

**WESTFIELD TOWNSHIP
MORROW COUNTY**

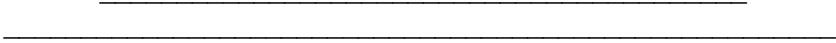
REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 & 2004

Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS



213 South Paint Street • Chillicothe, Ohio 45601-3828
(740) 702-2600 – Voice • (740) 702-2610 – Fax • wssr@horizonview.net





**Auditor of State
Betty Montgomery**

Township Trustees
Westfield Township, Morrow County
1230 County Road 21
Ashley, Ohio 43003

We have reviewed the *Report of Independent Auditor* of Westfield Township, Morrow County, prepared by Whited Seigneur Sams & Rahe, CPAs, for the audit period January 1, 2004 through December 31, 2005. 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 *Report of Independent Auditor* 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 *Report of Independent Auditor* 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. Westfield Township, Morrow County is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 19, 2006

This Page is Intentionally Left Blank.

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO**

TABLE OF CONTENTS

	Page
Report of Independent Auditor	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2005	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2004	4
Notes to the Financial Statements	5
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Schedule of Findings	12

Whited Seigneur Sams & Rahe, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA
Donald R. Seigneur, CPA
John R. Sams, CPA



Barry L. Rahe, CPA
Kathleen M. Alderman, CPA
Nathan C. Baldwin, CPA

213 South Paint Street • Chillicothe, Ohio 45601-3828
(740) 702-2600 – Voice • (740) 702-2610 – Fax • wssr@horizonview.net

April 24, 2006

Board of Trustees
Westfield Township
Morrow County
1230 County Road 21
Ashley, Ohio 43003

Report of Independent Auditor

We have audited the accompanying financial statements of Westfield Township, Morrow County, Ohio (the Township) as of and for the years ended December 31, 2005 and 2004. 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 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 (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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds accompanying the financial statements presented for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately for 2005 and 2004. While the Township does not follow GAAP, generally accepted auditing standards require 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 the 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 two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township's combined funds as of December 31, 2005 and 2004, 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 Westfield Township, Morrow County, Ohio, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for years ended December 31, 2005 and 2004. 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 24, 2006 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in considering the results of our audit.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only Total</u>
CASH RECEIPTS			
Local Taxes	\$ 26,220	\$ 39,592	\$ 65,812
Licenses, Permits & Fees	5,081	0	5,081
Intergovernmental Receipts	95,921	88,675	184,596
Earnings on Investments	5,095	1,648	6,743
Special Assessments	1,100	0	1,100
Other Revenue	<u>20</u>	<u>0</u>	<u>20</u>
TOTAL CASH RECEIPTS	133,437	129,915	263,352
CASH DISBURSEMENTS			
General Government	37,248	0	37,248
Public Safety	748	0	748
Public Works	0	114,236	114,236
Health	37,935	0	37,935
Capital Outlay	<u>313</u>	<u>3,093</u>	<u>3,406</u>
TOTAL CASH DISBURSEMENTS	<u>76,244</u>	<u>117,329</u>	<u>193,573</u>
TOTAL CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	57,193	12,586	69,779
OTHER FINANCING SOURCES			
Other Sources	<u>1,189</u>	<u>1,050</u>	<u>2,239</u>
TOTAL OTHER FINANCING SOURCES	<u>1,189</u>	<u>1,050</u>	<u>2,239</u>
EXCESS OF CASH RECEIPTS AND OTHER FINANCING SOURCES OVER/(UNDER) CASH DISBURSEMENTS	58,382	13,636	72,018
Fund Cash Balances, January 1, 2005	<u>168,435</u>	<u>84,617</u>	<u>253,052</u>
Fund Cash Balances, December 31, 2005	<u>\$ 226,817</u>	<u>\$ 98,253</u>	<u>\$ 325,070</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only Total</u>
CASH RECEIPTS			
Local Taxes	\$ 27,710	\$ 42,074	\$ 69,784
Licenses, Permits and Fees	2,957	0	2,957
Intergovernmental Receipts	24,319	79,571	103,890
Earnings on Investments	2,109	907	3,016
Other Revenue	<u>47</u>	<u>0</u>	<u>47</u>
TOTAL CASH RECEIPTS	57,142	122,552	179,694
CASH DISBURSEMENTS			
General Government	37,734	0	37,734
Public Safety	660	0	660
Public Works	0	108,803	108,803
Health	5,819	0	5,819
Capital Outlay	<u>30,000</u>	<u>81,246</u>	<u>111,246</u>
TOTAL CASH DISBURSEMENTS	<u>74,213</u>	<u>190,049</u>	<u>264,262</u>
TOTAL CASH RECEIPTS OVER/ (UNDER) CASH DISBURSEMENTS	(17,071)	(67,497)	(84,568)
OTHER FINANCING SOURCES			
Proceeds from Sale of Assets	12,600	0	12,600
Other Sources	<u>13</u>	<u>0</u>	<u>13</u>
TOTAL OTHER FINANCING SOURCES	<u>12,613</u>	<u>0</u>	<u>12,613</u>
EXCESS OF CASH RECEIPTS AND OTHER FINANCING SOURCES OVER/(UNDER) CASH DISBURSEMENTS	(4,458)	(67,497)	(71,955)
Fund Cash Balances, January 1, 2004	<u>172,893</u>	<u>152,114</u>	<u>325,007</u>
Fund Cash Balances, December 31, 2004	<u>\$ 168,435</u>	<u>\$ 84,617</u>	<u>\$ 253,052</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Description of the Entity**

Westfield Township, Morrow County, Ohio (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 of Trustees. The Township provides general governmental services including road and bridge maintenance and cemetery maintenance. The Township along with two other townships and a village form the Elm Valley Fire District to provide fire protection.

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, 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.

- **Cash and Investments**

Investments are included in fund cash balances. 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 Township's investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts 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 to be accounted for in another fund.

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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 for constructing, maintaining and repairing Township roads.

Road District Fund - This fund receives property tax money for the maintenance and repair of Township roads.

- **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 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. 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 cancelled and re-appropriated in the subsequent year.

A summary of 2005 and 2004 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2005	2004
Demand deposits	\$ 121,038	\$ 55,178
STAR Ohio	204,032	197,874
	\$ 325,070	\$ 253,052

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or secured 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and December 31, 2004 were as follows:

2005 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 45,032	\$ 134,626	\$ 89,594
Special Revenue	<u>110,400</u>	<u>130,965</u>	<u>20,565</u>
TOTAL	<u>\$ 155,432</u>	<u>\$ 265,591</u>	<u>\$ 110,159</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 210,709	\$ 76,244	\$ 134,465
Special Revenue	<u>193,375</u>	<u>117,329</u>	<u>76,046</u>
TOTAL	<u>\$ 404,084</u>	<u>\$ 193,573</u>	<u>\$ 210,511</u>

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 43,732	\$ 69,755	\$ 26,023
Special Revenue	<u>97,400</u>	<u>122,552</u>	<u>25,152</u>
TOTAL	<u>\$ 141,132</u>	<u>\$ 192,307</u>	<u>\$ 51,175</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 211,598	\$ 74,213	\$ 137,385
Special Revenue	<u>247,575</u>	<u>190,049</u>	<u>57,526</u>
TOTAL	<u>\$ 459,173</u>	<u>\$ 264,262</u>	<u>\$ 194,911</u>

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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 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.

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.

5. RETIREMENT SYSTEMS

The Township employees 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 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2005.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Wrongful acts

7. LEGAL COMPLIANCE/NONCOMPLIANCE

Pursuant to Section 117.11 of the Revised Code, the Independent Public Accountant performed tests of compliance with various provisions of local, state and/or federal laws, as appropriate. The Auditor's recommendations and citations, if any, are included in a separate part of this presentation.

Ohio Rev. Code Section 5705.41 (D), states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances.

During testing of 2004 expenditures, we noted one disbursement, in the amount of \$5,885.00, where the purchase order was issued after the invoice date. This could result in overspending of appropriation and negative fund balances.

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

7. LEGAL COMPLIANCE/NONCOMPLIANCE (Continued)

The Township should ensure that a certificate of the fiscal officer should be prepared for all orders or contracts verifying that the amounts are lawfully appropriated and are in the treasury or in the process of collection to the credit of the appropriate fund free from any previous encumbrance.

Ohio Rev. Code Section 5735.29, states that each Township shall use at least 90% of all Fuel Excise Taxes to supplement, rather than supplant, other local funds used for highway-related purposes. Using the suggested audit procedures provided in the Ohio Compliance Supplement, Chapter 6-4, our calculations showed the following:

Local Funds Disbursed for Highway Purposes:

	<u>2004</u>	<u>2005</u>
Motor Vehicle	\$ 8,089	\$6,575
Road & Bridge	5,739	4,731
Road	<u>59,982</u>	<u>36,000</u>
Total Local Funds	<u>\$73,810</u>	<u>\$47,306</u>
2005 Local Highway Fund Disbursements		\$47,306
2004 Local Highway Fund Disbursements		<u>73,810</u>
Change		(\$26,504)
2005 Fuel Excise Tax		\$77,233
times 10 percent		<u>X 10%</u>
		\$ 7,723

Since local highway funds' disbursements were decreased by more than 10% of the 2005 Fuel Excise Tax, \$18,781 of fuel excise tax was used to supplant rather than supplement local funds.

Whited Seigneur Sams & Rahe, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA
Donald R. Seigneur, CPA
John R. Sams, CPA



Barry L. Rahe, CPA
Kathleen M. Alderman, CPA
Nathan C. Baldwin, CPA

213 South Paint Street • Chillicothe, Ohio 45601-3828
(740) 702-2600 – Voice • (740) 702-2610 – Fax • wssr@horizonview.net

April 24, 2006

Board of Trustees
Westfield Township
Morrow County
1230 County Road 21
Ashley, Ohio 43003

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

We have audited the accompanying financial statements of Westfield Township, Morrow County, Ohio (the Township) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated April 24, 2006, 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 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 24, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2004-001 and 2005-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 24, 2006.

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

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

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

Finding Number	2004-001
----------------	----------

Certificate of Fiscal Officer

Ohio Rev. Code Section 5705.41 (D), states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances.

During testing of 2004 expenditures, we noted one disbursement, in the amount of \$5,885.00, where the purchase order was issued after the invoice date. This could result in overspending of appropriation and negative fund balances.

The Township should ensure that a certificate of the fiscal officer should be prepared for all orders or contracts verifying that the amounts are lawfully appropriated and are in the treasury or in the process of collection to the credit of the appropriate fund free from any previous encumbrance.

Officials' Response: We did not receive a response to this finding from Officials of the Township.

**WESTFIELD TOWNSHIP
MORROW COUNTY, OHIO**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

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

Finding Number	2005-001
----------------	----------

Supplanting Motor Fuel Excise Tax

Ohio Rev. Code Section 5735.29, states that each Township shall use at least 90% of all Fuel Excise Taxes to supplement, rather than supplant, other local funds used for highway-related purposes. Using the suggested audit procedures provided in the Ohio Compliance Supplement, Chapter 6-4, our calculations showed the following:

Local Funds Disbursed for Highway Purposes:

	2004	2005
Motor Vehicle	\$ 8,089	\$6,575
Road & Bridge	5,739	4,731
Road	59,982	36,000
Total Local Funds	\$73,810	\$47,306
2005 Local Highway Fund Disbursements		\$47,306
2004 Local Highway Fund Disbursements		73,810
Change		(\$26,504)
2005 Fuel Excise Tax		\$77,233
times 10 percent		$\begin{array}{r} \underline{X} \quad 10\% \\ \$ 7,723 \end{array}$

Since local highway funds' disbursements were decreased by more than 10% of the 2005 Fuel Excise Tax, \$18,781 of fuel excise tax was used to supplant rather than supplement local funds.

Officials' Response: We did not receive a response to this finding from Officials of the Township.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

WESTFIELD TOWNSHIP

MORROW 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
AUGUST 1, 2006**