-wide data with 2007.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2007	Governmental Activities 2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 280,011	\$ 241,764
Operating Grants and Contributions	279,684	335,414
Total Program Receipts	559,695	577,178
General Receipts:		
Property and Other Local Taxes	1,000,484	948,361
Grants and Entitlements Not Restricted to Specific Programs	236,642	385,598
Cable Franchise Fee	23,257	58,631
Sale of Fixed Assets	7,290	
Interest	62,290	29,788
Miscellaneous	6,513	6,630
Total General Receipts	1,336,476	1,429,008
Total Receipts	1,896,171	2,006,186
Disbursements:		
General Government	298,915	327,800
Public Safety	640,949	596,036
Public Works	522,296	668,002
Health/Cemetery	12,929	12,929
Capital Outlay	68,606	167,414
Debt Service	64,904	64,904
Total Disbursements	1,608,599	1,837,085
Increase (Decrease) in Net Assets	287,572	169,101
Net Assets, January 1,	1,324,855	1,612,427
Net Assets, December 31,	\$1,612,427	\$1,781,528

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

Program receipts represent the smallest percent of the total receipts and are comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, permissive motor vehicle license, police-fire fund, street lighting assessments, grants and fire district (such as charges to Caesarscreek Township for fire and EMS services provided under contract).

General receipts represent the largest percent of the Township's total receipts, and of this amount, most are from the local government distribution and property taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board and the Fiscal Officer. Since these costs do not represent direct services to residents, we try to limit these costs to the General Fund unrestricted receipts.

Public Safety are the costs of police and fire protection, and medical services. Public Works are the cost of maintaining the roads.

The Lighting Assessment Funds is for the cost of street lights in the Wilberforce and Oldtown community areas of the Township. The Township pays the cost directly to the vendor and assessments are entered onto the affected property owners tax duplicate based upon their property's frontage to the road. The assessments should be re-evaluated for lot splits and a resolution passed annually.

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for road and fire and EMS. General government also represents a significant cost. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)
Governmental Activities**

	Total Cost Of Services 2008	Net Cost Of Services 2008
General Government	\$327,800	(\$324,054)
Public Safety	596,036	(282,050)
Public Works	668,002	(428,556)
Health/Cemetery	12,929	(12,929)
Other		20,000
Capital Outlay	167,414	(167,414)
Debt Services	64,904	(64,904)
Total Expenses	\$1,837,085	(\$1,259,907)

The dependence upon property tax receipts is apparent that governmental activities are supported through these general receipts.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

The Township's Funds

Total governmental funds had receipts of \$2,006,186 and disbursements of \$1,837,085.

The greatest changes within governmental funds from 2007 to 2008 occurred within the General Fund due to the large amount of estate tax and the Fire, Rescue, Ambulance EMS Billing Fund due to the saving for the purchase of a new ambulance in 2009. This indicates both funds are in stable condition.

Three of the four road related funds decreased due to continual use of the previously carried over balances due to the increased costs of doing business, yet maintaining the schedule/cycle of road upgrades. The current levy of .9 mils was originally approved in 1970 based on valuations at the time. Therefore, the department has been operating on revenue from 40 years ago on today's inflated cost and needs. Therefore, a plan was initiated to request additional funding on the ballot in 2009.

The Fire District Fund balance increased due to the newest levy and saving for the next scheduled replacement tanker truck. The Fire District Fund has shown a steady increase in expenditures due to increased number of responses, cost to transport, as well as mandates to staffing, training and education placed upon the employees. The revenue has remained steadily the same as the levies in place are all permanent and based on valuations at the time each was approved. The newest 3 mil, (2005-2009) levy provides \$342,000 in revenue per year to provide 24 hours staffing and the replacement equipment.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008, the Township amended its General Fund budget a few times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was significant due to unexpected estate tax receipts of \$204,172 and increased revenue from the cable franchise fees of \$58,631 which is double 2007 figures due to a revised agreement.

General Fund final disbursements were budgeted at \$908,943 while actual disbursements were \$463,976 including transfers out for capital improvements. All expected receipts plus carryover are appropriated at the beginning of the year. The result is the increase in fund balance to \$706,980 for 2008.

Capital Assets and Debt Administration

Capital Assets

For financial reporting purposes, Xenia Township did not track its capital assets and infrastructure.

Debt

Xenia Township started a Debt Service Fund during 2006 as recommended by the County Auditor's Office to process the lease/purchase loan and payments for the replacement fire truck. The revenue is from the new fire levy through the Fire Fund. The truck was purchased from Sutphen in 2006 through Republic First National Corp./All Points Finance. The first payment was due April 2007 for annual payments for five years ending the year 2011.

**XENIA TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)**

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base. Our financial forecast predicts a balanced 2009; therefore, the Board of Trustees and the administration have implemented five year plans to maintain balance and provide for future needs. We reviewed our sources of revenue and determined that increases were unlikely. There may still be a threat of loss of the Local Government Revenue. We have reviewed the disbursement history of the Township. We increased staffing levels in the fire department in order to meet the requirements of services. As a result, we will continue with Fire and EMS Billing and the new fire levy based on current valuation for five years from 2005-2009. There is a concern for the decreased carryover in the four road funds due to operating off of the low millage rate of the current levy, steady use of the prior year's carryovers and increased costs of operation and materials due to the economic status of the country. Therefore, a request for additional road funds should take place in 2009. All departments have been asked to be cautious of their spending for fuel, utilities, and supplies by planning with bulk purchase benefits.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sheila J. Seiter, Fiscal Officer, Xenia Township, 8 Brush Row Road, Xenia, Ohio 45385.

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**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,781,528</u>
Total Assets	<u><u>1,781,528</u></u>
Net Assets:	
Restricted for:	
Capital Projects	56,747
Other Purposes	1,017,801
Unrestricted	<u>706,980</u>
Total Net Assets	<u><u>\$1,781,528</u></u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash	Charges	Operating	
	Disbursements	for Services and Sales	Grants and Contributions	Total
Governmental Activities:				
General Government	\$327,800	\$3,746		(\$324,054)
Public Safety	596,036	182,783	\$131,203	(282,050)
Public Works	668,002	35,235	204,211	(428,556)
Health	12,929			(12,929)
Other		20,000		20,000
Capital Outlay	167,414			(167,414)
Debt Service:				
Principal	53,417			(53,417)
Interest	11,487			(11,487)
Total Governmental Activities	\$1,837,085	\$241,764	\$335,414	(1,259,907)
 General Receipts:				
Property Taxes				948,361
Grants and Entitlements not Restricted to Specific Programs				385,598
Cable Franchise Fees				58,631
Earnings on Investments				29,788
Miscellaneous				6,630
Total General Receipts				1,429,008
Change in Net Assets				169,101
Net Assets Beginning of Year				1,612,427
Net Assets End of Year				\$1,781,528

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Fire, Rescue, Ambulance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents & Investments	\$706,980	\$161,871	\$430,563	\$323,255	\$158,859	\$1,781,528
Total Assets	<u>706,980</u>	<u>161,871</u>	<u>430,563</u>	<u>323,255</u>	<u>158,859</u>	<u>1,781,528</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	30,362	23,313	34,188	193,910	35,033	316,806
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	676,618					676,618
Special Revenue Funds		138,558	396,375	129,345	75,499	739,777
Capital Projects Funds					48,327	48,327
Total Fund Balances	<u>\$706,980</u>	<u>\$161,871</u>	<u>\$430,563</u>	<u>\$323,255</u>	<u>\$158,859</u>	<u>\$1,781,528</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Fire Resuce Ambulance</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts:						
Property and Other Local Taxes	\$67,323	\$291,111	\$525,023		\$100,139	\$983,596
Charges for Services			39,460	143,323		182,783
Licenses, Permits and Fees	62,377					62,377
Intergovernmental	385,598	60,661	111,910		162,843	721,012
Special Assessments					20,000	20,000
Earnings on Investments	27,985				1,803	29,788
Miscellaneous	1,985	627	3,661	357		6,630
Total Receipts	<u>545,268</u>	<u>352,399</u>	<u>680,054</u>	<u>143,680</u>	<u>284,785</u>	<u>2,006,186</u>
Disbursements:						
Current:						
General Government	320,662				7,138	327,800
Public Safety			543,325	47,711	5,000	596,036
Public Works	40,000	332,895			295,107	668,002
Health	12,929					12,929
Capital Outlay	6,737		50,869	6,698	103,110	167,414
Debt Service:						
Principal Retirement					53,417	53,417
Interest and Fiscal Charges					11,487	11,487
Total Disbursements	<u>380,328</u>	<u>332,895</u>	<u>594,194</u>	<u>54,409</u>	<u>475,259</u>	<u>1,837,085</u>
Excess of Receipts Over (Under) Disbursements	<u>164,940</u>	<u>19,504</u>	<u>85,860</u>	<u>89,271</u>	<u>(190,474)</u>	<u>169,101</u>
Other Financing Sources (Uses):						
Transfers In					53,286	53,286
Transfers Out	(53,286)					(53,286)
Advances In	21,946				21,946	43,892
Advances Out	(21,946)				(21,946)	(43,892)
Total Other Financing Sources (Uses)	<u>(53,286)</u>				<u>53,286</u>	
Net Change in Fund Balances	111,654	19,504	85,860	89,271	(137,188)	169,101
Fund Balances Beginning of Year	<u>595,326</u>	<u>142,367</u>	<u>344,703</u>	<u>233,984</u>	<u>296,047</u>	<u>1,612,427</u>
Fund Balances End of Year	<u>\$706,980</u>	<u>\$161,871</u>	<u>\$430,563</u>	<u>\$323,255</u>	<u>\$158,859</u>	<u>\$1,781,528</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Receipts:				
Property and Other Local Taxes	\$63,000	\$65,974	\$67,323	\$1,349
Licenses, Permits and Fees	28,200	28,594	62,377	33,783
Intergovernmental	177,800	180,447	385,598	205,151
Earnings on Investments	34,000	27,985	27,985	
Miscellaneous	1,000	1,000	1,985	985
Total Receipts	<u>304,000</u>	<u>304,000</u>	<u>545,268</u>	<u>241,268</u>
Disbursements:				
Current:				
General Government	470,290	417,004	343,959	73,045
Public Works	40,000	40,000	40,000	
Health	15,300	15,300	12,928	2,372
Capital Outlay	383,353	383,353	13,803	369,550
Total Disbursements	<u>908,943</u>	<u>855,657</u>	<u>410,690</u>	<u>444,967</u>
Excess of Receipts Over (Under) Disbursements	<u>(604,943)</u>	<u>(551,657)</u>	<u>134,578</u>	<u>686,235</u>
Other Financing Sources (Uses):				
Transfers Out		(53,286)	(53,286)	
Advances In			21,946	21,946
Advances Out			(21,946)	(21,946)
Total Other Financing Sources (Uses)		<u>(53,286)</u>	<u>(53,286)</u>	
Net Change in Fund Balance	(604,943)	(604,943)	81,292	686,235
Fund Balance Beginning of Year	565,700	565,700	565,700	
Prior Year Encumbrances Appropriated	<u>29,626</u>	<u>29,626</u>	<u>29,626</u>	
Fund Balance End of Year	<u>(\$9,617)</u>	<u>(\$9,617)</u>	<u>\$676,618</u>	<u>\$686,235</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$291,000	\$288,000	\$291,111	\$3,111
Intergovernmental	39,000	39,673	60,661	20,988
Miscellaneous	1,000	327	627	300
Total Receipts	<u>331,000</u>	<u>328,000</u>	<u>352,399</u>	<u>24,399</u>
Disbursements:				
Current:				
Public Works	462,164	459,164	356,208	102,956
Capital Outlay	10,000	10,000		10,000
Total Disbursements	<u>472,164</u>	<u>469,164</u>	<u>356,208</u>	<u>112,956</u>
Net Change in Fund Balance	(141,164)	(141,164)	(3,809)	137,355
Fund Balance Beginning of Year	116,810	116,810	116,810	
Prior Year Encumbrances Appropriated	<u>25,557</u>	<u>25,557</u>	<u>25,557</u>	
Fund Balance End of Year	<u>\$1,203</u>	<u>\$1,203</u>	<u>\$138,558</u>	<u>\$137,355</u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$564,540	\$525,023	\$525,023	
Charges for Services	39,460	39,460	39,460	
Intergovernmental	70,000	111,910	111,910	
Miscellaneous	1,000	3,621	3,661	\$40
Total Receipts	<u>675,000</u>	<u>680,014</u>	<u>680,054</u>	<u>40</u>
Disbursements:				
Current:				
Public Safety	802,331	783,305	569,882	213,423
Capital Outlay	208,287	232,327	58,500	173,827
Total Disbursements	<u>1,010,618</u>	<u>1,015,632</u>	<u>628,382</u>	<u>387,250</u>
Net Change in Fund Balance	(335,618)	(335,618)	51,672	387,290
Fund Balance Beginning of Year	302,494	302,494	302,494	
Prior Year Encumbrances Appropriated	<u>42,209</u>	<u>42,209</u>	<u>42,209</u>	
Fund Balance End of Year	<u><u>\$9,085</u></u>	<u><u>\$9,085</u></u>	<u><u>\$396,375</u></u>	<u><u>\$387,290</u></u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE, RESCUE, AMBULANCE, & EMS BILLING
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for Services	\$160,000	\$139,000	\$143,323	\$4,323
Miscellaneous		357	357	
Total Receipts	<u>160,000</u>	<u>139,357</u>	<u>143,680</u>	<u>4,323</u>
Disbursements:				
Current:				
Public Safety	133,004	112,361	52,331	60,030
Capital Outlay	260,000	260,000	195,988	64,012
Total Disbursements	<u>393,004</u>	<u>372,361</u>	<u>248,319</u>	<u>124,042</u>
Net Change in Fund Balance	(233,004)	(233,004)	(104,639)	128,365
Fund Balance Beginning of Year	227,596	227,596	227,596	
Prior Year Encumbrances Appropriated	<u>6,388</u>	<u>6,388</u>	<u>6,388</u>	
Fund Balance End of Year	<u><u>\$980</u></u>	<u><u>\$980</u></u>	<u><u>\$129,345</u></u>	<u><u>\$128,365</u></u>

See accompanying notes to the basic financial statements.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. REPORTING ENTITY

The Xenia Township, Greene County, Ohio (the Township), is a body politic and corporate established in 1803 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary Township, and has no component units or other organizations.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and EMS Services and cemetery maintenance. The Township also provides fire and EMS coverage by means of contracts with Caesarscreek Township, Greene County and Central State University within Xenia Township. Police protection is provided by the Greene County Sheriff's Office.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. Some Townships have three categories of funds: governmental, proprietary and fiduciary. Xenia Township only has governmental funds.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township has four major governmental funds: General, Road & Bridge, Fire District and Fire, Rescue, Ambulance. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution/ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution/ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution/ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. 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 negative receipts (contra revenue), respectively.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2008, the Township invested in an overnight investment sweep account in the early part of the year. When the economy became poor, the certificate of deposits provided a higher interest rate and were purchased periodically throughout the balance of the year. The Township's sweep account investments were recorded at the amount reported by Key Bank. The interest receipts were recorded monthly for the sweep account and at the end of the term for the certificate of deposits. The Fiscal Officer attended the required State Treasurer training and received the annual certificate dated November 2008.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2008 was \$27,985.

On the financial statements, the January 1, 2008 fund cash balance is shown as \$65 greater than the audited fund cash balance at December 31, 2007 for the Fire District Fund. This was caused by a December 31, 2007 outstanding check in the amount of \$65 that was voided during 2008. In the Uniform Accounting Network, this causes the beginning fund balance for the year when the check was voided (2008) to automatically increase by the amount of the voided check.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations

Xenia Township committed to a Long-Term Obligation in 2006 for a fire truck. The term is five years from 2007-2011. See Note 9 for Debt.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for each fund, except for the general fund.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis, by law, is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance—Budget and Actual—Budget Basis presented for the general fund and other major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$30,362 for the General Fund, \$25,234 for the Gas Tax Fund, \$23,313 for Road and Bridge Fund, \$34,188 for Fire District Fund, \$193,910 for Fire, Rescue, Ambulance EMS Billing Fund, \$1,379 for the Street Lighting Fund and \$8,420 for the Capital Dump Truck Fund for a total of \$316,806.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end \$1,563,443 of the Township's bank balance of \$1,813,443 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of December 31, 2008, the Township had no Automatic Overnight Sweep Repurchase Account active or any certificates of deposit in place.

The Automatic Overnight Sweep Account at Key Bank carried a rating of A2 by Moody's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

5. PROPERTY TAXES (Continued)

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent. This was reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008, was \$12 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property:	
Agriculture & Residential	\$125,604,530
Commercial/Industrial/Mineral	5,945,700
Public Utility Property:	
Personal	5,688,660
Tangible Personal Property	1,560,801
Total Assessed Value	\$138,799,691

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 the Township contracted with the Ohio Government Risk Management Plan (The Ohio Plan), a risk sharing pool available to Ohio Governments. The Ohio Plan provides property and casualty coverage for its members. Coverage provided by The Ohio Plan is as follows:

Legal Liability-real property	\$1,000,000.	Per Occurrence
Automobile Liability	\$5,000,000.	Per Occurrence
Wrongful Acts	\$5,000,000.	Per Occurrence
Property	\$1,939,505.	Total Coverage
Boiler and Machinery	\$1,939,505.	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has Anthem Health and Life Insurance, and the Delta Dental Plan for employee insurance coverage. Swartzel Affiliate is used for the liability and risk coverage. The Board of Trustees and staff adjusted coverage and deductibles to reduce the costs of the health insurance program. Further, the Township started a Health Reimbursement Account in 2008. The program is administered through the Township health insurance agency of Ohio Insurance Services, Frank Harmon, Agent. The adjustments and use of the HRA has provided much savings on such health related expenses to the Township.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

7. DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14.00 percent. There are no employees/members in law enforcement or public safety.

The Township's employer required contributions for pension obligations to the traditional and combined plan for the years ended December 31, 2008, 2007, and 2006 were \$39,905, \$37,167 and \$34,165 respectively. The full amount has been contributed for 2008, 2007, and 2006. There were no contributions made to member directed plan for 2008.

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters for the years ended December 31, 2008, 2007, and 2006 were \$6,577, \$20,326 and \$18,847 respectively. The full amount has been contributed for 2008, 2007, and 2006.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employer units contributed at 14.00 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$18,425, \$14,759 and \$11,222 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependants.

OP&F provides access to post-employment health care coverage for any person who receives or eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at the rate expressed as percentages of the payroll of active pension plan members, currently 24.00 percent of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24.00 percent of the covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts: One for health care benefits under IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$1,848, \$5,712 and \$1,966 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

**XENIA TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

9. DEBT

The Township committed by full faith and credit to long term debt during 2006 for a fire truck. The Debt will be payable from revenue from a voted property tax levy approved on the November 2005 ballot. The levy is for five years payable in 2006-2010. The debt term is for five years of 2007-2011.

On May 1, 2006 the Township entered into a loan agreement with Republic First National Corporation to borrow \$282,180 at 4.99% interest, payable in 5 annual payments of \$64,904 for a new fire truck; the first payment payable on April 1, 2007.

The Township's long-term debt activity for the year ended December 31, 2008, was as follows:

Year Ended	Fire Truck Loan		
	Principal	Interest	Total
2009	\$ 56,083	\$ 8,821	\$ 64,904
2010	58,881	6,023	64,904
2011	61,819	3,085	64,904
Totals	\$176,783	\$17,929	\$194,712

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The 2007 valuation was \$138,799,691. The effects of the debt limitations at December 31, 2008, were an overall debt margin of \$14,397,185 and an unvoted debt margin of \$7,633,98. The end result is that the debt does not exceed the amount permitted by Revised Code.

10. INTERFUND TRANSFERS

During 2008 the following transfers were made:

Transfers from the General Fund to:		
Other Governmental Funds-Cap. Projects	\$53,286	

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Funds were transferred per resolution from General Fund to Capital Project Fund 4901 to continue the third year of saving to purchase three replacement dump trucks over a period of seven years at a rate of \$37,286 per year. Funds were transferred per resolution from General Fund to Capital Project Fund 4903 to continue saving to purchase a back hoe over a period of five years at a rate of \$16,000 per year.

11. CONTINGENT LIABILITIES

During 2008, the Township Board of Zoning Appeals was a defendant in two cases. On August 31, 2009 the Appellate Court announced its Decision and Entry with no appeal, closing both cases.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

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

Xenia Township
Greene County
8 Brush Row Road
Xenia, Ohio 45385

To the Township Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Xenia Township, Greene County, (the Township) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 10, 2010. We also noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. In addition, the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We 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*.

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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 10, 2010.

We intend this report solely for the information and use of the management and Board of Trustees and others within the Township. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 10, 2010

**XENIA TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 & 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Const. Article XIII, Section 5a and Atty Gen op. No 82-031 – Failure to properly allocate interest earnings to special revenue funds in which the principal earning interest belongs.	Yes	
2007-002	Improper postings on the Statement of Activities - The Township was reporting program revenues (rollbacks) related to Fire & Road levies as unrestricted grants, cable fees were recorded as miscellaneous and Road and Bridge operating grants as a general receipt.	Yes	
2007-003	The township was posting personal property tax reimbursement in lieu of taxes to property taxes; however, this should be posted to inter-governmental revenue.	Yes	
2007-004	The Township did not consistently update its accounting records throughout the year to reflect approved estimated resources and appropriations. This limited the reliability of budgetary reports generated by the system. Up to date and accurate budgetary information is required to make informed budgetary decisions.	Yes	



Mary Taylor, CPA
Auditor of State

XENIA TOWNSHIP

GREENE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 1, 2010**