

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

AUDIT REPORT

JANUARY 1, 2007 – DECEMBER 31, 2008

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Crawford Township
52444 County Road 227
Fresno, Ohio 43824

We have reviewed the *Independent Auditors' Report* of Crawford Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 11, 2009

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**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Crawford Township
Coshocton County
52444 CR 227
Fresno, Ohio 43824

We have audited the accompanying financial statements of Crawford Township, Coshocton County as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ending December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Crawford Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended..

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Crawford Township, Coshocton County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 17, 2009, on our consideration of Crawford Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 17, 2009

**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, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 36,586	\$ 47,204	\$ -	\$ 83,790
Intergovernmental	18,817	97,343	15,973	132,133
Earnings on Investments	315	295	-	610
Miscellaneous	14	8,414	-	8,428
Total Cash Receipts	<u>55,732</u>	<u>153,256</u>	<u>15,973</u>	<u>224,961</u>
Cash Disbursements:				
Current:				
General Government	52,361	-	-	52,361
Public Safety	-	17,062	-	17,062
Public Works	2,425	174,584	-	177,009
Health	4,983	-	-	4,983
Capital Outlay	-	2,810	-	2,810
Debt Service:				
Redemption of Principal	-	-	14,142	14,142
Interest and Other Fiscal Charges	-	-	2,849	2,849
Total Cash Disbursements	<u>59,769</u>	<u>194,456</u>	<u>16,991</u>	<u>271,216</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(4,037)	(41,200)	(1,018)	(46,255)
Fund Cash Balances, January 1	<u>8,695</u>	<u>63,890</u>	<u>6,963</u>	<u>79,548</u>
Fund Cash Balances, December 31	<u>\$ 4,658</u>	<u>\$ 22,690</u>	<u>\$ 5,945</u>	<u>\$ 33,293</u>

See notes to financial statements.

**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, 2007**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 37,259	\$ 49,176	\$ -	\$ 86,435
Intergovernmental	17,853	96,347	12,517	126,717
Earnings on Investments	232	673	-	905
Miscellaneous	603	3,558	-	4,161
Total Cash Receipts	<u>55,947</u>	<u>149,754</u>	<u>12,517</u>	<u>218,218</u>
Cash Disbursements:				
Current:				
General Government	49,243	-	-	49,243
Public Safety	-	16,693	-	16,693
Public Works	1,340	116,044	-	117,384
Health	3,624	-	-	3,624
Capital Outlay	-	10,745	-	10,745
Debt Service:				
Redemption of Principal	-	-	14,143	14,143
Interest and Other Fiscal Charges	-	-	3,521	3,521
Total Cash Disbursements	<u>54,207</u>	<u>143,482</u>	<u>17,664</u>	<u>215,353</u>
Total Cash Receipts Over/(Under) Cash Disbursements	1,740	6,272	(5,147)	2,865
Other Financing Receipts:				
Other Financing Sources	32	-	-	32
Total Other Financing Sources	<u>32</u>	<u>-</u>	<u>-</u>	<u>32</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,772	6,272	(5,147)	2,897
Fund Cash Balances, January 1	<u>6,923</u>	<u>57,618</u>	<u>12,110</u>	<u>76,651</u>
Fund Cash Balances, December 31	<u>\$ 8,695</u>	<u>\$ 63,890</u>	<u>\$ 6,963</u>	<u>\$ 79,548</u>

See notes to financial statements.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Township of Crawford, Coshocton County, is a body politic and corporate 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 and a publicly elected Fiscal Officer. The Township provides general governmental services including road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Village of Baltic to provide fire services and Swiss Valley Ambulance to provide ambulance services. The Township contracts with the Coshocton County Sheriff's Department for police protection.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. 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 exceeding the member's deductible

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 cash 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 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. Cash and Investments

The Township maintains all cash in an interest-bearing checking account.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

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

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

Debt Service Fund

This fund accounts for resources the Township accumulates to pay note debt.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated in the subsequent year.

A Summary of 2008 and 2007 budgetary activity appears in Note 3.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting

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:

	2008	2007
Demand Deposits	\$ 33,293	\$ 79,548
	\$ 33,293	\$ 79,548

Deposits:

Deposits are either 1) insured by the Federal Depository Insurance Corporation or 2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 was as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 54,118	\$ 55,732	\$ 1,614
Special Revenue	164,917	153,256	(11,661)
Debt Service	18,000	15,973	(2,027)
Total	\$ 237,035	\$ 224,961	\$ (12,074)

2008 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 63,204	\$ 59,769	\$ 3,435
Special Revenue	228,355	194,456	33,899
Debt Service	24,960	16,991	7,969
Total	\$ 316,519	\$ 271,216	\$ 45,303

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 67,122	\$ 55,979	\$ (11,143)
Special Revenue	157,795	149,754	(8,041)
Debt Service	<u>10,500</u>	<u>12,517</u>	<u>2,017</u>
Total	<u>\$ 235,417</u>	<u>\$ 218,250</u>	<u>\$ (17,167)</u>

2007 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 73,793	\$ 54,207	\$ 19,586
Special Revenue	215,649	143,482	72,167
Debt Service	<u>22,609</u>	<u>17,664</u>	<u>4,945</u>
Total	<u>\$ 312,051</u>	<u>\$ 215,353</u>	<u>\$ 96,698</u>

Contrary to ORC Section 5705.36, the Township had several funds in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

Contrary to ORC Section 5705.39, several funds had appropriations greater than estimated resources.

Contrary to ORC Section 5705.41(D), the Township had expenditures where invoices were dated prior to fiscal certificates.

4 PROPERTY TAX

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the county by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

5. RETIREMENT SYSTEMS

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2008 and 2007, members of PERS contributed 10.0% and 9.5% of their gross salaries, respectively. The Township contributed an amount equal to 14.00% and 13.85% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2008.

6. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest rate
Dump Truck	\$ 7,000	4.30%
Tractor	35,715	5.25%
Total	\$ 42,715	

During 2004, the Township issued a promissory note in the amount of \$35,000 with an interest rate of 4.30% to finance the purchase of a dump truck for Township road maintenance.

During 2006, the Township issued a promissory note in the amount of \$50,000 with an interest rate of 5.25% to finance the purchase of a John Deere tractor for Township road maintenance.

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

Year Ended December 31	Dump Truck	Tractor
2009	\$ 7,301	\$ 9,018
2010	-	8,643
2011	-	8,268
2012	-	7,892
2013	-	7,518
Total	\$ 7,301	\$ 41,399

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

7. RISK MANAGEMENT

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 occurrence, 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 per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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 million per occurrence.

Beginning in 2005, The Travelers Indemnity Company 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.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

8. RISK MANAGEMENT(Continued)

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, 2007 and 2006, the latest information available.

	2007	2006
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained Earnings	\$ 29,852,866	\$ 29,921,614

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, 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 \$10,782. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.

Based on discussion 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. The Townships contributions to OTARMA for the past two years are as follows:

Contributions to OTARMA	
2006	\$6,747
2007	5,561
2008	5,391

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they 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 year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Crawford Township
Coshocton County
52444 CR 227
Fresno, Ohio 43824

We have audited the financial statements of Crawford Township, Coshocton County as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated April 17, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crawford Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 the 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 the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the following deficiencies to be significant deficiencies in internal control.

Finding numbers 2008-01 and 2008-02 in the Schedule of Findings are considered to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that a material misstatement of the financial statements will not be prevented by the Township's internal control. We believe that Findings 2008-01 and 2008-02 are material weaknesses.

We also noted other matters involving internal control over financial reporting, which we have reported to management of Crawford Township in a separate letter dated April 17, 2009

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford 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 such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as item 2008-03 and 2008-04. We also we noted certain immaterial instances of noncompliance that we have reported to the management of Crawford Township in a separate letter dated April 17, 2009.

Crawford Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Crawford Township's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 17, 2009

**CRAWFORD TOWNSHIP
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-01

Material Weakness/Significant Deficiency – Board of Trustees Financial Statement and Reconciliation Reviews

The Board of Trustees does not receive monthly budget versus actual reports and year- to- date financial information from the Township Fiscal Officer for subsequent review and approval as evidenced in the minute records. This prevented the Township Fiscal Officer and Board of Trustees from properly evaluating, on an on-going basis, the status of estimated versus actual receipts and expenditure activity. In addition, there was no evidence the Board of Trustees reviews and approves the monthly bank reconciliations. As a result, errors or irregularities may occur and not be detected timely.

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Township Fiscal Officer should submit monthly budget versus actual reports, year –to-date financial information and monthly bank reconciliations to the Board of Trustees for subsequent review and approval as evidenced within the minute records. This will ensure the Township Fiscal Officer and Board of Trustees effectively monitor and assess on an on-going basis results from monthly activity and provide review of the monthly bank reconciliation.

Client Response: We agree with finding and will try to improve in the future.

FINDING NUMBER 2008-02

Material Weakness/Significant Deficiency – Financial Reporting

The Township Fiscal Officer did not complete the following as required on the year-end financial report that was submitted to the Auditor of State: the combined totals for Special Revenue Funds; and the Comparison of Disbursements and Encumbrances with Expenditure Authority for the 2007 financial report.

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the Auditor of State is complete and accurate. In 2008 the Township converted to the UAN system and away from handwritten ledgers. The report was complete for 2008.

Client Response: We have converted to UAN and this should no longer be a problem.

**CRAWFORD TOWNSHIP
COSHOCKTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-03

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of Fiscal Officer of the subdivision. The Fiscal Officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 28.0% in 2008 and 48.0% in 2007 of the expenditures tested.

The Fiscal Officer should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of Trustees against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the Township can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the Fiscal Officer to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Fiscal Officer without subsequent authorization from the Trustees. However, then and now certificates issued by the Fiscal Officer over \$3,000, must be authorized by the Trustees within thirty days after payment.

Client Response: We agree with finding and will try to improve in the future.

FINDING NUMBER 2008-04

Noncompliance Citation

Ohio Revised Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund. In 2008, total appropriations exceeded total estimated resources in the General Fund and Road Improvement Levy Fund.

The Township should monitor appropriations versus estimated resources to help avoid overspending.

Client Response: We agree with finding and will try to improve in the future.

**CRAWFORD TOWNSHIP
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	Board of Trustees financial statements and Reconciliation Review	No	In current audit as Finding 2008-01
2006-002	Financial Reporting	No	In current audit as Finding 2008-02
2006-003	Classification of receipts and expenditures	Yes	Finding No Longer Valid.
2006-004	ORC 5549.21 bidding requirements	Yes	Finding No Longer Valid.
2006-005	ORC 5705.39 Appropriations exceeding estimated resources	No	In current audit as Finding 2008-04
2006-006	ORC 5705.41(D) Invoices dated prior to certification	No	In current audit as Finding 2008-03



Mary Taylor, CPA
Auditor of State

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
JUNE 25, 2009**