

WHETSTONE TOWNSHIP
CRAWFORD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008



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, 2008 through December 31, 2009. 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 1, 2010

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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, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the Township 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 2009 and 2008, 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 GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, townships 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, 2009 and 2008 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, 2009 and 2008, 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, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

As an emphasis of a matter and as discussed in Note 8 to the financial statements, Whetstone Township provided insurance reimbursements to the trustees 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 14, 2010 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 14, 2010

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, 2009

	<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	\$ 13,315	\$ 78,282	\$ 0	\$ 91,597
Charges for services	0	0	0	0
Licenses, permits and fees	350	37,611	0	37,961
Intergovernmental receipts	195,782	169,354	0	365,136
Earnings on investments	693	301	176	1,170
Miscellaneous	683	1,090	0	1,773
Total cash receipts	210,823	286,638	176	497,637
CASH DISBURSEMENTS:-				
Current:-				
General government	69,407	14,370	0	83,777
Public safety	0	13,018	0	13,018
Public works	1,415	301,841	0	303,256
Health	17,796	2,644	80	20,520
Capital outlay	0	0	0	0
Debt service				
Redemption of principal	0	24,487	0	24,487
Interest and other fiscal charges	0	2,578	0	2,578
Total cash disbursements	88,618	358,938	80	447,636
Total receipts over (under) cash disbursements	122,205	(72,300)	96	50,001
OTHER FINANCING RECEIPTS (DISBURSEMENTS):-				
Advances in	0	500	0	500
Advances out	(500)	0	0	(500)
Operating transfers-in	0	4,500	0	4,500
Operating transfers-out	(4,500)	0	0	(4,500)
Sale of fixed assets	0	10,000	0	10,000
Total other financing receipts (disbursements)	(5,000)	15,000	0	10,000
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	117,205	(57,300)	96	60,001
Fund cash balances, January 1, 2009	90,307	257,884	5,876	354,067
Fund cash balances, December 31, 2009	\$ 207,512	\$ 200,584	\$ 5,972	\$ 414,068

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, 2008

	<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	\$ 17,909	\$ 106,374	\$ 0	\$ 124,283
Charges for services	0	0	0	0
Licenses, permits and fees	350	37,543	0	37,893
Intergovernmental receipts	55,679	174,592	0	230,271
Earnings on investments	5,346	2,092	193	7,631
Miscellaneous	885	485	0	1,370
Total cash receipts	80,169	321,086	193	401,448
CASH DISBURSEMENTS:-				
Current:-				
General government	86,635	20,126	0	106,761
Public safety	0	23,039	0	23,039
Public works	1,309	179,576	0	180,885
Health	3,155	2,781	63	5,999
Capital outlay	0	0	0	0
Debt Service				
Redemption of Principal	0	23,421	0	23,421
Interest and other fiscal charges	0	3,644	0	3,644
Total cash disbursements	91,099	252,587	63	343,749
Total receipts over (under) cash disbursements	(10,930)	68,499	130	57,699
OTHER FINANCING RECEIPTS (DISBURSEMENTS):-				
Sale of fixed assets	0	2,648	0	2,648
Total other financing receipts (disbursements)	0	2,648	0	2,648
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	(10,930)	71,147	130	60,347
Fund cash balances, January 1, 2008 (restated)	101,237	186,737	5,746	293,720
Fund cash balances, December 31, 2008	\$ 90,307	\$ 257,884	\$ 5,876	\$ 354,067

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

WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

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

This fund is reclassified as a Special Revenue Fund since the principal and interest can be expended for the beautification of the Walton Cemetery.

Olentangy Cemetery Fund

This fund is classified as a Special Revenue fund since the principal and interest can be expended for maintenance and upkeep on the Olentangy Cemetery.

Permanent Fund

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:

**WHESTSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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

Nelson Cemetery Fund

This fund is 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 2009 and 2008 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>2009</u>	<u>2008</u>
Demand deposits	\$ 9,315	\$ 22,163
Star Ohio	<u>404,753</u>	<u>331,904</u>
Total deposits	<u>\$ 414,068</u>	<u>\$ 354,067</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, 2009 AND 2008

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2009 was as follows:

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 52,642	\$ 210,823	\$ 158,181
Special revenue	259,019	301,638	42,619
Permanent	<u>190</u>	<u>176</u>	<u>(14)</u>
Total	\$ <u>311,851</u>	\$ <u>512,637</u>	\$ <u>200,786</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 142,951	\$ 93,618	\$ 49,333
Special revenue	516,873	358,938	157,935
Permanent	<u>876</u>	<u>80</u>	<u>796</u>
Total	\$ <u>660,700</u>	\$ <u>452,636</u>	\$ <u>208,064</u>

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

Budgetary activity for the year ending December 31, 2008 was as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 49,525	\$ 80,169	\$ 30,644
Special revenue	292,191	323,734	31,543
Permanent	<u>275</u>	<u>193</u>	<u>(82)</u>
Total	\$ <u>341,991</u>	\$ <u>404,096</u>	\$ <u>62,105</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 150,761	\$ 91,099	\$ 59,662
Special revenue	469,514	252,587	216,927
Permanent	<u>1,021</u>	<u>63</u>	<u>958</u>
Total	\$ <u>621,296</u>	\$ <u>343,749</u>	\$ <u>277,547</u>

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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.

Tangible personal property is being phased out.

NOTE 5 - CAPITAL LEASE:-

	Principal Balance December 31, 2009
Key Government Finance	\$ 38,837
Fire Truck Lease 4.5%	

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, 2009, the Township's base rental is \$40,597, including \$1,760 of interest and \$38,837 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
2010	25,602	1,463
2011	13,235	298
Total	\$ 38,837	\$ 1,761

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 2009 and 2008, PERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries for 2009 and 2008. The Township has paid all contributions required through December 31, 2009.

During 2009 and 2008, 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 2009 and 2008, the Township provided reimbursements for insurance for the Trustees and the Fiscal Officer. Total expenditures for these benefits were \$14,289 and \$14,761, respectively.

NOTE 9 - RESTATEMENT/RECLASSIFICATION OF FUND BALANCE/NET ASSETS:-

During 2008, the Township restated several fund balances as a result of a misclassification of funds during 2006 from the classification termination of expendable and non-expendable trust funds. As a result, the fund balances have been reclassified to reflect the actual balances at January 1, 2008. This reclassification has no impact on the total fund balances within the prior or current years.

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 9 - RESTATEMENT/RECLASSIFICATION OF FUND BALANCE/NET ASSETS:- (continued)

<u>General Fund</u>	<u>General</u>
Fund balance at	
December 31, 2007	\$ 39,330
Reclassification of fund balance	<u>61,907</u>
Adjusted fund balance at December 31, 2007	\$ <u>101,237</u>

<u>Special Revenue Funds</u>	<u>Motor Vehicle Fund</u>	<u>Gas Tax Fund</u>	<u>Road and Bridge Fund</u>	<u>Ambulance Fund</u>	<u>Fire Equipment Protection Fund</u>
Fund Balance at					
December 31, 2007	\$ 5,232	\$ 9,676	\$ 51,599	\$ 9,296	\$ 17,051
Reclassification of fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted fund balance at December 31, 2007	\$ <u>5,232</u>	\$ <u>9,676</u>	\$ <u>51,599</u>	\$ <u>9,296</u>	\$ <u>17,051</u>

	<u>Fire Vehicle Fund</u>	<u>Olentangy Cemetary Fund</u>	<u>Walton Cemetary Fund</u>	<u>Total Special Revenue Funds</u>
Fund Balance at				
December 31, 2007	\$ 26,759	\$ 129,231	\$ 0	\$ 248,844
Reclassification of fund balance	<u>3,490</u>	<u>(114,807)</u>	<u>49,210</u>	<u>(62,107)</u>
Adjusted fund balance at December 31, 2007	\$ <u>30,249</u>	\$ <u>14,424</u>	\$ <u>49,210</u>	\$ <u>186,737</u>

<u>Permanent Fund</u>	<u>Nelson Cemetary Fund</u>	<u>Total Fund Balances</u>
Fund balance at		
December 31, 2007	\$ 5,546	\$ 293,720
Reclassification of fund balance	<u>200</u>	<u>0</u>
Adjusted fund balance at December 31, 2007	\$ <u>5,746</u>	\$ <u>293,720</u>



**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, 2009 and 2008, and have issued our report thereon dated June 14, 2010, 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 for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material financial statement misstatement will not be prevented, or detected and timely corrected.

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We did note certain internal control matters that we reported to the Township's management in a separate letter dated June 14, 2010.

Compliance and Other Matters

As part of reasonably assuring whether Whetstone Township's financial statements are free of material misstatement, we tested 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 we must report under *Government Auditing Standards*.

We did note certain matters that we reported to management of the Township, in a separate letter dated June 14, 2010.

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

Shuller & Master

Certified Public Accountants

June 14, 2010

**WHETSTONE TOWNSHIP
CRAWFORD COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Significant Deficiency - Internal Control and Review Procedures	No	Repeated in the Management Letter for 2009 and 2008.



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 14, 2010**