



OHIO AUDITOR OF STATE  
**KEITH FABER**





**WINDSOR TOWNSHIP  
MORGAN COUNTY  
DECEMBER 31, 2022 AND 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022 .....	5
Notes to the Financial Statements for the Year Ended December 31, 2022 .....	7
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021 .....	15
Notes to the Financial Statements for the Year Ended December 31, 2021 .....	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	25

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Windsor Township  
Morgan County  
500 South McCoy Ridge Road  
Stockport, Ohio 43787

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Windsor Township, Morgan County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 25, 2024

**This page intentionally left blank.**



**Windsor Township**  
Morgan County, Ohio  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2022

	General	Special Revenue	Debt Service	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$42,048	\$128,425	\$0	\$170,473
Intergovernmental	25,605	255,624	0	281,229
Earnings on Investments	7,960	3,614	0	11,574
Miscellaneous	1,598	400	0	1,998
<i>Total Cash Receipts</i>	<u>77,211</u>	<u>388,063</u>	<u>0</u>	<u>465,274</u>
<b>Cash Disbursements</b>				
Current:				
General Government	45,368	0	0	45,368
Public Safety	0	41,852	0	41,852
Public Works	0	329,717	0	329,717
Health	12,908	12,481	0	25,389
Capital Outlay	0	6,243	0	6,243
Debt Service:				
Principal Retirement	0	15,495	3,100	18,595
Interest and Fiscal Charges	0	1,199	644	1,843
<i>Total Cash Disbursements</i>	<u>58,276</u>	<u>406,987</u>	<u>3,744</u>	<u>469,007</u>
<i>Net Change in Fund Cash Balances</i>	18,935	(18,924)	(3,744)	(3,733)
<i>Fund Cash Balances, January 1</i>	<u>166,884</u>	<u>437,559</u>	<u>13,123</u>	<u>617,566</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$185,819</u></u>	<u><u>\$418,635</u></u>	<u><u>\$9,379</u></u>	<u><u>\$613,833</u></u>

See accompanying notes to the basic financial statements

**This page intentionally left blank.**

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Windsor Township, Morgan County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Stockport Volunteer Fire Department to provide fire protection services for the township. The Township appropriates Fire District Fund money to pay the fees set forth in the contract.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township. From the Gasoline Tax Fund, 90% of the Windsor Township Trustees' compensation was paid, due to the fact that the Trustees of this Township spend a majority of their time helping in road maintenance projects and maintenance of equipment used on the roads.

***Motor Vehicle License Tax Fund:*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund:*** The Road and Bridge Fund receives property tax monies for maintenance and repair of roads within the township.

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Cemetery Fund:*** The Cemetery Fund receives tax levied funds authorized by the voters within the township and is used for the maintenance of the cemeteries within the township.

***Fire District Fund:*** The Fire District Fund receives tax levied funds authorized by the voters within the township and is used for fire protection within the township.

***Permissive Motor Vehicle License Tax Fund:*** The Permissive Motor Vehicle License Tax Fund is a township motor vehicle license tax fee restricted for the maintenance and repair of roads within the township.

***Local Fiscal Recovery Fund (ARP FUNDS):*** The Local Fiscal Recovery Fund are funds received as part of the U.S. Government's America Rescue Plan and is to be used to support the recovery from the COVID-19 public health emergency. The Township, by Resolution, elected to take the entire amount in said fund as revenue loss, and as a result, the Township was able to utilize the funds for the maintenance of roads within the Township.

***Special Fund – ODOT Township Stimulus Fund:*** In 2022, Windsor Township was the recipient of \$10,451 from ODOT's Township Stimulus Program. These funds were awarded to the Township to help finance the Olney Run Road Repair Project. Said funds were received and paid out in its entirety within the year.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

***Bond Retirement Fund*** The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance a 2022 Peterbilt truck purchased by the township through a grant/loan program by the USDA.

***Basis of Accounting***

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

***Budgetary Process***

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

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

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

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

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

**Deposits**

The Township pools all available funds of the Township in an interest-bearing checking account.

**Capital Assets**

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

**Restricted** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,978	\$77,211	\$12,233
Special Revenue	\$330,789	\$388,063	\$57,274
Total	\$395,767	\$465,274	\$69,507

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$66,107	\$58,276	\$7,831
Special Revenue	503,354	406,987	96,367
Debt Service	3,860	3,744	116
Total	\$573,321	\$469,007	\$104,198

**Note 4 – Deposits**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits. A summary of the Township’s deposit accounts are as follows:

	2022
Demand deposits	\$613,833

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings. All taxes were paid.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation up to an amount of \$250,000 with the balance by the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

During 2022, the Township paid \$0 for losses that exceeded insurance coverage.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The Township’s elected officials and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently being offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$27,200	2.00%
General Obligation Notes	16,026	3.80%
Total	43,226	

***General Obligation Bonds:*** Issued in December 2020 in the amount of \$33,300 at the interest rate of 2.125% payable to USDA for the purchase of a 2022 Peterbilt truck for the road maintenance. This is for a term of 10 years. Principal balance due at 12/31/22 was \$27,200. This debt is paid from the Bond Retirement Fund.

***General Obligation Notes:*** Issued in January 2019 in the amount of \$60,699 for a four year term. Interest is at the rate of 3.80%. This loan is from the First National Bank of McConnelsville for the purchase of a 2019 Ford F-550 truck for road maintenance. The outstanding principal balance at December 31, 2022 was \$16,026 which shall be paid in full in February of 2023. The securities for the loan are secured by the collection of future tax revenues.



**Windsor Township**  
*Morgan County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Amortization***

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

Year Ending December 31:	General Obligation Notes	General Obligation Notes
2023	\$3,778	\$16,693
2024	3,710	0
2025	3,742	0
2026	3,672	0
2027	3,802	0
2028-2030	11,159	0
Total	\$29,863	\$16,693

**Note 10 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spend for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the Township had no unclaimed monies, no permanent funds or encumbrances outstanding.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds are restricted, committed, or assigned.

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**This page intentionally left blank.**

**Windsor Township**  
Morgan County, Ohio  
Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$37,705	\$117,001	\$3,650	\$0	\$158,356
Intergovernmental	25,374	253,478	0	0	278,852
Earnings on Investments	6,908	3,622	0	0	10,530
Miscellaneous	3,778	5,701	0	0	9,479
<i>Total Cash Receipts</i>	<u>73,765</u>	<u>379,802</u>	<u>3,650</u>	<u>0</u>	<u>457,217</u>
<b>Cash Disbursements</b>					
Current:					
General Government	35,332	30,805	0	0	66,137
Public Safety	0	42,548	0	0	42,548
Public Works	0	170,566	0	0	170,566
Health	12,278	10,319	0	0	22,597
Human Services	0	7,110	0	0	7,110
Capital Outlay	0	0	0	133,000	133,000
Debt Service:					
Principal Retirement	0	14,926	3,000	0	17,926
Interest and Fiscal Charges	929	1,767	649	0	3,345
<i>Total Cash Disbursements</i>	<u>48,539</u>	<u>278,041</u>	<u>3,649</u>	<u>133,000</u>	<u>463,229</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	25,226	101,761	1	(133,000)	(6,012)
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	5,700		0	0	5,700
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,700</u>
<i>Net Change in Fund Cash Balances</i>	30,926	101,761	1	(133,000)	(312)
<i>Fund Cash Balances, January 1</i>	<u>135,958</u>	<u>335,798</u>	<u>13,122</u>	<u>133,000</u>	<u>617,878</u>
<i>Fund Cash Balances, December 31</i>	<u>\$166,884</u>	<u>\$437,559</u>	<u>\$13,123</u>	<u>\$0</u>	<u>\$617,566</u>

See accompanying notes to the basic financial statements

**This page intentionally left blank.**

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Windsor Township, Morgan County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Stockport Volunteer Fire Department to provide fire protection services for the township. The Township appropriates Fire District Fund money to support a volunteer fire department.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 8 on Risk Management provides additional information for this entity. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statement consists of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

***Gas Tax Fund:*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund:*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund:*** The Road and Bridge Fund receives property tax monies for maintenance and repair of roads within the township.

***Cemetery Fund:*** The Cemetery Fund receives tax levied funds authorized by the voters within the township and is used for the maintenance of the cemeteries within the township.

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Fire District Fund:** The Fire District Fund receives tax levied funds authorized by the voters within the township and is used for fire protection within the township.

**FEMA Special Revenue Fund:** The FEMA Special Revenue Fund received the State's portion of FEMA Funds in the amount of \$7,110.44 which was used to reimburse the General, Gasoline and Road and Bridge Fund for funds advanced to pay FEMA project expenses.

**Permissive Motor Vehicle License Tax Fund:** The Permissive Motor Vehicle License Tax Fund is a township motor vehicle license tax fee restricted for the maintenance and repair of roads within the township.

**Coronavirus Relief Fund:** The Coronavirus Relief Fund is a special fund set up due to the Coronavirus Aid, Relief and Economic Security Act in Senate Bill 310. These funds were used to pay expenditures incurred to the public health emergency with respect to the Coronavirus Disease 2019.

**Local Fiscal Recovery Fund (ARP FUNDS):** The Local Fiscal Recovery Fund are funds received as part of the U.S. Government's America Rescue Plan and is to be used to support the recovery from the COVID-19 public health emergency.

**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

**Bond Retirement Fund** The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance a 2022 Peterbilt truck purchased by the township through a grant/loan program by the USDA.

**Capital Project Fund:** These funds account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

On December 31, 2020, the township received funds from the USDA-Community Facilities Loan Grant in the amount of \$133,000 for the purchase of a Peterbilt plow/dump truck. This was placed in the Capital Projects Fund. These funds were expended in 2021 when the Peterbilt truck was delivered to the township. A small portion of the funds paid for bond attorney fees related to the loan.

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (D) permit.

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

***Budgetary Process***

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

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

***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 approve estimated resources.

***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 2021 budgetary activity appears in Note 3.

***Deposits***

The Township pools all available funds of the Township in an interest-bearing checking account.

***Capital Assets***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,279	\$79,465	\$11,186
Special Revenue	329,488	379,802	50,314
Debt Service	3,651	3,650	(1)
Total	\$401,418	\$462,917	\$61,499

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$51,506	\$48,539	\$2,967
Special Revenue	316,407	278,287	38,120
Debt Service	3,651	3,649	2
Capital Projects	133,000	133,000	0
Total	\$504,564	\$463,475	\$41,089

**Note 4 – Deposits**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits. A summary of the Township's deposit accounts are as follows:

	2021
Demand deposits	\$617,566

The Township does not use a separate payroll clearing checking account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township did not hold any unremitted employee payroll withholdings.



**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

During 2021, the Township had no losses, workers' compensation claims or insurance claims.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The Township’s elected officials and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 9 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$30,300	2.00%
General Obligation Notes	31,520	3.80%
Total	<u>61,820</u>	

General Obligation Bonds: Issued in December 2020 in the amount of \$33,300 at the interest rate of 2.125% payable to USDA for the purchase of a 2022 Peterbilt truck for the road maintenance. This is for a term of 10 years.

General Obligation Notes: Issued in January 2019 in the amount of \$60,699 for a four year term. Interest is at the rate of 3.80%. This loan is from the First National Bank of McConnelville for the purchase of a 2019 Ford F-550 truck for road maintenance. The bank holds the title on this loan; the truck being the collateral.

**Windsor Township**  
*Morgan County, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

***Amortization***

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

Year Ending December 31:	General Obligation Notes	General Obligation Notes
2022	\$3,744	\$16,693
2023	3,778	16,693
2024	3,710	0
2025	3,742	0
2026	3,672	0
2027-2030	14,961	0
Total	\$33,607	\$33,386

**Note 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special Revenue
Outstanding Encumbrances	246
Total	\$246

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances.

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

On January 1, 2021, the township had a COVID-19 Fund balance carryover from 2020 in the amount of \$30,305.08. During 2021, the fund earned interest in the amount of \$499.82, creating a total balance in the fund of \$30,804.90. Of this amount, \$6,782.17 was spent by the township on COVID related expenses. The remaining amount of \$24,022.73 was subgranted to the Stockport Volunteer Fire Department per a Sub Grant Agreement, to be spent on specified COVID-19 related expenses by the Fire Department. A zero-balance remained in the Coronavirus Relief Fund at December 31, 2021 year-end.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Windsor Township  
Morgan County  
500 South McCoy Ridge Road  
Stockport, Ohio 43787

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of Windsor Township, Morgan County, Ohio (the Township), and have issued our report thereon dated June 25, 2024 wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 25, 2024

# Windsor Township

Morgan County

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS December 31, 2020 and 2019

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Material Weakness – Receipts, disbursements and fund balances were not always posted or classified correctly during 2020 and 2019.	Corrected	No additional information.
2020-002	Noncompliance and Material Weakness – Ohio Rev. Code §§ 5705.41 (B) and 5705.39 – Budgetary expenditures exceeded appropriations in the General and Permissive MVL Tax Funds at December 31, 2019; appropriations exceeded estimated resources in the Road and Bridge Fund at December 31, 2019; and estimated resources and appropriations were not reconciled to the accounting system in 2020 and 2019.	Corrected	No additional information.
2020-003	Noncompliance – Ohio Rev. Code § 133.15 – The Trustees signed a promissory note in the amount of \$66,699 to purchase a truck. This type of loan does not meet the requirements of the above Revised Code section.	Not Corrected	The Township made a principal and interest payment on this debt in 2022 and 2021; therefore, this noncompliance is repeated in the Management Letter.

# OHIO AUDITOR OF STATE KEITH FABER



**WINDSOR TOWNSHIP**

**MORGAN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/9/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)