



**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Crawford Township
Coshocton County
52624 CR 227
Fresno, Ohio 43824

To the Board of Trustees:

We have audited the accompanying financial statements of Crawford Township, Coshocton County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

Jim Petro
Auditor of State

March 6, 2001

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$22,023	\$16,360		\$38,383
Intergovernmental	22,204	57,439	\$8,450	88,093
Charges for Services		6,039		6,039
Earnings on Investments	276	388		664
Other Revenue	712	6,753		7,465
	<u>45,215</u>	<u>86,979</u>	<u>8,450</u>	<u>140,644</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	37,089	9,793		46,882
Public Works	969	74,909		75,878
Health	2,228			2,228
Debt Service:				
Redemption of Principal			7,857	7,857
Interest and Fiscal Charges			2,455	2,455
Capital Outlay		18,027		18,027
	<u>40,286</u>	<u>102,729</u>	<u>10,312</u>	<u>153,327</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>4,929</u>	<u>(15,750)</u>	<u>(1,862)</u>	<u>(12,683)</u>
Other Financing Receipts:				
Other Sources	69			69
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	4,998	(15,750)	(1,862)	(12,614)
Fund Cash Balances, January 1	<u>14,975</u>	<u>42,805</u>	<u>12,136</u>	<u>69,916</u>
Fund Cash Balances, December 31	<u>\$19,973</u>	<u>\$27,055</u>	<u>\$10,274</u>	<u>\$57,302</u>
Reserves for Encumbrances, December 31	<u>\$50</u>	<u>\$4,422</u>	<u>\$0</u>	<u>\$4,472</u>

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

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$21,260	\$16,922		\$38,182
Intergovernmental	19,556	58,494	\$11,493	89,543
Charges for Services		5,382	0	5,382
Earnings on Investments	263	504		767
Other Revenue	519	92		611
	<u>41,598</u>	<u>81,394</u>	<u>11,493</u>	<u>134,485</u>
Total Cash Receipts				
	<u>41,598</u>	<u>81,394</u>	<u>11,493</u>	<u>134,485</u>
Cash Disbursements:				
Current:				
General Government	36,052	8,001		44,053
Public Works	991	58,946		59,937
Health	2,506			2,506
Debt Service:				
Redemption of Principal			7,857	7,857
Interest and Fiscal Charges			2,942	2,942
Capital Outlay		5,806		5,806
	<u>39,549</u>	<u>72,753</u>	<u>10,799</u>	<u>123,101</u>
Total Cash Disbursements				
	<u>39,549</u>	<u>72,753</u>	<u>10,799</u>	<u>123,101</u>
Total Receipts Over Disbursements	<u>2,049</u>	<u>8,641</u>	<u>694</u>	<u>11,384</u>
Other Financing Receipts:				
Other Sources	13			13
	<u>13</u>			<u>13</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	<u>2,062</u>	<u>8,641</u>	<u>694</u>	<u>11,397</u>
Fund Cash Balances, January 1	<u>12,913</u>	<u>34,164</u>	<u>11,442</u>	<u>58,519</u>
Fund Cash Balances, December 31	<u><u>\$14,975</u></u>	<u><u>\$42,805</u></u>	<u><u>\$12,136</u></u>	<u><u>\$69,916</u></u>
Reserves for Encumbrances, December 31	<u><u>\$109</u></u>	<u><u>\$2,065</u></u>	<u><u>\$0</u></u>	<u><u>\$2,174</u></u>

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

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Crawford Township, Coshocton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Village of Baltic to provide fire services.

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

B. Basis of Accounting

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

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

C. 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:

1. General Fund

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

2. Special Revenue Funds

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

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

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads.

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

Fire District Fund - This fund receives property tax money for the cost associated with the fire protection contract with the Village of Baltic.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Permissive Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of principal and interest on general long-term debt.

D. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or function 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. The Township did not use the encumbrance method of accounting. The financial statements include adjustments for unrecorded purchase commitments outstanding at year-end.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$57,302	\$69,916

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,934	\$45,284	\$1,350
Special Revenue	73,956	86,979	13,023
Debt Service	11,000	8,450	(2,550)
Total	\$128,890	\$140,713	\$11,823

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,541	\$40,336	\$12,205
Special Revenue	116,864	107,151	9,713
Debt Service	23,135	10,312	12,823
Total	\$192,540	\$157,799	\$34,741

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,721	\$41,611	\$5,890
Special Revenue	68,967	81,394	12,427
Debt Service	11,000	11,493	493
Total	\$115,688	\$134,498	\$18,810

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$48,634	\$39,658	\$8,976
Special Revenue	103,132	74,818	28,314
Debt Service	22,442	10,799	11,643
Total	\$174,208	\$125,275	\$48,933

For both 2000 and 1999, the Township did not use the encumbrance method of accounting as required by Ohio Admin. Code Section 117-3-11(C). The Township also did not prepare purchase orders as required by Ohio Admin. Code. Section 117-3-05.

4. PROPERTY TAX

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

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$31,429	6%

The general obligation notes were obtained to finance the purchase of a road grader to be used for Township road maintenance. The notes are collateralized by the road grader.

**CRAWFORD TOWNSHIP
 COSHOCTON COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2000 AND 1999
 (Continued)**

5. DEBT (Continued)

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

<u>Year ending December 31:</u>	<u>Road Grader Notes</u>
2001	\$9,821
2002	9,330
2003	8,839
2004	<u>8,348</u>
Total	<u><u>\$36,338</u></u>

6. RETIREMENT SYSTEMS

The Township's employees 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 healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contributions rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% for 2000 and 1999, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle
- Property and contents

The Township also provides health insurance coverage to the Township Trustees and Clerk through private carriers.

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

Crawford Township
Coshocton County
52624 CR 227
Fresno, Ohio 43824

To the Board of Trustees:

We have audited the accompanying financial statements of Crawford Township, Coshocton County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 6, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2000-41016-001 and 2000-41016-002.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 6, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2000-4016-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 6, 2001.

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

Jim Petro
Auditor of State

March 6, 2001

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2000-41016-001
Material Noncompliance**

Ohio Admin. Code Section 117-3-11(C) requires that each encumbrance be charged and posted against an appropriation account reducing the unencumbered balance appropriated for the account.

For both 2000 and 1999, the Township did not use the encumbrance method of accounting as required by this section. The Clerk should post encumbrances to the Township's ledgers which will enable management to effectively monitor spending and assist the Township with budget management decisions.

**FINDING NUMBER 2000-41016-002
Material Weakness/Noncompliance**

Ohio Admin. Code Section 117-3-05 requires that all purchase orders be prepared in triplicate and numbered consecutively. The Section also describes the information which should be included on the purchase order.

For both 2000 and 1999, the Township did not use purchase orders to document their contractual commitments with vendors. Purchase orders serve as vendor authorization to deliver goods or services and specify the terms of sale such as time and method for delivery, and quantity and price. Accordingly, the Clerk should prepare purchase orders as prescribed by this section and submit a copy to the vendor each time a purchase commitment is made.



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CRAWFORD TOWNSHIP

COSHOCTON 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
APRIL 10, 2001**