

TOD TOWNSHIP
CRAWFORD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2005



Mary Taylor, CPA
Auditor of State

Board of Trustees
Tod Township
2666 Marion-Melmore Road
Bucyrus, Ohio 44820

We have reviewed the *Independent Auditors' Report* of Tod Township, Crawford County, prepared by Holbrook & Manter, for the audit period January 1, 2005 through December 31, 2005. 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. Tod Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 6, 2007

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tod Township
Crawford County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tod Township, Crawford County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

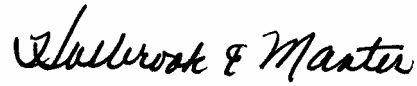
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 has prepared these financial statements using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tod Township, Crawford County, as of December 31, 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General and Gasoline Tax funds thereof for the year then ended on the basis of accounting described in Note 2.

The Management's Discussion and Analysis on pages 5 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2007 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Certified Public Accountants

April 5, 2007

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

This discussion and analysis of Tod Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities decreased \$37,566, or 22 percent, a significant change from the prior year. The fund most affected by the decrease was the General Fund due to the purchase of a new dump truck. The Gasoline Tax Fund increased by \$7,324, or 10 percent due to higher than expected receipts.

Major projects for the year were the following:

- Installation of vinyl siding on the Township Hall costing \$6,136.
- 3.36 miles of township highways were paved with Issue II funds for \$48,448.
- The purchase of a snow plow for \$8,008.
- The purchase of a new dump truck for \$50,686.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

Basis of Accounting (continued)

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

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, we divide the Government into two types of activities:

Governmental activities - Most of the Government's basic services are reported here, including fire, streets and roads. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business type activity -The Government does not have any business type activities.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are only governmental. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's major governmental funds are the General Fund and the Gasoline Tax Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

The Government as a Whole

Table 1 provides a summary of the Government's net assets for 2005 compared to 2004 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Assets		
Cash and Cash Equivalents	\$ 31,552	\$ 28,870
Investments	<u>99,389</u>	<u>139,637</u>
Total Assets	<u>\$ 130,941</u>	<u>\$ 168,507</u>
Net Assets		
Other Purposes	\$ 102,781	\$ 104,844
Unrestricted	<u>28,160</u>	<u>63,663</u>
Total Net Assets	<u>\$ 130,941</u>	<u>\$ 168,507</u>

As mentioned previously, net assets of governmental activities decreased \$37,566, or 22 percent during 2005. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township purchased a new dump truck.
- The Township did not receive any estate taxes in 2005, which resulted in a significant decrease in receipts for the General fund.

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

Table 2 reflects the changes in net assets in 2005 and 2004.

**(Table 2)
Changes in Net Assets**

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Receipts:		
Program Receipts:		
Charges for services	\$ 1,300	\$ 3,500
Operating Grants and Contributions	<u>88,470</u>	<u>68,337</u>
Total Program Receipts	89,770	71,837
General Receipts:		
Property and Other Local Taxes	18,439	18,981
Grants and Entitlements Not Restricted to Specific Programs	21,580	17,806
Interest	5,058	1,532
Miscellaneous	<u>2,949</u>	<u>3,636</u>
Total General Receipts	<u>48,026</u>	<u>41,955</u>
Total Receipts	137,796	113,792
Disbursements:		
General Government	41,404	42,013
Public Works	64,341	34,975
Public Health	2,715	4,156
Capital outlay	<u>66,902</u>	<u>5,457</u>
Total Disbursements	<u>175,362</u>	<u>86,601</u>
Excess Before Transfers	(37,566)	27,191
Net Assets, January 1, 2005	<u>168,507</u>	<u>141,316</u>
Net Assets, December 31, 2005	<u>\$ 130,941</u>	<u>\$ 168,507</u>

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

Program receipts represent only 65 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license fees and gasoline taxes.

General receipts represent 35 percent of the Township's total receipts, and of this amount, over 38 percent are from local taxes. State and federal grants and entitlements make up the majority of the balance of the Township's general receipts (45 percent). Other receipts, such as interest income, are somewhat unpredictable revenue sources.

Disbursements for general government represent the overhead cost of running the Township and the support services provided for the other Township activities. In 2005, these costs totaled \$41,404, approximately 24 percent of total disbursements. These included salaries and related costs (retirement and Medicare, ect.) of the trustees, clerk, and hourly employees. Without estates taxes, the General Fund is no longer able to fully support the general government costs.

Governmental Activities

If you look at the Statement of Activities on page 12, you will see that the first column lists the major services provided by the Township. The next columns identify the costs of providing these services. The major program disbursements for governmental activities are for public works, capital outlay, and general government, which account for 38, 37, and 24 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)
Governmental Activities**

	<u>Total Cost Of Services</u>		<u>Net Cost of Services</u>
General Government	\$ 41,404	\$ (41,404)
Public Works	64,341		24,129
Public Health	2,715	(1,415)
Capital Outlay	<u>66,902</u>	(<u>66,902)</u>
 Total Expenses	 <u>\$ 175,362</u>	 \$ (<u>85,592)</u>

**TOD TOWNSHIP
CRAWFORD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

The Government's Funds

Total governmental funds had receipts of \$137,636 and disbursements of \$175,362. The greatest change within governmental funds occurred within the General Fund. The fund balance decreased by \$35,503 due to the increased cost of salaries and the purchase of a new dump truck.

General Fund disbursements were \$35,503 more than receipts indicating that the General Fund is in a deficit spending situation. This situation will be partially corrected by limiting expenditures for equipment and machinery however increased staffing costs will still result in a deficit spending situation. Therefore, it was the recommendation of the administration that by fiscal year 2006, half the cost of salaries for trustees be taken from the Gasoline Tax Fund. Even with this change additional receipts or a reduction in disbursements will be necessary to eliminate deficit spending in the General Fund.

General Fund Budgeting Highlights

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

Final disbursements were budgeted at \$91,777 while actual disbursements were \$68,558. Careful control over spending ensured that the General Fund disbursements did not exceed the amount budgeted.

Current Issues

The challenge for the Township is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Township relies heavily on local taxes and has very limited industry to support the local tax base. The Township will continue to follow a plan of prudent spending to avoid an increase in local taxes.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kimberly Koehler, Clerk-Treasurer, Tod Township, 2666 Marion-Melmore Road, Bucyrus, OH, 44820.

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
AS OF DECEMBER 31, 2005

	Governmental Activities
Assets:-	
Equity in pooled cash and cash equivalents	\$ 130,941
Total assets	\$ 130,941
Net Assets:-	
Other purposes	\$ 102,781
Unrestricted	28,160
Total net assets	\$ 130,941

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Total
Governmental Activities:-					
General government	\$ 41,404	\$ 0	\$ 0	\$ (41,404)	\$ (41,404)
Public works	64,341	0	88,470	24,129	24,129
Health	2,715	1,300	0	(1,415)	(1,415)
Capital Outlay	66,902	0	0	(66,902)	(66,902)
Total governmental activities	\$ 175,362	\$ 1,300	\$ 88,470	\$ (85,592)	\$ (85,592)
 General Receipts:-					
Property taxes				\$ 18,439	\$ 18,439
Grants and entitlements not restricted to specific programs				21,580	21,580
Earnings on investments				5,058	5,058
Miscellaneous				2,949	2,949
Total general receipts				48,026	48,026
Change in net assets				(37,566)	(37,566)
Net assets beginning of year				168,507	168,507
Net assets at end of year				\$ 130,941	\$ 130,941

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF ASSETS AND FUND BALANCES CASH BASIS
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2005

ASSETS

	General	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and cash equivalents	\$ 28,160	\$ 81,632	\$ 21,149	\$ 130,941
Total assets	\$ 28,160	\$ 81,632	\$ 21,149	\$ 130,941

FUND BALANCES

Unreserved:-				
Undesignated, reported in:-				
General fund	\$ 28,160	\$ 0	\$ 0	\$ 28,160
Special revenue funds	0	81,632	21,149	102,781
Total fund balances	\$ 28,160	\$ 81,632	\$ 21,149	\$ 130,941

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
- CASH BASIS GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:-				
Property and other local taxes	\$ 11,019	\$ 0	\$ 7,420	\$ 18,439
Licenses, permits, and fees	2,789	0	0	2,789
Intergovernmental	16,785	83,295	9,970	110,050
Earnings on investments	2,302	2,460	296	5,058
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,300</u>	<u>1,300</u>
Total receipts	32,895	85,755	18,986	137,636
Disbursements:-				
Current:-				
General government	41,404	0	0	41,404
Public works	0	62,247	2,094	64,341
Health	2,715	0	0	2,715
Capital outlay	<u>24,439</u>	<u>16,184</u>	<u>26,279</u>	<u>66,902</u>
Total disbursements	<u>68,558</u>	<u>78,431</u>	<u>28,373</u>	<u>175,362</u>
Excess of receipts over disbursements	<u>(35,663)</u>	<u>7,324</u>	<u>(9,387)</u>	<u>(37,726)</u>
Other Financing Sources (Uses):-				
Other financing sources	<u>160</u>	<u>0</u>	<u>0</u>	<u>160</u>
Total other financing sources (uses)	<u>160</u>	<u>0</u>	<u>0</u>	<u>160</u>
Net change in fund balances	(35,503)	7,324	(9,387)	(37,566)
Fund balances beginning of year	<u>63,663</u>	<u>74,308</u>	<u>30,536</u>	<u>168,507</u>
Fund balances end of year	<u>\$ 28,160</u>	<u>\$ 81,632</u>	<u>\$ 21,149</u>	<u>\$ 130,941</u>

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts:-				
Property and other local taxes	\$ 11,428	\$ 11,428	\$ 11,019	\$ (409)
Licenses, permits, and fees	0	0	2,789	2,789
Fines and forfeitures	1,500	1,500	16,785	15,285
Intergovernmental	19,180	19,180	2,302	(16,878)
Earning on investments	1,200	1,200	0	(1,200)
	<u>33,308</u>	<u>33,308</u>	<u>32,895</u>	<u>(413)</u>
Total receipts	33,308	33,308	32,895	(413)
Disbursements:-				
Current;-				
General government	54,477	54,477	41,404	13,073
Public works	2,000	1,000	0	1,000
Health	11,600	10,600	2,715	7,885
Capital outlay	22,500	25,700	24,439	1,261
	<u>90,577</u>	<u>91,777</u>	<u>68,558</u>	<u>23,219</u>
Total disbursements	90,577	91,777	68,558	23,219
Excess of receipts over (under) disbursements	<u>(57,269)</u>	<u>(58,469)</u>	<u>(35,663)</u>	<u>22,806</u>
Other Financing Sources (Uses):-				
Other financing sources	100	100	0	(100)
Other financing uses	(1,493)	(293)	160	453
	<u>(1,393)</u>	<u>(193)</u>	<u>160</u>	<u>353</u>
Total other financing sources (uses)	(1,393)	(193)	160	353
Net change in fund balance	(58,662)	(58,662)	(35,503)	23,159
Fund balance beginning of year	63,663	63,663	63,663	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance end of year	<u>\$ 5,001</u>	<u>\$ 5,001</u>	<u>\$ 28,160</u>	<u>\$ 23,159</u>

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts:-				
Intergovernmental	\$ 51,000	\$ 51,001	\$ 83,295	\$ 32,294
Earnings on Investments	400	400	2,460	2,060
Miscellaneous	<u>100</u>	<u>100</u>	<u>0</u>	<u>(100)</u>
Total receipts	51,500	51,501	85,755	34,254
Disbursements:-				
Current:-				
Public works	97,805	84,305	62,247	22,058
Capital outlay	<u>8,003</u>	<u>21,503</u>	<u>16,184</u>	<u>5,319</u>
Total disbursements	<u>105,808</u>	<u>105,808</u>	<u>78,431</u>	<u>27,377</u>
Excess of receipts over (under) disbursements	(54,308)	(54,307)	7,324	61,631
Fund balance beginning of year	74,308	74,308	74,308	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance end of year	<u>\$ 20,000</u>	<u>\$ 20,001</u>	<u>\$ 81,632</u>	<u>\$ 61,631</u>

See accompanying notes to the basic financial statements

TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 - REPORTING ENTITY:-

Tod Township, Crawford County, Ohio (the Township), is a body politic and corporate established in 1839 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government.

Primary Government - The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Wyandot East Fire District for fire protection for the Township.

The financial statements exclude the following entity which performs activities within the Township boundaries for the benefit of its residents because the Township is not financially accountable for this entity nor is it fiscally dependent on the Township:

- Crawford County Engineer – provides construction and maintenance of all bridges in the Township.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

These financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

Basis of Presentation - The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements reflect activities of the Township that are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for

which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants, and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are

TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements - During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Fund Accounting - The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Township's funds are classified as governmental.

Governmental Funds - The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund and Gasoline Tax Fund.

- The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.
- Gasoline Tax Fund receives gasoline tax money for constructing, maintaining, and repairing Township roads.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Basis of Accounting - The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Budgetary Process - All funds are legally required to be budgeted and appropriated. The Tax Commission of Crawford County have chosen to not require a formal budget due in the summer months. Instead, they provide us with an estimate of revenue based on calculations of property and levies in place in the Township. The Township takes the estimates from the County Auditor and a report of revenue from the previous year and uses these numbers to make an estimation of revenue for the coming year. This has proven to be an accurate method of estimating revenue for the next year. This report is given to the county tax commission when requested. The county auditor and tax commission review these numbers and responds if there is inaccuracy in the reporting.

The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

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.

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

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments - To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2005, the Township invested in STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$2,302, which includes \$640 assigned from other Township funds.

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Restricted Assets - Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent Motor Vehicle License, Gasoline Tax, and Road and Bridge Tax Funds.

Inventory and Prepaid Items - The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

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

Inter-fund Receivables and Payables - The Township reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Employer Contributions to Cost-Sharing Pension Plans - The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long Term Obligations - The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Net Assets - Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing of Township roads.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves - The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves are established for encumbrances when necessary.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE:-

The Township reports no deficit fund balances.

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING:-

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and Gasoline Tax Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are that the outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an inter-fund receivable or payable (cash basis)). There were no outstanding encumbrances or advances at the end of the year.

NOTE 5 - DEPOSITS AND INVESTMENTS:-

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 5 - DEPOSITS AND INVESTMENTS:- (continued)

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

At year end, the carrying amount of the Townships deposits was \$31,552 and the bank balance was \$31,552, which was covered by federal depository insurance.

The Township's investments are required to be categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments which are held by the counter party, or by it's trust department or agent but not in the Township's name. The investments in STAR Ohio are not classified since they are not evidenced by securities that exist in physical or book entry form. The Township held investments in STAR Ohio with a carrying value of \$99,389 at December 31, 2005.

NOTE 6 - PROPERTY TAXES:-

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 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. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 6 - PROPERTY TAXES:- (continued)

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2005, was 2.2 mills per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property:-	
Residential	\$ 4,959,160
Agriculture	3,626,850
Commercial/ Industrial/ Mineral	216,630
Public Utility Property:-	
Real	14,930
Personal	603,160
Tangible personal property	46,670
Total assessed value	\$ 9,467,400

NOTE 7 - RISK MANAGEMENT:-

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

Casualty Coverage - OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

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

Property Coverage – Through 2004, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 7 - RISK MANAGEMENT:- (continued)

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

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

Financial Position - OTARMA's financial statements (audited by other accountants) are represented to conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 2005:

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$ 30,485,638	\$ 28,132,620
Liabilities	(12,344,576)	(11,086,379)
 Retained earnings	 \$ 18,141,062	 \$ 17,046,241
 <u>Property Coverage</u>	 <u>2004</u>	 <u>2004</u>
Assets	\$ 9,177,796	\$ 7,588,343
Liabilities	(1,406,031)	(543,176)
 Retained earnings	 \$ 7,771,765	 \$ 7,045,167

NOTE 8 - DEFINED BENEFIT PENSION PLAN:-

Ohio Public Employees Retirement System - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE 8 - DEFINED BENEFIT PENSION PLAN:- (continued)

Ohio Public Employees Retirement System - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

Contributions to the member-directed plan for 2005 were \$4,473 made by the Township and \$2,806 made by the plan members.

NOTE 9 - POST EMPLOYMENT BENEFITS:-

Ohio Public Employees Retirement System - The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll 4.0 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

TOD TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 9 - POST EMPLOYMENT BENEFITS:- (continued)

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund post employment benefits were \$1,320. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Tod Township
Crawford County

We have audited the accompanying financial statements of Tod Township, Crawford County, Ohio (the Township), as of and for the year ended December 31, 2005, and have issued our report thereon dated April 5, 2007, wherein we noted the Township had followed the cash basis of accounting 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 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 that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Township in a separate letter dated April 5, 2007.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 Standards*.

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

A handwritten signature in black ink that reads 'Holbrook & Manter' in a cursive script.

Certified Public Accountants

April 5, 2007

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS



Mary Taylor, CPA
Auditor of State

TOD TOWNSHIP

CRAWFORD 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 19, 2007**