



Mary Taylor, CPA
Auditor of State

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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Mary Taylor, CPA
Auditor of State

Wills Township
Guernsey County
63371 Range Road
Lore City, Ohio 43755

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 19, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wills Township
Guernsey County
63371 Range Road
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the accompanying financial statements of Wills Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township 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 (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e., major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the 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 two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Wills Township, Guernsey County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 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.



Mary Taylor, CPA
Auditor of State

October 19, 2007

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$17,609	\$40,757	\$4,123		\$62,489
Charges for Services		4,554			4,554
Intergovernmental	10,612	108,846		\$32,854	152,312
Earnings on Investments	623	543			1,166
Miscellaneous		2,927			2,927
Total Cash Receipts	<u>28,844</u>	<u>157,627</u>	<u>4,123</u>	<u>32,854</u>	<u>223,448</u>
Cash Disbursements:					
Current:					
General Government	24,115	2,677			26,792
Public Safety		5,300			5,300
Public Works		147,658		1,201	148,859
Health	2,793	198			2,991
Capital Outlay		6,263		23,486	29,749
Debt Service:					
Redemption of Principal			3,215		3,215
Interest and Other Fiscal Charges			908		908
Total Cash Disbursements	<u>26,908</u>	<u>162,096</u>	<u>4,123</u>	<u>24,687</u>	<u>217,814</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,936</u>	<u>(4,469)</u>	<u>0</u>	<u>8,167</u>	<u>5,634</u>
Other Financing Receipts/(Disbursements):					
Advances-In	500	500			1,000
Advances-Out	(500)	(500)			(1,000)
Other Financing Sources		25			25
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>25</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	1,936	(4,444)	0	8,167	5,659
Fund Cash Balances, January 1	<u>4,706</u>	<u>73,059</u>	<u>274</u>	<u>282</u>	<u>78,321</u>
Fund Cash Balances, December 31	<u>\$6,642</u>	<u>\$68,615</u>	<u>\$274</u>	<u>\$8,449</u>	<u>\$83,980</u>
Reserve for Encumbrances, December 31	<u>\$15</u>	<u>\$495</u>	<u>\$0</u>	<u>\$0</u>	<u>\$510</u>

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Fiduciary Fund Type</u>
	<u>Private Purpose Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	<u>\$25</u>
Total Non-Operating Cash Receipts	<u>25</u>
Net Receipts Over Disbursements	25
Fund Cash Balance, January 1	<u>1,612</u>
Fund Cash Balance, December 31	<u><u>\$1,637</u></u>

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$16,980	\$44,731			\$61,711
Charges for Services		4,902			4,902
Intergovernmental	11,930	188,067		\$10,317	210,314
Earnings on Investments	188	51			239
Miscellaneous		13,003			13,003
Total Cash Receipts	<u>29,098</u>	<u>250,754</u>	<u>\$0</u>	<u>10,317</u>	<u>290,169</u>
Cash Disbursements:					
Current:					
General Government	24,798	5,077			29,875
Public Safety	95	5,300			5,395
Public Works		228,811		10,494	239,305
Health	2,595	2,500			5,095
Capital Outlay		23,300			23,300
Total Cash Disbursements	<u>27,488</u>	<u>264,988</u>	<u>0</u>	<u>10,494</u>	<u>302,970</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,610</u>	<u>(14,234)</u>	<u>0</u>	<u>(177)</u>	<u>(12,801)</u>
Other Financing Receipts/(Disbursements):					
Sale of Notes		17,800			17,800
Advances-In	200	200			400
Advances-Out	(200)	(200)			(400)
Other Financing Sources	80				80
Other Financing Uses		(200)			(200)
Total Other Financing Receipts/(Disbursements)	<u>80</u>	<u>17,600</u>	<u>0</u>	<u>0</u>	<u>17,680</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>1,690</u>	<u>3,366</u>	<u>0</u>	<u>(177)</u>	<u>4,879</u>
Fund Cash Balances, January 1	<u>3,016</u>	<u>69,693</u>	<u>274</u>	<u>459</u>	<u>73,442</u>
Fund Cash Balances, December 31	<u>\$4,706</u>	<u>\$73,059</u>	<u>\$274</u>	<u>\$282</u>	<u>\$78,321</u>
Reserve for Encumbrances, December 31	<u>\$728</u>	<u>\$5,642</u>	<u>\$0</u>	<u>\$282</u>	<u>\$6,652</u>

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Fiduciary Fund Type
	Private Purpose Trust
Operating Cash Disbursements:	
Purchased Services	\$15
Total Operating Cash Disbursements	15
Operating (Loss)	(15)
Non-Operating Cash Receipts:	
Earnings on Investments	14
Total Non-Operating Cash Receipts	14
Net Receipts (Under) Disbursements	(1)
Fund Cash Balance, January 1	1,613
Fund Cash Balance, December 31	\$1,612

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Wills Township, Guernsey County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, waste disposal and fire protection services. The Township contracts with the Old Washington, Antrim, Quaker City and Lore City Volunteer Fire Departments to provide fire services.

The Township participates in the Ohio Government Risk Management Plan, a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash

The Township values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

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

Federal Emergency Management Agency Fund - This fund receives agency grants to fund repair and replacement of various Township fixed assets damaged by land slides and flooding.

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

Note Retirement Fund - This fund receives property tax money for the retirement of outstanding note debt to finance the purchase of a new dump truck.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Funds:

Public Works Commission Projects Local Fund – This fund receives Issue II money from the Guernsey County Engineer for road maintenance.

Public Works Commission Projects State Fund – This fund receives Issue II money from the Ohio Public Works Commission for road maintenance.

5. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund collects interest from a certificate of deposit to be utilized for maintenance of the Carlisle Cemetery.

E. Budgetary Process

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Cash

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

	<u>2005</u>	<u>2006</u>
Demand deposits	\$78,336	\$84,020
Certificate of deposit	<u>1,597</u>	<u>1,597</u>
Total deposits	<u><u>\$79,933</u></u>	<u><u>\$85,617</u></u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

3. Budgetary Activity

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

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$27,842	\$29,344	\$1,502
Special Revenue	142,606	158,152	15,546
Debt Service	4,123	4,123	0
Capital Projects	33,993	32,854	(1,139)
Private Purpose Trust	15	25	10
Total	\$208,579	\$224,498	\$15,919

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,035	\$27,423	\$4,612
Special Revenue	212,858	163,091	49,767
Debt Service	4,396	4,123	273
Capital Projects	34,275	24,687	9,588
Private Purpose Trust	29	0	29
Total	\$283,593	\$219,324	\$64,269

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,513	\$29,378	(\$135)
Special Revenue	245,708	268,754	23,046
Capital Projects	10,317	10,317	0
Private Purpose Trust	14	14	0
Total	\$285,552	\$308,463	\$22,911

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,729	\$28,416	\$4,313
Special Revenue	284,182	271,030	13,152
Debt Service	273	0	273
Capital Projects	10,776	10,776	0
Private Purpose Trust	15	15	0
Total	\$327,975	\$310,237	\$17,738

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation.

Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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, 2006, was as follows:

	Principal	Interest Rate
General Obligation Note	\$14,585	5.10%

The Township issued a general obligation note to finance the purchase of a new dump truck to be used for Township road maintenance. The Township's taxing authority collateralized the note.

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

Year ending December 31:	General Obligation Note
2007	\$4,122
2008	4,123
2009	4,122
2010	4,123
Total	\$16,490

6. Retirement System

The Township officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9% and 8.5%, respectively, of their gross salaries and the Township contributed an amount equaling 13.7% and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

7. 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.

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004 (the latest information available):

	2005	2004
Assets	\$8,219,430	\$6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Members' Equity	<u>\$5,470,791</u>	<u>\$4,457,714</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

8. Contingent Liabilities

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



Mary Taylor, CPA

Auditor of State

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

Wills Township
Guernsey County
63371 Range Road
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the financial statements of Wills Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated October 19, 2007, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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.

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.

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

We noted a certain matter that we reported to the Township's management in a separate letter dated October 19, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated October 19, 2007.

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



Mary Taylor, CPA
Auditor of State

October 19, 2007



Mary Taylor, CPA
Auditor of State

WILLS TOWNSHIP

GUERNSEY 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 13, 2007**