



Mary Taylor, CPA
Auditor of State

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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Mary Taylor, CPA
Auditor of State

Willshire Township
Van Wert County
13289 State Route 49
Ohio City, Ohio 45874

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.

Mary Taylor

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April 28, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Willshire Township
Van Wert County
13289 State Route 49
Ohio City, Ohio 45874

To the Board of Trustees:

We have audited the accompanying financial statements of Willshire Township, Van Wert 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.

Ohio Revised Code Section 505.24(C) and Ohio Attorney General Opinion 2004-056 require trustees to document the proportionate amount chargeable to other township funds based on the kinds of services rendered. Without this documentation, the Township must charge salaries to the General Fund.

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During the prior audit years of 2007 and 2006, the Township charged Trustees' salaries, related taxes and retirement (OPERS) to the Gasoline Tax, Road and Bridge and Motor Vehicle License Tax (Other Governmental) funds without required supportive documentation and did not make those adjustments to the financial statements.

The Township failed to record the December 31, 2007 and 2006 adjustments required to properly reflect these salaries, related taxes and OPERS amounts to the December 31, 2007 ending balances (1/1/08 Beginning Balance). The January 1, 2008 balances should have been adjusted and presented as follows:

Fund	December 31, 2007 Ending Balance	Adjustments	January 1, 2008 Beginning Balance
General Fund	\$ 3,232	(\$47,814)	(\$44,582)
Motor Vehicle License Tax Fund	2,962	15,893	18,855
Road and Bridge Fund	18,671	15,244	33,915
Gas Tax Fund	6,620	16,677	23,297
Totals	\$31,485	\$ 0	\$31,485

If the Township had recorded the above adjustments, the effect on December 31, 2009 and 2008 financial statements, would be to decrease the General fund balance and increase the balance of the remaining funds by the adjustment amount above.

In our opinion, because of the effects of the matter discussed paragraphs three and four, 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.

In our opinion, because of the effects of the matter referred to in paragraphs five and six above, the financial statements referred to above do not present fairly, in all material respects, the combined fund cash balances of Willshire Township, Van Wert 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 April 28, 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

April 28, 2010

**WILLSHIRE TOWNSHIP
VAN WERT 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>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$21,956	\$52,581		\$74,537
Licenses, Permits, and Fees	280	300		580
Intergovernmental	33,867	114,499	\$1,040	149,406
Payment in Lieu of Taxes			9,933	9,933
Earnings on Investments	14	51		65
Total Cash Receipts	<u>56,117</u>	<u>167,431</u>	<u>10,973</u>	<u>234,521</u>
Cash Disbursements:				
Current:				
General Government	49,862	2,011		51,873
Public Safety		12,598	16,408	29,006
Public Works		139,643		139,643
Health		275		275
Human Services		59		59
Total Cash Disbursements	<u>49,862</u>	<u>154,586</u>	<u>16,408</u>	<u>220,856</u>
Total Receipts Over/(Under) Disbursements	6,255	12,845	(5,435)	13,665
Fund Cash Balances, January 1	<u>(4,913)</u>	<u>41,414</u>	<u>12,467</u>	<u>48,968</u>
Fund Cash Balances, December 31	<u><u>\$1,342</u></u>	<u><u>\$54,259</u></u>	<u><u>\$7,032</u></u>	<u><u>\$62,633</u></u>

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

**WILLSHIRE TOWNSHIP
VAN WERT 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>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$21,119	\$49,063		\$70,182
Licenses, Permits, and Fees	470	600		1,070
Intergovernmental	27,167	116,143	\$1,144	144,454
Payment in Lieu of Taxes			10,945	10,945
Earnings on Investments	105	628		733
Miscellaneous		1,150		1,150
Total Cash Receipts	<u>48,861</u>	<u>167,584</u>	<u>12,089</u>	<u>228,534</u>
Cash Disbursements:				
Current:				
General Government	57,080	1,763		58,843
Public Safety		29,073		29,073
Public Works		141,057		141,057
Health		371		371
Human Services		5,626		5,626
Total Cash Disbursements	<u>57,080</u>	<u>177,890</u>		<u>234,970</u>
Total Receipts Over/(Under) Disbursements	(8,219)	(10,306)	12,089	(6,436)
Other Financing Receipts / (Disbursements):				
Other Financing Sources	<u>74</u>	<u>5,567</u>		<u>5,641</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(8,145)	(4,739)	12,089	(795)
Fund Cash Balances, January 1	<u>3,232</u>	<u>46,153</u>	<u>378</u>	<u>49,763</u>
Fund Cash Balances, December 31	<u>(\$4,913)</u>	<u>\$41,414</u>	<u>\$12,467</u>	<u>\$48,968</u>

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

**WILLSHIRE TOWNSHIP
VAN WERT 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 the Willshire Township, Van Wert 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 Village of Willshire and the Village of Wren to provide fire services and ambulance services.

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. Deposits and Investments

Savings accounts are valued at cost.

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:

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.

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant capital project fund:

Tax Increment Financing (TIF) Fund – This fund receives township tax increment financing to provide infrastructure improvements including street and related improvements, to facilitate the development of commercial, industrial and agricultural properties.

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, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 re-appropriated 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2009	2008
Demand deposits	\$62,633	\$48,968

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

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	\$ 57,630	\$ 56,117	(\$1,513)
Special Revenue	171,810	167,431	(4,379)
Capital Project	11,526	10,973	(553)
Total	\$240,966	\$234,521	(\$6,445)

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 57,766	\$ 49,862	\$ 7,904
Special Revenue	208,745	154,586	54,159
Capital Project	22,968	16,408	6,560
Total	\$289,479	\$220,856	\$68,623

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 67,885	\$ 48,935	(\$18,950)
Special Revenue	173,760	173,151	(609)
Capital Project		12,089	12,089
Total	\$241,645	\$234,175	(\$ 7,470)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 71,685	\$ 57,080	\$14,605
Special Revenue	219,951	177,890	42,061
Capital Projects			
Total	\$291,636	\$234,970	\$56,666

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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

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. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

6. RISK MANAGEMENT

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.

A. 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.

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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

6. RISK MANAGEMENT (Continued)

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.

B. 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):

	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 \$3,126.

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	\$4,555
2008	\$3,941
2009	\$3,635

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.

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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*

Willshire Township
Van Wert County
13289 State Route 49
Ohio City, Ohio 45874

To the Township Board of Trustees:

We have audited the financial statements of Willshire Township, Van Wert County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated April 28, 2010, wherein, we issued an adverse opinion on the financial statements for not presenting adjustments to beginning balances. We also noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. In addition, 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 the purpose of expressing our opinion 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 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.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 28, 2010.

The Township's response to the finding 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 management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 28, 2010

**WILLSHIRE TOWNSHIP
VAN WERT COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Material Weakness – Classifying Funds and Revenues

The Township posted all transactions to the cash journal and revenue ledger; however, not all transactions were posted to the correct account. The chart of accounts to be used for posting financial activity is outlined in the Uniform Accounting Network (UAN) Chart of Accounts. The following items were not posted according to the chart of accounts for 2009 and 2008, and these errors were adjusted and are reflected in the accompanying financial statements:

- During 2009 and 2008, the Tax Increment Financing Fund was included as a Special Revenue Fund rather than as a Capital Projects Fund.
- During 2009, the first half Tax Increment Financing homestead and rollback receipts in the amount of \$522 was posted to the General Fund as intergovernmental revenue, it should have been posted to the Tax Increment Financing Fund as intergovernmental revenue.
- During both 2009 and 2008, the second half homestead and rollback receipts were posted all to the general fund. They should have been allocated to the Road and Bridge Fund: 2009 (\$2,534), 2008 (\$2,215); Fire Fund: 2009 (\$2,174), 2008 (\$2,332) and the Tax Increment Financing Fund: 2009 (\$1,040), 2008 (\$581). The adjustment to the General Fund resulted in the negative fund balance at December 31, 2008.
- During both 2009 and 2008, the permissive tax, township's share of the County levy, was posted to the motor vehicle license fund as tax revenue rather than intergovernmental revenue in the amount of \$14,517 in 2009 and \$14,893 in 2008.
- During 2008, the Exempt Personal Property Tax receipts were incorrectly posted as Tax Revenue for the General Fund and the Special Revenue Funds in the amount of \$106 and \$207 respectively.
- During 2008, the first half Tax Increment Financing Homestead and Rollback receipts in the amount of \$563 was posted to the Gas Tax Fund as Other taxes, it should have been posted to the TIF Fund (Capital Projects Fund) as Intergovernmental Revenue.

The failure to follow the UAN chart of accounts when coding revenue and expenditure activity could result in the material misstatement of the revenue and expenditure line items for reporting.

The UAN chart of accounts should be reviewed when posting revenue and expenditure activity to determine which account code and fund best represents the transaction.

Officials Response:

The Township fiscal officer will make the necessary fund adjustments to bring the fund balances into compliance with the Auditor's recommendations and future transactions will be made accordingly.

**WILLSHIRE TOWNSHIP
VAN WERT 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	Trustee Compensation Allocation - Ohio Rev. Code Section 505.24(C)	No	The trustees now maintain documentation supporting the allocation of salaries to funds other than the General Fund. However, the finding for adjustment from the prior audit has not been recorded in the accounting records, nor is it reflected in the accompanying financial statements.
2007-002	Health Care Reimbursement – Ohio Rev. Code Section 505.60(C)	Yes	
2007-003	Establishment of a Tax Increment Fund – Ohio Rev. Code Section 5709.75(A)	Yes	
2007-004	Accurate reporting of money spent on behalf of the Township (Ohio Public Works Commission)	Yes	
2007-005	Proper posting of debt activity	Yes	
2007-006	Proper Classification of revenues	No	Repeated as 2009-001



Mary Taylor, CPA
Auditor of State

WILLSHIRE TOWNSHIP

VAN WERT 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
JUNE 3, 2010**