

**WILLS TOWNSHIP
GUERNSEY COUNTY**

AUDIT REPORT

JANUARY 1, 2007 – DECEMBER 31, 2008

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Wills Township
63371 Range Road
Lore City, Ohio 43755

We have reviewed the *Independent Auditors' Report* of Wills Township, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Wills Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 26, 2009

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**WILLS TOWNSHIP
GUERNSEY COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Wills Township, Guernsey County as of and for the years ended December 31, 2008 and 2007. 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. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ending December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Wills Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended..

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Wills Township, Guernsey County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements and reserve for encumbrances for the years then ended on the basis of accounting described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 17, 2009, on our consideration of Wills Township's internal control structure 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 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 internal control over financial reporting or on compliance. 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 17, 2009

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
CASH RECEIPTS					
Property and Other Local Taxes	\$ 18,527	\$ 43,913	\$ 4,122	\$ -	\$ 66,562
Charges for Services	-	4,956	-	-	4,956
Intergovernmental	12,214	111,143	-	7,853	131,210
Interest	408	837	-	-	1,245
Other	-	-	-	-	-
Total Receipts	<u>31,149</u>	<u>160,849</u>	<u>4,122</u>	<u>7,853</u>	<u>203,973</u>
CASH DISBURSEMENTS:					
Current:					
General Government	28,090	1,953	-	-	30,043
Public Safety	-	6,360	-	-	6,360
Public Works	-	109,119	-	8,800	117,919
Health	3,672	-	-	-	3,672
Debt Service					
Principal Retirement	-	-	3,551	-	3,551
Interest and Fiscal Charges	-	-	571	-	571
Capital Projects	-	-	-	510	510
Total Disbursements	<u>31,762</u>	<u>117,432</u>	<u>4,122</u>	<u>9,310</u>	<u>162,626</u>
Total of Receipts Over (Under) Disbursements	(613)	43,417	-	(1,457)	41,347
Other Financing Receipts/(Disbursements)					
Advances In	2,500	2,500	-	-	5,000
Advances Out	(2,500)	(2,500)	-	-	(5,000)
Total Other Financing Receipts/(Disbursements)	-	-	-	-	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(613)	43,417	-	(1,457)	41,347
Cash Fund Balances Beginning of Year	<u>6,034</u>	<u>80,526</u>	<u>1</u>	<u>1,883</u>	<u>88,444</u>
Cash Fund Balances End of Year	<u>\$ 5,421</u>	<u>\$ 123,943</u>	<u>\$ 1</u>	<u>\$ 426</u>	<u>\$ 129,791</u>
Reserve for Encumbrances, December 31	<u>\$ 29</u>	<u>\$ 5,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,934</u>

See notes to financial statements.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Fiduciary Fund Type</u> <u>Private-Purpose Trust</u>
OPERATING CASH DISBURSEMENTS	
Purchased Services	<u>\$ 130</u>
Total Operating Cash Disbursements	<u>130</u>
Operating (Loss)	(130)
NON-OPERATING CASH RECEIPTS	
Earnings on Investments	<u>83</u>
Total Non-Operating Cash Receipts	<u>83</u>
Net Receipts Over Disbursements	(47)
Cash Fund Balances Beginning of Year	<u>1,667</u>
Cash Fund Balances End of Year	<u><u>\$ 1,620</u></u>

See notes to financial statements.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types				Total Governmental Funds
	General	Special Revenue	Debt Service	Capital Projects	
CASH RECEIPTS					
Property and Other Local Taxes	\$ 19,657	\$ 50,274	\$ 4,123	\$ -	\$ 74,054
Charges for Services	-	5,355	-	-	5,355
Intergovernmental	10,852	107,924	-	21,423	140,199
Interest	1,911	2,379	-	-	4,290
Other	-	264	-	-	264
Total Receipts	<u>32,420</u>	<u>166,196</u>	<u>4,123</u>	<u>21,423</u>	<u>224,162</u>
CASH DISBURSEMENTS:					
Current:					
General Government	28,277	5,850	273	-	34,400
Public Safety	-	6,360	-	-	6,360
Public Works	-	142,075	-	8,489	150,564
Health	4,751	-	-	-	4,751
Debt Service					
Principal Retirement	-	-	3,379	-	3,379
Interest and Fiscal Charges	-	-	744	-	744
Capital Projects	-	-	-	19,500	19,500
Total Disbursements	<u>33,028</u>	<u>154,285</u>	<u>4,396</u>	<u>27,989</u>	<u>219,698</u>
Total of Receipts Over (Under) Disbursements	(608)	11,911	(273)	(6,566)	4,464
Cash Fund Balances Beginning of Year	<u>6,642</u>	<u>68,615</u>	<u>274</u>	<u>8,449</u>	<u>83,980</u>
Cash Fund Balances End of Year	<u>\$ 6,034</u>	<u>\$ 80,526</u>	<u>\$ 1</u>	<u>\$ 1,883</u>	<u>\$ 88,444</u>
Reserve for Encumbrances, December 31	<u>\$ 31</u>	<u>\$ 883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914</u>

See notes to financial statements.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Fiduciary Fund Type</u> <u>Private-Purpose Trust</u>
OPERATING CASH DISBURSEMENTS	
Purchased Services	<u>\$ 40</u>
Total Operating Cash Disbursements	<u>40</u>
Operating (Loss)	(40)
NON-OPERATING CASH RECEIPTS	
Earnings on Investments	<u>70</u>
Total Non-Operating Cash Receipts	<u>70</u>
Net Receipts Over Disbursements	30
Cash Fund Balances Beginning of Year	<u>1,637</u>
Cash Fund Balances End of Year	<u><u>\$ 1,667</u></u>

See notes to financial statements.

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Township of Wills, Guernsey County, 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 and a publicly elected Fiscal Officer. The Township provides general governmental services including road and bridge maintenance, cemetery maintenance, waste disposal and fire protection services. The Township contracts with the Old Washington, Antrim, Quaker City and Lore City Volunteer Fire Departments to provide fire services.

The Township participates in the Ohio Governmental Risk Management Plan public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self insurance risk management plan. Member governments pay annual contributions to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible

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 cash 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 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

All funds are maintained in an interest-bearing checking account and a certificate of deposit which is valued at cost.

D. Fund Accounting

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

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

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

Capital Project Funds

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

Public Works Commission Projects Local Fund – The Township received funds from the Guernsey County Engineer to fund Township road projects.

Fiduciary Funds

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

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

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. The County Budget Commission must also approve the annual appropriation measure. 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 also approve estimated resources.

Encumbrances

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

A Summary of 2008 and 2007 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 in 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

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

2. EQUITY IN POOLED CASH

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

	2008	2007
Demand Deposits	\$ 129,814	\$ 88,514
Certificate of Deposit	1,597	1,597
	\$ 131,411	\$ 90,111

Deposits:

Deposits are either 1) insured by the Federal Depository Insurance Corporation or 2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 was as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 30,631	\$ 31,149	\$ 518
Special Revenue	156,265	160,849	4,584
Debt Service	4,122	4,122	-
Capital Projects	7,853	7,853	-
Private Purpose Trust	65	83	18
Total	\$ 198,936	\$ 204,056	\$ 5,120

2008 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 34,100	\$ 31,791	\$ 2,309
Special Revenue	232,700	123,337	109,363
Debt Service	4,122	4,122	-
Capital Projects	9,700	9,310	390
Private Purpose Trust	130	130	-
Total	\$ 280,752	\$ 168,690	\$ 112,062

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 30,687	\$ 32,420	\$ 1,733
Special Revenue	153,260	166,196	12,936
Debt Service	4,123	4,123	-
Capital Projects	21,423	21,423	-
Private Purpose Trust	<u> -</u>	<u> 70</u>	<u> 70</u>
Total	<u>\$ 209,493</u>	<u>\$ 224,232</u>	<u>\$ 14,739</u>

2007 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 36,800	\$ 33,059	\$ 3,741
Special Revenue	218,000	155,168	62,832
Debt Service	4,396	4,396	-
Capital Projects	29,800	27,989	1,811
Private Purpose Trust	<u> 40</u>	<u> 40</u>	<u> -</u>
Total	<u>\$ 289,036</u>	<u>\$ 220,652</u>	<u>\$ 68,384</u>

Contrary to ORC Section 5705.36, in 2008 and 2007, the Township had the MVL Tax Fund in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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. 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 payments, 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 June 30.

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

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

5. RETIREMENT SYSTEMS

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2008 and 2007, members of PERS contributed 10.0% and 9.5% of their gross salaries, respectively. The Township contributed an amount equal to 14.00% and 13.85% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2008.

6. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest rate
General Obligation Note	\$ 7,655	5.10%
Total	\$ 7,655	

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

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

Year Ended December 31	Truck
2009	\$ 4,122
2010	4,123
Total	\$ 8,245

**WILLS TOWNSHIP
GUERNSEY COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

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 Government Risk Management Plan (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio Governments (“Members”).

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

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

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

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

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

The Plans audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, the latest information available.

	<u>2007</u>	<u>2006</u>
Assets	\$ 11,136,455	\$ 9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Retained Earnings	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

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

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

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

We have audited the financial statements of Wills Township, Guernsey County, Ohio, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 17, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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

Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wills Township's financial statements are free of 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 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 or other matters that are required to be reported under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Wills Township in a separate letter dated April 17, 2009.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 17, 2009



Mary Taylor, CPA
Auditor of State

WILLS TOWNSHIP
GUERNSEY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 9, 2009