

WHETSTONE TOWNSHIP
CRAWFORD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA

Auditor of State

Board of Trustees
Whetstone Township
4321 Crestline Road
Bucyrus, Ohio 44820

We have reviewed the *Independent Auditors' Report* of Whetstone Township, Crawford County, prepared by Holbrook & Manter, for the audit period January 1, 2006 through December 31, 2007. 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. Whetstone Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 11, 2008

This Page is Intentionally Left Blank.

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report.....	3-4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2007.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2006.....	6
Notes to the Financial Statements.....	7-12
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13-14
Schedule of Findings.....	15



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Whetstone Township
Crawford County

We have audited the accompanying financial statements of Whetstone Township, Crawford County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

Instead of the combined funds the accompanying financial statements present for 2007 and 2006, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. 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 of Ohio 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 of Ohio 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 two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

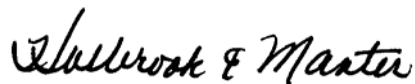
Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Whetstone Township, Crawford County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Government 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.

As an emphasis of a matter and as discussed in Note 8 to the financial statements, Whetstone Township provided insurance reimbursements to a Trustee and the Fiscal Officer.

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 our report dated June 7, 2008 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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*. You should read it in conjunction with this report in assessing the results of our audit.



Certified Public Accountants

June 7, 2008

WHETSTONE TOWNSHIP
CRAWFORD 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>			<u>Total Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
CASH RECEIPTS:-				
Property tax and other local taxes	\$ 20,962	\$ 125,349	\$ 0	\$ 146,311
Charges for services	0	100	0	100
Licenses, permits and fees	0	32,655	0	32,655
Intergovernmental receipts	26,471	147,352	0	173,823
Earnings on investments	10,618	4,846	341	15,805
Miscellaneous	8,926	2,901	0	11,827
Total cash receipts	66,977	313,203	341	380,521
CASH DISBURSEMENTS:-				
Current:-				
General government	59,818	17,513	0	77,331
Public safety	0	16,913	0	16,913
Public works	1,274	232,786	85	234,145
Health	10,474	2,300	0	12,774
Capital outlay	0	86,216	0	86,216
Debt service				
Redemption of principal	0	22,402	0	22,402
Interest and other fiscal charges	0	4,663	0	4,663
Total cash disbursements	71,566	382,793	85	454,444
Total receipts over (under) cash disbursements	(4,589)	(69,590)	256	(73,923)
OTHER FINANCING RECEIPTS (DISBURSEMENTS):-				
Advances in	20,000	20,000	0	40,000
Advances out	(20,000)	(20,000)	0	(40,000)
Operating transfers-in	0	1,995	0	1,995
Operating transfers-out	0	(1,995)	0	(1,995)
Total other financing receipts (disbursements)	0	0	0	0
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	(4,589)	(69,590)	256	(73,923)
Fund cash balances, January 1, 2007	43,919	318,434	5,290	367,643
Fund cash balances, December 31, 2007	\$ 39,330	\$ 248,844	\$ 5,546	\$ 293,720

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

WHETSTONE TOWNSHIP
CRAWFORD COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Governmental Fund Types</u>			Total Memorandum Only
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
CASH RECEIPTS:-				
Property tax and other local taxes	\$ 25,617	\$ 153,509	\$ 0	\$ 179,126
Charges for services	0	100	0	100
Licenses, permits and fees	200	19,578	0	19,778
Intergovernmental receipts	17,051	119,909	0	136,960
Earnings on investments	10,630	3,625	32	14,287
Miscellaneous	122	66,977	0	67,099
Total cash receipts	53,620	363,698	32	417,350
CASH DISBURSEMENTS:-				
Current:-				
General government	60,553	14,892	0	75,445
Public safety	0	16,893	0	16,893
Public works	1,224	140,570	0	141,794
Health	1,750	1,400	61	3,211
Capital outlay		72,659	0	72,659
Debt Service				
Redemption of Principal	0	10,394	0	10,394
Interest and other fiscal charges	0	3,138	0	3,138
Total cash disbursements	63,527	259,946	61	323,534
Total receipts over (under) cash disbursements	(9,907)	103,752	(29)	93,816
OTHER FINANCING RECEIPTS (DISBURSEMENTS):-				
Operating transfers-in	0	61,254	5,319	66,573
Operating transfers-out	(66,573)	0	0	(66,573)
Sale of fixed assets	3,490	0	0	3,490
Total other financing receipts (disbursements)	(63,083)	61,254	5,319	3,490
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	(72,990)	165,006	5,290	97,306
Fund cash balances, January 1, 2006	116,909	153,428	0	270,337
Fund cash balances, December 31, 2006	\$ 43,919	\$ 318,434	\$ 5,290	\$ 367,643

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

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Whetstone Township, Crawford County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly - elected Trustees. The Township provides general government services including road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with Joint Ambulance Service, to provide ambulance services.

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

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

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

Cash and Investments - Investments are included in fund cash balances. Investments are 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 disbursements, respectively.

The investment in STAR Ohio (The State Treasurer's investment pool) is recorded at share values reported by the State Treasurer.

Fund Accounting - The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

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 money to pay for constructing, maintaining and repairing Township roads.

Walton Cemetery Fund

During 2006 this fund was reclassified to a Special Revenue Fund since the principal and interest can be expended for the beautification of the Walton Cemetery.

Olentangy Cemetery Fund

During 2006, this fund was reclassified to a Special Revenue fund since the principal and interest can be expended for maintenance and upkeep on the Olentangy Cemetery.

Permanent Fund - (classification for 2006 and thereafter)

During 2006, this fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, no principal, are available to support the Township's programs. The Township had the following significant permanent fund:

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Nelson Cemetery Fund

During 2006, this fund was classified as a Permanent fund since only the earnings on the principal can be expended first to place artificial flowers on the Nelson family graves twice a year. Second, any portion of interest money not used for the upkeep of the family lot is to be used for the upkeep of Olentangy Cemetery.

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.

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 Crawford County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

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.

NOTE 2 - EQUITY IN POOLED CASH:-

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$ 16,377	\$ 11,367
Star Ohio	<u>277,343</u>	<u>356,276</u>
Total deposits	<u>\$ 293,720</u>	<u>\$ 367,643</u>

Demand Deposits - The Township's deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

Investments - Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2007 was as follows:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 53,832	\$ 86,977	\$ 33,145
Special revenue	296,069	335,198	39,129
Permanent	<u>101</u>	<u>341</u>	<u>240</u>
Total	\$ <u><u>350,002</u></u>	\$ <u><u>422,516</u></u>	\$ <u><u>72,514</u></u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 139,650	\$ 91,566	\$ 48,084
Special revenue	554,374	404,788	149,586
Permanent	<u>591</u>	<u>85</u>	<u>506</u>
Total	\$ <u><u>694,615</u></u>	\$ <u><u>496,439</u></u>	\$ <u><u>198,176</u></u>

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

Budgetary activity for the year ending December 31, 2006 was as follows:

2006 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 44,363	\$ 57,110	\$ 12,747
Special revenue	378,520	424,952	46,432
Permanent	<u>5,419</u>	<u>5,351</u>	<u>(68)</u>
Total	\$ <u>428,302</u>	\$ <u>487,413</u>	\$ <u>59,111</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 226,668	\$ 60,037	\$ 166,631
Special revenue	338,901	259,946	78,955
Permanent	<u>0</u>	<u>61</u>	<u>(61)</u>
Total	\$ <u>565,569</u>	\$ <u>320,044</u>	\$ <u>245,525</u>

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 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 Crawford County by December 31. If the property owner elects to make semiannual payment, 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 Crawford 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.

NOTE 5 - CAPITAL LEASE:-

	Principal Balance December 31, 2007	
Key Government Finance	\$	86,745
Fire Truck Lease		

During 2006, the Township entered into a renewable lease agreement with Key Government Finance for the rental lease of a Fire Truck. The total base rental for the five year term on the lease, including principal and interest is \$135,322. The lease payment maintains an interest rate of 4.5% over the term of the lease. Payments began on November 15, 2006 and the final lease payment will be due May 15, 2011. As of December 31, 2007, the Township's base rental is \$94,725, including \$7,981 of interest and \$86,745 of principal on the lease.

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

Year ending December 31,	Key Government Finance	
	Principal	Interest
2008	\$ 23,421	\$ 3,643
2009	24,487	2,577
2010	25,602	1,463
2011	13,235	298
Total	\$ 86,745	\$ 7,981

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 6 - RETIREMENT SYSTEMS:-

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, PERS members contributed 9.5% and 9.0% of their gross salaries, respectively. The Township contributed an amount equal to 13.85% and 13.70% of participants' gross salaries for 2007 and 2006, respectively. The Township has paid all contributions required through December 31, 2007.

During 2007 and 2006, one of the Township Trustees, Fire Chief and Assistant Fire Chief elected to be part of the Social Security program. The Township's liability is 6.2 percent of wages paid.

NOTE 7 - RISK POOL MANAGEMENT:-

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

NOTE 8 - EMPLOYEE REIMBURSEMENT INSURANCE COVERAGE:-

During 2007 and 2006, the Township provided reimbursements for insurance for a Trustee and the Fiscal Officer. Total expenditures for these benefits were \$35,062 and \$29,502, respectively.



**Independent Accountants' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Required by *Government Auditing Standards***

Board of Trustees
Whetstone Township
Crawford County

We have audited the financial statements of the Whetstone Township, Crawford County, (the Township) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 7, 2008, wherein we noted the Township followed accounting practices the Auditor of State prescribes 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 the Whetstone Township's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Whetstone 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 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 deficiencies described in the accompanying schedule of findings as item 2007-001 to be significant deficiencies in internal control over financial reporting.

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 the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting as described above that we consider material weaknesses.

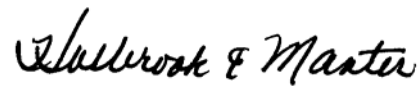
We also noted certain internal control matters that we reported to the Township's management in a separate letter dated June 7, 2008.

Compliance

As part of reasonably assuring whether Whetstone 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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



Certified Public Accountants

June 7, 2008

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

Finding Number	2007-001
-----------------------	-----------------

Significant Deficiency – Internal Control and Review Procedures

Although the Trustees receive and review a select number of reports from the Fiscal Officer of the Township for approval on a monthly basis, the Township has not established formal procedures to reasonably assure completeness, and accuracy of the monthly reporting. During our testing and analysis, we noted that the Township is not reviewing the numerical check sequence prior to signing the checks. In addition, they are not reviewing the bank statement for proper inclusion of authorized expenditures within the cancelled checks or electronic fund withdraws.

The Township should carefully review this information and make appropriate inquires to help determine the integrity of the financial information. When performing such review, the trustees' signatures or initials and the date should be affixed to the documents examined and it should be noted in the monthly minutes that the trustees' thoroughly reviewed and approved those documents. In addition, we also recommend that the numerical check sequence be noted in the minutes and signed off of by the Trustees each month.

Officials' Response

The Clerk will continue to provide the bank reconciliations and bank statements to the Trustees for their review and approval at each months meeting. The Township will also document and approve the review of those reports and the numerical sequence of the checks within the monthly minutes.



Mary Taylor, CPA
Auditor of State

WHETSTONE TOWNSHIP

CRAWFORD 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
SEPTEMBER 23, 2008**