



**Auditor of State
Betty Montgomery**

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Crawford Township
Coshocton County
52506 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, 2002 and 2001. 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 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 audits 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, 2002 and 2001, 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 5, 2003, 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
Independent Accountants' Report
Page 2

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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2003

**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, 2002**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$26,084	\$38,062	\$0	\$64,146
Intergovernmental	17,028	60,545	8,855	86,428
Charges for Services		8,290		8,290
Earnings on Investments	1,056	825		1,881
Other Revenue	204	6,486	0	6,690
	<u>44,372</u>	<u>114,208</u>	<u>8,855</u>	<u>167,435</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	42,749			42,749
Public Safety		12,765		12,765
Public Works	1,178	87,562		88,740
Health	2,663			2,663
Debt Service:				
Redemption of Principal			11,958	11,958
Interest and Fiscal Charges			1,704	1,704
Capital Outlay		35,393		35,393
	<u>46,590</u>	<u>135,720</u>	<u>13,662</u>	<u>195,972</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(2,218)</u>	<u>(21,512)</u>	<u>(4,807)</u>	<u>(28,537)</u>
Other Financing Receipts/(Disbursements):				
Proceeds of Notes		12,000		12,000
Transfers-In		10,000		10,000
Transfers-Out	(10,000)			(10,000)
	<u>(10,000)</u>	<u>22,000</u>	<u>0</u>	<u>12,000</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,218)	488	(4,807)	(16,537)
Fund Cash Balances, January 1	36,585	39,494	12,731	88,810
	<u>\$24,367</u>	<u>\$39,982</u>	<u>\$7,924</u>	<u>\$72,273</u>
Fund Cash Balances, December 31				
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$13,291</u>	<u>\$0</u>	<u>\$13,291</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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$26,547	\$16,743	\$0	\$43,290
Intergovernmental	33,586	57,548	12,262	103,396
Earnings on Investments	782	708		1,490
Other Revenue	1,145	2		1,147
	<u>62,060</u>	<u>75,001</u>	<u>12,262</u>	<u>149,323</u>
Total Cash Receipts				
	<u>62,060</u>	<u>75,001</u>	<u>12,262</u>	<u>149,323</u>
Cash Disbursements:				
Current:				
General Government	42,775			42,775
Public Safety		10,028		10,028
Public Works	1,102	46,725		47,827
Health	1,590			1,590
Debt Service:				
Redemption of Principal			7,857	7,857
Interest and Fiscal Charges			1,947	1,947
Capital Outlay		9,910		9,910
	<u>45,467</u>	<u>66,663</u>	<u>9,804</u>	<u>121,934</u>
Total Cash Disbursements				
	<u>45,467</u>	<u>66,663</u>	<u>9,804</u>	<u>121,934</u>
Total Receipts Over/(Under) Disbursements	<u>16,593</u>	<u>8,338</u>	<u>2,458</u>	<u>27,389</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Debt:				
Other Proceeds from Debt		4,100		4,100
Other Sources	19			19
	<u>19</u>	<u>4,100</u>	<u>0</u>	<u>4,119</u>
Total Other Financing Receipts/(Disbursements)				
	<u>19</u>	<u>4,100</u>	<u>0</u>	<u>4,119</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>16,612</u>	<u>12,438</u>	<u>2,458</u>	<u>31,508</u>
Fund Cash Balances, January 1	<u>19,973</u>	<u>27,056</u>	<u>10,273</u>	<u>57,302</u>
Fund Cash Balances, December 31	<u><u>\$36,585</u></u>	<u><u>\$39,494</u></u>	<u><u>\$12,731</u></u>	<u><u>\$88,810</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$5,607</u></u>	<u><u>\$0</u></u>	<u><u>\$5,607</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, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Crawford Township, Coshocton County, Ohio, (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, bridge and cemetery maintenance. The Township contracts with the Village of Baltic to provide fire protection.

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 encumbrance is approved).

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 and investments that are 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 has 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.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Road Improvement Fund - This fund receives property tax money for the cost associated with the maintenance of 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 the appropriation measure 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 2002 and 2001 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, 2002 AND 2001
(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:

	2002	2001
Demand deposits	\$72,273	\$88,810

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,615	\$44,372	(\$35,243)
Special Revenue	151,227	136,208	(15,019)
Debt Service	21,731	8,855	(12,876)
Total	\$252,573	\$189,435	(\$63,138)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$79,615	\$56,590	\$23,025
Special Revenue	139,227	149,011	(9,784)
Debt Service	21,731	13,662	8,069
Total	\$240,573	\$219,263	\$21,310

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$60,102	\$62,079	\$1,977
Special Revenue	109,933	79,101	(30,832)
Debt Service	20,273	12,262	(8,011)
Total	\$190,308	\$153,442	(\$36,866)

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$60,102	\$45,467	\$14,635
Special Revenue	105,833	72,270	33,563
Debt Service	20,273	9,804	10,469
Total	\$186,208	\$127,541	\$58,667

Contrary to Ohio Rev. Code Section 5705.41(B) expenditures exceeded appropriations in the Gas Tax Fund and the Road District Improvement Fund in 2002.

Contrary to Ohio Rev. Code Section 5705.41(D) expenditures were not certified prior to the obligation.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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, 2002 was as follows:

	Principal	Interest Rate
General Obligation Notes for Road Grader	\$15,714	6%
General Obligation Notes for Pole Building	12,000	4.75%
Total Notes	\$27,714	

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. The other general obligation notes were obtained for the purchase of a pole building to be used for Township road maintenance equipment. The notes are collateralized by the pole building.

The Township also issued a one year note in 2001 for the purchase of a dump truck in the amount of \$4,100. The debt was paid in full in 2002.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

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

	Road Grader Notes	Pole Building Notes	Total
Year ending December 31:			
2003	\$8,839	\$2,976	\$11,815
2004	8,348	2,861	11,209
2005		2,745	2,745
2006		2,630	2,631
2007		2,515	2,515
Total	<u>\$17,187</u>	<u>\$13,727</u>	<u>\$30,915</u>

6. RETIREMENT SYSTEM

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries.

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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**Auditor of State
Betty Montgomery**

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

Crawford Township
Coshocton County
52506 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, 2002 and 2001, and have issued our report thereon dated March 5, 2003. We conducted our audits 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.

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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2002-41016-001 and 2002-41016-002.

In addition, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 5, 2003.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. 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 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.

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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 5, 2003.

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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2003

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-41016-001

Material Noncompliance Citation

Ohio Rev. Code Section 5705.41(D), states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and other orders for expenditure lacking prior certification should be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides for two "exceptions" to the above requirements:

- A. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, provided the expenditure is otherwise lawful.

The Township Clerk failed to certify the availability of funds for 95% of transactions tested. Neither of the two exceptions noted above were utilized for the items found to be in noncompliance. Prior to entering purchase commitments, the Clerk should either certify that funds are available for expenditure or use the exceptions noted above, as applicable.

FINDING NUMBER 2002-41016-002

Material Noncompliance Citation

Ohio Revised Code Section 5705.41 (B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2002, fund level expenditures exceeded appropriations within the following funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Gas Tax Fund	\$61,214	\$80,113	(\$18,899)
Road District Improvement Fund	20,689	27,379	(6,690)

The Clerk should frequently compare actual expenditures plus outstanding encumbrances to appropriations at the fund level to avoid overspending.



**Auditor of State
Betty Montgomery**

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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
MAY 8, 2003**