



Mary Taylor, CPA
Auditor of State

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

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Mary Taylor, CPA
Auditor of State

Van Buren Township
Shelby County
P.O. Box 143
Kettlersville, Ohio 45336

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Mary Taylor, CPA
Auditor of State

February 12, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Van Buren Township
Shelby County
P.O. Box 143
Kettlersville, Ohio 45336

To the Board of Trustees:

We have audited the accompanying financial statements of Van Buren Township, Shelby County, (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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (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, 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 GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding 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 Van Buren Township, Shelby County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 February 12, 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.



Mary Taylor, CPA
Auditor of State

February 12, 2010

**VAN BUREN TOWNSHIP
SHELBY 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$15,556	\$239,260		\$254,816
Charges for Services	515			515
Licenses, Permits, and Fees	825	1,810		2,635
Intergovernmental	42,772	133,314		176,086
Special Assessments		6,174		6,174
Earnings on Investments	8,779	1,556		10,335
Miscellaneous	6,153		\$1,300	7,453
Total Cash Receipts	<u>74,600</u>	<u>382,114</u>	<u>1,300</u>	<u>458,014</u>
Cash Disbursements:				
Current:				
General Government	130,682	2,906		133,588
Public Safety	1,689	43,237		44,926
Public Works		196,219		196,219
Health	14,571	11,861		26,432
Capital Outlay	49,775			49,775
Debt Service:				
Redemption of Principal		64,735		64,735
Interest and Other Fiscal Charges		18,550		18,550
Total Cash Disbursements	<u>196,717</u>	<u>337,508</u>	<u>0</u>	<u>534,225</u>
Total Receipts Over Disbursements	<u>(122,117)</u>	<u>44,606</u>	<u>1,300</u>	<u>(76,211)</u>
Fund Cash Balances, January 1	<u>1,263,089</u>	<u>543,653</u>	<u>5,763</u>	<u>1,812,505</u>
Fund Cash Balances, December 31	<u><u>\$1,140,972</u></u>	<u><u>\$588,259</u></u>	<u><u>\$7,063</u></u>	<u><u>\$1,736,294</u></u>

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

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$14,109	\$228,538		\$242,647
Charges for Services	500			500
Licenses, Permits, and Fees	960	1,400		2,360
Intergovernmental	41,596	138,202		179,798
Special Assessments		5,368		5,368
Earnings on Investments	39,410	5,103		44,513
Miscellaneous	2,144		5,763	7,907
Total Cash Receipts	<u>98,719</u>	<u>378,611</u>	<u>5,763</u>	<u>483,093</u>
Cash Disbursements:				
Current:				
General Government	137,416			137,416
Public Safety	2,425	55,230		57,655
Public Works		174,406		174,406
Health	7,917	2,072		9,989
Capital Outlay		39,016		39,016
Total Cash Disbursements	<u>147,758</u>	<u>270,724</u>		<u>418,482</u>
Total Receipts Over/(Under) Disbursements	<u>(49,039)</u>	<u>107,887</u>	<u>5,763</u>	<u>64,611</u>
Fund Cash Balances, January 1	<u>1,312,128</u>	<u>435,766</u>		<u>1,747,894</u>
Fund Cash Balances, December 31	<u><u>\$1,263,089</u></u>	<u><u>\$543,653</u></u>	<u><u>\$5,763</u></u>	<u><u>\$1,812,505</u></u>

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

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Van Buren Township, Shelby County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Minster Area Life Squad and Anna Rescue to provide ambulance services and the Villages of New Knoxville and Minster to provide additional fire protection. The Shelby County Sheriff provides police protection.

The Township participates in Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values certificates of deposit at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. 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:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

Road District Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads.

Fire Apparatus Fund – This fund receives property tax money for maintaining fire apparatus, appliances, buildings or sites, and sources of water supply and materials.

3. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

Schrolucke Trust Fund – This fund was established from a bequest to be used to repair the Schwabero Cemetery from damage caused by tornado or earthquake.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

2. 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.

3. 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.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2009	2008
Demand deposits	\$ 458,938	\$ 238,899
Certificates of deposit	18,000	18,000
Total deposits	476,938	256,899
STAR Ohio	1,259,356	1,555,606
Total investments	1,259,356	1,555,606
Total deposits and investments	\$1,736,294	\$1,812,505

A. Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

B. 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, 2009, and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$117,000	\$ 74,600	(\$42,400)
Special Revenue	389,220	382,114	(7,106)
Permanent		1,300	1,300
Total	\$506,220	\$458,014	(\$48,206)

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,407,968	\$196,717	\$1,211,251
Special Revenue	911,005	337,508	573,497
Permanent			
Total	\$2,318,973	\$534,225	\$1,784,748

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$143,075	\$ 98,719	(\$44,356)
Special Revenue	375,862	378,611	2,749
Permanent		5,763	5,763
Total	\$518,937	\$483,093	(\$35,844)

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,455,203	\$147,758	\$1,307,445
Special Revenue	731,168	270,724	460,444
Permanent			
Total	\$2,186,371	\$418,482	\$1,767,889

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal
Fire Truck Lease Purchase Agreement	\$229,757

The Lease/Purchase agreement is related to the purchase of a 2008 Pierce Pumper Fire Truck in June of 2008. The lease will be repaid in semi-annual installments of \$41,643, including interest, over 4 years, with payments beginning in April of 2009. Principal of \$64,735 was paid during 2009, the initial year of the debt repayment.

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

Year ending December 31:	Principal	Interest	Total
2010	\$ 72,910	\$10,375	\$ 83,285
2011	76,526	6,759	83,285
2012	80,321	2,964	83,285
Total	\$229,757	\$20,098	\$249,855

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. RETIREMENT SYSTEMS

The Township's trustees, fiscal officer, and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The volunteer firemen belong to social security.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10.0% of their gross salaries and the Township contributed an amount equaling 14.0% of participants' gross salaries. For social security members, the Township contributed 6.2 percent of their gross salaries. The Township has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

A. Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

B. Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

D. Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. RISK MANAGEMENT (Continued)

	2008	2007
Assets	\$40,737,740	\$43,210,703
Liabilities	(12,981,818)	(13,357,837)
Net Assets	\$27,755,922	\$29,852,866

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$8,580.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2007	\$6,886
2008	\$7,548
2009	\$9,977

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.



Mary Taylor, CPA

Auditor of State

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

Van Buren Township
Shelby County
P.O. Box 143
Kettlersville, Ohio 45336

To the Board of Trustees:

We have audited the financial statements of Van Buren Township, Shelby County, (the Township), as of and for the years ended December 31, 2009, and 2008, and have issued our report thereon dated February 12, 2010, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated February 12, 2010.

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Compliance and Other Matters

As part of reasonably assuring whether the 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 directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated February 12, 2010.

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

We intend this report solely for the information and use of the management and Board of Trustees. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

February 12, 2010

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING 2009-001

MATERIAL WEAKNESS

Classifying Revenues and Expenditures

Throughout the audit period there were numerous errors in the recording of revenue and expenditures. All transactions were posted to the general ledger; however, not all transactions were posted to the correct line item account or to the proper fund. The following errors resulted in material misstatement of the revenue and expenses recorded on the financial statements during 2008 and 2009:

- The prior period audit adjustment issued to increase the Motor Vehicle License Tax Fund, in the amount of \$10,000, was incorrectly posted to the General Fund in 2008.
- The 2008 real estate tax settlement in the amount of \$17,770 was posted to the General Fund instead of the Road District Fund.
- The 2008 Schrolucke bequest in the amount of \$5,763 was posted to the Cemetery Fund instead of a Permanent Fund.
- The 2008 homestead and rollback receipts, in the amount of \$2,290, were posted to the EMS Rescue Fund instead of the Road District Fund.
- The 2008 down payment for the new pumper fire truck from the Fire Apparatus Fund, in the amount of \$33,471, was posted as public safety expense instead of capital outlay expense.
- The 2008 receipts for personal property tax replacement, homestead and rollback, and personal property exempt settlement, were incorrectly posted as tax revenue instead of intergovernmental revenue for the following funds and amounts: General Fund \$2,888, Road & Bridge Fund \$4,910, Road District Fund \$3,238, North Fire District Fund \$857, South Fire District Fund \$10, EMS Rescue Fund \$310, and Fire Apparatus Fund \$9,942.
- The 2009 receipts for personal property tax replacement, homestead and rollback, and personal property exempt settlement, were incorrectly posted as tax revenue instead of intergovernmental revenue for the following funds and amounts: General Fund \$2,464, Road & Bridge Fund \$5,129, Road District Fund \$7,955, North Fire District Fund \$774, South Fire District Fund \$131, EMS Rescue Fund \$639, and Fire Apparatus Fund \$10,021.
- The 2009 first half real estate tax settlement was posted at net instead of gross resulting in an understatement of revenue and expenditures in the following amounts: General Fund \$190, Road & Bridge Fund \$853, Road District Fund \$894, North Fire District Fund \$195, South Fire District Fund \$10, EMS Rescue Fund \$76, and Fire Apparatus Fund \$878.
- The 2009 and 2008 expenses incurred for fire contracts and fire department supplies within the North Fire District and South Fire District Funds, in the amount of \$18,659 and \$26,381, respectively; were posted as general government expenses instead of public safety expenses.
- The 2009 road resurfacing expense from the Road District Fund, in the amount of \$40,049, was posted as capital outlay expense instead of public works expense.
- The 2009 lease-purchase payments for the new fire truck from the Fire Apparatus Fund, in the amount of \$83,285, were posted as a public safety expense instead of debt service principal and interest expense.

The failure to properly post these receipts and expenditures resulted in the material misstatement of the revenue and expenditure line items in the financial statements. The accompanying financial statements and records of the township have been adjusted to correctly present the Township's revenue and expenditure activity for 2009 and 2008. The Township should review revenue and expenditure activity to determine which account code best represents the transaction to properly record amounts on the financial statements. The UAN Chart of Accounts should be utilized to determine the appropriate classifications.

FINDING 2009-002

NONCOMPLIANCE

Ohio Rev. Code Section 5705.09(H) states that a subdivision shall establish a trust fund for any amount received by a subdivision in a trust.

During 2008, the Township received notification that the Schwabero Cemetery, which is under the jurisdiction of Van Buren Township, was bequeathed one fourth of the estate of Marie Caroline Schrolucke to be used to establish a fund to repair the cemetery from damage caused by tornado or earthquake.

The funds received during 2008 in relation to this bequest, in the amount of \$5,763, were posted to the Cemetery fund instead of a separate Permanent fund. The failure to post receipts to the correct fund has caused material misstatements to the financial reports prepared; however, audit adjustments have been posted to accurately state the Township's fund balances as of December 31 of each year end.

Procedures should be implemented to determine that all activity is posted to the appropriate fund in accordance with the Ohio Revised Code and the UAN Township Handbook chart of accounts.

Officials Response:

We have reviewed Finding 2009-001 and 2009-002 and have made the fund adjustments. We will implement the recommendations noted.

**VAN BUREN TOWNSHIP
SHELBY COUNTY**

**SCHEDULE OF PRIOR AUDIT 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; <i>Explain</i>
2007-001	Monthly Bank Reconciliations and System Posting Errors	No	Partially corrected, accurate bank reconciliations were prepared in 2008 and 2009; however there were still material posting errors of revenues and expenditures. See Finding 2009-001.



Mary Taylor, CPA
Auditor of State

VAN BUREN TOWNSHIP

SHELBY 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
MARCH 25, 2010