



**Auditor of State
Betty Montgomery**

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

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Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS

Windham Township
Portage County
9708 Windham-Parkman Road
Windham, Ohio 44288

To the Board of Trustees:

We have audited the accompanying financial statements of Windham Township, Portage County (the Township) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code §117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11 (B) and 115.56 mandate the Auditor of State to audit Ohio governments

We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

February 12, 2004

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$31,072	\$110,054		\$141,126
Intergovernmental	61,120	98,685	42,467	202,272
Charges for Services	2,042	31,235		33,277
Licenses, Permits, and Fees		13,292		13,292
Earnings on Investments	5,566	327		5,893
Other Revenue	9,243	13,997		23,240
	<u>109,043</u>	<u>267,590</u>	<u>42,467</u>	<u>419,100</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	84,398	720		85,118
Public Safety	24,676	46,147		70,823
Public Works		96,334		96,334
Health	27,672	13,232		40,904
Capital Outlay		55,321	42,467	97,788
	<u>136,746</u>	<u>211,754</u>	<u>42,467</u>	<u>390,967</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(27,703)</u>	<u>55,836</u>		<u>28,133</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		3,330		3,330
Transfers-Out	(3,330)			(3,330)
Other Sources	1,195			1,195
	<u>(2,135)</u>	<u>3,330</u>		<u>1,195</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(29,838)	59,166		29,328
Fund Cash Balances, January 1	205,051	424,152		629,203
Fund Cash Balances, December 31	<u>\$175,213</u>	<u>\$483,318</u>	<u>\$0</u>	<u>\$658,531</u>
Reserve for Encumbrances, December 31	<u>\$2,241</u>	<u>\$4,709</u>	<u>\$0</u>	<u>\$6,950</u>

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

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

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Interest	\$49		\$49
Total Operating Cash Receipts	49		49
Operating Cash Disbursements:			
Purchased Services		2,039	2,039
Supplies and Materials	142		142
Total Operating Cash Disbursements	142	2,039	2,181
Operating (Loss)	(93)	(2,039)	(2,132)
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		2,039	2,039
Total Non-Operating Cash Receipts		2,039	2,039
Net Receipts (Under) Disbursements	(93)		(93)
Fund Cash Balances, January 1	8,242		8,242
Fund Cash Balances, December 31	<u>\$8,149</u>	<u>\$0</u>	<u>\$8,149</u>

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$32,154	\$105,679	\$137,833
Intergovernmental	132,058	80,845	212,903
Charges for Services	12,585		12,585
Licenses, Permits, and Fees		11,481	11,481
Earnings on Investments	9,611	537	10,148
Other Revenue	1,300	8,231	9,531
	<u>187,708</u>	<u>206,773</u>	<u>394,481</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	99,564	1,567	101,131
Public Safety	50,094	48,024	98,118
Public Works	43,975	74,587	118,562
Health	24,455	10,385	34,840
Capital Outlay	8,500	29,685	38,185
	<u>226,588</u>	<u>164,248</u>	<u>390,836</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(38,880)</u>	<u>42,525</u>	<u>3,645</u>
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	6,882		6,882
Transfers-In		5,027	5,027
Transfers-Out	(5,027)		(5,027)
	<u>1,855</u>	<u>5,027</u>	<u>6,882</u>
Total Other Financing Receipts			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(37,025)</u>	<u>47,552</u>	<u>10,527</u>
Fund Cash Balances, January 1	<u>242,076</u>	<u>376,600</u>	<u>618,676</u>
Fund Cash Balances, December 31	<u>\$205,051</u>	<u>\$424,152</u>	<u>\$629,203</u>
Reserve for Encumbrances, December 31	<u>\$2,137</u>	<u>\$1,492</u>	<u>\$3,629</u>

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Interest	\$101		\$101
Total Operating Cash Receipts	101		101
Operating Cash Disbursements:			
Purchased Services		1,225	1,225
Supplies and Materials	142		142
Total Operating Cash Disbursements	142	1,225	1,367
Operating (Loss)	(41)	(1,225)	(1,266)
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		1,225	1,225
Total Non-Operating Cash Receipts		1,225	1,225
Net Receipts(Under) Disbursements	(41)		(41)
Fund Cash Balances, January 1	8,283		8,283
Fund Cash Balances, December 31	<u>\$8,242</u>	<u>\$0</u>	<u>\$8,242</u>

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Windham Township, Portage County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Community Ambulance to provide fire services and Emergency Medical Services, Inc., to provide ambulance services. Note 5 describes the Township's fire protection services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The investment in Star Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

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

Special Levy Fire District – This fund receives property tax money for general operations to maintain fire protection for citizens of the Township.

Fire District – This fund receives property tax money for large equipment purchases to maintain fire protection for citizens of the Township.

3. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to pave Wadsworth Road.

4. Fiduciary Funds (Trust and Agency Funds)

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

Cemetery Bequest Fund – This fund is utilized as a nonexpendable trust fund that utilizes the interest revenue for the upkeep and maintenance of the cemetery. The principal must remain intact.

Miscellaneous Share Expense Fund – The Township and the Village of Windham sponsor a joint community clean up day. The Township pays the expenses for this event and the Village of Windham reimburses the Township for the Village's share of the expenses.

E. Budgetary Process

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

1. Appropriations

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Demand deposits	<u>\$123,793</u>	<u>\$174,157</u>
STAR Ohio	<u>542,887</u>	<u>463,288</u>
Total deposits and investments	<u><u>\$666,680</u></u>	<u><u>\$637,445</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$145,436	\$110,238	(\$35,198)
Special Revenue	256,205	270,920	14,715
Capital Projects	61,390	42,467	(18,923)
Fiduciary	2,829	2,088	(741)
Total	\$465,860	\$425,713	(\$40,147)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$347,700	\$142,317	\$205,383
Special Revenue	675,198	216,463	458,735
Capital Projects	42,467	42,467	0
Fiduciary	3,662	2,181	1,481
Total	\$1,069,027	\$403,428	\$665,599

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,181	\$194,590	\$7,409
Special Revenue	227,876	211,800	(16,076)
Fiduciary	2,572	1,326	(1,246)
Total	\$417,629	\$407,716	(\$9,913)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$387,156	\$233,752	\$153,404
Special Revenue	600,923	165,740	435,183
Fiduciary	2,920	1,367	1,553
Total	\$990,999	\$400,859	\$590,140

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions.

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. PROPERTY TAX (Continued)

Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. WINDHAM TOWNSHIP FIRE DISTRICT

The Windham Township Board of Trustees has established the Windham Township Fire District which provides fire protection services. The Fire District includes the Village of Windham (the Village) and the Township.

The Windham Township Fire District is funded by a 1.0 mill current operating levy, a 1.0 mill equipment level and any additional expenses in excess of the current operating levy budget is split equally between the Township and the Village.

The operating levy was replaced on November 2, 1999 by a new five year levy commencing in 1999, first due in calendar year 2000.

The equipment levy is for the purpose of providing and maintaining fire apparatus and appliances or to purchase ambulance equipment pursuant to Revised Code Section 5705.19. This levy was replaced on November 7, 2000 by a five year levy commencing in 2000, first due in calendar year 2001.

Levy activity for the years ended December 31, 2003 and 2002 follows:

2002 Activity	Current Operating Levy	Equipment Levy
Fund Balance as of January 1, 2002	\$ 32,556	\$ 177,591
Total Tax Receipts	35,002	35,002
Total Intergovernmental Receipts	3,973	3,973
Total Transfer In from General Fund	414	3,367
Total Other Income	692	170
Total Expenditures	<u>(47,349)</u>	<u>(25,950)</u>
Ending Fund Balance as of December 31, 2002	<u>\$25,288</u>	<u>\$194,153</u>

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. WINDHAM TOWNSHIP FIRE DISTRICT - (Continued)

2003 Activity	Current Operating Levy	Equipment Levy
Fund Balance as of January 1, 2003	\$25,288	\$194,153
Total Tax Receipts	36,608	36,608
Total EMS Receipts	31,234	0
Total Intergovernmental Receipts	18,094	3,870
Total Transfer In From General Fund	254	2,167
Total Other Income	2,321	340
Total EMS Expenditures	(2,324)	0
Total Other Expenditures	<u>(43,050)</u>	<u>(32,634)</u>
Ending Fund Balance As Of December 31, 2003	<u><u>\$68,425</u></u>	<u><u>\$204,504</u></u>

There is an Agreement of Operation between the Township and the Village, which outlines each Districts agreed upon responsibilities. The Agreement of Operation was effective from January 1, 2002 through December 31, 2003.

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Risk Pool Membership

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

**WINDHAM TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

7. RISK MANAGEMENT (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

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

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 2002 and 2001 (the latest information available):

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	(9,197,512)	(9,379,003)
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	(1,204,326)	(647,667)
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

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**Auditor of State
Betty Montgomery**

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Windham Township
Portage County
9708 Windham-Parkman Road
Windham, Ohio 44288

To the Board of Trustees:

We have audited the financial statements of Windham Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 12, 2004 wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed implemented, and as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated February 12, 2004.

Internal Control Over Financial Reporting

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

Windham Township
Portage County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated February 12, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 12, 2004



**Auditor of State
Betty Montgomery**

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WINDHAM TOWNSHIP

PORTAGE 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
MAY 18, 2004**