



Dave Yost • Auditor of State

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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MORGAN COUNTY**

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Dave Yost • 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, 2010 and 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

Ohio Rev. Code Section 5705.10(D) requires all revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, be paid into the General Fund. During 2009 and 2010, the Township improperly posted interest earnings to funds other than the General Fund. Additionally, Ohio Rev. Code Section 5705.10(H) states money that is paid into a fund must be used only for the purposes for which such fund has been established. During 2009, the Township improperly advanced \$1,000 from the Debt Service Fund, which is presented as part of Remaining Fund Information, to the General Fund. Additionally, during 2010, the Township improperly posted \$458 of motor vehicle license tax receipts in the General Fund rather than the Motor Vehicle License Tax Fund.

The adjustments required to record interest earnings in the General Fund and reverse improper advances follows:

Fund	12/31/09		12/31/10	
	Interest Earnings	Fund Balance	Interest Earnings	Fund Balance
General	\$2,528	\$2,528	\$2,368	\$2,368
Motor Vehicle License Tax	(583)	(583)	(1,355)	(1,355)
Gasoline Tax	(1,409)	(1,409)	(473)	(473)
Permissive Motor Vehicle License Tax	(536)	(536)	(540)	(540)
		Fund Balance	Receipt Misposting	Fund Balance
General	(\$1,000)	(\$1,000)	(\$458)	(\$458)
Remaining Fund Information -				
Debt Service	1,000	1,000	458	458
Motor Vehicle License Tax	0	0	0	0
Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

In our opinion, except for the effects of misposting interest earnings and motor vehicle license tax receipts and advancement of funds in the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Permissive Motor Vehicle License Tax Fund and Remaining Fund Information as described in paragraphs four through six, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Permissive Motor Vehicle License Tax Fund major funds and Remaining Fund Information of Windsor Township, Morgan County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and Permissive Motor Vehicle License Tax Fund for the years then ended in conformity with the basis of accounting Note 2 describes.

Also, in our opinion the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the Governmental Activities, Road and Bridge Fund, Cemetery Fund, and Fire District Fund major funds of Windsor Township, Morgan County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparisons for the Road and Bridge Fund, Cemetery Fund, and Fire District Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As discussed in Note 12, the Township is experiencing financial difficulties. Management has declined to post the aforementioned adjustments. Management's plan, in regards to these financial difficulties, is described in Note 12 to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

August 26, 2011

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Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

This discussion and analysis of Windsor Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2010 and 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2010 are as follows:

Net assets of governmental activities decreased \$9,690, or 6 percent. The overall decrease in cash balances is due to meeting the matching requirement of an Issue 1 grant through the Morgan County Engineer.

The Township's general receipts are primarily property tax and intergovernmental revenues. These receipts represent \$126,925 and 42 percent of the total cash received for governmental activities during the year.

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$14,114, or 10 percent. The overall increase in cash balances is due to a decrease in debt service payments since a building and dump truck were paid off in 2008.

The Township's general receipts are primarily property tax and intergovernmental revenues. These receipts represent respectively \$124,201 and 51 percent of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles.

Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2010 and 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental Activities. All of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

The Township's major governmental funds are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund (2010 only), Fire District Fund, Issue I (2009 only) and Permissive Motor Vehicle License Tax Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		
	2010	2009	2008
Assets			
Cash and Cash Equivalents	\$151,027	\$160,717	\$146,603
Total Assets	\$151,027	\$160,717	\$146,603
Net Assets			
Restricted for:			
Debt Service	\$6,759	\$7,759	\$2,054
Other Purposes	152,114	162,319	148,782
Unrestricted	(7,846)	(9,361)	(4,233)
Total Net Assets	\$151,027	\$160,717	\$146,603

Net assets of governmental activities decreased \$9,690, or 6 percent in 2010. The overall decrease in cash balances is due to meeting the matching requirement of an Issue 1 grant through the Morgan County Engineer.

Net assets of governmental activities increased \$14,114, or 10 percent in 2009. The overall increase in cash balances is due to a decrease in debt service payments since a building and dump truck were paid off in 2008.

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities.

Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2010	2009	2008
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$111,173	\$117,074	\$120,151
Capital Grants and Contributions	63,645		
Total Program Receipts	<u>174,818</u>	<u>117,074</u>	<u>120,151</u>
General Receipts:			
Property Taxes levied for: General Purposes	93,990	89,870	89,477
Other Taxes	9,740	10,959	
Grants and Entitlements Not Restricted to Specific Programs	14,989	16,424	14,461
Notes Issued			54,926
Interest	6,830	6,923	6,809
Miscellaneous	1,376	25	808
Total General Receipts	<u>126,925</u>	<u>124,201</u>	<u>166,481</u>
Total Receipts	<u>301,743</u>	<u>241,275</u>	<u>286,632</u>
Disbursements:			
General Government	28,739	33,022	41,301
Public Safety	37,154	30,319	29,373
Public Works	219,401	144,477	144,339
Health	14,138	13,243	12,530
Other		100	231
Capital Outlay			54,926
Principal Retirement	10,297	4,052	15,323
Interest and Fiscal Charges	1,704	1,948	1,565
Total Disbursements	<u>311,433</u>	<u>227,161</u>	<u>299,588</u>
Increase (Decrease) in Net Assets	(9,690)	14,114	(12,956)
Net Assets, January 1	<u>160,717</u>	<u>146,603</u>	<u>159,559</u>
Net Assets, December 31	<u>\$151,027</u>	<u>\$160,717</u>	<u>\$146,603</u>

In 2010, program receipts represent 58 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money and the Issue 1 on-behalf-of payments from the County.

In 2009, program receipts represent 49 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money from the County.

In 2010, general receipts represent 42 percent of the Township's total receipts, and of this amount, 74 percent are from property taxes. Grants and Entitlements and Other Taxes make up most of the balance of the Township's general receipts (12 percent and 8 percent, respectively). Interest receipts and miscellaneous receipts are insignificant.

Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

In 2009, general receipts represent 51 percent of the Township's total receipts, and of this amount, 72 percent are from property taxes. Grants and entitlements and Other Taxes make up most of the balance of the Township's general receipts (13 percent and 9 percent, respectively). Interest receipts and miscellaneous receipts are insignificant.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other government activities. These include, but are not limited to, the costs of trustee and fiscal officer salaries, medical costs, insurances, retirement, and utilities.

Public Safety is the cost of fire protection; Health is the health services; and Public Works is the general maintenance as well as repair of roads, Capital Outlay is the cost of equipment purchased by the Township and Debt Service is the payment of the debt of the Township.

Governmental Activities

If you look at the Statement of Activities on pages 12 and 26, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government, Public Safety, and Public Works which account for 9, 12 and 70 percent of all governmental disbursements, respectively for 2010. The major program disbursements for governmental activities are for General Government, Public Safety, and Public Works, which account for 17, 13, and 62 percent of all governmental disbursements, respectively for 2009. The next column of the Statement entitled Program Cash Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2010	2010	2009	2009	2008	2008
General Government	\$28,739	\$28,739	\$33,022	\$33,022	\$41,301	\$41,301
Public Safety	37,154	31,458	30,319	24,779	29,373	29,373
Public Works	219,401	51,651	144,477	32,943	144,339	24,188
Health	14,138	12,766	13,243	13,243	12,530	12,530
Other			100	100	231	231
Capital Outlay					54,926	54,926
Principal Retirement	10,297	10,297	4,052	4,052	15,323	15,323
Interest and Fiscal Charges	1,704	1,704	1,948	1,948	1,565	1,565
Total Expenses	\$311,433	\$136,615	\$227,161	\$110,087	\$299,588	\$179,437

The dependence upon property tax and grants and entitlement receipts is apparent as over 44 percent in 2010 and over 48 percent in 2009 of governmental activities are supported through general receipts.

Windsor Township
Morgan County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

The Township's Funds

For 2010 total governmental funds had receipts of \$301,742 and disbursements of \$311,432.

For 2009 total governmental funds had receipts and other sources of \$242,275 and disbursements and other uses of \$228,161.

Budgeting Highlights

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

During 2010, the Township did not amend its budgeted receipts for any funds.

During 2010, final disbursements were budgeted at \$225,646 while actual disbursements were \$311,432.

During 2009, the Township did not amend its budgeted receipts for any funds.

During 2009, final disbursements were budgeted at \$272,251 while actual disbursements were \$227,161.

Debt Administration

At December 31, 2010, the Township's outstanding debt included \$35,691 in promissory notes issued for the purchase of a tractor and mower. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Township relies heavily on local taxes and has very little industry to support the tax base. The Township reviewed its sources of revenue and determined that increases were unlikely. The Township then reviewed the disbursement history of the Township, and has strived to reduce spending.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kerri Greuey, Fiscal Officer, Windsor Township, by contacting her at (740) 559-3939.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 151,027
Total Assets	<u>\$ 151,027</u>
Net Assets:	
Restricted for:	
Debt Service	\$ 6,759
Other Purposes	152,114
Unrestricted	<u>(7,846)</u>
Total Net Assets	<u>\$ 151,027</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, 2010**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:				
General Government	\$ 28,739			\$ (28,739)
Public Safety	37,154	\$ 5,696		(31,458)
Public Works	219,401	104,105	\$ 63,645	(51,651)
Health	14,138	1,372		(12,766)
Debt Service:				
Principal Retirement	10,297			(10,297)
Interest and Fiscal Charges	1,704			(1,704)
<i>Total Governmental Activities</i>	\$ 311,433	\$ 111,173	\$ 63,645	(136,615)
General Receipts:				
Property Taxes Levied for:				
General Purposes				93,990
Other Taxes				9,740
Grants and Entitlements not Restricted to Specific Programs				14,989
Interest				6,830
Miscellaneous				1,376
<i>Total General Receipts</i>				126,925
<i>Change in Net Assets</i>				(9,690)
Net Assets Beginning of Year				160,717
<i>Net Assets End of Year</i>				\$ 151,027

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
DECEMBER 31, 2010**

	General	Motor Vehicle License Tax	Gasoline Tax
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ (7,846)	\$ 28,188	\$ 27,859
Total Assets	\$ (7,846)	\$ 28,188	\$ 27,859
Fund Balances:			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	\$ (7,846)		
Special Revenue Funds		\$ 28,188	\$ 27,859
Debt Service Fund			
Total Fund Balances	\$ (7,846)	\$ 28,188	\$ 27,859

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

<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire District</u>	<u>Permissive Motor Vehicle License Tax</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ 28,348	\$ 16,518	\$ 28,853	\$ 22,348	\$ 6,759	\$ 151,027
<u>\$ 28,348</u>	<u>\$ 16,518</u>	<u>\$ 28,853</u>	<u>\$ 22,348</u>	<u>\$ 6,759</u>	<u>\$ 151,027</u>
\$ 28,348	\$ 16,518	\$ 28,853	\$ 22,348		\$ (7,846)
					152,114
				\$ 6,759	6,759
<u>\$ 28,348</u>	<u>\$ 16,518</u>	<u>\$ 28,853</u>	<u>\$ 22,348</u>	<u>\$ 6,759</u>	<u>\$ 151,027</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, 2010**

	<u>General</u>	<u>Motor Vehicle License Tax</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>
Cash Receipts:				
Property and Other Local Taxes	\$ 24,185			\$ 30,118
Intergovernmental	14,988	\$ 12,986	\$ 74,572	5,547
Interest	233	2,785	2,370	
Other	1,376			
<i>Total Cash Receipts</i>	<u>40,782</u>	<u>15,771</u>	<u>76,942</u>	<u>35,665</u>
Cash Disbursements:				
Current:				
General Government	28,739			
Public Safety				
Public Works		20,865	91,024	31,514
Health	10,528			
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
<i>Total Cash Disbursements</i>	<u>39,267</u>	<u>20,865</u>	<u>91,024</u>	<u>31,514</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	1,515	(5,094)	(14,082)	4,151
Fund Balances Beginning of Year	<u>(9,361)</u>	<u>33,282</u>	<u>41,941</u>	<u>24,197</u>
Fund Balances End of Year	<u>\$ (7,846)</u>	<u>\$ 28,188</u>	<u>\$ 27,859</u>	<u>\$ 28,348</u>

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

<u>Cemetery</u>	<u>Fire District</u>	<u>Permissive Motor Vehicle License Tax</u>	<u>Issue 1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 8,976	\$ 30,711	\$ 9,740			\$ 103,730
1,372	5,697	1,442	\$ 63,645	\$ 11,000	189,807
					6,830
					1,376
<u>10,348</u>	<u>36,408</u>	<u>11,182</u>	<u>63,645</u>	<u>11,000</u>	<u>301,743</u>
					28,739
	37,154				37,154
73		12,280	63,645		219,401
3,610					14,138
				10,297	10,297
				1,704	1,704
<u>3,683</u>	<u>37,154</u>	<u>12,280</u>	<u>63,645</u>	<u>12,001</u>	<u>311,433</u>
6,665	(746)	(1,098)	0	(1,001)	(9,690)
9,853	29,599	23,446	0	7,760	160,717
<u>\$ 16,518</u>	<u>\$ 28,853</u>	<u>\$ 22,348</u>	<u>\$ 0</u>	<u>\$ 6,759</u>	<u>\$ 151,027</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, 2010**

	<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	\$ 25,210	\$ 25,210	\$ 24,185	\$ (1,025)
Intergovernmental	18,325	18,325	14,988	(3,337)
Interest	391	391	233	(158)
Other	2,307	2,307	1,376	(931)
<i>Total Receipts</i>	<u>46,233</u>	<u>46,233</u>	<u>40,782</u>	<u>(5,451)</u>
Disbursements:				
Current:				
General Government	31,226	31,226	28,739	2,487
Health	12,175	12,175	10,528	1,647
<i>Total Disbursements</i>	<u>43,401</u>	<u>43,401</u>	<u>39,267</u>	<u>4,134</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,832	2,832	1,515	(1,317)
Fund Balance Beginning of Year, Restated See Note 3	<u>(9,361)</u>	<u>(9,361)</u>	<u>(9,361)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ (6,529)</u>	<u>\$ (6,529)</u>	<u>\$ (7,846)</u>	<u>\$ (1,317)</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
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 12,392	\$ 12,392	\$ 12,986	\$ 594
Interest	2,658	2,658	2,785	127
<i>Total Receipts</i>	<u>15,050</u>	<u>15,050</u>	<u>15,771</u>	<u>721</u>
Disbursements:				
Current:				
Public Works	14,425	14,425	20,865	(6,440)
<i>Total Disbursements</i>	<u>14,425</u>	<u>14,425</u>	<u>20,865</u>	<u>(6,440)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	625	625	(5,094)	(5,719)
Fund Balance Beginning of Year, Restated See Note 3	<u>33,282</u>	<u>33,282</u>	<u>33,282</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 33,907</u>	<u>\$ 33,907</u>	<u>\$ 28,188</u>	<u>\$ (5,719)</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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$ 76,494	\$ 76,494	\$ 74,572	\$ (1,922)
Interest	2,431	2,431	2,370	(61)
<i>Total Receipts</i>	<u>78,925</u>	<u>78,925</u>	<u>76,942</u>	<u>(1,983)</u>
Disbursements:				
Current:				
Public Works	69,480	69,480	91,024	(21,544)
<i>Total Disbursements</i>	<u>69,480</u>	<u>69,480</u>	<u>91,024</u>	<u>(21,544)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	9,445	9,445	(14,082)	(23,527)
Fund Balance Beginning of Year, Restated See Note 3	<u>41,941</u>	<u>41,941</u>	<u>41,941</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 51,386</u>	<u>\$ 51,386</u>	<u>\$ 27,859</u>	<u>\$ (23,527)</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, 2010**

	<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	\$ 30,869	\$ 30,869	\$ 30,118	\$ (751)
Intergovernmental	3,611	3,611	5,547	1,936
<i>Total Receipts</i>	<u>34,480</u>	<u>34,480</u>	<u>35,665</u>	<u>1,185</u>
Disbursements:				
Current:				
Public Works	33,675	33,675	31,514	2,161
<i>Total Disbursements</i>	<u>33,675</u>	<u>33,675</u>	<u>31,514</u>	<u>2,161</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	805	805	4,151	3,346
Fund Balance Beginning of Year, Restated See Note 3	<u>24,197</u>	<u>24,197</u>	<u>24,197</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 25,002</u>	<u>\$ 25,002</u>	<u>\$ 28,348</u>	<u>\$ 3,346</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
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 9,215	\$ 9,215	\$ 8,976	\$ (239)
Intergovernmental	1,280	1,280	1,372	92
<i>Total Receipts</i>	<u>10,495</u>	<u>10,495</u>	<u>10,348</u>	<u>(147)</u>
Disbursements:				
Current:				
Public Works	8,975	8,975	73	8,902
Health	1,375	1,375	3,610	(2,235)
<i>Total Disbursements</i>	<u>10,350</u>	<u>10,350</u>	<u>3,683</u>	<u>6,667</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	145	145	6,665	6,520
Fund Balance Beginning of Year, Restated See Note 3	<u>9,853</u>	<u>9,853</u>	<u>9,853</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 9,998</u>	<u>\$ 9,998</u>	<u>\$ 16,518</u>	<u>\$ 6,520</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, 2010**

	<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	\$ 31,510	\$ 31,510	\$ 30,711	\$ (799)
Intergovernmental	884	884	5,697	4,813
<i>Total Receipts</i>	<u>32,394</u>	<u>32,394</u>	<u>36,408</u>	<u>4,014</u>
Disbursements:				
Current:				
Public Safety	30,215	30,215	37,154	(6,939)
<i>Total Disbursements</i>	<u>30,215</u>	<u>30,215</u>	<u>37,154</u>	<u>(6,939)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,179	2,179	(746)	(2,925)
Fund Balance Beginning of Year	<u>29,599</u>	<u>29,599</u>	<u>29,599</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 31,778</u>	<u>\$ 31,778</u>	<u>\$ 28,853</u>	<u>\$ (2,925)</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
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Property and Other Local Taxes	\$ 11,080	\$ 11,080	\$ 9,740	\$ (1,340)
Interest			1,442	1,442
<i>Total Receipts</i>	<u>11,080</u>	<u>11,080</u>	<u>11,182</u>	<u>102</u>
Disbursements:				
Current:				
Public Works	12,100	12,100	12,280	(180)
<i>Total Disbursements</i>	<u>12,100</u>	<u>12,100</u>	<u>12,280</u>	<u>(180)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,020)	(1,020)	(1,098)	(78)
Fund Balance Beginning of Year	<u>23,446</u>	<u>23,446</u>	<u>23,446</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 22,426</u>	<u>\$ 22,426</u>	<u>\$ 22,348</u>	<u>\$ (78)</u>

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

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 160,717
<i>Total Assets</i>	<u>\$ 160,717</u>
Net Assets:	
Restricted for:	
Debt Service	\$ 7,759
Other Purposes	162,319
Unrestricted	<u>(9,361)</u>
<i>Total Net Assets</i>	<u>\$ 160,717</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, 2009**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:			
General Government	\$ 33,022		\$ (33,022)
Public Safety	30,319	\$ 5,540	(24,779)
Public Works	144,477	111,534	(32,943)
Health	13,243		(13,243)
Other	100		(100)
Debt Service:			
Principal Retirement	4,052		(4,052)
Interest and Fiscal Charges	1,948		(1,948)
<i>Total Governmental Activities</i>	<u>\$ 227,161</u>	<u>\$ 117,074</u>	<u>(110,087)</u>
General Receipts:			
Property Taxes Levied for:			
General Purposes			89,870
Other Taxes			10,959
Grants and Entitlements not Restricted to Specific Programs			16,424
Other Debt Proceeds			
Interest			6,923
Miscellaneous			25
<i>Total General Receipts</i>			<u>124,201</u>
<i>Change in Net Assets</i>			14,114
Net Assets Beginning of Year			<u>146,603</u>
<i>Net Assets End of Year</i>			<u>\$ 160,717</u>

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
DECEMBER 31, 2009**

	General	Motor Vehicle License Tax	Gasoline Tax
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ (9,361)	\$ 33,282	\$ 41,941
Total Assets	\$ (9,361)	\$ 33,282	\$ 41,941
Fund Balances:			
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	\$ (9,361)		
Special Revenue Funds		\$ 33,282	\$41,941
Debt Service Fund			
Total Fund Balances	\$ (9,361)	\$ 33,282	\$ 41,941

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

<u>Road and Bridge</u>	<u>Fire District</u>	<u>Permissive Motor Vehicle License Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 24,197	\$ 29,599	\$ 23,446	\$ 17,613	\$ 160,717
\$ 24,197	\$ 29,599	\$ 23,446	\$ 17,613	\$ 160,717
\$ 24,197	\$ 29,599	\$ 23,446	\$ 9,854	\$ (9,361)
			7,759	162,319
				7,759
\$ 24,197	\$ 29,599	\$ 23,446	\$ 17,613	\$ 160,717

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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

	<u>General</u>	<u>Motor Vehicle License Tax</u>	<u>Gasoline Tax</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 23,079		
Intergovernmental	16,424	\$ 15,160	\$ 78,627
Interest	0	1,758	3,594
Other	25		
<i>Total Cash Receipts</i>	<u>39,528</u>	<u>16,918</u>	<u>82,221</u>
Cash Disbursements:			
Current:			
General Government	33,022		
Public Safety			
Public Works		7,766	88,423
Health	12,534		
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
<i>Total Cash Disbursements</i>	<u>45,556</u>	<u>7,766</u>	<u>88,423</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(6,028)</u>	<u>9,152</u>	<u>(6,202)</u>
Other Financing Sources (Uses):			
Advances In	1,000		
Advances Out			
Other Financing Uses	(100)		
<i>Total Other Financing Sources (Uses)</i>	<u>900</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,128)	9,152	(6,202)
Fund Balances Beginning of Year	<u>(4,233)</u>	<u>24,130</u>	<u>48,143</u>
Fund Balances End of Year	<u>\$ (9,361)</u>	<u>\$ 33,282</u>	<u>\$ 41,941</u>

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

Road and Bridge	Fire District	Permissive Motor Vehicle License Tax	Other Governmental Funds	Total Governmental Funds
\$ 28,709	\$ 29,438	\$ 10,959	\$ 8,644	\$ 100,829
5,467	5,540		12,280	133,498
		1,571		6,923
				25
<u>34,176</u>	<u>34,978</u>	<u>12,530</u>	<u>20,924</u>	<u>241,275</u>
				33,022
	30,319			30,319
30,944		9,730	7,614	144,477
			709	13,243
			4,052	4,052
			1,948	1,948
<u>30,944</u>	<u>30,319</u>	<u>9,730</u>	<u>14,323</u>	<u>227,061</u>
<u>3,232</u>	<u>4,659</u>	<u>2,800</u>	<u>6,601</u>	<u>14,214</u>
				1,000
			(1,000)	(1,000)
				(100)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,000)</u>	<u>(100)</u>
3,232	4,659	2,800	5,601	14,114
20,965	24,940	20,646	12,012	146,603
<u>\$ 24,197</u>	<u>\$ 29,599</u>	<u>\$ 23,446</u>	<u>\$ 17,613</u>	<u>\$ 160,717</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, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Property and Other Local Taxes	\$ 24,766	\$ 24,766	\$ 23,079	\$ (1,687)
Intergovernmental	29,218	29,218	16,424	(12,794)
Other			25	25
<i>Total Receipts</i>	53,984	53,984	39,528	(14,456)
Disbursements:				
Current:				
General Government	38,085	38,085	33,022	5,063
Health	14,000	14,000	12,534	1,466
<i>Total Disbursements</i>	52,085	52,085	45,556	6,529
<i>Excess of Receipts Over (Under) Disbursements</i>	1,899	1,899	(6,028)	(7,927)
Other Financing Sources (Uses):				
Advances In	0	0	1,000	1,000
Other Financing Uses	0	0	(100)	(100)
<i>Total Other Financing Sources (Uses)</i>	0	0	900	900
<i>Net Change in Fund Balance</i>	1,899	1,899	(5,128)	(7,027)
Fund Balance Beginning of Year	(4,233)	(4,233)	(4,233)	0
<i>Fund Balance End of Year</i>	\$ (2,334)	\$ (2,334)	\$ (9,361)	\$ (7,027)

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
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 20,407	\$ 20,407	\$ 15,160	\$ (5,247)
Interest			1,758	1,758
<i>Total Receipts</i>	<u>20,407</u>	<u>20,407</u>	<u>16,918</u>	<u>(3,489)</u>
Disbursements:				
Current:				
Public Works	16,850	16,850	7,766	9,084
<i>Total Disbursements</i>	<u>16,850</u>	<u>16,850</u>	<u>7,766</u>	<u>9,084</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	3,557	3,557	9,152	5,595
Fund Balance Beginning of Year	<u>24,130</u>	<u>24,130</u>	<u>24,130</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 27,687</u></u>	<u><u>\$ 27,687</u></u>	<u><u>\$ 33,282</u></u>	<u><u>\$ 5,595</u></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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$61,231	\$61,231	\$78,627	\$17,396
Interest			3,594	3,594
<i>Total Receipts</i>	<u>61,231</u>	<u>61,231</u>	<u>82,221</u>	<u>20,990</u>
Disbursements:				
Current:				
Public Works	89,550	89,550	88,423	1,127
<i>Total Disbursements</i>	<u>89,550</u>	<u>89,550</u>	<u>88,423</u>	<u>1,127</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(28,319)	(28,319)	(6,202)	22,117
Fund Balance Beginning of Year	<u>48,143</u>	<u>48,143</u>	<u>48,143</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 19,824</u>	<u>\$ 19,824</u>	<u>\$ 41,941</u>	<u>\$ 22,117</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, 2009**

	<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	\$ 30,321	\$ 30,321	\$ 28,709	\$ (1,612)
Intergovernmental	1,693	1,693	5,467	3,774
<i>Total Receipts</i>	<u>32,014</u>	<u>32,014</u>	<u>34,176</u>	<u>2,162</u>
Disbursements:				
Current:				
Public Works	48,050	48,050	30,944	17,106
<i>Total Disbursements</i>	<u>48,050</u>	<u>48,050</u>	<u>30,944</u>	<u>17,106</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(16,036)	(16,036)	3,232	19,268
Fund Balance Beginning of Year	<u>20,965</u>	<u>20,965</u>	<u>20,965</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 4,929</u>	<u>\$ 4,929</u>	<u>\$ 24,197</u>	<u>\$ 19,268</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$ 30,980	\$ 30,980	\$ 29,438	\$ (1,542)
Intergovernmental	884	884	5,540	4,656
<i>Total Receipts</i>	<u>31,864</u>	<u>31,864</u>	<u>34,978</u>	<u>3,114</u>
Disbursements:				
Current:				
Public Safety	30,215	30,215	30,319	(104)
<i>Total Disbursements</i>	<u>30,215</u>	<u>30,215</u>	<u>30,319</u>	<u>(104)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,649	1,649	4,659	3,010
Fund Balance Beginning of Year	<u>24,940</u>	<u>24,940</u>	<u>24,940</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 26,589</u>	<u>\$ 26,589</u>	<u>\$ 29,599</u>	<u>\$ 3,010</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
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$ 13,843	\$ 13,843	\$ 10,959	\$ (2,884)
Interest			1,571	1,571
<i>Total Receipts</i>	<u>13,843</u>	<u>13,843</u>	<u>12,530</u>	<u>(1,313)</u>
Disbursements:				
Current:				
Public Works	12,500	12,500	9,730	2,770
<i>Total Disbursements</i>	<u>12,500</u>	<u>12,500</u>	<u>9,730</u>	<u>2,770</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,343	1,343	2,800	1,457
Fund Balance Beginning of Year	<u>20,646</u>	<u>20,646</u>	<u>20,646</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 21,989</u>	<u>\$ 21,989</u>	<u>\$ 23,446</u>	<u>\$ 1,457</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 Basic Financial Statements
For the Years Ended December 31, 2010 and 2009

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 elected officials serve four year terms.

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

A. Primary Government

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

The statement of net assets presents the cash balances of the governmental-type 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.

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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 and enterprise 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 all 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 the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Cemetery, Fire District, Issue I and the Permissive Motor Vehicle License Tax Funds. 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:

Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

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 money from property taxes and homestead and rollbacks. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Cemetery Fund – This fund receives money from property taxes and homestead and rollbacks to maintain the Township's cemeteries.

Fire District Fund – This fund receives money from property taxes to provide fire protection to the Township.

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Funds (Continued)

Issue I Fund – This fund accounts for on-behalf payments made by Morgan County that benefit Windsor Township.

Permissive Motor Vehicle License Tax Fund – This fund receives permissive motor vehicle license tax money to provide road maintenance for 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 resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds.

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation 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”. Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 were \$233. No interest receipts credited to the General Fund during 2009.

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. 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.

I. Long-Term Obligations

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

J. 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.

K. Fund Balance Reserves

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

Note 3 – Accountability and Compliance

A. Accountability

At December 31, 2010 and 2009, the Township had a deficit fund balance in the General Fund in the amount of \$7,846 and \$9,361, respectively. The Township has taken steps to try to reduce expenditures in the General Fund to alleviate the deficit. The Auditor of State's Local Government Services division is currently monitoring the Township's financial activity to assist in alleviating the deficit.

Note 3 – Accountability and Compliance (Continued)

During 2010 and 2009 the Township did not properly post estimated receipts and appropriations as passed by the legislative authority.

B. Compliance

At December 31, 2010 and 2009, the Township had appropriations in excess of estimated resources in the General Fund in the amount of \$6,529 and \$2,334, respectively, contrary to Ohio Rev. Code Section 5705.39.

At December 31, 2010, the Township had expenditures in excess of appropriations in the Motor Vehicle License Tax Fund in the amount of \$6,440, the Gasoline Tax Fund in the amount of \$21,544, the Fire Levy Fund in the amount of \$6,939, and the Permissive Motor Vehicle License Tax Fund in the amount of \$180, contrary to Ohio Rev. Code Section 5705.41(B).

During 2010, the Township did not record on-behalf payments in a special fund, contrary to Ohio Rev. Code Section 5705.10.

During 2010 and 2009, the Township did not consistently obtain the fiscal officer's prior certification before incurring an obligation, contrary to Ohio Rev. Code Section 5705.41(D).

During 2009, the Township allowed an illegal advance from Debt Service Fund to the General Fund, contrary to Ohio Rev. Code Section 5705.10(H).

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and the following major Special Revenue Funds: Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Cemetery (2010 only), Fire District and Permissive Motor Vehicle License Tax Funds, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 5 – 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:

Note 5 – Deposits and Investments (Continued)

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

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

Deposits

The Township 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 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2010 and 2009 for real and public utility property taxes represents the collection of 2009 and 2008 taxes.

2010 and 2009 real property taxes are levied after October 1, 2010 and 2009, on the assessed values as of January 1, 2010 and 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 and 2009 real property taxes are collected in and intended to finance 2011 and 2010. 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.

Windsor Township
Morgan County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 6 – Property Tax (Continued)

Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 and 2009 public utility property taxes which became a lien on December 31, 2009 and 2008 are levied after October 1, 2010 and 2009 and are collected in 2011 and 2009 with real property taxes.

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

Real Property	
Residential & Agricultural	\$18,738,390
Other	353,850
Tangible Personal Property	0
Public Utility	3,580,880
Total Assessed Value	<u>\$22,673,120</u>

The full tax rate for all Township operations for the year ended December 31, 2009, was \$5.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	
Residential & Agricultural	\$18,447,090
Other	355,310
Tangible Personal Property	0
Public Utility	3,574,100
Total Assessed Value	<u>\$22,376,500</u>

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

Note 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.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Windsor Township
Morgan County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 7 – Risk Management (Continued)

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	(10,664,724)	(12,880,766)
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$4,000.

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>Year</u>	<u>Contribution</u>
2010	\$3,608
2009	\$3,099
2008	\$3,681

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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 8 – Defined Benefit Pension Plan

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2010, member and employer contribution rates were consistent across all three plans.

The Township's 2010 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$4,305, \$3,946, and \$6,420, respectively; 100 percent has been contributed for 2010, 2009, and 2008.

Note 9 - Postemployment Benefits

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

Windsor Township
Morgan County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 9 - Postemployment Benefits (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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

The Township’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$2,451, \$2,835, and \$3,210, respectively; 100 percent has been contributed for 2010, 2009, and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 10 – Debt

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

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2010	Due Within One Year
<u>Governmental Activities</u>						
Promissory Notes						
2008 Issue	3.93%	\$ 49,953	\$ 0	\$ 14,262	\$ 35,691	\$ 4,608

Windsor Township
Morgan County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 10 – Debt (Continued)

The promissory notes are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

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

<u>Year</u>	<u>Amount</u>
2011	6,000
2012	6,000
2013	27,321
Total	<u>\$ 39,321</u>

Note 11 – Contingent Liabilities

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

Note 12 – Financial Difficulties

The Township's General Fund had a negative cash fund balance at December 31, 2010 and 2009. The Township has no formal plans for increasing the revenue stream or reducing expenditures of the General Fund. The Board of Trustees is monitoring all expenditures of the General Fund.

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Dave Yost • Auditor of State

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

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, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 26, 2011, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We qualified our opinion on the 2010 and 2009 General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Permissive License Tax Fund and Remaining Fund Information due to the Township declining to make adjustments for certain mispostings and improper advancement of funds. We also noted the Township is experiencing financial difficulties and 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 Government 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(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-07, 2010-008 and 2010-09 described in the accompanying Schedule of Findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2010-06 described in the accompanying Schedule of Findings to be a significant deficiency.

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 we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2010-01 through 2010-07 and 2010-10.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 26, 2011.

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



Dave Yost
Auditor of State

August 26, 2011

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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

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

FINDING NUMBER 2010-01

Finding for Adjustment/Noncompliance Citation

Ohio Rev. Code Section 5705.10(H) states money that is paid into a fund must be used only for the purposes for which such fund has been established.

Auditor of State Bulletin 97-003 provides that inter-fund cash advances are subject to the following requirements:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Sections 5705.14 to 5705.16 of the Revised Code. Advances, on the other hand, *temporarily* reallocate cash from one fund to another and involve an expectation of repayment;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision which must include:
 - A specific statement that the transaction is an advance of cash, and
 - An indication of the money (fund) from which it is expected that repayment will be made.

The Fiscal Officer posted an advance in the amount of \$1,000 from the Debt Service Fund to the General Fund in 2009. The amount has not been repaid as of December 31, 2010. The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

A finding for adjustment is hereby issued against the Windsor Township General Fund, in the amount of \$1,000, and in favor of the Windsor Township Debt Service Fund, in the amount of \$1,000.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-02

Finding for Adjustment/Noncompliance Citation

Ohio Rev. Code Section 5705.10(D) requires, in part, all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In 2010, the Fiscal Officer posted an excess IRP receipt in the amount of \$458 to the General Fund; however, this receipt should have been posted to the Motor Vehicle License Tax Fund, Special Revenue Fund type. The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

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

**FINDING NUMBER 2010-02
(Continued)**

Finding for Adjustment/Noncompliance Citation - Ohio Rev. Code Section 5705.10(D) (Continued)

A finding for adjustment is hereby issued against the Windsor Township General Fund, in the amount of \$458, and in favor of the Windsor Township Motor Vehicle License Tax Fund, in the amount of \$458.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-03

Finding for Adjustment/Noncompliance Citation

Ohio Rev. Code Section 5705.10(D) states, in part, that all revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, shall be paid into the general fund.

The Township posted adjustments to its fund balances in 2010, in part, to re-allocate interest previously posted to the General Fund, Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax Funds during 2009. The Township made the adjustment based on a recommendation from a third party consultant. The methodology used by the Township to make this adjustment was to allocate interest only to the three road funds (Motor Vehicle License Tax, Gasoline Tax and Permissive Motor Vehicle License Tax Funds) based on the fact that the General Fund had a negative balance. The Township followed this methodology for interest distribution in 2010. The Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax Funds are required to receive interest by Ohio law; however, the Township allocated interest to other funds, but those funds are not required to receive interest under Ohio statute. Thus, the Township should have posted interest earned by those funds to the General Fund. We recalculated the interest distribution allowing the General Fund to earn interest and pro-rating an amount to the three statutorily-mandated road funds. We determined that the difference between the amount posted through the adjustment and the amount that should have been earned by the General Fund resulted in a shortage in the General Fund of \$2,368 and \$2,528 in 2010 and 2009 respectively. The excess postings in the Motor Vehicle License Tax Fund, in the amount of \$1,355 and \$583, Gasoline Tax Fund, in the amount of \$473 and \$1,409 and Permissive Motor Vehicle License Tax Fund, in the amount of \$540 and \$536 during 2010 and 2009, respectively.

A finding for adjustment is hereby issued against the Windsor Township Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax Funds, in the amounts of \$1,938, \$1,882, and \$1,076, respectively, and in favor of the Windsor Township General Fund, in the amount of \$4,896.

The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

Officials' Response: The Township officials did not respond to the above finding.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

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

FINDING NUMBER 2010-04

Noncompliance Citation

Ohio Rev. Code Section 5705.39 requires, in part, that total appropriations from each fund shall not exceed the total estimated resources.

Appropriations exceeded estimated resources at December 31, 2010, in the following fund:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$ 36,872	\$ 43,401	\$ (6,529)

Appropriations exceeded estimated resources at December 31, 2009, in the following fund:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$ 49,751	\$ 52,085	\$ (2,334)

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

We recommend the Township take steps to ensure appropriations are within the estimated resources for each of the Township's funds.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-05

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been properly appropriated.

At December 31, 2010, the following funds reflected expenditures which exceeded appropriations for the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Motor Vehicle License Tax	\$ 14,425	\$ 20,865	\$ (6,440)
Gasoline Tax	69,480	91,024	(21,544)
Fire Levy	30,215	37,154	(6,939)
Permissive Motor Vehicle License Tax	12,100	12,280	(180)

The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

We recommend the Fiscal Officer compare expenditures to appropriations and if appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

Officials' Response: The Township officials did not respond to the above finding.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-06

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificates - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate - The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Twenty-eight percent (28%) of the 2009 non-payroll transactions tested and twenty-one percent (21%) of the 2010 non-payroll transactions did not have the prior certification of the Township, nor was there any evidence the Fiscal Officer was using a "then and now" certificate. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

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

**FINDING NUMBER 2010-06
(Continued)**

**Noncompliance Citation/Significant Deficiency – Ohio Rev. Code Section 5705.41(D)(1)
(Continued)**

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-07

Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 5705.10(C) provides that all revenue derived from a specific source shall be credited to a special fund for the purpose for which the monies were received.

Additionally, Ohio Rev. Code Section 5705.42 clarifies that Federal and State grants or loans are deemed appropriated for such purpose by the taxing authority as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection. "Deemed an appropriation" under this section means the Federal or State government has already appropriated and established the purpose(s) for which a government can spend monies received from Federal or State grants and loans. The taxing authority cannot deviate from this purpose; the taxing authority can only resolve to spend the money for a purpose already prescribed in a contract, grant agreement, or loan agreement. Therefore, Federal and State grants and loans received under Ohio Rev. Code Section 5705.42 do not require formal appropriation by the legislative body. However, Ohio Rev. Code Section 5705.42 directs the fiscal officer to record the appropriation amount in the accounting system. The fiscal officer should also include the appropriated amounts on the (amended) certificate to properly monitor budget versus actual activity.

The Auditor of State provided, through Auditor of State Bulletins 2000-008 and 2002-004, the recommended accounting treatment for on behalf of grants and loans. AOS Bulletin 2000-008 provides guidance for cash basis accounting for on-behalf funding. In short, the Bulletin indicates that when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

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

FINDING NUMBER 2010-07 (Continued)

Noncompliance Citation/Material Weakness (Continued)

The Township did not record Issue 1 grant transactions on their accounting records or financial statements in an Issue 1 Fund in the amount of \$63,645 during 2010. As a result, an adjustment, with which the Township's management agrees, was made and is reflected in the accompanying financial statements.

We recommend the Township refer to Auditor of State Bulletins 2000-008 and 2002-004 and follow the recommended accounting treatment for all on behalf of grant funding expended directly to contractors on behalf of the Township.

Officials' Response: The Township officials did not respond to the above finding

FINDING NUMBER 2010-08

Material Weakness

The Township misclassified intergovernmental receipts in the amounts of \$4,109 in the General Fund, \$4,771 in the Road and Bridge Fund, \$1,188 in the Cemetery Fund, and \$4,663 in the Fire Levy Fund in 2009 and \$4,176 in the General Fund, \$4,838 in the Road and Bridge Fund, \$1,278 in the Cemetery Fund, and \$4,777 in the Fire Protection Fund in 2010 in the Township receipt ledgers and in the annual financial report.

These misstatements were caused by management oversight. As a result, significant reclassifications, with which the Township's management agrees, were made to the financial statements and are reflected in the accompanying financial statements.

We recommend the Fiscal Officer refer to the Ohio Township Handbook and UAN Accounting Manual for proper classification and take additional care in posting transactions to the Township's ledgers and annual financial report in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-09

Material Weakness

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.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

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

**FINDING NUMBER 2010-09
(Continued)**

Material Weakness (Continued)

At December 31, 2010, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

<u>Fund/Function</u>	<u>Approved Appropriations</u>	<u>Appropriations per the UAN system</u>	<u>Variance</u>
General Fund			
General Government	\$31,226	\$33,626	(\$2,400)
Health	12,175	11,475	700
Motor Vehicle License Tax Fund			
Public Works	14,425	21,292	(6,867)
Gasoline Tax Fund			
Public Works	69,480	98,334	(28,854)
Road and Bridge Fund			
Public Works	33,675	34,875	(1,200)
Cemetery Fund			
Public Works	8,975	150	8,825
Fire District Fund			
Public Safety	30,215	37,865	(7,650)
Permissive Motor Vehicle License Tax Fund			
Public Works	12,100	12,300	(200)

At December 31, 2009, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following fund:

<u>Fund</u>	<u>Approved Appropriations</u>	<u>Appropriations per the UAN system</u>	<u>Variance</u>
General Fund			
General Government	\$38,086	\$40,809	(\$2,723)
Gasoline Tax Fund			
Public Works	89,550	122,174	(32,624)
Permissive Motor Vehicle License Tax Fund			
Public Works	12,100	12,300	(200)

**WINDSOR TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2010-009
(Continued)**

Material Weakness (Continued)

At December 31, 2010, estimated resources as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

Fund	Approved Estimated Resources	Estimated Resources per the UAN system	Variance
General	\$46,044	\$0	\$46,044
Motor Vehicle License Tax	15,050	0	15,050
Gasoline Tax	78,925	0	78,925
Road and Bridge	34,480	0	34,480
Cemetery	10,495	0	10,495
Fire District	32,394	0	32,394
Permissive Motor Vehicle License Tax	11,080	0	11,080

Due to budgetary information being improperly entered into the system, the management of the Township was not able to effectively monitor and report its budgetary vs. actual status throughout the year.

The financial statements have been adjusted to reflect the legislatively approved amounts.

We recommend the Fiscal Officer accurately post estimated receipts as approved by the Budget Commission and appropriations as approved by the Board of Trustees into the computer system. This procedure will help ensure more useful comparisons of budget vs. actual activity, as well as provide management with an accurate monitoring tool throughout the year.

Officials' Response: The Township officials did not respond to the above finding.

FINDING NUMBER 2010-10

Noncompliance

Ohio Rev. Code Section 5705.10(H) states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund.

The Township's General Fund had a negative balance at December 31, 2010 and 2009, as well as throughout 2010 and 2009.

We recommend the Township take steps to eliminate the deficit fund balance in the General Fund.

Officials' Response: The Township officials did not respond to the above finding.

**WINDSOR TOWNSHIP
MORGAN COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Ohio Rev. Code Section 5705.36 for appropriations exceeding actual resources.	Yes	N/A
2008-002	Ohio Rev. Code Section 5705.39 for appropriations exceeding actual resources.	No	Not Corrected; Reissued as Finding 2010-04.
2008-003	Ohio Rev. Code Section 5705.41(B) for expenditures exceeding appropriations.	No	Not Corrected; Reissued as Finding 2010-05.
2008-004	Ohio Rev. Code Section 5705.41(D) for not properly encumbering.	No	Not Corrected; Reissued as Finding 2010-06.
2008-005	Material Weakness for not properly posting revenue transactions.	No	Not Corrected; Re-issued as Finding 2010-08.
2008-006	Significant deficiency for budgetary amounts not posted properly.	No	Not Corrected; Re-issued as Finding 2010-09.

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Dave Yost • 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
OCTOBER 18, 2011**