



Mary Taylor, CPA
Auditor of State

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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MORGAN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Windsor Township
Morgan County
5209 Hanson Hill Road
Stockport, Ohio 43787

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 Windsor Township, Morgan County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Township, Morgan County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, Fire District, Miscellaneous Special Revenue 2901, and Miscellaneous Special Revenue 2903 Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2007, 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.

The Township has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 16, 2007

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 140,195
Total Assets	\$ 140,195
Net Assets:	
Restricted for:	
Capital Projects	
Debt Service	\$ 8,392
Other Purposes	114,581
Unrestricted	17,222
Total Net Assets	\$ 140,195

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 34,332			\$ (34,332)
Public Safety	29,137			(29,137)
Public Works	128,860	\$ 9,052	\$ 132,833	13,025
Health	12,921	300		(12,621)
Debt Service:				
Principal Retirement	30,395			(30,395)
Interest and Fiscal Charges	2,610			(2,610)
<i>Total Governmental Activities</i>	\$ 238,255	\$ 9,352	\$ 132,833	(96,070)
		General Receipts:		
		Property Taxes Levied for:		
		General Purposes		78,362
		Grants and Entitlements not Restricted to Specific Programs		25,386
		Interest		2,533
		Miscellaneous		1,654
		<i>Total General Receipts</i>		107,935
		<i>Change in Net Assets</i>		11,865
		Net Assets Beginning of Year		128,330
		Net Assets End of Year		\$ 140,195

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

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**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Gasoline Tax	Road and Bridge
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 17,222	\$ 28,088	\$ 19,014
Total Assets	\$ 17,222	\$ 28,088	\$ 19,014
Fund Balances:			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	\$ 17,222		
Special Revenue Funds		\$ 28,088	\$ 19,014
Debt Service Fund			
Total Fund Balances	\$ 17,222	\$ 28,088	\$ 19,014

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

Fire District	Miscellaneous Special Revenue - 2903	Other Governmental Funds	Total Governmental Funds
\$ 14,678	\$ 22,337	\$ 38,856	\$ 140,195
\$ 14,678	\$ 22,337	\$ 38,856	\$ 140,195
\$ 14,678	\$ 22,337	\$ 30,464	\$ 17,222
		8,392	114,581
		8,392	8,392
\$ 14,678	\$ 22,337	\$ 38,856	\$ 140,195

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Gasoline Tax	Road and Bridge
Cash Receipts:			
Property and Other Local Taxes	\$ 22,366		\$ 26,085
Intergovernmental	17,661	\$ 72,082	3,629
Interest	633	633	
Other	854	284	
<i>Total Cash Receipts</i>	41,514	72,999	29,714
Cash Disbursements:			
Current:			
General Government	32,414	1,685	
Public Safety			
Public Works		78,697	30,295
Health	12,921		
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
<i>Total Cash Disbursements</i>	45,335	80,382	30,295
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	(3,821)	(7,383)	(581)
Other Financing Sources (Uses):			
Advances In			
Advances Out	(500)		
<i>Total Other Financing Sources (Uses)</i>	(500)	0	0
<i>Net Change in Fund Balances</i>	(4,321)	(7,383)	(581)
Fund Balances Beginning of Year	21,543	35,471	19,595
Fund Balances End of Year	\$ 17,222	\$ 28,088	\$ 19,014

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

Fire District	Miscellaneous Special Revenue - 2903	Other Governmental Funds	Total Governmental Funds
\$ 29,911			\$ 78,362
4,096	\$ 5,223	\$ 64,580	167,271
		1,267	2,533
		816	1,954
<u>34,007</u>	<u>5,223</u>	<u>66,663</u>	<u>250,120</u>
	233		34,332
29,137			29,137
		19,868	128,860
			12,921
		30,395	30,395
		2,610	2,610
<u>29,137</u>	<u>233</u>	<u>52,873</u>	<u>238,255</u>
4,870	4,990	13,790	11,865
		500	500
			(500)
<u>0</u>	<u>0</u>	<u>500</u>	<u>0</u>
4,870	4,990	14,290	11,865
9,808	17,347	24,566	128,330
<u>\$ 14,678</u>	<u>\$ 22,337</u>	<u>\$ 38,856</u>	<u>\$ 140,195</u>

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$ 21,372	\$ 21,372	\$ 22,366	\$ 994
Intergovernmental	13,730	13,730	17,661	3,931
Interest			633	633
Other	711	711	854	143
<i>Total Receipts</i>	<u>35,813</u>	<u>35,813</u>	<u>41,514</u>	<u>5,701</u>
Disbursements:				
Current:				
General Government	39,039	39,039	32,414	6,625
Health	17,000	17,000	12,921	4,079
Capital Outlay	125	125		125
<i>Total Disbursements</i>	<u>56,164</u>	<u>56,164</u>	<u>45,335</u>	<u>10,829</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,351)</u>	<u>(20,351)</u>	<u>(3,821)</u>	<u>16,530</u>
Other Financing Sources (Uses):				
Advances Out				0
Other Financing Uses	(300)	(300)	(500)	(200)
<i>Total Other Financing Sources (Uses)</i>	<u>(300)</u>	<u>(300)</u>	<u>(500)</u>	<u>(200)</u>
<i>Net Change in Fund Balance</i>	(20,651)	(20,651)	(4,321)	16,330
Fund Balance Beginning of Year	<u>21,543</u>	<u>21,543</u>	<u>21,543</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 892</u>	<u>\$ 892</u>	<u>\$ 17,222</u>	<u>\$ 16,330</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 53,981	\$ 53,981	\$ 72,082	\$ 18,101
Interest			633	633
Other			284	284
<i>Total Receipts</i>	<u>53,981</u>	<u>53,981</u>	<u>72,999</u>	<u>19,018</u>
Disbursements:				
Current:				
General Government			1,685	(1,685)
Public Works	73,900	86,110	78,697	7,413
<i>Total Disbursements</i>	<u>73,900</u>	<u>86,110</u>	<u>80,382</u>	<u>5,728</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(19,919)	(32,129)	(7,383)	24,746
Fund Balance Beginning of Year	<u>35,471</u>	<u>35,471</u>	<u>35,471</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 15,552</u>	<u>\$ 3,342</u>	<u>\$ 28,088</u>	<u>\$ 24,746</u>

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

**WINDSOR TOWNSHIP
MORGAN 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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 25,906	\$ 25,906	\$ 26,085	\$ 179
Intergovernmental			3,629	3,629
<i>Total Receipts</i>	<u>25,906</u>	<u>25,906</u>	<u>29,714</u>	<u>3,808</u>
Disbursements:				
Current:				
Public Works	39,000	39,000	30,295	8,705
<i>Total Disbursements</i>	<u>39,000</u>	<u>39,000</u>	<u>30,295</u>	<u>8,705</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(13,094)	(13,094)	(581)	12,513
Fund Balance Beginning of Year	<u>20,864</u>	<u>20,864</u>	<u>19,595</u>	<u>(1,269)</u>
Fund Balance End of Year	<u>\$ 7,770</u>	<u>\$ 7,770</u>	<u>\$ 19,014</u>	<u>\$ 11,244</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 29,534	\$ 29,534	\$ 29,911	\$ 377
Intergovernmental			4,096	4,096
<i>Total Receipts</i>	<u>29,534</u>	<u>29,534</u>	<u>34,007</u>	<u>4,473</u>
Disbursements:				
Current:				
Public Safety	29,515	30,015	29,137	878
<i>Total Disbursements</i>	<u>29,515</u>	<u>30,015</u>	<u>29,137</u>	<u>878</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	19	(481)	4,870	5,351
Fund Balance Beginning of Year	<u>9,808</u>	<u>9,808</u>	<u>9,808</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 9,827</u>	<u>\$ 9,327</u>	<u>\$ 14,678</u>	<u>\$ 5,351</u>

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

WINDSOR TOWNSHIP
MORGAN COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MISCELLANEOUS SPECIAL REVENUE 2903 FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental			\$ 5,223	\$ 5,223
<i>Total Receipts</i>			<u>5,223</u>	<u>5,223</u>
Disbursements:				
Current:				
General Government	\$ 500	\$ 500	\$ 233	\$ 267
Public Works	<u>36,000</u>	<u>36,000</u>		<u>36,000</u>
<i>Total Disbursements</i>	<u>36,500</u>	<u>36,500</u>	<u>233</u>	<u>36,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(36,500)	(36,500)	4,990	41,490
Fund Balance Beginning of Year	<u>17,347</u>	<u>17,347</u>	<u>17,347</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (19,153)</u>	<u>\$ (19,153)</u>	<u>\$ 22,337</u>	<u>\$ 41,490</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 128,330
Total Assets	<u>\$ 128,330</u>
Net Assets:	
Restricted for:	
Debt Service	9,088
Other Purposes	97,699
Unrestricted	21,543
Total Net Assets	<u>\$ 128,330</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
General Government	\$ 38,335			\$ (38,335)
Public Safety	29,202			(29,202)
Public Works	202,888	\$ 9,745	\$ 175,100	(18,043)
Health	14,846	400		(14,446)
Capital Outlay	27,900			(27,900)
Debt Service:				
Principal Retirement	6,520			(6,520)
Interest and Fiscal Charges	2,889			(2,889)
<i>Total Governmental Activities</i>	<u>\$ 322,580</u>	<u>\$ 10,145</u>	<u>\$ 175,100</u>	<u>(137,335)</u>
General Receipts:				
Property Taxes Levied for:				
				75,493
Grants and Entitlements not Restricted to				
				55,676
				27,900
				2,217
				2,348
				<u>163,634</u>
				<i>Change in Net Assets</i> 26,299
				Net Assets Beginning of Year 102,031
				\$ 128,330

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

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**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Gasoline Tax	Road and Bridge
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 21,543	\$ 35,471	\$ 19,595
Total Assets	\$ 21,543	\$ 35,471	\$ 19,595
Fund Balances:			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	\$ 21,543		
Special Revenue Funds		\$ 35,471	\$ 19,595
Debt Service Fund			
Total Fund Balances	\$ 21,543	\$ 35,471	\$ 19,595

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

<u>Fire District</u>	<u>Miscellaneous Special Revenue - 2901</u>	<u>Miscellaneous Special Revenue - 2903</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,808	\$ 73	\$ 17,347	\$ 24,493	\$ 128,330
<u>\$ 9,808</u>	<u>\$ 73</u>	<u>\$ 17,347</u>	<u>\$ 24,493</u>	<u>\$ 128,330</u>
9,808	\$ 73	\$ 17,347	\$ 15,405	\$ 21,543
			9,088	97,699
				9,088
<u>\$ 9,808</u>	<u>\$ 73</u>	<u>\$ 17,347</u>	<u>\$ 24,493</u>	<u>\$ 128,330</u>

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Gasoline Tax	Road and Bridge
Cash Receipts:			
Property and Other Local Taxes	\$ 20,476		\$ 25,643
Intergovernmental	48,367	\$ 62,325	3,566
Interest	554	554	
Other	370	1,297	
<i>Total Cash Receipts</i>	69,767	64,176	29,209
Cash Disbursements:			
Current:			
General Government	36,271	2,064	
Public Safety			
Public Works		57,484	27,659
Health	14,846		
Capital Outlay	27,900		
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
<i>Total Cash Disbursements</i>	79,017	59,548	27,659
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	(9,250)	4,628	1,550
Other Financing Sources (Uses):			
Other Debt Proceeds	27,900		
Advances In			
Advances Out	(3,000)		
<i>Total Other Financing Sources (Uses)</i>	24,900	0	0
<i>Net Change in Fund Balances</i>	15,650	4,628	1,550
Fund Balances Beginning of Year	5,893	30,843	18,045
<i>Fund Balances End of Year</i>	\$ 21,543	\$ 35,471	\$ 19,595

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

<u>Fire District</u>	<u>Miscellaneous Special Revenue - 2901</u>	<u>Miscellaneous Special Revenue - 2903</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 29,374				\$ 75,493
3,742	\$ 24,730	\$ 45,720	\$ 52,071	240,521
			1,109	2,217
			1,081	2,748
<u>33,116</u>	<u>24,730</u>	<u>45,720</u>	<u>54,261</u>	<u>320,979</u>
				38,335
29,202				29,202
	40,083	28,373	49,289	202,888
				14,846
				27,900
			6,520	6,520
			2,889	2,889
<u>29,202</u>	<u>40,083</u>	<u>28,373</u>	<u>58,698</u>	<u>322,580</u>
<u>3,914</u>	<u>(15,353)</u>	<u>17,347</u>	<u>(4,437)</u>	<u>(1,601)</u>
				27,900
			3,000	3,000
				(3,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>27,900</u>
3,914	(15,353)	17,347	(1,437)	26,299
<u>5,894</u>	<u>15,426</u>	<u></u>	<u>25,930</u>	<u>102,031</u>
<u>\$ 9,808</u>	<u>\$ 73</u>	<u>\$ 17,347</u>	<u>\$ 24,493</u>	<u>\$ 128,330</u>

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 20,000	\$ 20,000	\$ 20,476	\$ 476
Intergovernmental	14,453	46,340	48,367	2,027
Interest	691	550	554	4
Other	163	350	370	20
<i>Total Receipts</i>	<u>35,307</u>	<u>67,240</u>	<u>69,767</u>	<u>2,527</u>
Disbursements:				
Current:				
General Government	28,250	28,250	36,271	(8,021)
Public Works				0
Health	19,500	7,130	14,846	(7,716)
Capital Outlay	530	28,100	27,900	200
<i>Total Disbursements</i>	<u>48,280</u>	<u>63,480</u>	<u>79,017</u>	<u>(15,537)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,973)</u>	<u>3,760</u>	<u>(9,250)</u>	<u>(13,010)</u>
Other Financing Sources (Uses):				
Other Debt Proceeds		27,900	27,900	0
Advances Out			(3,000)	(3,000)
Other Financing Uses	(200)			0
<i>Total Other Financing Sources (Uses)</i>	<u>(200)</u>	<u>27,900</u>	<u>24,900</u>	<u>(3,000)</u>
<i>Net Change in Fund Balance</i>	(13,173)	31,660	15,650	(16,010)
Fund Balance Beginning of Year	<u>5,893</u>	<u>5,893</u>	<u>5,893</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (7,280)</u>	<u>\$ 37,553</u>	<u>\$ 21,543</u>	<u>\$ (16,010)</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 33,169	\$ 33,169	\$ 62,325	\$ 29,156
Interest	500	500	554	54
Other	1,000	1,000	1,297	297
<i>Total Receipts</i>	<u>34,669</u>	<u>34,669</u>	<u>64,176</u>	<u>29,507</u>
Disbursements:				
Current:				
General Government		2,064	2,064	0
Public Works	61,100	70,496	57,484	13,012
<i>Total Disbursements</i>	<u>61,100</u>	<u>72,560</u>	<u>59,548</u>	<u>13,012</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(26,431)	(37,891)	4,628	42,519
Fund Balance Beginning of Year	<u>30,843</u>	<u>30,843</u>	<u>30,843</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 4,412</u>	<u>\$ (7,048)</u>	<u>\$ 35,471</u>	<u>\$ 42,519</u>

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

**WINDSOR TOWNSHIP
MORGAN 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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Receipts:				
Property and Other Local Taxes	\$ 22,688	\$ 23,369	\$ 25,643	\$ 2,274
Intergovernmental	3,000	3,000	3,566	566
<i>Total Receipts</i>	<u>25,688</u>	<u>26,369</u>	<u>29,209</u>	<u>2,840</u>
Disbursements:				
Current:				
Public Works	26,500	36,500	27,659	8,841
<i>Total Disbursements</i>	<u>26,500</u>	<u>36,500</u>	<u>27,659</u>	<u>8,841</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(812)	(10,131)	1,550	11,681
Fund Balance Beginning of Year	<u>18,045</u>	<u>18,045</u>	<u>18,045</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 17,233</u>	<u>\$ 7,914</u>	<u>\$ 19,595</u>	<u>\$ 11,681</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 29,342	\$ 29,342	\$ 29,374	\$ 32
Intergovernmental			3,742	3,742
<i>Total Receipts</i>	<u>29,342</u>	<u>29,342</u>	<u>33,116</u>	<u>3,774</u>
Disbursements:				
Current:				
Public Safety	29,165	29,205	29,202	3
<i>Total Disbursements</i>	<u>29,165</u>	<u>29,205</u>	<u>29,202</u>	<u>3</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	177	137	3,914	3,777
Fund Balance Beginning of Year	<u>5,894</u>	<u>5,894</u>	<u>5,894</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,071</u>	<u>\$ 6,031</u>	<u>\$ 9,808</u>	<u>\$ 3,777</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MISCELLANEOUS SPECIAL REVENUE 2901 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 23,350	\$ 38,822	\$ 24,730	\$ (14,092)
<i>Total Receipts</i>	<u>23,350</u>	<u>38,822</u>	<u>24,730</u>	<u>(14,092)</u>
Disbursements:				
Current:				
Public Works			40,083	(40,083)
<i>Total Disbursements</i>	<u>0</u>	<u>0</u>	<u>40,083</u>	<u>(40,083)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	23,350	38,822	(15,353)	(54,175)
Fund Balance Beginning of Year	<u>15,426</u>	<u>15,426</u>	<u>15,426</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 38,776</u>	<u>\$ 54,248</u>	<u>\$ 73</u>	<u>\$ (54,175)</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MISCELLANEOUS SPECIAL REVENUE 2903 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 43,166	\$ 43,166	\$ 45,720	\$ 2,554
<i>Total Receipts</i>	<u>43,166</u>	<u>43,166</u>	<u>45,720</u>	<u>2,554</u>
Disbursements:				
Current:				
Public Works			28,373	(28,373)
<i>Total Disbursements</i>	<u>0</u>	<u>0</u>	<u>28,373</u>	<u>(28,373)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	43,166	43,166	17,347	(25,819)
Fund Balance Beginning of Year				<u>0</u>
Fund Balance End of Year	<u>\$ 43,166</u>	<u>\$ 43,166</u>	<u>\$ 17,347</u>	<u>\$ (25,819)</u>

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

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Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

Windsor Township, Morgan 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 Township Fiscal Officer.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Stockport Volunteer Fire Department for fire protection. Police protection is provided by the Morgan County Sheriff Department.

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

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash 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 charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a 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 funds of the Township are governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Miscellaneous Special Revenue 2901 Fund, and Miscellaneous Special Revenue 2903 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 Township had the following major funds in addition to the General Fund as mentioned above.

Gasoline Tax Fund – This fund receives gasoline tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Road and Bridge Fund – This fund receives property tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Fire District Fund – This fund receives property tax money. This fund balance is available to the Township for the purpose of fire protection services provided it is expended or transferred according to the general laws of Ohio.

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Funds (Continued)

Miscellaneous Special Revenue 2901 Fund – This fund received money from the Federal Emergency Management Agency for project DR-1507. Funds are restricted for the purpose of repairing flood damaged areas in the Township.

Miscellaneous Special Revenue 2903 Fund – This fund received money from the Federal Emergency Management Agency for project DR-1580. Funds are restricted for the purpose of repairing flood damaged areas in the Township.

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

C. Basis of Accounting

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

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 ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements at the level of control selected by the Township. The legal level of control has been established at the 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 Clerk. 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 ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Cash

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

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 2006 was \$633 which includes \$371 assigned from other Township funds. Interest receipts credited to the General Fund during 2005 was \$554 which includes \$325 assigned from other Township funds.

F. 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.

G. 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.

H. Accumulated Leave

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

I. Interfund Receivables/Payables

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

J. 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. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road maintenance, fire protection, and cemetery maintenance. 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.

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (Continued)

L. 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 and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods.

M. Interfund Transactions

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

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

In the prior audit the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor’s Office. For this audit the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Also as described in Note 2, the Township has not elected to report inventory, prepaid items, interfund receivables (payables), capital assets, and long-term debt as part of the cash basis of accounting. The transition from the regulatory basis of accounting to the cash basis of accounting generated no changes to fund balance/equity as previously reported at December 31, 2004 and 2003.

For the year ended December 31, 2004, there was an error in a prior audit period resulting in the following fund balance adjustment:

<u>Governmental Funds:</u>	<u>Fund Balances at December 31, 2004</u>	<u>Restatement Amount</u>	<u>Fund Balances at January 1, 2005</u>
General	\$3,990	\$1,903	\$5,893
Gasoline Tax	31,478	(635)	30,843
Road and Bridge	18,679	(634)	18,045
Other Governmental Funds	26,564	(634)	25,930

Note 4 – Compliance

Compliance

At December 31, 2006, the Township had appropriations in excess of estimated resources in the Gasoline Tax Fund in the amount of \$12,173 and the Miscellaneous Special Revenue 2902 Fund in the amount \$1,528 contrary to Ohio Rev. Code Section 5705.39.

At December 31, 2005, the Township had appropriations in excess of estimated resources in the Gasoline Tax Fund in the amount of \$7,048 and the Cemetery Fund in the amount \$480 contrary to Ohio Rev. Code Section 5705.39.

At December 31, 2006, the Township had expenditures in excess of appropriations in the Miscellaneous Special Revenue 2901 Fund in the amount of \$21,283 and the Debt Service Fund in the amount of \$1,647 contrary to Ohio Rev. Code Section 5705.41(B).

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 4 – Compliance (Continued)

At December 31, 2005, the Township had expenditures in excess of appropriations in the General Fund in the amount of \$15,537, the Miscellaneous Special Revenue 2901 Fund in the amount of \$40,083, the Miscellaneous Special Revenue 2902 Fund in the amount of \$14,901, and the Miscellaneous Special Revenue 2903 Fund in the amount of \$28,373 contrary to Ohio Rev. Code Section 5705.41(B).

Note 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 – Budgetary Basis presented for the General Fund, and the following major special revenue funds: Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Miscellaneous Special Revenue 2901 Fund, and Miscellaneous Special Revenue 2903 Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 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.

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;

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 6 – Deposits and Investments (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (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

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006, \$77,504 of the Township's bank balance of \$177,504 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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 property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes.

Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 7 – Property Taxes (Continued)

Tangible personal property tax receipts received in 2006 and 2005 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$4 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$17,452,890
Commercial/Industrial/Mineral	339,240
Tangible Personal Property	
Business	35,390
Public Utility	3,365,700
Total Assessed Value	\$21,193,220

The full tax rate for all Township operations for the year ended December 31, 2005, was \$3.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$15,021,230
Commercial/Industrial/Mineral	312,870
Tangible Personal Property	
Business	29,950
Public Utility	3,386,670
Total Assessed Value	\$18,750,720

Note 8 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 8 – Risk Management (Continued)

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member townships in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$8,600. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Township Contributions to OTARMA</u>	
2006	\$4,288
2005	\$3,982
2004	\$4,070

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 9 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is 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) 222-6705 or 800-222-7377.

For the year ended December 31, 2006, the members of all three plans, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2005, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006 and 2005 were \$5,826, and \$6,314, respectively. The full amount has been contributed for 2006 and 2005.

Note 10 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 percent of covered payroll was the portion that was used to fund health care.

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 10 - Postemployment Benefits (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$1,914 in 2006 and \$1,864 in 2005. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 11 - Debt

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2006</u>	<u>Due Within One Year</u>
Backhoe Note	4.9%	\$25,047		\$25,047	\$0	\$0
Dump Truck Note	3.9%	9,034		2,895	6,139	3,010
Road Materials Building Note	4.23%	16,389		2,453	13,936	2,558
Total		<u>\$50,470</u>		<u>\$30,395</u>	<u>\$20,075</u>	<u>\$5,568</u>

The promissory notes were issued to finance the purchase of a new backhoe, dump truck and road materials building. The promissory notes are supported by the full faith and credit of the Township.

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

Year	<u>Promissory Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$5,568	\$840
2008	14,507	613
Totals	<u>\$20,075</u>	<u>\$1,453</u>

Note 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.

Windsor Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2006 and 2005

Note 13 - Related Party Transactions

Columbus Cheadle Jr., Township Trustee, was the owner of Cheadle's Garage, a company in which the Township does business. The Township paid \$837 to Cheadle's Garage during 2006 and 2005.

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Mary Taylor, CPA

Auditor of State

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

Windsor Township
Morgan County
5209 Hanson Hill Road
Stockport, Ohio 43787

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 Windsor Township, Morgan County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 16, 2007, 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 § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated October 16, 2007.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2006-001 through 2006-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated October 16, 2007.

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



Mary Taylor, CPA
Auditor of State

October 16, 2007

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Noncompliance Citation and Significant Deficiency

Ohio Rev. Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is 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.

Total appropriations exceeded estimated resources at December 31, 2006, as follows:

Fund	Estimated Resources	Appropriation Authority	Variance
Gasoline Tax	\$ 73,937	\$ 86,110	\$ (12,173)
Miscellaneous Special Revenue 2902	5,522	7,050	(1,528)

Total appropriations exceeded estimated resources at July 31, 2006, as follows:

Fund	Estimated Resources	Appropriation Authority	Variance
Miscellaneous Special Revenue 2902	\$ 5,522	\$ 7,050	\$ (1,528)

Total appropriations exceeded estimated resources at December 31, 2005, as follows:

Fund	Estimated Resources	Appropriation Authority	Variance
Gasoline Tax	\$ 65,512	\$ 72,560	\$ (7,048)
Cemetery	520	1,000	(480)

Total appropriations exceeded estimated resources at October 31, 2005, as follows:

Fund	Estimated Resources	Appropriation Authority	Variance
Gasoline Tax	\$ 65,512	\$ 72,100	\$ (6,588)
Cemetery	520	1,000	(480)

This could cause the Township to spend in excess of their estimated resources.

We recommend the Township Clerk monitor estimated resources and appropriations to ensure that appropriations do not exceed estimated resources.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-002

Noncompliance Citation and Significant Deficiency

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

Expenditures exceeded appropriations at December 31, 2006, in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Miscellaneous Special Revenue 2901	\$ 25	\$ 21,308	\$ (21,283)
Debt Service	10,050	11,697	(1,647)

Expenditures exceeded appropriations at December 31, 2005 at the legal level of control as follows:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 63,480	\$ 79,017	\$ (15,537)
Special Revenue Miscellaneous 2901	-	40,083	(40,083)
Special Revenue Miscellaneous 2902	-	14,901	(14,901)
Special Revenue Miscellaneous 2903	-	28,373	(28,373)

Expenditures exceeded appropriations at October 31, 2005 at the legal level of control as follows:

<u>Fund/Object</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Gasoline Tax/Materials	\$ 12,000	\$ 15,958	\$ (3,958)
Gasoline Tax/Contracted Services	12,040	12,538	(498)

This resulted in the aforementioned funds expending more than was appropriated.

The Township Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-003

Noncompliance Citation and Significant Deficiency

Ohio Admin. Code Section 117-2-02(A) provides that all local public offices should 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, document compliance with finance-related legal and contractual requirements and prepare financial statements.

During the audit period, the Township Clerk posted certain revenue transactions incorrectly. Several intergovernmental receipts such as estate tax and deregulation reimbursements were recorded as Taxes instead of Intergovernmental for both years. In 2005, debt proceeds were recorded as Miscellaneous receipts instead of Debt Proceeds. A motor vehicle receipt was posted in the Road and Bridge Fund instead of the Motor Vehicle License Tax Fund in both years. In 2006, a homestead and rollback allocation that was due to the Fire District Fund was recorded in the General Fund.

Also, during the audit period the Township Clerk posted certain expenditure transactions incorrectly. In the General Fund, UAN and audit fees were recorded as Health rather than General Government in 2005 and 2006. The purchase of a backhoe was recorded as General Government instead of Capital Outlay in the General Fund in 2005.

The following lists the net adjustments for each fund for the above errors as of December 31, 2006:

Fund	Net Adjustment
General Fund	\$ (390)
Motor Vehicle License Tax	2,521
Road & Bridge	(2,521)
Fire District	390
Total	<u>\$ -</u>

In addition, the Road and Bridge, Fire District and Misc. Special Revenue 2901 Funds were recorded as non-major funds in 2005 and were included in Other Governmental Funds. However, these funds qualified as major funds and were adjusted out of Other Governmental and recorded as major funds.

As a result, these adjustments and significant reclassifications were made to the financial statements in order for the Township Clerk to correctly classify the sources and amounts of the Township's receipts and expenditures. These adjustments and reclassifications with which the Township's management agrees have been posted to the Township's books and are reflected in the accompanying financial statements.

We recommend the Clerk refer to the Ohio Township Handbook for proper classification and take additional care in posting transactions to the Township's ledgers in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts and expenditures.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-004

Noncompliance Citation and Significant Deficiency

Ohio Admin. Code Section 117-2-02(C)(1) states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

At December 31, 2006, estimated receipts as approved by the Budget Commission did not agree to the Township's ledgers as follows:

Fund	Estimated Receipts Per Budget Commission	Amounts Per Township Reports	Variance
General	\$ 35,813	\$ 35,083	\$ (730)
Gasoline Tax	53,981	53,081	(900)
Miscellaneous Special Revenue 2902	0	7,000	7,000

At December 31, 2005, estimated receipts as approved by the Budget Commission did not agree to the Township's ledgers as follows:

Fund	Estimated Receipts Per Budget Commission	Amounts Per Township Reports	Variance
General	\$ 95,140	\$ -	\$ (95,140)
Motor Vehicle License Tax	16,910	0	(16,910)
Gasoline Tax	34,669	0	(34,669)
Road and Bridge	26,369	0	(26,369)
Cemetery	75	0	(75)
Fire District	29,342	0	(29,342)
Permissive Sales Tax	15,625	0	(15,625)
Miscellaneous Special Revenue 2901	38,822	0	(38,822)
Miscellaneous Special Revenue 2902	14,608	0	(14,608)
Miscellaneous Special Revenue 2903	43,166	0	(43,166)
Debt Service	10,000	0	(10,000)

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2006-004 (Continued)

Noncompliance Citation and Significant Deficiency (Continued)

At December 31, 2006, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
Miscellaneous Special Revenue 2901	25	21,308	21,283
Miscellaneous Special Revenue 2903	36,500	13,000	(23,500)
Debt Service	10,050	12,319	2,269

At December 31, 2005, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General	\$ 63,480	\$ 91,380	\$ 27,900
Gasoline Tax	72,560	78,860	6,300
Road and Bridge	36,500	41,500	5,000
Miscellaneous Special Revenue 2901	0	55,500	55,500
Miscellaneous Special Revenue 2902	0	26,000	26,000
Miscellaneous Special Revenue 2903	0	71,500	71,500

Variances also existed throughout both years for estimated receipts and appropriations. Additionally, the original and final budgeted amounts for the major funds were not posted correctly to the system in both 2005 and 2006.

Due to budgetary information being improperly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in issues of non-compliance with Ohio Revised Code, additional audit time, and audit adjustments.

We recommend the Clerk accurately post estimated receipts as certified by the County Budget Commission and appropriations as approved by the Board of Trustees into the computer system and only after receiving approval. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

Officials' Response: We did not receive a response from Officials to the findings reported above.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for funds not being certified prior to the purchase commitment during 2003 and 2004.	Yes	
2004-002	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.39 for total appropriations exceeding estimated resources at December 31, 2004 and 2003.	No	Not Corrected: This item is repeated in the current audit Schedule of Findings as item 2006-001.



Mary Taylor, CPA
Auditor of State

WINDSOR TOWNSHIP

MORGAN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 29, 2007**