

Lawrence Township
Tuscarawas County
Regular and Gagas Audit

For the Period
January 1, 1998 to December 31, 1999

MIKE LYNCH CPA
5 SOUTH FOURTH STREET
ZANESVILLE, OHIO 43701
(740)454-8527

Lawrence Township
Tuscarawas County
January 1, 1998 - December 31, 1999

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Lawrence Township
Tuscarawas County

Elected Officials
As of December 31, 1999

Name	Title	Term of Office	Surety and Amount
William Haueter 11624 Strasburg-Bolivar Rd. NW P.O. Box 1 Bolivar, OH 44612-0118	Chairman	1/1/98-12/31/2001	\$1,000.00 (B)
Tedd L. Finlayson II	Vice-Chairman	1/1/98-12/31/2001	\$1,000.00 (B)
Fred W. Pedersen (A)	Member	1/1/96-12/31/1999	\$1,000.00 (B)
Charles E. Lundenberger 272 East Street P.O. Box 113 Bolivar, Ohio 44612	Clerk	4/1/97-3/31/2000	\$5,000.00 (C)

Statutory Legal Counsel
Dennis Traver
Traver, Worth & Fox
309 Huntington Bank Building
232 West Third Street
Dover, Ohio 44622

- (A) Re-elected 1/1/2000-12/31/2003.
(B) The Personal Service Insurance Company.
(C) Ohio Casualty Insurance Company.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Trustees
Lawrence Township
Tuscarawas County
Bolivar, Oh 44612

We have reviewed the Independent Auditor's Report of Lawrence Township, Tuscarawas County, prepared by Mike Lynch, CPA. for the audit period January 1, 1998 to December 31, 1999. 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. Lawrence Township is responsible for compliance with these laws and regulations.


JIM PETRO
Auditor of State

June 28, 2000

Report of Independent Accountant

Board of Trustees
Lawrence Township
Tuscarawas Township
Bolivar, Ohio 44612

I have audited the accompanying financial statements of Lawrence Township, Tuscarawas County, Ohio (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the Cash and Cash Fund balances of Lawrence Township, Tuscarawas County, Ohio, as of December 31, 1999 and 1998, and its Cash Receipts and Disbursements for the years ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued a report dated June 15, 2000 on my consideration of the Township's Internal Control Structure and on its compliance with laws and regulations.

This report is intended solely for the information and use of the State Auditor's Office, Board of Trustees, Clerk and Management of the Township and should not be used by anyone other than these specified parties.

Report of Independent Accountant (Continued)

Respectfully Submitted:


Mike Lynch CPA

Zanesville, Ohio
June 15, 2000

Lawrence Township
Tuscarawas County
Combined Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balances - All Governmental Fund Types for the
Year Ended December 31, 1999

	General Fund	Special Revenue	Debt Service
Cash Receipts:			
Taxes	\$ 48,226.36	\$ 351,457.55	\$ 50,060.00
Licenses, Permits and Fees	.00	21,481.85	.00
Intergovernmental Receipts	141,634.99	108,915.26	.00
Special Assessments	.00	3,239.57	.00
Interest	5,263.18	218.96	.00
All Other Revenue	<u>9,692.41</u>	<u>61,212.56</u>	<u>.00</u>
Total Cash Receipts	<u>\$204,816.94</u>	<u>\$ 546,525.75</u>	<u>\$ 50,060.00</u>
Cash Disbursements:			
Current:			
General Government	\$113,283.42	\$ 56,471.42	\$.00
Public Safety	103,366.48	126,688.56	.00
Public Works	1,788.49	253,679.92	.00
Health	.00	5,074.95	.00
Capital Outlay	17,179.30	57,206.91	.00
Debt Service:			
Redemption of Principal	.00	.00	61,000.00
Interest	<u>.00</u>	<u>.00</u>	<u>1,641.24</u>
Total Program Disbursements	<u>\$235,617.69</u>	<u>\$499,121.76</u>	<u>\$ 62,641.24</u>
Total Receipts Over/(Under) Program Disbursements	<u>\$(30,800.75)</u>	<u>\$ 47,403.99</u>	<u>\$ (12,581.24)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>\$ (30,800.75)</u>	<u>\$ 47,403.99</u>	<u>\$ (12,581.24)</u>
Fund Cash Balance-1/1/1999	<u>124,997.89</u>	<u>188,721.91</u>	<u>14,581.24</u>
Fund Cash Balance- 12/31/99	<u>\$ 94,197.14</u>	<u>\$236,125.90</u>	<u>\$ 2,000.00</u>

The Notes to the Financial Statements are an Integral Part of These Financial Statements.

Lawrence Township
Tuscarawas County
Combined Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balances - All Governmental Fund Types for the
Year Ended December 31, 1999

	Capital Project	Total Memorandum Only
Cash Receipts:		
Taxes	\$.00	\$ 449,743.91
Licenses, Permits and Fees	.00	21,481.85
Intergovernmental Receipts	.00	250,550.25
Special Assessments	.00	3,239.57
Interest	.00	5,482.14
All Other Revenue	.00	70,904.97
Total Cash Receipts	<u>\$.00</u>	<u>\$ 801,402.69</u>
Cash Disbursements:		
Current:		
General Government	\$.00	\$ 169,754.84
Public Safety	.00	230,055.04
Public Works	.00	255,468.41
Health	.00	5,074.95
Capital Outlay	65,848.82	140,235.03
Debt Service:		
Redemption of Principal	.00	61,000.00
Interest	.00	1,641.24
Total Program Disbursements	<u>\$ 65,848.82</u>	<u>\$ 863,229.51</u>
Total Receipts Over/(Under)		
Program Disbursements	<u>\$(65,848.82)</u>	<u>\$(61,826.82)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under)		
Cash Disbursements and Other Financing Disbursements		
	\$(65,848.82)	\$(61,826.82)
Fund Cash Balance-1/1/1999	<u>66,258.10</u>	<u>394,559.14</u>
Fund Cash Balance- 12/31/99	<u>\$ 409.28</u>	<u>\$ 332,732.32</u>

The Notes to the Financial Statements are an Integral Part of These Financial Statements.

Lawrence Township
Tuscarawas County
Combined Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balances - All Governmental Fund Types for the
Year Ended December 31, 1998

	General Fund	Special Revenue	Debt Service
Cash Receipts:			
Taxes	\$ 32,808.89	\$ 325,185.31	\$ 48,704.00
Licenses, Permits and Fees	4,388.05	18,410.07	.00
Fines and Forfeitures	.00	50.00	.00
Intergovernmental Receipts	244,110.70	101,365.80	.00
Special Assessments	.00	2,971.54	.00
Interest	5,567.30	245.26	.00
All Other Revenue	<u>22,001.52</u>	<u>83,149.28</u>	<u>.00</u>
Total Cash Receipts	<u>\$ 308,876.46</u>	<u>\$ 531,377.26</u>	<u>\$ 48,704.00</u>
Cash Disbursements:			
Current:			
General Government	\$ 107,731.99	\$ 36,516.50	\$.00
Public Safety	91,025.48	147,747.79	.00
Public Works	.00	220,494.70	.00
Health	.00	9,463.00	.00
Capital Outlay	2,818.91	32,947.30	.00
Debt Service:			
Redemption of Principal	.00	.00	36,334.22
Interest	<u>.00</u>	<u>.00</u>	<u>7,993.16</u>
Total Program Disbursements	<u>\$ 201,576.38</u>	<u>\$ 447,169.29</u>	<u>\$ 44,327.38</u>
Total Receipts Over/(Under)			
Program Disbursements	<u>\$ 107,300.08</u>	<u>\$ 84,207.97</u>	<u>\$ 4,376.62</u>
Other Financing Receipts/ (Disbursements):			
Transfers In	\$.00	\$ 3,000.00	\$ 9,309.58
Transfers Out	<u>(3,000.00)</u>	<u>.00</u>	<u>.00</u>
Total Other Financing Receipts/ (Disbursements)	<u>\$ (3,000.00)</u>	<u>\$ 3,000.00</u>	<u>\$ 9,309.58</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under)			
Cash Disbursements and Other Financing Disbursements	\$ 104,300.08	\$ 87,207.97	\$ 13,686.20
Fund Cash Balance-1/1/1998	20,697.81	98,723.46	821.86
Fund Balance Adjustments	<u>.00</u>	<u>2,790.48</u>	<u>73.18</u>
Fund Cash Balance- 12/31/99	<u>\$ 124,997.89</u>	<u>\$ 188,721.91</u>	<u>\$ 14,581.24</u>

The Notes to the Financial Statements are an Integral Part of These Financial Statements.

Lawrence Township
Tuscarawas County
Combined Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balances - All Governmental Fund Types for the
Year Ended December 31, 1998

	Capital Project	Special Assessment	Total- Memorandum Only
Cash Receipts:			
Taxes	\$.00	\$.00	\$ 406,698.20
Licenses, Permits and Fees	.00	.00	22,798.12
Fines and Forfeitures	.00	.00	50.00
Intergovernmental Receipts	.00	.00	345,476.50
Special Assessments	.00	.00	2,971.54
Interest	73.18	.00	5,885.74
All Other Revenue	<u>66,000.00</u>	<u>.00</u>	<u>171,150.80</u>
Total Cash Receipts	<u>\$ 66,073.18</u>	<u>\$.00</u>	<u>\$ 955,030.90</u>
Cash Disbursements:			
Current:			
General Government	\$.00	\$.00	\$ 144,248.49
Public Safety	.00	.00	238,773.27
Public Works	.00	.00	220,494.70
Health	.00	.00	9,463.00
Capital Outlay	.00	.00	35,766.21
Debt Service:			
Redemption of Principal	.00	.00	36,334.22
Interest	<u>.00</u>	<u>.00</u>	<u>7,993.16</u>
Total Program Disbursements	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 693,073.05</u>
Total Receipts Over/(Under)			
Program Disbursements	<u>\$ 66,073.18</u>	<u>\$.00</u>	<u>\$ 261,957.85</u>
Other Financing Receipts/ (Disbursements):			
Transfers In	\$.00	\$.00	\$ 12,309.58
Transfers Out	<u>(9,309.58)</u>	<u>.00</u>	<u>(12,309.58)</u>
Total Other Financing Receipts/ (Disbursements)	<u>\$ (9,309.58)</u>	<u>\$.00</u>	<u>\$.00</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under)			
Cash Disbursements and Other Financing Disbursements	\$ 56,763.60	\$.00	\$ 261,957.85
Fund Cash Balance-1/1/1998	9,567.68	2,790.48	132,601.29
Fund Balance Adjustments	<u>(73.18)</u>	<u>(2,790.48)</u>	<u>.00</u>
Fund Cash Balance- 12/31/98	<u>\$ 66,258.10</u>	<u>\$.00</u>	<u>\$ 394,559.14</u>

The Notes to the Financial Statements are an Integral Part of These Financial Statements.

Lawrence Township
Tuscarawas County
Notes to the Financial Statements
January 1, 1998 - December 31, 1999

1. Summary of Significant Accounting Policies

A. Description of the Entity

Lawrence Township (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the state of Ohio. The Township is directed by a publicly- elected three- member board. The Township provides general governmental services, including road and ditch maintenance, cemeteries, fire protection, and police services. The Township owns their own cruisers and contracts with the Tuscarawas County Sheriff's Department to provide security of persons and property.

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 were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. Fund Accounting

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

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 expenditures for specific purposes. The Township had the following significant special revenue fund:

Road and Bridge Fund - This fund receives semi-annual tax settlements from the county auditor for constructing, maintaining and repairing Township roads.

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 2

Debt Service Funds

The debt service fund is used to accumulate resources for the payment of the Township garage and truck note indebtedness.

Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township purchased the following Capital items during the audit period:

- A. New Holland Tractor - 7/16/98 - \$ 14,750.00.
- B. Case Backhoe - 2/15/99 - \$ 13,742.75.
- C. 1999 International Truck - \$ 39,464.00 - 3/4/99.
- D. Bed for International Truck - \$ 10,969.00 - 5/5/99.
- E. Crown Victoria Police Cruiser - \$ 22,923.00 - 11/16/99.

The Special Assessment Fund

The special assessment fund was made up of two funds, as follows:

The Chestnut Ridge allotment collected funds which were then expended for street lighting in Chestnut Ridge subdivision.

Hunters Green Phase I collected funds which were then expended for street lighting in Hunters Green subdivision.

The \$ 2,790.48 balance in the Special Assessment Fund at December 31, 1997 was transferred to the Special Revenue Fund in 1998. There was no other activity in the Special Revenue Fund during 1998 or 1999.

D. Budgetary Process

The Ohio Revised Code requires that each fund 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.

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 3

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

F. Unpaid Vacation and Sick Leave Pay

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

2. Equity in Pooled Cash and Investments

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and the Township is in compliance with these provisions of the code.

	1999	1998
Demand Deposits	\$ 332,732.32	\$ 394,559.14

Deposits:

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

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 4

3. Budgetary Activity

Budgetary activity for the years ended December 31, 1999 and 1998 was as follows:

1999 Budgeted Versus Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 201,447.00	\$ 204,816.94	\$ 3,369.94
Special Revenue	449,506.00	546,525.75	97,019.75
Debt Service	67,464.00	50,060.00	(17,404.00)
Capital Projects	.00	.00	.00
Special Assessments	.00	.00	.00
Total	<u>\$ 718,417.00</u>	<u>\$ 801,402.69</u>	<u>\$ 82,985.69</u>

1999 Budgeted Versus Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 351,247.86	\$ 235,617.69	\$ 115,630.17
Special Revenue	700,803.93	499,121.76	201,682.17
Debt Service	64,641.24	62,641.24	2,000.00
Capital Projects	66,258.10	65,848.82	409.28
Special Assessments	.00	.00	.00
Total	<u>\$1,182,951.13</u>	<u>\$ 863,229.51</u>	<u>\$ 319,721.62</u>

1998 Budgeted Versus Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 128,503.05	\$ 308,876.46	\$ 180,373.41
Special Revenue	491,336.00	534,377.26	43,041.26
Debt Service	58,015.58	58,013.58	(2.00)

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 5

1998 Budgeted Versus Actual Receipts- Continued:

<u>Fund Type</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
Capital Projects	\$ 258.00	\$ 66,073.18	\$ 65,815.18
Special Assessments	<u>.00</u>	<u>.00</u>	<u>.00</u>
Total	<u>\$678,112.63</u>	<u>\$967,340.48</u>	<u>\$289,227.85</u>

1998 Budgeted Versus Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 298,173.13	\$ 204,576.38	\$ 93,596.75
Special Revenue	601,128.42	447,169.29	153,959.13
Debt Service	49,526.22	44,327.38	5,198.84
Capital Projects	75,567.68	9,309.58	66,258.10
Special Assessments	<u>.00</u>	<u>.00</u>	<u>.00</u>
Total	<u>\$1,024,395.45</u>	<u>\$ 705,382.63</u>	<u>\$319,012.82</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the state and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the county by February 10. If the property owner elects to make semiannual payments, the first half is due February 10. The second half payment is due the following June 22.

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

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

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 6

5. Debt

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Township Garage Note Huntington National Bank Columbus, Ohio	\$ 28,000.00	6.5%
International Truck Note Huntington National Bank Dover, Ohio	\$ 33,000.00	4.6%

The Township Garage Note is for the construction of the Township garage and offices. The only remaining payments at December 31, 1999 are \$ 910.00 interest at February 15, 2000 and \$ 910.00 interest and \$ 28,000.00 Principal at August 15, 2000.

\$ 66,000.00 was borrowed on the purchase of an International Truck and Bed in November of 1998. There was a \$ 3,111.90 Interest payment and a \$ 33,000.00 Principal payment at 12/1/99. The final payment of \$ 33,000.00 Principal plus interest at 4.6% is due 12/1/2000.

6. Retirement

Lawrence Township participates as a member of the Public Employees Retirement System (PERS) of Ohio, a cost sharing multiple-employer public employee retirement system operated by the State of Ohio. All employees are required to be members of PERS. Employees may retire at or after age 60 with 5 years of credited service. They are entitled to a retirement benefit, payable monthly for life, equal to 2.1% of their final average salary for each year of credited service. Final average salary is the employees' average salary over the highest 3 years of earnings. Benefits vest fully upon reaching 5 years of service. Employees may retire at any age with 30 years of service, at age 60 with a minimum of 5 years of service, at at age 55 with a minimum of 25 years of service. Those individuals retiring with less than 30 years service or less than age 65 receive reduced retirement benefits. Benefits are established by state statute.

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 7

6. Retirement - Continued:

During 1998 Lawrence Township reported \$ 140,026.10 of wages to the Public Employees Retirement System of Ohio on twelve monthly and four quarterly reports - this represented 100% of the wages of ten employees, including three trustees and the Township Clerk. \$ 11,902.22 of employee contributions were withheld from wages and submitted to PERS during 1998 with the monthly reports along with \$ 18,973.54 of employer contributions.

During 1999 Lawrence Township reported \$ 145,848.93 of wages to the Public Employees Retirement System of Ohio on twelve monthly and four quarterly reports - this represented 100% of the wages of 10 employees, including three trustees and the Township Clerk. \$ 12,397.16 of employee contributions were withheld from wages and submitted to PERS during 1999 with the monthly reports along with \$ 19,762.53 of employer contributions.

During 1998 and 1999 the Township contributed 100 percent of the retirement commitments required by PERS, consisting of the employees' share of 8.5 percent of their gross wages and the employers' share of 13.55 percent of the employees' gross wages. The difference between the total employer rate and the portion used to fund pension obligations is the amount used to fund health care programs for retirants. Historical trend information showing PERS's progress in accumulating sufficient assets to pay benefits when due is presented in PERS's December 31, 1998 and 1999 Comprehensive Financial Reports.

PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. As noted above, the Ohio Revised Code provides statutory authority for employer contributions. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The number of active contributing participants is over 350,000. Actuarial contribution requirements are determined for the retirement plan as a whole, not for the individual employers. Net asset and liability figures are available in the December 31, 1998 and 1999 comprehensive financial statements.

Lawrence Township's full time employees and elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple Employer plan. This plan provides retirement benefits, including postretirement healthcare and survivor disability benefits to participants as prescribed by the Ohio Revised Code.

Lawrence Township
Tuscarawas County
Notes to the Financial Statements - Page 8

6. Retirement (Continued):

Contributions are also prescribed by the Ohio Revised Code. The Township has paid all contributions required and due through December 31, 1999.

7. Risk Management

The Township has adequate commercial insurance to cover all reasonably ascertainable risks.

The 5/1/99 annual insurance premium of \$ 5,745.00 provided the following coverages:

- A. Commercial Auto - \$ 1,033.00 - Liability of \$ 1,000,000.00 per accident; Uninsured Motorist - \$ 90.00 - \$ 1,000,000.00 Each Accident; Comprehensive - \$ 677.00 - cost of repair or cash value; Collision - \$ 1,822.00 - cash value or cost of repair.
- B. Commercial Fire - \$ 399.00 - \$ 379,600.00 limit on Building 1, \$ 83,200.00 on Building 2.
- C. General Liability - \$ 1,006.00 - \$ 3,000,000.00 aggregate limit, \$ 1,000,000.00 each occurrence and personal and advertising injury limit, Fire damage - \$ 25,000.00 limit - 1 fire.
- D. Inland Marine - \$ 698.00 - Actual cash value of listed equipment and Tractors - \$ 250.00 deductible.

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

Board of Trustees
Lawrence Township
Tuscarawas County
Bolivar, Ohio 44612

I have audited the financial statements of Lawrence Township as of and for the years ended December 31, 1998 , and December 31, 1999, and have issued my report thereon dated June 15, 2000. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Lawrence Township's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. I did note certain immaterial instances of non-compliance which I have reported to the Management of Lawrence Township in a separate letter dated June 15, 2000.

Internal Control Over Financial Reporting

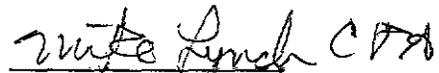
In planning and performing my audit, I considered Lawrence Township's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial

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Internal Control - Continued:

reporting and its operation that I consider to be a material weakness. However, I noted other matters involving the internal control over financial reporting that I have reported to the management of Lawrence Township in a separate letter dated June 15, 2000.

This report is intended solely for the information and use of the State Auditor's Office, Board of Trustees, Clerk and Management of the Township and should not be used by anyone other than these specified parties.


Mike Lynch CPA
Zanesville, Ohio
June 15, 2000.



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LAWRENCE TOWNSHIP
TUSCARAWAS 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.

By: Susan Babbitt

Date: JULY 18, 2000