

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA
Auditor of State

Board of Trustees
Crane Township
P.O. Box 331
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of Crane Township, Wyandot County, prepared by E. S. Evans and Company, for the audit period January 1, 2005 through December 31, 2006. 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. Crane Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 29, 2008

This page was intentionally left blank.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT -----	Page	1
MANAGEMENT'S DISCUSSION AND ANALYSIS-----		3
BASIC FINANCIAL STATEMENTS -		
GOVERNMENT-WIDE FINANCIAL STATEMENTS -		
STATEMENT OF NET ASSETS – CASH BASIS – DECEMBER 31, 2006 -----		11
STATEMENT OF ACTIVITIES – CASH BASIS – DECEMBER 31, 2006 -----		12
FUND FINANCIAL STATEMENTS -		
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – DECEMBER 31, 2006 -----		13
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES – GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006-----		14
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND - FOR THE YEAR ENDED DECEMBER 31, 2006-----		15
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – GASOLINE TAX FUND – FOR THE YEAR ENDED DECEMBER 31, 2006-----		16
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – CEMETERY FUND – FOR THE YEAR ENDED DECEMBER 31, 2006-----		17
BASIC FINANCIAL STATEMENTS -		
GOVERNMENT-WIDE FINANCIAL STATEMENTS -		
STATEMENT OF NET ASSETS – CASH BASIS – DECEMBER 31, 2005 -----		18
STATEMENT OF ACTIVITIES – CASH BASIS – DECEMBER 31, 2005 -----		19

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS – (CONTINUED)

FUND FINANCIAL STATEMENTS -

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – DECEMBER 31, 2005 -----	20
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES – GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2005-----	21
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND - FOR THE YEAR ENDED DECEMBER 31, 2005-----	22
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – GASOLINE TAX FUND – FOR THE YEAR ENDED DECEMBER 31, 2005-----	23
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – CEMETERY FUND – FOR THE YEAR ENDED DECEMBER 31, 2005-----	24
NOTES TO THE BASIC FINANCIAL STATEMENTS-----	25
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> -----	41



E.S. Evans and Company

Certified Public Accountants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075
P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • www.esevens.com

E.S. Evans, CPA, PFS (1930-1999) • Robert E. Wendel, CPA • Dan F. Clifford, CPA, CVA
Steven D. Hooker, CPA • John E. Klay, CPA

January 22, 2008

INDEPENDENT AUDITOR'S REPORT

Crane Township
Wyandot County, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crane Township, Wyandot County, Ohio (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. The basic financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic 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 opinions.

As discussed in Note 2, the Township has prepared these financial statements using the cash basis of accounting. This is a comprehensive basis of accounting 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 basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Crane Township, Wyandot County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash basis financial position, thereof and the respective budgetary comparisons for the General, Gasoline Tax Fund and Cemetery Fund for the years then ended in conformity with the basis of accounting described in Note 2.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

As discussed in Note 3, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

In accordance with Government Auditing Standards, we have also issued a report dated January 22, 2008 on our consideration of Crane 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 and should be read in conjunction with this report in considering the results of our audit.

E. J. Green and Company

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

This discussion and analysis of Crane Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 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 2006 are as follows:

Net assets of governmental activities increased \$295,354, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest increase in revenue all funds.

The Township's general receipts are primarily property taxes and gasoline taxes. Property taxes represent \$93,610 of the total cash received for governmental activities during the year. Property tax receipts for 2006 increased very little to 2005 as development within the Government has slowed. Gasoline tax receipts represent \$99,911 of the total cash received for governmental activities during the year. Gasoline tax receipts for 2006 increased due to the last year of the State of Ohio 3 cent per gallon increase. The big increase in revenue for 2006 is attributed to the large amount of estate taxes received in 2006. \$328,294 was received from several estates.

Key highlights for 2005 are as follows:

Net assets of governmental activities decreased \$63,679, or 25 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2005; however, cost increases affected most funds.

The Township's general receipts are primarily property taxes and local government funds. These receipts for 2005 changed very little compared to 2004 as development within the Government has slowed. Gasoline tax increased in 2005 as a result of the state gasoline levy.

Rising health insurance continues to be a major expense for the Township.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

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 a 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.

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 Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Township year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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 or business-type activity draws from the Township's general receipts.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

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 Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well 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, the Township discloses a single type of activity:

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

Reporting the Township'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 contained in one category: Governmental.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Township 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 non-major 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 Township's major governmental funds are the General Fund, Gasoline Tax Fund and Cemetery Fund for both 2005 and 2006. 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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on the cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Cash Equivalents \$	488,448	\$ 193,094
Net Assets		
Restricted for:		
Capital Projects	\$ 2,872	\$ 4,591
Other Purposes	113,906	107,530
Unrestricted	371,670	80,973
Total Net Assets	\$ 488,448	\$ 193,094

As mentioned previously, net assets of governmental activities decreased \$63,679 or 25 percent during 2005. The primary reasons contributing to the decreases in cash balances are as follows:

- Increases in salaries ranging from 2% to 3% to keep up with the cost of living.
- The Government paid for 2 Issue II projects in 2005 (one a 2004 project that was not billed 2005) amounting to \$40,000. An additional road project was completed for \$11,000. The drives in Old Mission Cemetery were paved for \$25,000.
- Health insurance premiums increased 8%.

As mentioned previously, net assets of governmental activities increased \$295,354 during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- The big increase in revenue for 2006 is attributed to the large amount of estate taxes received in 2006. \$328,294 was received from several estates. This amount is very significant for Crane Township. It has allowed money to be put aside for future use in capital projects and for unanticipated expenses.
- Gasoline tax receipts represent \$99,911 of the total cash received for governmental activities during the year. Gasoline tax receipts for 2006 increased due to the last year of the State of Ohio 3 cent per gallon increase. The 3 cent per gallon increase was implemented as a 1 cent increase each in the years 2004, 2005 and 2006.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

Table 2 reflects the changes in net assets in 2006 and 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities 2006	Governmental Activities 2005
	<u>2006</u>	<u>2005</u>
Receipts:		
Program Receipts:		
Charges for Sales and Services	\$ 71,741	\$ 54,716
Operating Grants and Contributions	111,547	92,662
Capital Grants and Contributions	27,694	37,366
Total Program Receipts	<u>210,982</u>	<u>184,744</u>
General Receipts:		
Property and Other Local Taxes	93,610	85,043
Grants and Entitlements Not Restricted to Specific Programs	377,333	42,036
Interest	2,813	1,635
Miscellaneous	568	14,929
Total General Receipts	<u>474,324</u>	<u>143,643</u>
Total Receipts	<u>685,306</u>	<u>328,387</u>
Disbursements:		
General Government	94,925	95,519
Public Safety	12,213	12,213
Public Works	144,388	95,340
Health	81,318	116,623
Capital Outlay	55,389	70,652
Debt Service - Principal	1,719	1,719
Debt Service - Interest	0	0
Total Disbursements	<u>389,952</u>	<u>392,066</u>
Increase (Decrease) in Net Assets	295,354	(63,679)
Net Assets, January 1st	193,094	256,773
Net Assets, December 31st	<u>\$488,448</u>	<u>\$193,094</u>

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

Program receipts represent 30.79 and 56.26 percent of total receipts for 2006 and 2005, respectively and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and fees for cemetery lots and foundations.

General receipts represent 69.21 and 43.74 percent of the Township's total receipts for 2006 and 2005, respectively, and of this amount, 19.74 and 59.20 percent are local taxes. State and federal grants and entitlements, including estate taxes, are the largest additional source of general receipts at 79.55 and 29.26 percent for 2006 and 2005, respectively. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for the Township represent the overhead costs of running the Township and the support services provided for the other Township's activities. These include the costs of office supplies and equipment. Since these costs do not represent direct services to residents, we try to limit these expenses to the General Fund unrestricted receipts.

Security of Persons and Property is the cost of fire protection which is provided by City of Upper Sandusky; Public Health Services are provided by the County health department, of which the township's share is billed on an annual basis; and the trustees are committed to the cost of maintaining the roads.

Governmental Activities

If you look at the Statements of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Works (road upkeep) and Health (cemetery expenses), which account for 37.03 and 20.85 percent of disbursements in 2006 and 24.32 and 29.75 percent of disbursements in 2005, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. The "net cost" amount represents 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 and services and the net cost is presented in Table 3.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

(Table 3)

	Governmental Activities			
	Total Cost Of Services 2005	Net Cost of Services 2005	Total Cost Of Services 2006	Net Cost of Services 2006
General Government	\$ 95,519	\$ (75,635)	\$ 94,925	\$ (93,095)
Public Safety	12,213	(12,213)	12,213	(12,213)
Public Works	95,340	21,397	144,388	879
Health	116,623	(68,500)	81,318	(17,433)
Capital Outlay	70,652	(70,652)	55,389	(55,389)
Debt Service	1,719	(1,719)	1,719	(1,719)
Total Expenses	\$ 392,066	\$ (207,322)	\$ 389,952	\$ (178,970)

The dependence upon property taxes and state and federal grants and entitlements is crucial to the upkeep of the cemeteries under the Township's jurisdiction. The only income for cemetery upkeep other than the general fund is sale of lots and service fees.

The Township's Funds

Total governmental funds had receipts of \$685,306 in 2006 and \$337,678 in 2005 and disbursements of \$389,952 in 2006 and \$401,357 in 2005. In 2006, general fund receipts were more than disbursements by \$290,698 indicating that the General Fund is in a very stable condition. Excess monies were invested in CD's. Gasoline Fund receipts were more than disbursements by \$22,483. This is average for the Gasoline Fund. Cemetery Fund receipts were less than disbursements by \$11,538. This is a common occurrence in the Cemetery Fund. The General Fund is used for cemetery expenses also.

In 2005, the fund balance of the General Fund decreased \$32,898 as the result of increased costs and lower revenue. This indicates that the General Fund is in a deficit spending situation. The Township is aware of this deficit spending. Health insurance will be addressed in 2006 by employee co-pay or higher deductibles. The Township was aware in 2005 that over \$150,000 will be coming into the General Fund in 2006 from estate tax and thus increasing the fund.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

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.

During 2006, the Township did not amend its General Fund budget to reflect the increased estate tax. The difference between final budgeted receipts and actual receipts was therefore significant. Final disbursements were budgeted at \$287,200 while actual disbursements were \$167,142. The actual disbursements are in line with 2005 spending.

During 2005, the Township amended its General Fund budget to increase appropriations. The difference between final budgeted receipts and actual receipts was not significant. The Government spending was more than incoming revenue by \$8,044.

Capital Assets and Debt Administration

Capital Assets

The Township's financial statements are prepared on the cash basis of accounting and thus, capital assets acquired by the district are recorded as disbursements and have not been capitalized.

Debt

At December 31, 2006, the Township's outstanding debt included \$30,083 in a OPWC loan through the City of Upper Sandusky for improvements to TH 124. For further information regarding the Township's debt, refer to Note 6 of the financial statements.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. With the large amount of estate tax received in 2006 the Township is in a stable condition for 2007.

Contacting the Township'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 Joyce Morehart, Fiscal Officer, Crane Township, Wyandot County, P.O. Box 331, Upper Sandusky, OH 43351.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENTS OF NET ASSETS - CASH BASIS

December 31, 2006

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 488,448
Total Assets	<u>488,448</u>
<u>Net Assets:</u>	
Restricted For:	
Capital Projects	2,872
Other Purposes	113,906
Unrestricted	<u>371,670</u>
Total Net Assets	<u>\$ 488,448</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2006

	Cash Disbursements	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<u>Governmental Activities:</u>						
General Government	\$ 94,925	\$ -	\$ 1,830	\$ -	\$ (93,095)	\$ (93,095)
Public Safety	12,213	-	-	-	(12,213)	(12,213)
Public Works	144,388	7,856	109,717	27,694	879	879
Health	81,318	63,885	-	-	(17,433)	(17,433)
Capital Outlay	55,389	-	-	-	(55,389)	(55,389)
<u>Debt Service:</u>						
Principal	1,719	-	-	-	(1,719)	(1,719)
Interest	-	-	-	-	-	-
Total Governmental Activities	<u>\$ 389,952</u>	<u>\$ 71,741</u>	<u>\$ 111,547</u>	<u>\$ 27,694</u>	<u>(178,970)</u>	<u>(178,970)</u>
<u>General Receipts:</u>						
Property Taxes Levied for General Purposes					93,610	93,610
Grants Not Restricted					377,333	377,333
Interest					2,813	2,813
Miscellaneous					568	568
Total General Receipts					<u>474,324</u>	<u>474,324</u>
Change in Net Assets					295,354	295,354
Net Assets Beginning of Year					193,094	193,094
Net Assets End of Year					<u>\$ 488,448</u>	<u>\$ 488,448</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2006

	General	Gasoline Tax	Cemetery	Other Governmental	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 371,670	\$ 75,681	\$ 12,181	\$ 28,916	\$ 488,448
Total Assets	371,670	75,681	12,181	28,916	488,448
<u>Fund Balances:</u>					
Unreserved, Reported in:					
General Fund	371,670	-	-	-	371,670
Special Revenue Funds	-	75,681	12,181	26,044	113,906
Capital Projects Funds	-	-	-	2,872	2,872
Total Fund Balances	\$ 371,670	\$ 75,681	\$ 12,181	\$ 28,916	\$ 488,448

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2006

	<u>General</u>	<u>Gasoline Tax</u>	<u>Cemetery</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Receipts:</u>					
Property and Other Local Taxes	\$ 80,192	\$ -	\$ -	\$ 21,275	\$ 101,467
Licenses, Permits and Fees	-	-	43,468	-	43,468
Intergovernmental	375,659	99,911	-	38,190	513,760
Interest	1,830	520	-	463	2,813
Miscellaneous	159	3,222	20,417	-	23,798
Total Receipts	<u>457,840</u>	<u>103,653</u>	<u>63,885</u>	<u>59,928</u>	<u>685,306</u>
<u>Disbursements:</u>					
Current:					
General Government	94,925	-	-	-	94,925
Public Safety	12,213	-	-	-	12,213
Public Works	54,108	53,476	-	36,804	144,388
Health	5,896	-	75,423	-	81,319
Capital Outlay	-	27,694	-	27,694	55,388
Debt Service:					
Principal Retirement	-	-	-	1,719	1,719
Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>167,142</u>	<u>81,170</u>	<u>75,423</u>	<u>66,217</u>	<u>389,952</u>
Excess of Receipts Over (Under) Disbursements	<u>290,698</u>	<u>22,483</u>	<u>(11,538)</u>	<u>(6,289)</u>	<u>295,354</u>
Net Change in Fund Balances	290,698	22,483	(11,538)	(6,289)	295,354
Fund Balances Beginning of Year	80,972	53,198	23,719	35,205	193,094
Fund Balances End of Year	<u>\$ 371,670</u>	<u>\$ 75,681</u>	<u>\$ 12,181</u>	<u>\$ 28,916</u>	<u>\$ 488,448</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Over (Under)
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 71,000	\$ 71,000	\$ 80,192	\$ 9,192
Intergovernmental	203,525	203,525	375,659	172,134
Interest	1,000	1,000	1,830	830
Miscellaneous	100	100	159	59
Total Receipts	<u>275,625</u>	<u>275,625</u>	<u>457,840</u>	<u>182,215</u>
<u>Disbursements:</u>				
Current:				
General Government	188,593	188,593	94,925	93,668
Public Safety	12,350	12,350	12,213	137
Public Works	67,500	67,500	54,108	13,392
Health	18,757	18,757	5,896	12,861
Capital Outlay	-	-	-	-
Total Disbursements	<u>287,200</u>	<u>287,200</u>	<u>167,142</u>	<u>120,058</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,575)</u>	<u>(11,575)</u>	<u>290,698</u>	<u>302,273</u>
Net Change in Fund Balances	(11,575)	(11,575)	290,698	302,273
Fund Balance at Beginning of Year	80,972	80,972	80,972	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 69,397</u>	<u>\$ 69,397</u>	<u>\$ 371,670</u>	<u>\$ 302,273</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Intergovernmental	\$ 63,500	\$ 63,500	\$ 99,911	\$ 36,411
Interest	325	325	520	195
Miscellaneous	100	100	3,222	3,122
Total Receipts	63,925	63,925	103,653	39,728
<u>Disbursements:</u>				
Current:				
Public Works	79,800	79,800	53,476	26,324
Capital Outlay	28,000	28,000	27,694	306
Total Disbursements	107,800	107,800	81,170	26,630
Excess of Receipts Over (Under) Disbursements	(43,875)	(43,875)	22,483	66,358
Net Change in Fund Balances	(43,875)	(43,875)	22,483	66,358
Fund Balance at Beginning of Year	53,198	53,198	53,198	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 9,323	\$ 9,323	\$ 75,681	\$ 66,358

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Licenses, Permits and Fees	\$ 40,000	\$ 40,000	\$ 43,468	\$ 3,468
Miscellaneous	21,000	21,000	20,417	(583)
Total Receipts	61,000	61,000	63,885	2,885
<u>Disbursements:</u>				
Current:				
Health	84,641	84,641	75,423	9,218
Capital Outlay	-	-	-	-
Total Disbursements	84,641	84,641	75,423	9,218
Excess of Receipts Over (Under) Disbursements	(23,641)	(23,641)	(11,538)	12,103
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
Net Change in Fund Balances	(23,641)	(23,641)	(11,538)	12,103
Fund Balance at Beginning of Year	23,719	23,719	23,719	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 78	\$ 78	\$ 12,181	\$ 12,103

The accompanying statements are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENTS OF NET ASSETS - CASH BASIS

December 31, 2005

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 193,094
Total Assets	<u>193,094</u>
<u>Net Assets:</u>	
Restricted For:	
Capital Projects	4,591
Other Purposes	107,530
Unrestricted	<u>80,973</u>
Total Net Assets	<u>\$ 193,094</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2005

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<u>Governmental Activities:</u>						
General Government	\$ 95,519	\$ -	\$ 19,884	\$ -	\$ (75,635)	\$ (75,635)
Public Safety	12,213	-	-	-	(12,213)	(12,213)
Public Works	95,340	7,856	71,515	37,366	21,397	21,397
Health	116,623	46,860	1,263	-	(68,500)	(68,500)
Capital Outlay	70,652	-	-	-	(70,652)	(70,652)
Debt Service:						
Principal	1,719	-	-	-	(1,719)	(1,719)
Interest	-	-	-	-	-	-
Total Governmental Activities	<u>\$ 392,066</u>	<u>\$ 54,716</u>	<u>\$ 92,662</u>	<u>\$ 37,366</u>	<u>(207,322)</u>	<u>(207,322)</u>
<u>General Receipts:</u>						
Property Taxes Levied for General Purposes					85,043	85,043
Grants Not Restricted					42,036	42,036
Interest					1,635	1,635
Miscellaneous					14,929	14,929
Total General Receipts					<u>143,643</u>	<u>143,643</u>
Change in Net Assets					(63,679)	(63,679)
Net Assets Beginning of Year					256,773	256,773
Net Assets End of Year					<u>\$ 193,094</u>	<u>\$ 193,094</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Cemetery</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 80,972	\$ 53,198	23,719	\$ 35,205	\$ 193,094
Total Assets	<u>80,972</u>	<u>53,198</u>	<u>23,719</u>	<u>35,205</u>	<u>193,094</u>
 <u>Fund Balances:</u>					
Unreserved, Reported in:					
General Fund	80,972	-	-	-	80,972
Special Revenue Funds	-	53,198	23,719	30,614	107,531
Capital Projects Funds	-	-	-	4,591	4,591
Total Fund Balances	<u>\$ 80,972</u>	<u>\$ 53,198</u>	<u>\$ 23,719</u>	<u>\$ 35,205</u>	<u>\$ 193,094</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Cemetery</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Receipts:</u>					
Property and Other Local Taxes \$	73,619	-	-	\$ 19,281	\$ 92,900
Licenses, Permits and Fees	-	-	31,810	-	31,810
Intergovernmental	50,370	63,747	1,263	55,048	170,428
Interest	967	323	11	334	1,635
Miscellaneous	185	5,442	25,987	-	31,614
Total Receipts	<u>125,141</u>	<u>69,512</u>	<u>59,071</u>	<u>74,663</u>	<u>328,387</u>
<u>Disbursements:</u>					
Current:					
General Government	95,519	-	-	-	95,519
Public Safety	12,213	-	-	-	12,213
Public Works	13,119	62,966	-	19,255	95,340
Health	37,188	-	79,435	-	116,623
Capital Outlay	-	16,000	-	54,652	70,652
Debt Service:					
Principal Retirement	-	-	-	1,719	1,719
Interest and Fiscal Charges	-	-	-	-	-
Total Disbursements	<u>158,039</u>	<u>78,966</u>	<u>79,435</u>	<u>75,626</u>	<u>392,066</u>
Excess of Receipts Over (Under) Disbursements	(32,898)	(9,454)	(20,364)	(963)	(63,679)
Other Financing Sources (Uses):					
Transfers In	-	1,410	7,881	-	9,291
Transfers Out	-	-	-	(9,291)	(9,291)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>1,410</u>	<u>7,881</u>	<u>(9,291)</u>	<u>-</u>
Net Change in Fund Balances	<u>(32,898)</u>	<u>(8,044)</u>	<u>(12,483)</u>	<u>(10,254)</u>	<u>(63,679)</u>
Fund Balances Beginning of Year	113,870	61,242	36,202	45,459	256,773
Fund Balances End of Year	<u>\$ 80,972</u>	<u>\$ 53,198</u>	<u>\$ 23,719</u>	<u>\$ 35,205</u>	<u>\$ 193,094</u>

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Over (Under)
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 59,000	\$ 59,000	\$ 73,619	\$ 14,619
Intergovernmental	51,300	51,300	50,370	(930)
Interest	1,100	1,100	967	(133)
Miscellaneous	-	-	185	185
Total Receipts	111,400	111,400	125,141	13,741
<u>Disbursements:</u>				
Current:				
General Government	146,350	112,195	95,519	16,676
Public Safety	11,950	12,350	12,213	137
Public Works	-	16,567	13,119	3,448
Health	14,800	37,188	37,188	-
Capital Outlay:	-	-	-	-
Total Disbursements	173,100	178,300	158,039	20,261
Excess of Receipts Over (Under) Disbursements	(61,700)	(66,900)	(32,898)	34,002
Net Change in Fund Balances	(61,700)	(66,900)	(32,898)	34,002
Fund Balance at Beginning of Year	113,870	113,870	113,870	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 52,170	\$ 46,970	\$ 80,972	\$ 34,002

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 63,747	\$ 3,747
Interest	250	250	323	73
Miscellaneous	-	-	5,442	5,442
Total Receipts	60,250	60,250	69,512	9,262
<u>Disbursements:</u>				
Current:				
Public Works	74,000	76,000	62,966	13,034
Capital Outlay	15,000	17,000	16,000	1,000
Total Disbursements	89,000	93,000	78,966	14,034
Excess of Receipts Over (Under) Disbursements	(28,750)	(32,750)	(9,454)	23,296
Other Financing Sources (Uses):				
Transfers In	-	-	1,410	1,410
Transfers Out	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	1,410	1,410
Net Change in Fund Balances	(28,750)	(32,750)	(8,044)	24,706
Fund Balance at Beginning of Year	61,242	61,242	61,242	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 32,492	\$ 28,492	\$ 53,198	\$ 24,706

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Over (Under)
<u>Receipts:</u>				
Licenses, Permits and Fees	\$ 25,000	\$ 25,000	\$ 31,810	\$ 6,810
Intergovernmental	-	-	1,263	1,263
Interest	8	8	11	3
Miscellaneous	26,500	26,500	25,987	(513)
Total Receipts	51,508	51,508	59,071	7,563
<u>Disbursements:</u>				
Current:				
Health	87,300	87,300	79,435	7,865
Capital Outlay	-	-	-	-
Total Disbursements	87,300	87,300	79,435	7,865
Excess of Receipts Over (Under) Disbursements	(35,792)	(35,792)	(20,364)	15,428
Other Financing Sources (Uses):				
Transfers In	-	-	7,881	7,881
Transfers Out	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	7,881	7,881
Net Change in Fund Balances	(35,792)	(35,792)	(12,483)	23,309
Fund Balance at Beginning of Year	36,202	36,202	36,202	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 410	\$ 410	\$ 23,719	\$ 23,309

The accompanying notes are an integral part of these financial statements.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 1 - Reporting Entity

Crane Township, Wyandot County, Ohio (the Township), is a body politic and corporate established in 1845 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 Township Fiscal Officer.

A. 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 City of Upper Sandusky for fire protection. Police protection is provided by the City of Upper Sandusky and the Sheriff of Wyandot County.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

C. Jointly Governed Organizations and Public Entity Risk Pools

The Township does not participate in any jointly governed organizations.

The Township participates in one public entity risk pool – OTARMA – see Note 8 for additional information.

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

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a 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.

A. 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 - cash basis and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. 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 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type 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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies – (continued)

B. 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 funds of the Township are all 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 only major governmental funds are the General Fund, Gasoline Tax Fund, and the Cemetery Fund in both 2005 and 2006.

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.

Cemetery Fund is used to account for revenue from the sale of plots and service fees used for the upkeep of the cemeteries in the care of the Township.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. 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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies – (continued)

D. Budgetary Process – (continued)

The appropriations ordinance is the Township's authorization to spend resources and sets limits on cash 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.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. 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 certificate 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.

E. 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".

Cash and cash equivalents that are held separately in accounts at a financial institution for retainage and bond reserves and debt service are reported as "Cash and Cash Equivalents with Fiscal Agents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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 (contra revenue), respectively.

During 2006 and 2005, the Township invested in certificates of deposit. The certificates of deposit are recorded at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, Township directives or debt related restrictions. Interest receipts credited to the General Fund during 2006 and 2005 was \$1,830 and \$967, respectively.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies (continued)

F. 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.

G. 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.

H. 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.

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their 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.

J. 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 another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. 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 capital projects and debt service obligations.

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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies (continued)

L. 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. The Township does not have any fund balance reserves.

Note 3 - Change in Basis of Accounting and Restatement of Fund Equity

For calendar year 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For calendar years 2005 and 2006, the Township has implemented the cash basis of accounting as described in Note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type.

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 are presented for the general fund, gasoline tax fund, and cemetery fund and are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Township has 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;

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 5 - Deposits and Investments – (continued)

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;
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 (I) 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)

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006 and 2005, \$200,000 and \$100,000 of Township's bank balances of \$491,160 and \$203,594 were covered by FDIC insurance, respectively. \$291,160 and \$103,594 were exposed to custodial credit risk because these deposits were uninsured and collateralized with securities held by the pledging financial institutions trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 6 – Debt Obligations

Debt outstanding at December 31, 2006 was as follows:

	Principal	Interest Rate
OPWC Loan	\$ 30,083	0.00%

The Township has a loan through the City of Upper Sandusky for their share of the Rock Run Road Cooperative Project. Annual interest free payments of \$1,719 are being paid to the City of Upper Sandusky.

The annual requirements to amortize all debt outstanding as of December 31, 2006, including interest payments are scheduled as follows:

<u>Year Ending December 31,</u>		<u>OPWC Loan</u>
2007	\$	1,719
2008		1,719
2009		1,719
2010		1,719
2011		1,719
2012-2016		8,595
2017-2021		8,595
2022-2024		4,298
	\$	30,083

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 7 - 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 2006 represent the collection of 2005 taxes, and real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. 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 2006 represent the collection of 2005 taxes, and public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property 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.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2006 taxes, and tangible personal property receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. 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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 7 - Property Taxes – (continued)

The full tax rate for all Township operations for the years ended December 31, 2006 and 2005, was \$2.60 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were as follows:

	2005		2006	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 85,667,500	52.52 %	\$ 87,218,340	55.55 %
Industrial/Commercial	33,580,860	20.58	34,252,120	21.82
Public Utility	5,306,930	3.25	5,321,050	3.39
Tangible Personal	38,587,849	23.65	30,196,907	19.24
Total Assessed Value	\$ 163,143,139	100.00 %	\$ 156,988,417	100.00 %

Note 8 - Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio 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

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including claim 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 \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate. Townships can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 8 - Risk Management – (continued)

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500,000,000 per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers' provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained earnings at December 31, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 32,031,312	\$ 30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained Earnings	\$ <u>20,587,360</u>	\$ <u>18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 10,010,963	\$ 9,177,796
Liabilities	(676,709)	(1,406,031)
Retained Earnings	\$ <u>9,334,254</u>	\$ <u>7,771,765</u>

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 8 - Risk Management – (continued)

Financial Position – (continued)

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The casualty coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member townships in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$15,239. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

	Township Contributions to OTARMA
2003	\$7,380
2004	7,795
2005	7,781
2006	7,458

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent years contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses became the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Note 9 - Defined Benefit Pension Plans

A. 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.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 9 - Defined Benefit Pension Plans – (continued)

A. Ohio Public Employees Retirement System – (continued)

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, 2006 and 2005, the members of all three plans were required to contribute 9.0 and 8.5 percent of their annual covered salaries, respectively. The Township's contribution rate for pension benefits for 2006 and 2005 were 13.70 and 13.55 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2006, 2005, and 2004 were \$17,023, \$16,522, and \$14,970 respectively. The full amount has been contributed for 2006, 2005 and 2004.

Note 10 - Post-employment Benefits

A. 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 2006 and 2005 local government employer contribution rates were 13.70 and 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

CRANE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 10 - Post-employment Benefits – (continued)

A. Ohio Public Employees Retirement System – (continued)

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, 2004, 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 6.3 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.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2006 and 2005 which were used to fund post-employment benefits were \$4,970 and \$4,877. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 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. To improve solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Note 11 -Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Accountability and Noncompliance

- In 2005, expenditures exceeded appropriations in the capital projects fund by \$37,085.

This page was intentionally left blank.



E.S. Evans and Company

Certified Public Accountants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075
P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • www.esevans.com

E.S. Evans, CPA, PFS (1930-1999) • Robert E. Wendel, CPA • Dan F. Clifford, CPA, CVA
Steven D. Hooker, CPA • John E. Klay, CPA

January 22, 2008

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

Crane Township
Wyandot County, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crane Township, Wyandot County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated January 22, 2008, wherein we noted the Township prepared its financial statements following the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crane Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crane Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crane Township's internal control over financial reporting.

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

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

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

However, we noted certain internal control matters that we reported to Crane Township's management in separate letter dated January 22, 2008.

Compliance and Other Matters

As part of reasonably assuring whether Crane Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express 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.

In a separate letter to Crane Township's management dated January 22, 2008, we reported other matters related to noncompliance.

We intend this report solely for the information and use of management of Crane Township and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. L. Green and Company".



Mary Taylor, CPA
Auditor of State

CRANE TOWNSHIP

WYANDOT 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
MARCH 13, 2008**