



Dave Yost • Auditor of State



**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

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ATHENS COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Alexander Township  
Athens County  
81 Beal Road  
Athens, Ohio 45701

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 Alexander Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The Township's financial transactions were processed using 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 conduct the audit of 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 Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

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

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In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alexander Township, Athens County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Special Levy Fund, 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 5, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include Management's Discussion and Analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.



**Dave Yost**  
Auditor of State

May 5, 2011

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited

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This discussion and analysis of Alexander Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2010 and 2009, within the limitations of the Township's modified 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 2010 are as follows:

- The Township's receipts are primarily real estate and gasoline taxes. These receipts represent respectively 66.7 percent of the total cash received for governmental activities during 2010.
- The General Fund did receive an estate tax settlement for 2010 in the amount of \$33,987. This will explain the increase in the 2010 General Fund revenue compared with 2009.
- The Special Levy Fund supports two volunteer fire departments for the Township. The revenue of two fire levies is divided equally between the Albany Volunteer Fire Department and the Richland Area Volunteer Fire Department. The total revenue from the fire levies for 2010 was \$96,054. That is a 3.6 percent increase over 2009 revenue.
- The Township contracted for cemetery maintenance in 2010. The Township maintains six inactive cemeteries. The contract was from April through October.
- The Township maintained a Certificate of Deposit for \$500 throughout 2010, received through a Cemetery Bequest in 1965. The interest from the certificate of deposit can be used for maintenance associated with the Crossroads Cemetery.
- The Township maintains a high yield savings account and transfers money from the checking account into the savings account to hold until needed for expenses. This account earned interest.
- The Township was able to cancel the Township's Group Health Insurance Policy in October of 2009, saving the Township \$45,000 in premium payments. The dropping of the group policy was possible due to everyone opting out of the health policy by receiving coverage from other sources. The Township did adopt a reimbursement policy for out of pocket health insurance premium coverage. This is made available to all elected officials and employees. The reimbursement cost to the township in 2010 was \$2,301 which includes one elected official and two employees.

Key highlights for 2009 are as follows:

- The Township's receipts are primarily real estate and gasoline taxes. These receipts represent respectively 78.6 percent of the total cash received for governmental activities during 2009.
- The General Fund did not receive an estate tax settlement for 2009. This will explain the slight decrease in the 2009 General Fund revenue compared with 2008.
- The Special Levy Fund supports two volunteer fire departments for the Township. The revenue of two fire levies is divided equally between the Albany Volunteer Fire Department and the Richland Area Volunteer Fire Department. The total revenue from the fire levies for 2009 was \$92,710. This is consistent with the revenue received in 2008.

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited

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- The Township contracted for cemetery maintenance in 2009. The Township maintains six inactive cemeteries. The contract was from April through October. The actual expenditures exceeded the contracted amount due to the extended warm weather in the fall of 2009 which lengthen the mowing season.
- The Township maintained a Certificate of Deposit for \$500 throughout 2009, received through a Cemetery Bequest in 1965. The interest from the CD can be used for maintenance associated with the Crossroads Cemetery.
- The Township maintains a high yield savings account and transfers money from the checking account into the savings account to hold until needed for expenses. This account earned interest.
- The Township was able to cancel the township Group Health Insurance Policy in October of 2009, saving the Township \$45,000 in premium payments. The dropping of the group policy was possible due to everyone opting out of the health policy by receiving coverage from other sources. The Township did adopt a reimbursement policy for out of pocket health insurance premium coverage. The reimbursement will not exceed \$200 a month. This is made available to all elected officials and employees.
- Due to the 2007 & 2008 audit performed in spring of 2009, there were fund balance adjustments made to the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, and Permanent Motor Vehicle License Tax Funds of \$10,696. Documentation was filed with the County Auditor's office.

**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 modified 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 basic 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.



ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited

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**Reporting the Township as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2010 and 2009, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments 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 activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, the Township has one type of activity:

**Governmental activities** - All of the Township's basic services are reported here, including the major activity of road maintenance. Real estate taxes and gasoline taxes finance most of these activities.

**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. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township consist of one category—governmental.

**Governmental Funds** – All of the 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 nonmajor 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's major governmental funds are the General, Gasoline Tax, Road and Bridge and Special Levy, and Capital Projects Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 and 2008 on a modified cash basis:

ALEXANDER TOWNSHIP, ATHENS COUNTY  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2010 and 2009  
 Unaudited

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(Table 1)

**Net Assets**

	Governmental Activities		
	2010	2009	2008
<b>Assets</b>			
Cash and Cash Equivalents	\$ 79,663	\$ 51,076	\$ 51,182
Investments	500	500	
<b>Total Assets</b>	<b>\$ 80,163</b>	<b>\$ 51,576</b>	<b>\$ 51,182</b>
 <b>Net Assets</b>			
Restricted for:			
Permanent Fund	\$ 568	\$ 558	\$ 762
Other Purposes	15,760	27,658	28,707
Unrestricted	63,835	23,360	21,713
<b>Total Net Assets</b>	<b>\$ 80,163</b>	<b>\$ 51,576</b>	<b>\$ 51,182</b>

The significant increase in cash and cash equivalents from 2009 to 2010 is partially the result of \$33,987 in estate tax receipts posted to the General Fund in 2010.

Table 2, reflects the changes in net assets on a cash basis in 2010, 2009 and 2008 for governmental activities and total primary government.

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited

	Governmental Activities		
	2010	2009	2008
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$ 145,113	\$ 157,304	\$ 145,669
Capital Grants and Contributions	48,842	3,360	
Total Program Receipts	<u>193,955</u>	<u>160,664</u>	<u>145,669</u>
General Receipts:			
Property and Other Local Taxes	249,677	240,280	239,140
Bonds Issued	18,250		
Grants and Entitlements Not Restricted to Specific Programs	51,211	18,101	40,490
Interest	87	109	1,344
Miscellaneous	651	3,193	1,243
Total General Receipts	<u>319,876</u>	<u>261,683</u>	<u>282,217</u>
Total Receipts	<u>513,831</u>	<u>422,347</u>	<u>427,886</u>
Disbursements:			
General Government	77,527	99,150	113,303
Public Safety	90,400	92,400	89,000
Public Health Services	13,371	14,238	12,597
Public Works	227,875	205,627	196,372
Capital Outlay	68,892	3,360	
Principal Retirement	6,907	6,637	6,381
Interest and Fiscal Charges	272	541	797
Total Disbursements	<u>485,244</u>	<u>421,953</u>	<u>418,450</u>
Increase (Decrease) in Net Assets	28,587	394	9,436
Net Assets, January 1	<u>51,576</u>	<u>51,182</u>	<u>41,746</u>
Net Assets, December 31	<u>\$ 80,163</u>	<u>\$ 51,576</u>	<u>\$ 51,182</u>

Program receipts for 2010 represent only 37.7 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gasoline tax money. Program receipts for 2009 represent about 38 percent and are primarily comprised of unrestricted intergovernmental receipts such as motor vehicle license and gasoline tax money.

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2010 and 2009  
Unaudited

General receipts represent 62.3 percent of the Township's total 2010 receipts and 62.0 percent of the total 2009 receipts. Of this amount, 78.1 percent of the 2010 general receipts and 91.8 percent of the 2009 general receipts are from local taxes. State and federal grants and entitlements not restricted to specific programs make up 16.0 percent of the Township's 2010 general receipts and 6.9 percent of 2009 general receipts. Other receipts are normally insignificant and somewhat unpredictable revenue sources.

Total receipts increased by \$91,484 or 21.7 percent during 2010. This is due to receiving an estate tax 2010. Total receipts decreased by \$5,539 or 1.3 percent during 2009.

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 of trustees and the fiscal officer services as well as payroll, insurance and purchasing. These costs do not represent direct services to residents so we try to limit these costs.

Public Safety expenditures relate to the costs of the fire protection contracts and Public Works expenditures relate to the cost associated with the maintenance and repair of Township roads and bridges.

**Governmental Activities**

If you look at the 2010 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 public works and public safety, which, in 2010, accounted for \$318,275 or 65.6 percent of all governmental disbursements and in 2009, accounted for \$298,027 or 70.6 percent of all governmental disbursements. General government also represents a significant cost, about 16.0 percent in 2010 and 23.5 percent in 2009. The next columns of the Statement entitled Program Cash Receipts identify amounts paid by the people who are directly charged for the services and grants received by the Township which must be used for 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)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2010	2010	2009	2009	2008	2008
General Government	\$ 77,527	\$ 34,083	\$ 99,150	\$ 55,697	\$ 113,303	\$ 103,684
Public Safety	90,400	90,400	92,400	92,400	89,000	78,840
Public Works	227,875	77,364	205,627	88,416	196,372	70,482
Health	13,371	13,371	14,238	14,238	12,597	12,597
Capital Outlay	68,892	68,892	3,360	3,360		
Principal Retirement	6,907	6,907	6,637	6,637	6,381	6,381
Interest and Fiscal Charges	272	272	541	541	797	797
<b>Total Expenses</b>	<b>\$ 485,244</b>	<b>\$ 291,289</b>	<b>\$ 421,953</b>	<b>\$ 261,289</b>	<b>\$ 418,450</b>	<b>\$ 272,781</b>

The dependence upon property tax receipts is apparent as over 51.5 percent of 2010 governmental activities and 56.9 percent of 2009 governmental activities.

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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**The Township's Funds**

For 2010 total governmental funds had receipts of \$495,581 and disbursements of \$485,244. The 2010 expenditures increased by \$63,291 over those in 2009.

For 2009 total governmental funds had receipts of \$422,347 and disbursements of \$421,953 in 2009. The 2009 expenditures increased by \$3,503 over those in 2008.

**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. For 2010 and 2009, the most significant budgeted funds are the General, Gasoline Tax, Road and Bridge and Special Levy funds.

During 2010, the General and Gasoline Tax Funds actual receipts fell short of budgeted receipts, while the Road and Bridge and Special Levy Funds actual receipts exceeded budgeted receipts. Additionally, actual expenditures in the General, Gasoline Tax, Road and Bridge and Special levy funds did not exceed the budgeted amount for each fund.

For 2010, actual expenditures in the General Fund were \$97,730 while the final budgeted expenditures were \$162,000. Actual receipts in the General Fund were \$138,205 while final budgeted receipts were \$138,427.

During 2009, the Special Levy Fund actual receipts fell short of budgeted receipts, while the General, Gasoline Tax and Road and Bridge funds actual receipts exceeded budgeted receipts. Additionally, actual expenditures in the General, Gasoline Tax Road, Road and Bridge and Special Levy funds did not exceed the budgeted amount for each fund.

**Debt Service**

At December 31, 2010, the Township's outstanding debt was \$18,250 from road equipment bonds for purchase of a John Deere Tractorhoe. Final payment of this debt will be in 2012. Also, in 2010, the Township made a final payment of an existing note of \$7,178. For further information regarding the Township's debt, see Note 11 to the financial statements.

**Current Issues**

The challenge for all Townships 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 local taxes and have very little industry to support the tax base. Although, industry growth is not likely, the growth of residential housing developments is growing in the township and we expect a slight increase in property tax revenue each year. This in turn will increase the township's financial responsibility in road maintenance.

ALEXANDER TOWNSHIP, ATHENS COUNTY  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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**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 Mary Winnett, Fiscal Officer, Alexander Township, 81 Beal Road, Athens, OH, 45701, 740-592-4896.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Net Assets - Modified Cash Basis  
December 31, 2010

	Governmental Activities
<b><u>Assets:</u></b>	
Cash	\$ 79,663
Investments	500
	<b><i>Total Assets</i></b>
	<b>\$ 80,163</b>
 <b><u>Net Assets:</u></b>	
Restricted for:	
Permanent Fund: Cemetery Trust	
Expendable	\$ 68
Nonexpendable	500
Other Purposes	15,760
Unrestricted	63,835
	<b>\$ 80,163</b>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2010

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>				
General Government	\$ 77,527	\$ 43,444		\$ (34,083)
Public Safety	90,400			(90,400)
Public Works	227,875	101,669	\$ 48,842	(77,364)
Health	13,371			(13,371)
Capital Outlay	68,892			(68,892)
Debt Service:				
Principal	6,907			(6,907)
Interest	272			(272)
<b>Total Governmental Activities</b>	<b>\$ 485,244</b>	<b>\$ 145,113</b>	<b>\$ 48,842</b>	<b>(291,289)</b>
 <b><u>General Receipts:</u></b>				
Property Taxes				249,677
Grants and Entitlements not Restricted to Specific Programs				51,211
Bonds Issued				18,250
Earnings on Investments				87
Miscellaneous				651
<b>Total General Receipts</b>				<b>319,876</b>
Change in Net Assets				28,587
Net Assets at Beginning of Year				51,576
Net Assets at End of Year				<b>\$ 80,163</b>

See accompanying notes to the basic financial statements.



**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Modified Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2010

	General	Gasoline Tax	Road and Bridge	Special Levy	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>						
Cash	\$ 63,835	\$ 1,485	\$ 8,515	\$ 3,463	\$ 2,365	\$ 79,663
Investments					500	500
<i>Total Assets</i>	<u>\$ 63,835</u>	<u>\$ 1,485</u>	<u>\$ 8,515</u>	<u>\$ 3,463</u>	<u>\$ 2,865</u>	<u>\$ 80,163</u>
<b><u>Fund Balances:</u></b>						
<i>Unreserved</i>						
General Fund	\$ 63,835					\$ 63,835
Special Revenue Funds		\$ 1,485	\$ 8,515	\$ 3,463	\$ 2,297	\$ 15,760
Permanent Fund					568	568
<i>Total Fund Balances</i>	<u>\$ 63,835</u>	<u>\$ 1,485</u>	<u>\$ 8,515</u>	<u>\$ 3,463</u>	<u>\$ 2,865</u>	<u>\$ 80,163</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2010

	General	Gasoline Tax	Road and Bridge	Special Levy	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b><u>Receipts:</u></b>							
Property Taxes and other Local Taxes	\$ 72,667		\$ 94,068	\$ 82,942			\$ 249,677
Intergovernmental	64,870	\$ 80,662	16,673	13,112	\$ 48,842	\$ 21,007	245,166
Earnings on Investments	17	20				50	87
Miscellaneous	651						651
<i>Total Receipts</i>	<u>138,205</u>	<u>80,682</u>	<u>110,741</u>	<u>96,054</u>	<u>48,842</u>	<u>21,057</u>	<u>495,581</u>
<b><u>Disbursements:</u></b>							
Current:							
General Government	72,379	1,652		2,046		1,450	77,527
Public Safety				90,400			90,400
Public Works	10,387	77,129	120,141			20,218	227,875
Health	13,164			207			13,371
Capital Outlay	1,800				67,092		68,892
Debt Service:							
Principal Retirement		6,907					6,907
Interest and Fiscal Charges		272					272
<i>Total Disbursements</i>	<u>97,730</u>	<u>85,960</u>	<u>120,141</u>	<u>92,653</u>	<u>67,092</u>	<u>21,668</u>	<u>485,244</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	40,475	(5,278)	(9,400)	3,401	(18,250)	(611)	10,337
<b><u>Other Financing Sources (Uses):</u></b>							
Bonds Issued					18,250		18,250
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,250</u>	<u>0</u>	<u>18,250</u>
<i>Net Change in Fund Balances</i>	40,475	(5,278)	(9,400)	3,401	0	(611)	28,587
<i>Fund Balances at Beginning of Year</i>	<u>23,360</u>	<u>6,763</u>	<u>17,915</u>	<u>62</u>	<u>0</u>	<u>3,476</u>	<u>51,576</u>
<i>Fund Balances at End of Year</i>	<u>\$ 63,835</u>	<u>\$ 1,485</u>	<u>\$ 8,515</u>	<u>\$ 3,463</u>	<u>\$ 0</u>	<u>\$ 2,865</u>	<u>\$ 80,163</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Receipts:</u></b>				
Property and Other Local Taxes	\$ 72,000	\$ 72,000	\$ 72,667	\$ 667
Intergovernmental	64,827	64,827	64,870	43
Earnings on Investments	100	100	17	(83)
Miscellaneous	1,500	1,500	651	(849)
<i>Total Receipts</i>	<u>138,427</u>	<u>138,427</u>	<u>138,205</u>	<u>(222)</u>
<b><u>Disbursements:</u></b>				
Current:				
General Government	111,500	111,500	72,379	39,121
Public Works		10,390	10,387	3
Health	17,500	17,500	13,164	4,336
Capital Outlay	33,000	22,610	1,800	20,810
<i>Total Disbursements</i>	<u>162,000</u>	<u>162,000</u>	<u>97,730</u>	<u>64,270</u>
<i>Net Change in Fund Balance</i>	(23,573)	(23,573)	40,475	64,048
<i>Fund Balance at Beginning of Year</i>	<u>23,360</u>	<u>23,360</u>	<u>23,360</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ (213)</u>	<u>\$ (213)</u>	<u>\$ 63,835</u>	<u>\$ 64,048</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Gasoline Tax Fund  
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Intergovernmental	\$ 94,405	\$ 94,405	\$ 80,662	\$ (13,743)
Earnings on Investments	100	100	20	(80)
<i>Total Receipts</i>	94,505	94,505	80,682	(13,823)
<b><u>Disbursements:</u></b>				
Current:				
General Government	1,400	1,821	1,652	169
Public Works	91,620	91,193	77,129	14,064
Debt Service:				
Principal Retirement	6,900	6,906	6,907	(1)
Interest and Fiscal Charges	276	276	272	4
<i>Total Disbursements</i>	100,196	100,196	85,960	14,236
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,691)	(5,691)	(5,278)	413
<i>Fund Balance at Beginning of Year</i>	6,567	6,567	6,567	0
Prior Year Encumbrances Appropriated	196	196	196	0
<i>Fund Balance at End of Year</i>	\$ 1,072	\$ 1,072	\$ 1,485	\$ 413

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS 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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Receipts:</u></b>				
Property and Other Local Taxes	\$ 86,000	\$ 86,000	\$ 94,068	\$ 8,068
Intergovernmental	18,000	18,000	16,673	(1,327)
Miscellaneous	1,217	1,217		(1,217)
<i>Total Receipts</i>	<u>105,217</u>	<u>105,217</u>	<u>110,741</u>	<u>5,524</u>
<b><u>Disbursements:</u></b>				
Current:				
Public Works	123,021	123,021	120,141	2,880
<i>Total Disbursements</i>	<u>123,021</u>	<u>123,021</u>	<u>120,141</u>	<u>2,880</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(17,804)	(17,804)	(9,400)	8,404
<i>Fund Balance at Beginning of Year</i>	<u>17,895</u>	<u>17,895</u>	<u>17,895</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>20</u>	<u>20</u>	<u>20</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 111</u>	<u>\$ 111</u>	<u>\$ 8,515</u>	<u>\$ 8,404</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Special Levy Fund  
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Property and other Local Taxes	\$ 81,000	\$ 81,000	\$ 82,942	\$ 1,942
Intergovernmental	14,490	14,490	13,112	(1,378)
<i>Total Receipts</i>	95,490	95,490	96,054	564
<b><u>Disbursements:</u></b>				
Current:				
General Government	3,000	3,000	2,046	954
Public Safety	91,600	91,600	90,400	1,200
Health	400	400	207	193
<i>Total Disbursements</i>	95,000	95,000	92,653	2,347
<i>Excess of Receipts Over (Under) Disbursements</i>	490	490	3,401	2,911
<i>Fund Balance at Beginning of Year</i>	62	62	62	0
<i>Fund Balance at End of Year</i>	\$ 552	\$ 552	\$ 3,463	\$ 2,911

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Net Assets - Modified Cash Basis  
December 31, 2009

	Governmental Activities
<b><u>Assets:</u></b>	
Cash	\$ 51,076
Investments	500
	51,576
<i>Total Assets</i>	\$ 51,576
 <b><u>Net Assets:</u></b>	
Restricted for:	
Permanent Fund: Improvements	
Expendable	\$ 58
Nonexpendable	500
Other Purposes	27,658
Unrestricted	23,360
<i>Total Net Assets</i>	\$ 51,576

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2009

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>				
General Government	\$ 99,150	\$ 43,453		\$ (55,697)
Public Safety	92,400			(92,400)
Public Works	205,627	113,851	\$ 3,360	(88,416)
Health	14,238			(14,238)
Capital Outlay	3,360			(3,360)
Debt Service:				
Principal	6,637			(6,637)
Interest	541			(541)
<i>Total Governmental Activities</i>	<b>\$ 421,953</b>	<b>\$ 157,304</b>	<b>\$ 3,360</b>	<b>(261,289)</b>
		<b><u>General Receipts:</u></b>		
				240,280
				18,101
				109
				3,193
				261,683
				394
				51,182
				<b>\$ 51,576</b>

See accompanying notes to the basic financial statements.



**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Modified Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2009

	General	Gasoline Tax	Road and Bridge	Special Levy	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>						
Cash	\$ 23,360	\$ 6,763	\$ 17,915	\$ 62	\$ 2,976	\$ 51,076
Investments					500	500
<i>Total Assets</i>	<u>\$ 23,360</u>	<u>\$ 6,763</u>	<u>\$ 17,915</u>	<u>\$ 62</u>	<u>\$ 3,476</u>	<u>\$ 51,576</u>
<b><u>Fund Balances:</u></b>						
Reserved for Encumbrances		\$ 196	\$ 20		\$ 22	\$ 238
<i>Unreserved</i>						
General Fund	\$ 23,360					23,360
Special Revenue Funds		6,567	\$ 17,895	\$ 62	\$ 2,896	27,420
Permanent Fund					558	558
<i>Total Fund Balances</i>	<u>\$ 23,360</u>	<u>\$ 6,763</u>	<u>\$ 17,915</u>	<u>\$ 62</u>	<u>\$ 3,476</u>	<u>\$ 51,576</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2009

	General	Gasoline Tax	Road and Bridge	Special Levy	Other Governmental Funds	Total Governmental Funds
<b><u>Receipts:</u></b>						
Property Taxes and other Local Taxes	\$ 70,066		\$ 83,539	\$ 79,497	\$ 7,178	\$ 240,280
Intergovernmental	31,479	\$ 91,741	16,861	13,213	25,471	178,765
Earnings on Investments	42	12			55	109
Miscellaneous	1,440		1,753			3,193
<i>Total Receipts</i>	<u>103,027</u>	<u>91,753</u>	<u>102,153</u>	<u>92,710</u>	<u>32,704</u>	<u>422,347</u>
<b><u>Disbursements:</u></b>						
Current:						
General Government	86,495	5,761	4,000	2,007	887	99,150
Public Safety				92,400		92,400
Public Works	105	78,633	106,389		20,500	205,627
Health	13,810			205	223	14,238
Capital Outlay					3,360	3,360
Debt Service:						
Principal Retirement					6,637	6,637
Interest and Fiscal Charges					541	541
<i>Total Disbursements</i>	<u>100,410</u>	<u>84,394</u>	<u>110,389</u>	<u>94,612</u>	<u>32,148</u>	<u>421,953</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,617	7,359	(8,236)	(1,902)	556	394
<i>Fund Balances at Beginning of Year (Restated)</i>	<u>20,743</u>	<u>(596)</u>	<u>26,151</u>	<u>1,964</u>	<u>2,920</u>	<u>51,182</u>
<i>Fund Balances at End of Year</i>	<u>\$ 23,360</u>	<u>\$ 6,763</u>	<u>\$ 17,915</u>	<u>\$ 62</u>	<u>\$ 3,476</u>	<u>\$ 51,576</u>

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Property and Other Local Taxes	\$ 69,337	\$ 69,337	\$ 70,066	\$ 729
Intergovernmental	28,411	28,411	31,479	3,068
Earnings on Investments	746	746	42	(704)
Miscellaneous	2,119	2,119	1,440	(679)
<i>Total Receipts</i>	100,613	100,613	103,027	2,414
<b><u>Disbursements:</u></b>				
Current:				
General Government	112,393	108,203	86,495	21,708
Public Works	407	407	105	302
Health	13,200	15,340	13,810	1,530
<i>Total Disbursements</i>	126,000	123,950	100,410	23,540
<i>Excess of Receipts Over (Under) Disbursements</i>	(25,387)	(23,337)	2,617	25,954
<i>Fund Balance at Beginning of Year</i>	20,743	20,743	20,743	0
<i>Fund Balance at End of Year</i>	\$ (4,644)	\$ (2,594)	\$ 23,360	\$ 25,954

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Gasoline Tax Fund  
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Intergovernmental	\$ 84,140	\$ 84,140	\$ 91,741	\$ 7,601
Earnings on Investments	987	987	12	(975)
<i>Total Receipts</i>	85,127	85,127	91,753	6,626
<b><u>Disbursements:</u></b>				
Current:				
General Government	6,200	6,200	5,761	439
Public Works	91,800	84,102	78,829	5,273
<i>Total Disbursements</i>	98,000	90,302	84,590	5,712
<i>Excess of Receipts Over (Under) Disbursements</i>	(12,873)	(5,175)	7,163	12,338
<i>Fund Balance at Beginning of Year</i>	(596)	(596)	(596)	0
<i>Fund Balance at End of Year</i>	\$ (13,469)	\$ (5,771)	\$ 6,567	\$ 12,338

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Property and Other Local Taxes	\$ 83,215	\$ 83,215	\$ 83,539	\$ 324
Intergovernmental	14,238	14,238	16,861	2,623
Miscellaneous	1,931	1,931	1,753	(178)
<i>Total Receipts</i>	99,384	99,384	102,153	2,769
<b><u>Disbursements:</u></b>				
Current:				
General Government	4,000	4,000	4,000	0
Public Works	100,000	110,696	106,409	4,287
<i>Total Disbursements</i>	104,000	114,696	110,409	4,287
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,616)	(15,312)	(8,256)	7,056
<i>Fund Balance at Beginning of Year</i>	26,151	26,151	26,151	0
<i>Fund Balance at End of Year</i>	\$ 21,535	\$ 10,839	\$ 17,895	\$ 7,056

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Special Levy Fund  
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Property and other Local Taxes	\$ 85,087	\$ 85,087	\$ 79,497	\$ (5,590)
Intergovernmental	10,851	10,851	13,213	2,362
<i>Total Receipts</i>	95,938	95,938	92,710	(3,228)
<b><u>Disbursements:</u></b>				
Current:				
General Government	3,000	3,000	2,007	993
Public Safety	93,600	93,600	92,400	1,200
Health	400	400	205	195
<i>Total Disbursements</i>	97,000	97,000	94,612	2,388
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,062)	(1,062)	(1,902)	(840)
<i>Fund Balance at Beginning of Year</i>	1,964	1,964	1,964	0
<i>Fund Balance at End of Year</i>	\$ 902	\$ 902	\$ 62	\$ (840)

See accompanying notes to the basic financial statements.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009

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**1. REPORTING ENTITY**

Alexander Township, Athens County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

The primary government consists of all funds that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Richland and Albany fire departments for fire protection. The Athens County Sheriff provides police protection.

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.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The most significant of the Township's accounting policies are described below.

**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.

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

**A. Basis of Presentation (Continued)**

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash and investment balances, 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 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

**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. Nonmajor 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. The Township's funds are all classified as governmental.

**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's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fund and the Public Works Commission Project Fund. 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 Road and Bridge Fund receives property tax monies for the construction, maintenance and repair of Township roads, the Gasoline Tax Fund receives gasoline tax monies for constructing, maintaining, and repairing Township roads, the Special Levy Fund receives property tax monies from a fire levy to fund the Township's fire protection services and the Public Works Commission Project Fund received Ohio Public Works Commission grant funds for paving specific Township roads.

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



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

**C. Basis of Accounting**

The Township's financial statements are prepared using the modified 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.

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 liabilities and the related expenses) 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, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The appropriations resolution 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, department, and object level for all funds.

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 certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution 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 resolution 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**

Township records identify the purchase of specific investments by specific funds.

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

**E. Cash and Investments (Continued)**

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 the time of sale are recorded as receipts or negative receipts, respectively.

During 2010 and 2009, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 were \$17 and during 2009 were \$42.

**F. Restricted Assets**

Cash and cash equivalents 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. There are no restricted assets.

**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 property, plant and 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 modified 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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Long-Term Obligations**

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009

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

**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. 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.

**3. RESTATEMENT OF FUND EQUITY**

The January 1, 2009 balances were restated due to prior period adjustment being made during our audit period as follows:

Fund Type	12/31/2008 Balance	Amount	1/1/2009 Balance
General	\$ 21,713	\$ (970)	\$ 20,743
Gasoline Tax	(1,566)	970	(596)

**4. ACCOUNTABILITY AND COMPLIANCE**

Contrary to Ohio Rev. Code Section 5705.36(A), appropriations exceeded actual resources in the Gasoline Tax Fund by \$13,525 in 2010 and in the Special Levy Fund by \$2,326 in 2009.

**5. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided 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, Gasoline Tax, Road and Bridge and Special Levy 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 modified cash basis are outstanding year end encumbrances treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$196 for the Gasoline Tax Fund and \$20 for the Road and Bridge Fund for 2009.

**6. 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.

**6. DEPOSITS AND INVESTMENTS (Continued)**

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 (1) or (2) above, 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 (STAROhio).

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.

**Deposits**

The Township's cash balances were covered by the FDIC; therefore, the Township is not exposed to custodial credit risk.

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009

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**7. 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 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2009 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which became a lien on December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2010, was \$5.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2010 property tax receipts were based are as follows:

	<u>2010</u>
Real Property	\$ 43,554,640
Public Utility Property	<u>17,334,740</u>
Total Assessed Values	<u><u>\$ 60,889,380</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**8. 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 2010, the Township contracted with Kinder's Insurance Agency, Ironton, Ohio, for various types of insurance coverage as follows: general liability, public official's liability, vehicle and property.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**9. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

Plan Description - 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 a 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.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2010 and 2009, members in state and local classifications contributed 10% percent of covered payroll.

The Township's contribution rate for 2010 and 2009 was 14 percent. For the period January 1, through March 31, 2009, a portion of the Township's contribution equal to 7 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. For the period January 1, through February 28, 2010, a portion of the Township's contribution equal to 5.5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period March 1 through December 31, 2010 this amount was decreased to 5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent for 2009 and 2010.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2010, 2009, and 2008 were \$13,976, \$12,211, and \$11,992, respectively. The full amount has been contributed for 2010, 2009 and 2008.

**10. POSTEMPLOYMENT BENEFITS**

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

**10. POSTEMPLOYMENT BENEFITS (Continued)**

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010 and 2009, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 7 percent of covered payroll from January 1 through March 31, 2009, 5.5 percent from April 1 to December 31, 2009. The amount of the employer contributions which was allocated to fund post-employment health care was 5.5 percent of covered payroll from January 1 through February 28, 2010 and 5 percent from March 1 to December 31, 2009.

The Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contribution to the post-employment health care plan.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective 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 health care plan.

**11. DEBT**

The Township's long-term debt activity for the year ended December 31, 2010, was as follows:

**ALEXANDER TOWNSHIP, ATHENS COUNTY**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2010 and 2009

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**11. DEBT (Continued)**

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
Trackhoe Loan, 2010 Issue	3.75%	\$0	\$18,250	\$0	\$18,250	\$8,957

The debt was issued to purchase a John Deere Trackhoe in 2010 and is supported by the full faith and credit of the Township and is payable from the Road and Bridge Fund receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

Year	Trackhoe Loan	
	Principal	Interest
2011	\$ 8,957	\$ 684
2012	9,293	349
Total	\$ 18,250	\$ 1,033

**12. 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.





# Dave Yost • Auditor of State

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

Alexander Township  
Athens County  
81 Beal Road  
Athens, Ohio 45701

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alexander Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 5, 2011, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted 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 Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(A) mandates 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 described in the accompanying Schedule of Findings to be a material weakness.

### **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 5, 2011.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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



**Dave Yost**  
Auditor of State

May 5, 2011

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-001**

**Material Weakness**

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

In 2010, the Township Fiscal Officer did not include the Public Works Commission Capital Projects Fund as a major fund on the financial statements even though the criteria were met. In 2010, the Board of Trustees issued bonds for the purchase of road equipment. The Township Fiscal Officer did not post the proceeds and the corresponding expenditure to the Capital Projects Fund in the amount of \$18,250.

As a result, significant adjustments, with which the Township's management agrees, were made to the accompanying financial statements.

**Officials' Response:** The Fiscal Officer is now aware of the requirement to post debt proceeds and will properly post debt proceeds in the future. For the Capital Projects Fund not listed as a major fund, the Fiscal Officer realized after the Financial Report was complete and filed with the Auditor of State that it should have been a major fund.

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	A material noncompliance citation was issued under HB 458 for improper allocation of insurance premiums.	Yes	
2008-002	A material citation was issued for estimated receipts not agreeing to the system posting.	No	Partially Corrected, Reissued in the current Management Letter.



# Dave Yost • Auditor of State

**ALEXANDER TOWNSHIP**

**ATHENS 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  
JUNE 2, 2011**