

Alexander Township

Athens County, Ohio

Regular Audit

For the Years Ended December 31, 2004 and 2003

**BALESTRA, HARR & SCHERER, CPAs, INC.**

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

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**Auditor of State  
Betty Montgomery**

Board of Trustees  
Alexander Township, Athens County  
81 Beal Road  
Athens, Ohio 45701

We have reviewed the *Independent Auditor's Report* of Alexander Township, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2003 to December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Alexander Township, Athens County is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 28, 2005

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**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditors' Report

Board of Trustees  
Alexander Township  
Athens County, Ohio  
81 Beal Road  
Athens, OH 45701

We have audited the accompanying financial statements of Alexander Township, Athens County, (the Township) as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Government's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the government has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the funds accompanying financial statements presented for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts are materially misstated under accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township's combined funds as of December 31, 2004 and 2003, or their changes in financial position for the years then ended.

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

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion & Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion & Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2005, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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.



Balestra, Harr & Scherer, CPAs, Inc.

June 27, 2005

ALEXANDER TOWNSHIP  
ATHENS COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>				<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
<b>Cash Receipts:</b>						
Local Taxes	\$56,386	\$134,240	\$19,362	\$0	\$0	\$209,988
Intergovernmental	22,979	128,719	0	21,407	0	173,105
Earnings on Investments	0	0	0	0	8	8
Other Revenue	102	0	0	0	0	102
<b>Total Cash Receipts</b>	<u>79,467</u>	<u>262,959</u>	<u>19,362</u>	<u>21,407</u>	<u>8</u>	<u>383,203</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	62,298	49,355	0	0	0	111,653
Public Safety	0	85,000	0	0	0	85,000
Public Works	0	192,184	0	0	0	192,184
Health	7,063	117	0	21,407	0	28,587
Debt Service:						
Redemption of Principal	0	0	14,885	0	0	14,885
Interest and Fiscal Charges	0	0	4,477	0	0	4,477
Capital Outlay	0	3,087	0	0	0	3,087
Purchased Services	0	0	0	0	218	218
<b>Total Cash Disbursements</b>	<u>69,361</u>	<u>329,743</u>	<u>19,362</u>	<u>21,407</u>	<u>218</u>	<u>440,091</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>10,106</u>	<u>(66,784)</u>	<u>0</u>	<u>0</u>	<u>(210)</u>	<u>(56,888)</u>
<b>Other Financing Receipts and (Disbursements):</b>						
Other Sources	450	0	0	0	0	450
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>450</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>450</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	10,556	(66,784)	0	0	(210)	(56,438)
Fund Cash Balances, January 1	132	96,230	0	0	910	97,272
<b>Fund Cash Balances, December 31</b>	<u><u>\$10,688</u></u>	<u><u>\$29,446</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$700</u></u>	<u><u>\$40,834</u></u>

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



ALEXANDER TOWNSHIP  
ATHENS COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$56,079	\$124,964	\$18,558	\$0	\$0	\$199,601
Intergovernmental	24,745	169,023	0	65,924	0	259,692
Earnings on Investments	139	418	0	0	8	565
Other Revenue	157	0	0	0	0	157
<b>Total Cash Receipts</b>	<u>81,120</u>	<u>294,405</u>	<u>18,558</u>	<u>65,924</u>	<u>8</u>	<u>460,015</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	140,382	1,391	0	0	0	141,773
Public Safety	0	61,000	0	0	0	61,000
Public Works	0	210,037	0	0	0	210,037
Health	6,017	2,495	0	0	0	8,512
Debt Service:						
Redemption of Principal	0	0	14,190	0	0	14,190
Interest and Fiscal Charges	0	0	5,172	0	0	5,172
Capital Outlay	0	4,429	0	65,924	0	70,353
<b>Total Cash Disbursements</b>	<u>146,399</u>	<u>279,352</u>	<u>19,362</u>	<u>65,924</u>	<u>0</u>	<u>511,037</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(65,279)</u>	<u>15,053</u>	<u>(804)</u>	<u>0</u>	<u>8</u>	<u>(51,022)</u>
<b>Other Financing Receipts and (Disbursements):</b>						
Other Sources	3,921	0	0	0	0	3,921
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>3,921</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,921</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(61,358)	15,053	(804)	0	8	(47,101)
Fund Cash Balances, January 1	61,490	81,177	804	0	902	144,373
<b>Fund Cash Balances, December 31</b>	<u><u>\$132</u></u>	<u><u>\$96,230</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$910</u></u>	<u><u>\$97,272</u></u>

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

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Alexander Township, Athens County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Richland and Albany fire departments to provide fire services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

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

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

ALEXANDER TOWNSHIP  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

*Special Levy Fund* - This fund receives tax money from a fire levy in order to fund fire protection services.

*Miscellaneous Special Revenue Fund*—This fund receives FEMA grants from the Federal Emergency Management Agency for disaster relief.

**3. Capital Projects Fund**

The capital projects fund is used to accumulate resources for the payment of capital projects in the township. The township had the following Capital Project Fund:

*Public Works Project*—This fund is used to facilitate pavement projects.

**4. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

*General Obligation Note Retirement* - This fund is used to retire debt for equipment.

**5. Fiduciary Fund (Trust Fund)**

This fund is used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant Fiduciary Fund:

*Cemetery Bequest Fund* - This is a expendable trust which received interest payments for upkeep of cemeteries.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

ALEXANDER TOWNSHIP  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

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

**E. Budgetary Process (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

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

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2004	2003
Demand deposits	\$40,335	\$96,772
Certificates of deposit	500	500
Total deposits	<u>\$40,835</u>	<u>\$97,272</u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

ALEXANDER TOWNSHIP  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

**3. BUDGETARY ACTIVITY**

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

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$87,593	\$79,917	(\$7,676)
Special Revenue	241,459	262,959	21,500
Debt Service	19,361	19,362	1
Capital Projects	42,943	21,407	(21,536)
Fiduciary	9	8	(1)
Total	<u>\$391,365</u>	<u>\$383,653</u>	<u>(\$7,712)</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$87,725	\$69,361	\$18,364
Special Revenue	337,687	329,743	7,944
Debt Service	19,361	19,361	0
Capital Projects	42,943	21,407	21,536
Fiduciary	418	218	200
Total	<u>\$488,134</u>	<u>\$440,090</u>	<u>\$48,044</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$98,105	\$85,041	(\$13,064)
Special Revenue	213,692	294,405	80,713
Debt Service	0	18,558	18,558
Capital Projects	0	65,924	65,924
Fiduciary	29	8	(21)
Total	<u>\$311,826</u>	<u>\$463,936</u>	<u>\$152,110</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$159,595	\$146,399	\$13,196
Special Revenue	276,310	279,352	(3,042)
Debt Service	19,362	19,362	0
Capital Projects	0	65,924	(65,924)
Fiduciary	431	0	431
Total	<u>\$455,698</u>	<u>\$511,037</u>	<u>(\$55,339)</u>

ALEXANDER TOWNSHIP  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Truck Loan	\$21,677	8.77%
Tractor and Mower Lease	29,312	5.25%
Total	\$50,989	

The Township obtained a loan from Century National Bank, in 2002, for purchase of one ton truck to be used for Township road maintenance. The original loan amount was for \$33,565 for five years, with annual payment of \$8,547 that began in 2003.

The Township entered into a lease with John Deere Credit, in 2002, for the purchase of a tractor and mower to be used for Township road maintenance. The original lease amount was for \$46,498 for five years, with an annual payment of \$10,814 that began in 2003. The lease is secured solely by the tractor and mower. At the end of the lease, the Township assumes ownership of the tractor and mower at no additional expense.

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

	Truck Loan	Tractor and Mower Lease
Year ending December 31:		
2005	8,547	10,814
2006	8,547	10,814
2007	8,546	10,815
Total	\$25,640	\$32,443

ALEXANDER TOWNSHIP  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

**6. RETIREMENT SYSTEMS**

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

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

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- General liability;
- Public Officials' liability;
- Vehicles; and
- Property.

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Ohio Society of Certified Public Accountants

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Alexander Township  
Athens County, Ohio  
81 Beal Road  
Athens, OH 45701

We have audited the accompanying financial statements of Alexander Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 27, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings as items 2004-1 and 2004-2.

We noted certain matters that we reported to the management of the Township in a separate letter dated June 27, 2005.



Report on Internal Control Over Financial Reporting and on compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with *Government*  
*Auditing Standards*  
Page 2

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

June 27, 2005

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation**

Ohio Revised Code 5705.39 states, in part, that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

It was noted that for FY03 appropriations exceeded estimated resources by \$18,557 in the Debt Service Fund.

We recommend that the Township properly monitor and amend appropriations throughout the fiscal year.

**FINDING NUMBER 2004-002**

**Noncompliance Citation**

Ohio Revised Code 5705.41B states, in part, that no subdivision or taxing unit is to expend money unless it has been appropriated.

It was noted that actual disbursements exceeded appropriations in FY03 by \$41,181 in the Miscellaneous Special Revenue Fund and \$65,924 in the Capital Project Public Works Project Fund, and in FY04 by \$28,051 in the Miscellaneous Special Revenue Fund. These variances result in overspending by the Township.

We recommend that the Township properly monitor appropriations versus actual expenditures.

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING  
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-40705-001	Section 5705.41(D) was issued for expenditures not being properly encumbered.	Yes	





**Auditor of State  
Betty Montgomery**

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**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  
DECEMBER 30, 2005**