

***LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2002 & 2003***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Lawrence Township

We have reviewed the Independent Auditor's Report of Lawrence Township, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 2002 through December 31, 2003. 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.

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. Lawrence Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 27, 2004

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**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY  
Audit For Years Ending December 31, 2003 and 2002**

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*Charles E. Harris & Associates, Inc.*  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Lawrence Township  
Bolivar, Ohio

We have audited the accompanying financial statements of Lawrence Township (the Township), as of and for the years ended December 31, 2002 and 2003, as listed in the table of contents. 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 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 cash, investments and fund cash balances of the Township, as of December 31, 2002 and 2003, and the receipts, disbursements, and changes in fund cash balances, its statements of receipts – budget and actual and statements of disbursements and encumbrances compared with expenditure authority for the years then ended in conformity with the basis of accounting referred to above.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 29, 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 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 results of that testing, and not 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 considered in assessing the results of our audit.

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

*Charles E. Harris and Associates, Inc.*  
September 29, 2004

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF CASH, INVESTMENTS AND  
FUND CASH BALANCES - ALL TYPES  
December 31, 2002 and 2003

	<u>2002</u> <u>Balances</u>	<u>2003</u> <u>Balances</u>
Cash and Cash Equivalents	\$ 436,710	\$ 441,900
	<u>436,710</u>	<u>441,900</u>

**Cash Balances by Fund Class**

Governmental Fund Types:

General Fund	\$ 102,758	\$ 138,453
Special Revenue Funds	330,952	301,076
Debt Service Funds	3,000	2,371
Totals	<u>\$ 436,710</u>	<u>\$ 441,900</u>

See accompanying Notes to the Financial Statements.



LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>(Memorandum Only) Total</u>
Receipts:				
Taxes	\$ 55,841	\$ 703,872	-	\$ 759,713
Licenses, Permits and Fees	-	29,887	-	29,887
Intergovernmental	178,134	149,828	-	327,962
Special Assessments	-	3,358	-	3,358
Interest	4,399	285	-	4,684
Other	16,586	66,195	-	82,781
Total Receipts	<u>254,960</u>	<u>953,425</u>	<u>-</u>	<u>1,208,385</u>
Disbursements:				
General Government	271,816	56,733	-	328,549
Public Safety	22,965	522,854	-	545,819
Public Works	555	271,827	-	272,382
Health	1,812	10,227	-	12,039
Capital Outlay	-	10,033	-	10,033
Total Disbursements	<u>297,148</u>	<u>871,674</u>	<u>-</u>	<u>1,168,822</u>
Receipts over(under) disbursements	(42,188)	81,751	-	39,563
Other Financing Sources (Uses)				
Operating Transfers In	-	6,000	-	6,000
Operating Transfers Out	(6,000)	-	-	(6,000)
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(48,188)	87,751	-	39,563
Fund Balance 1/1/2002	150,946	243,201	\$ 3,000	397,147
Fund Balance 12/31/2002	<u>\$ 102,758</u>	<u>\$ 330,952</u>	<u>\$ 3,000</u>	<u>\$ 436,710</u>

See accompanying Notes to the Financial Statements.

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2003

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>(Memorandum Only) Total</u>
Receipts:				
Taxes	\$ 54,086	\$ 675,184	-	\$ 729,270
Licenses, Permits and Fees	-	27,442	-	27,442
Intergovernmental	123,459	198,005	-	321,464
Special Assessments	-	3,586	-	3,586
Interest	3,945	315	-	4,260
Other	21,917	29,704	-	51,621
Total Receipts	<u>203,407</u>	<u>934,236</u>	<u>-</u>	<u>1,137,643</u>
Disbursements:				
General Government	164,105	32,447	-	196,552
Public Safety	2,089	536,198	-	538,287
Public Works	1,518	335,180	-	336,698
Health	-	15,420	-	15,420
Capital Outlay	-	64,867	-	64,867
Debt Service				
Principal Retirement	-	-	\$ 20,000	20,000
Interest and fiscal charges	-	-	629	629
Total Disbursements	<u>167,712</u>	<u>984,112</u>	<u>20,629</u>	<u>1,172,453</u>
Receipts over(under) expenditures	<u>35,695</u>	<u>(49,876)</u>	<u>(20,629)</u>	<u>(34,810)</u>
Other Financing Sources (Uses)				
Sale of Notes	-	40,000	-	40,000
Transfers in (out)	-	(20,000)	20,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	35,695	(29,876)	(629)	5,190
Fund Balance 1/1/2003	102,758	330,952	3,000	436,710
Fund Balance 12/31/2003	<u>\$ 138,453</u>	<u>\$ 301,076</u>	<u>\$ 2,371</u>	<u>441,900</u>

See accompanying Notes to the Financial Statements.

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
For the Year Ended December 31, 2002

Fund Types/Funds:	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental:			
General Fund	\$ 250,349	\$ 254,960	\$ 4,611
Special Revenue Funds	949,207	959,425	10,218
Total (Memorandum Only)	<u>\$ 1,199,556</u>	<u>\$ 1,214,385</u>	<u>\$ 14,829</u>

See accompanying Notes to the Financial Statements.

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2002

<u>Fund Types/Fund</u>	<u>Carryover Appropriation</u>	<u>Year Ending 2002 Appropriation</u>	<u>Total</u>	<u>Actual 2002 Disbursements</u>	<u>Encumbrances as of 12/31/2002</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental Funds:							
General Fund	\$ -	\$ 399,210	\$ 399,210	\$ 303,148	\$ 273	\$ 303,421	\$ 95,789
Special Revenue Funds	-	1,143,110	1,143,110	871,674	250	\$ 871,924	271,186
Debt Service Funds	-	3,000	3,000	-	-	-	3,000
Total (Memorandum Only)	<u>\$ -</u>	<u>\$ 1,545,320</u>	<u>\$ 1,545,320</u>	<u>\$ 1,174,822</u>	<u>\$ 523</u>	<u>\$ 1,175,345</u>	<u>\$ 369,975</u>

See accompanying Notes to the Financial Statements.

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
For the Year Ended December 31, 2003

Fund Types/Funds:	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable/ (Unfavorable)</b>
Governmental:			
General Fund	\$ 192,006	\$ 203,407	\$ 11,401
Special Revenue Funds	925,722	974,236	48,514
Debt Service Fund	20,000	20,000	-
Total (Memorandum Only)	<u>\$ 1,137,728</u>	<u>\$ 1,197,643</u>	<u>\$ 59,915</u>

See accompanying Notes to the Financial Statements.

LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
COMBINED STATEMENT OF EXPENDITURES AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2003

<u>Fund Types/Fund</u>	<u>Carryover Appropriation</u>	<u>Year Ending 2003 Appropriation</u>	<u>Total</u>	<u>Actual 2003 Expenditures</u>	<u>Encumbrances as of 12/31/2003</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental Funds:							
General Fund	\$ -	\$ 294,764	\$ 294,764	\$ 167,712	\$ -	\$ 167,712	\$ 127,052
Special Revenue Funds	-	1,256,674	1,256,674	984,112	-	984,112	272,562
Debt Service Fund		23,000	23,000	20,629	-	20,629	2,371
Total (Memorandum Only)	<u>\$ -</u>	<u>\$ 1,574,438</u>	<u>\$ 1,574,438</u>	<u>\$ 1,172,453</u>	<u>\$ -</u>	<u>\$ 1,172,453</u>	<u>\$ 274,933</u>

See accompanying Notes to the Financial Statements.

**LAWRENCE TOWNSHIP**  
**TUSCARAWAS COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Lawrence Township, Tuscarawas County, (the Township) is a body corporate and politic established for the purpose of exercising 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. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Bolivar Fire Department, Inc. to provide fire services and ambulance services. The Township contracts with the Tuscarawas County Sheriff's Department, to provide police services.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

The Township is associated with the Lawrence Township Community Improvement Corporation which is defined as a jointly Governed Organization under Government Accounting Standards Board (GASB) Statement No. 14, Reporting Entity. This organization is presented in Note 7.

B. BASIS OF ACCOUNTING

The Township prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis 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.)

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

C. INVESTMENTS AND INACTIVE FUNDS

The Township maintains cash in an interest-bearing checking account. Since October 2000, the Township invests in an overnight repurchase agreement.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. INVESTMENTS AND INACTIVE FUNDS (continued)

Gains and losses at the time of the sale are recorded as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, and accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. Special revenue funds follow:

- Motor Vehicle License Tax
- Gasoline Tax
- Road and Bridge
- Cemetery
- Police District
- Fire District
- Fire District – Bolivar Village
- Fire District – Zoar Village
- Road District
- Zoning
- Lighting Assessment Fund
- Hunters Green PH-1, Lighting District

Debt Service: This fund is used to account for proceeds restricted to debt service, principal and interest.



**LAWRENCE TOWNSHIP**  
**TUSCARAWAS COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

E. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The county auditor calculates the estimated revenues available to the Township. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The certificate is approved by the county budget commission and sent to the Township Clerk by September 1.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected increases or the Clerk identifies decreases in revenue. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 2002 and 2003.

Budget receipts, as shown in the accompanying financial statements, do not include the unencumbered fund balances as of January 1, 2002 and 2003. However, those fund balances are available for appropriation.

3. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new

**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

BUDGETARY PROCESS

3. Appropriations (continued)

information becomes available. Appropriations may not exceed estimated resources.

4. Encumbrances

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated.

5. Total Columns on Financial Statements

Total columns on the financial statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Inter-fund-type eliminations have not been made in the aggregation of this data.

F. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as capital outlay 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.

**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	2002	2003
Demand deposits	\$ 40,000	\$ 40,000
Repurchase agreement	396,710	401,900
Total deposits and investments	\$436,710	\$441,900

**Deposits:** The Federal Depository Insurance Corporation insured Deposits.

**Investments:**

The Township's financial institution transfers securities to the Township's agent to collateralize the repurchase agreement. The securities are not in the Township's name.

3. PROPERTY TAX

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2001.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as Intergovernmental Receipts.

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

The property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax.

The Tuscarawas County Treasurer collects property tax on behalf of all taxing Townships within the county. The Tuscarawas County Auditor periodically remits to the taxing Township their portions of the taxes collected.

**LAWRENCE TOWNSHIP**  
**TUSCARAWAS COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2002 and 2003**

4. DEFINED BENEFIT PENSION PLAN

The Ohio Public Employees Retirement System of covers the employees of the Township. The State of Ohio accounts for the activities of the retirement system and the amounts of these funds are not reflected in the accompanying financial statements.

The Ohio Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. For local government employer units the rate was 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2003.

5. DEBT

In 2003, the Township issued notes in the amount of \$40,000 to purchase a dump truck for use in road maintenance. The Township repaid \$20,000 of this loan during 2003. The Township has scheduled the remaining \$20,000 to be repaid during 2004.

6. RISK MANAGEMENT

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions

The Township also provides health insurance coverage to the Board of Trustees and full-time employees through Tuscarawas County Health Insurance Program. The County also provides all employees with Workers Compensation coverage through the Ohio Department of Workers Compensation.

**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

7. LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION

The Corporation is a non-profit Ohio Corporation organized under Chapter 1702 and Chapter 1724 of the Ohio Revised Code. It is controlled by a five member governing board, of which not less than two-fifths have been selected from appointed or elected officials of Lawrence Township. The Board exercises total control for industrial, commercial, distribution and research development in the Township. In 2003 and 2002, no monies were received from the Township.

8. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

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*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Board of Trustees  
Lawrence Township  
Bolivar, Ohio**

We have audited the financial statements of the Lawrence Township (Township) as of and for the years ended December 31, 2002 and 2003, and have issued our report thereon dated September 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls 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 an opinion 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 caused by errors or fraud in amounts that would be material 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.

**Compliance and Other Matters**

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 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 on which 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*.

**Lawrence Township  
Tuscarawas County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards***

**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.**

***Charles E. Harris and Associates, Inc.*  
September 29, 2004**

**LAWRENCE TOWNSHIP  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2001-41279-001	Township has investments but not written investment policy as required by the Ohio Revised Code Section 135.14.	YES	Township has prepared an investment policy and is only investing in interim deposits with an eligible institution.
2001-41279-002	Board of Trustees did not approve supplemental appropriations as required by the Ohio Revised Code Section 5705.40.	YES	Township Trustees have approved amended appropriations
2001-41279-003	Fund level expenditures plus outstanding encumbrances exceeded appropriations in one fund during 2001 and one fund in 2000.	YES	Expenditures are at or below appropriations for 2003 and 2002.
2001-41279-004	The Township fiscal officer did not always certify that funds have been lawfully appropriated and are in the Township's treasury or in the process of collection.	YES	Township is using purchase orders, then and now purchase orders and are certifying availability of funds.





**Auditor of State  
Betty Montgomery**

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**LAWRENCE TOWNSHIP**

**TUSCARAWAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 16, 2004**