



Mary Taylor, CPA  
Auditor of State



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Years Ended December 31, 2009 and 2008.....	3
Basic Financial Statements for the Fiscal Year Ended December 31, 2009:	
Statement of Net Assets – Cash Basis December 31, 2009.....	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2009 .....	10
Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2009.....	11
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds – For the Year Ended December 31, 2009 .....	12
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – General Fund For the Year Ended December 31, 2009 .....	13
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Gasoline Tax Fund For the Year Ended December 31, 2009 .....	14
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Police District Fund For the Year Ended December 31, 2009 .....	15
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Fire District Fund For the Year Ended December 31, 2009 .....	16
Basic Financial Statements for the Fiscal Year Ended December 31, 2008:	
Statement of Net Assets – Cash Basis - December 31, 2008.....	17
Statement of Activities – Cash Basis For the Year Ended December 31, 2008 .....	19
Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2008.....	20

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Statement of Cash Receipts, Cash Disbursements and Changes In Cash Basis Fund Balances - Governmental Funds For the Year Ended December 31, 2008 .....	22
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – General Fund For the Year Ended December 31, 2008 .....	24
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2008 .....	25
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Police District Fund For the Year Ended December 31, 2008 .....	26
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Fire District Fund For the Year Ended December 31, 2008 .....	27
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Road District Fund For the Year Ended December 31, 2008 .....	28
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Foam Fund For the Year Ended December 31, 2008 .....	29
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – EMS Medical Billing Fund For the Year Ended December 31, 2008 .....	30
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Police Education Fund For the Year Ended December 31, 2008 .....	31
Statement of Receipts, Disbursements and Change in Fund Balance Budget and Actual - Budget Basis – Federal Grant Fund For the Year Ended December 31, 2008 .....	32
Notes to the Basic Financial Statements For the Years Ended December 31, 2009 and 2008 .....	33
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i> .....	47
Schedule of Findings.....	49
Schedule of Prior Audit Findings.....	52



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Shawnee Township  
Allen County  
2530 Fort Amanda Road  
Lima, Ohio 45804

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shawnee Township, Allen County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Shawnee Township, Allen County, as of December 31, 2009 and 2008, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General, Gasoline Tax, Police District, and Fire District Funds for year ended December 31, 2009 and the General, Road and Bridge, Police District, Fire District, Road District, Foam, EMS Medical Billing, Police Education and Federal Grant Funds for the year ended December 31, 2008, in conformity with the basis of accounting as described in Note 2.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402  
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

March 24, 2010

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED**

This discussion and analysis of the Shawnee Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ending December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2009 are as follows:

- Net assets of governmental activities decreased by \$154,092, or 3 percent.
- The Township's general receipts are primarily property taxes. These receipts represent \$2,799,260, and 40 percent of the total cash received for governmental activities during the year.

Key highlights for 2008 are as follows:

- Net assets of governmental activities increased by \$1,513,342, or 38 percent, a significant change from the prior year.
- The Township's general receipts are primarily property taxes. These receipts represent \$4,393,433, and 62 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and governmental type activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township reports one type of activity:

**Governmental activities** - The Township's basic services are reported here, including police, fire, and streets. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary. The Township has no proprietary funds.



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

The Township's major governmental funds in 2009 are the General Fund, Gasoline Tax, Police District Fund, and Fire District Fund. The Township's major governmental funds in 2008 are the General Fund, Road and Bridge Fund, Police District, Fire District, Road District Fund, Foam Special Revenue Fund, EMS Medical Billing Fund, Police Education Fund, and Federal Grant Funds.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets comparing 2009, 2008 and 2007:

<b>(Table 1)</b>			
<b>Net Assets</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$5,331,738	\$5,485,830	\$3,972,487
Total Assets	5,331,738	5,485,830	3,972,487
<b>Net Assets</b>			
Restricted Funds	3,610,919	4,057,890	2,893,890
Unrestricted Funds	1,720,819	1,427,940	1,078,597
Total Net Assets	\$5,331,738	\$5,485,830	\$3,972,487

As mentioned previously, net assets of governmental activities decreased \$154,092, during 2009.

As mentioned previously, net assets of governmental activities increased \$1,513,342 during 2008. The primary reasons contributing to the increases in cash balances are as follows:

- During 2008, the major funds having significant fund balance increases were the Fire District Fun \$769,998, Police District Fund \$374,989, and the General Fund by \$349,343
- During 2009, the Fire District and Police District fund balances decreased \$288,251 and \$119,957, respectively. The General Fund balance increased \$292,879.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

Table 2 reflects the changes in net assets in 2009 and 2008.

**(Table 2)  
Changes in Net Assets**

	<b>Governmental Activities 2009</b>	<b>Governmental Activities 2008</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$ 298,062	\$ 128,956
Operating Grants and Contributions	203,535	253,913
Capital Grants	139,023	76,732
Total Program Receipts	640,620	459,601
<b>General Receipts:</b>		
Property and Other Local Taxes	2,799,260	4,393,433
Grants and Entitlements Not Restricted To Specific Programs	2,544,672	1,874,846
Sale of Fixed Assets	2,500	2,525
Interest	35,051	90,178
Miscellaneous	894,621	252,441
Total General Receipts	6,276,104	6,613,423
Total Receipts	6,916,724	7,073,024
<b>Disbursements:</b>		
General Government	369,653	299,648
Public Safety	4,098,787	3,793,974
Public Works	900,998	841,616
Public Health Services	60,553	80,909
Capital Outlay	1,640,825	543,535
Total Disbursements	7,070,816	5,559,682
Increase (Decrease) in Net Assets	(154,092)	1,513,342
Net Assets beginning of year	5,485,830	3,972,488
Net Assets end of year	\$5,331,738	\$5,485,830

For 2009, general receipts represent 91 percent of the Township's total receipts, and of this amount, 45 percent are property taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

For 2008, general receipts represent 94 percent of the Township's total receipts, and of this amount, 66 percent are property taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board, legal counsel and fiscal officer, as well as administrative costs. Since these costs do not represent direct services to residents, we try to limit these costs to 4 percent of General Fund unrestricted receipts. Public Safety is the costs of police and fire protection and Public Works is the cost of maintaining the roads.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the following Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major disbursements for governmental activities are for Public Safety, Capital Outlay, and Public Works, which in 2009 accounted for 58, 23, and 13 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 5 percent. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)  
Governmental Activities**

	<b>Total Cost Of Services 2009</b>	<b>Net Cost Of Services 2009</b>	<b>Total Cost Of Services 2008</b>	<b>Net Cost Of Services 2008</b>
General Government	\$ 369,653	\$ 362,395	\$ 299,648	\$ 290,229
Public Safety	4,098,787	3,751,641	3,793,974	3,569,786
Public Works	900,998	627,782	841,616	701,954
Health	60,553	60,553	80,909	80,909
Other		(13,000)		(9,600)
Capital Outlay	1,640,825	1,640,825	543,535	466,803
Total Expenses	<u>\$7,070,816</u>	<u>\$6,430,196</u>	<u>\$5,559,682</u>	<u>\$5,100,081</u>

**The Township's Funds**

For 2009, total governmental funds had receipts of \$6,916,724, and total disbursements of \$7,070,816. The greatest change within governmental funds occurred within the General and Fire District Fund having an increase of \$292,879 and a decrease of \$288,251 respectively.

For 2008, total governmental funds had receipts of \$7,073,024, and total disbursements of \$5,559,682. The greatest change within governmental funds occurred within the General, Police District and Fire District Funds, which had significant increases in fund balances, \$349,343, \$374,989, and \$769,998 respectively.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

For 2009, General Fund final budgeted receipts were \$607,257, and actual receipts were \$1,169,171. This out of ordinary increase of 93 percent was primarily due to unexpected estate tax receipts. Final disbursements in the General Fund were budgeted at \$2,259,050, while actual disbursements were \$876,292. The Township spent less than the budgeted amounts.

For 2008, final budgeted receipts were \$564,656, and actual receipts were \$877,812. This increase of 55 percent can be attributed to unexpected intergovernmental revenue. Final disbursements in the General Fund were budgeted at \$1,650,243, while actual disbursements were \$528,469. The Township kept spending below the budgeted amounts.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
UNAUDITED  
(Continued)**

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. We rely heavily on local taxes and do not have a lot of industry to support the tax base.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Stephanie Hoffer, Fiscal Officer, Shawnee Township Administration, 2530 Ft. Amanda Rd., Lima, Ohio 45804.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2009**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,331,738</u>
Total Assets	<u><u>5,331,738</u></u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	3,610,919
Unrestricted	<u>1,720,819</u>
Total Net Assets	<u><u>\$5,331,738</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Program Cash Receipts</b>			<b>Net (Disbursements) Receipts and Changes in Net Assets</b>
<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities Total</b>
<b>Governmental Activities:</b>				
General Government	\$369,653	\$7,258		(\$362,395)
Public Safety	4,098,787	277,804	\$69,342	(3,751,641)
Public Works	900,998		134,193	\$139,023 (627,782)
Health	60,553			(60,553)
Other		13,000		13,000
Capital Outlay	1,640,825			(1,640,825)
<b>Total Governmental Activities</b>	<b>\$7,070,816</b>	<b>\$298,062</b>	<b>\$203,535</b>	<b>\$139,023</b> <b>(6,430,196)</b>
<b>General Receipts:</b>				
Property Taxes				2,799,260
Grants and Entitlements not Restricted to Specific Programs				2,544,672
Sale of Fixed Assets				2,500
Earnings on Investments				35,051
Miscellaneous				894,621
<b>Total General Receipts</b>				<b>6,276,104</b>
Change in Net Assets				(154,092)
Net Assets Beginning of Year				5,485,830
Net Assets End of Year				<b>\$5,331,738</b>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Police District</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$1,720,819	\$590,237	\$940,461	\$1,263,471	\$816,750	\$5,331,738
Total Assets	<u>1,720,819</u>	<u>590,237</u>	<u>940,461</u>	<u>1,263,471</u>	<u>816,750</u>	<u>5,331,738</u>
<b>Fund Balances:</b>						
<b>Unreserved:</b>						
<b>Undesignated, Reported in:</b>						
General Fund	1,720,819					1,720,819
Special Revenue Funds		590,237	940,461	1,263,471	816,750	3,610,919
Total Fund Balances	<u>\$1,720,819</u>	<u>\$590,237</u>	<u>\$940,461</u>	<u>\$1,263,471</u>	<u>\$816,750</u>	<u>\$5,331,738</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General</b>	<b>Gasoline Tax</b>	<b>Police District</b>	<b>Fire District</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts:</b>						
Property and Other Local Taxes	\$174,881		\$793,480	\$1,485,873	\$345,026	\$2,799,260
Charges for Services				49,440	214,432	263,872
Licenses, Permits and Fees	7,258					7,258
Fines and Forfeitures			12,962		970	13,932
Intergovernmental	937,595	\$114,249	473,477	944,730	417,179	2,887,230
Earnings on Investments	31,241	3,610			200	35,051
Miscellaneous	18,196	619	4,405	849,665	34,736	907,621
<b>Total Receipts</b>	<b>1,169,171</b>	<b>118,478</b>	<b>1,284,324</b>	<b>3,329,708</b>	<b>1,012,543</b>	<b>6,914,224</b>
<b>Disbursements:</b>						
<b>Current:</b>						
General Government	369,653					369,653
Public Safety	62,537		1,344,798	2,557,789	133,663	4,098,787
Public Works	35,618	65,023			800,357	900,998
Health	60,553					60,553
Capital Outlay	103,744		59,483	1,306,857	170,741	1,640,825
<b>Total Disbursements</b>	<b>632,105</b>	<b>65,023</b>	<b>1,404,281</b>	<b>3,864,646</b>	<b>1,104,761</b>	<b>7,070,816</b>
Excess of Receipts Over (Under) Disbursements	537,066	53,455	(119,957)	(534,938)	(92,218)	(156,592)
<b>Other Financing Sources:</b>						
Sale of Fixed Assets				2,500		2,500
Advance In				244,187		244,187
Advance Out	(244,187)					(244,187)
<b>Total Other Financing Sources</b>	<b>(244,187)</b>			<b>246,687</b>		<b>2,500</b>
<b>Net Change in Fund Balances</b>	<b>292,879</b>	<b>53,455</b>	<b>(119,957)</b>	<b>(288,251)</b>	<b>(92,218)</b>	<b>(154,092)</b>
Fund Balances Beginning of Year	1,427,940	536,782	1,060,418	1,551,722	908,968	5,485,830
<b>Fund Balances End of Year</b>	<b>\$1,720,819</b>	<b>\$590,237</b>	<b>\$940,461</b>	<b>\$1,263,471</b>	<b>\$816,750</b>	<b>\$5,331,738</b>

See accompanying notes to the basic financial statements.



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$180,000	\$174,000	\$174,881	\$881
Licenses, Permits and Fees	19,000	10,600	7,258	(3,342)
Intergovernmental	262,775	390,907	937,595	546,688
Earnings on Investments	85,000	29,250	31,241	1,991
Miscellaneous	2,500	2,500	18,196	15,696
Total receipts	<u>549,275</u>	<u>607,257</u>	<u>1,169,171</u>	<u>561,914</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	582,310	803,385	369,653	433,732
Public Safety	73,150	133,650	62,537	71,113
Public Works	42,000	66,000	35,618	30,382
Health	85,000	85,000	60,553	24,447
Capital Outlay	872,995	926,828	103,744	823,084
Total Disbursements	<u>1,655,455</u>	<u>2,014,863</u>	<u>632,105</u>	<u>1,382,758</u>
Excess of Receipts Over (Under) Disbursements	<u>(1,106,180)</u>	<u>(1,407,606)</u>	<u>537,066</u>	<u>1,944,672</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out		(244,187)	(244,187)	
Total Other Financing Sources (Uses)		<u>(244,187)</u>	<u>(244,187)</u>	
Net Change in Fund Balance	(1,106,180)	(1,651,793)	292,879	1,944,672
Unencumbered Cash Balance				
Beginning of Year	<u>1,427,940</u>	<u>1,427,940</u>	<u>1,427,940</u>	
Unencumbered Cash Balance End of Year	<u>\$321,760</u>	<u>(\$223,853)</u>	<u>\$1,720,819</u>	<u>\$1,944,672</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>(Optional) Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$108,000	\$120,000	\$114,249	(\$5,751)
Earnings on Investments	3,000	3,000	3,610	610
Miscellaneous			619	619
Total receipts	<u>111,000</u>	<u>123,000</u>	<u>118,478</u>	<u>(4,522)</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	630,000	584,000	65,023	518,977
Capital Outlay		75,782		75,782
Total Disbursements	<u>630,000</u>	<u>659,782</u>	<u>65,023</u>	<u>594,759</u>
Excess of Receipts Over (Under) Disbursements	(519,000)	(536,782)	53,455	590,237
Net Change in Fund Balance	(519,000)	(536,782)	53,455	590,237
Unencumbered Cash Balance Beginning of Year	<u>536,782</u>	<u>536,782</u>	<u>536,782</u>	
Unencumbered Cash Balance End of Year	<u><u>\$17,782</u></u>	<u><u>\$0</u></u>	<u><u>\$590,237</u></u>	<u><u>\$590,237</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
POLICE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$720,000	\$830,937	\$793,480	(\$37,457)
Fines and Forfeitures	10,000	10,000	12,962	2,962
Intergovernmental	503,500	417,563	473,477	55,914
Miscellaneous	5,100	5,100	4,405	(695)
Total receipts	<u>1,238,600</u>	<u>1,263,600</u>	<u>1,284,324</u>	<u>20,724</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	1,614,500	1,775,366	1,344,798	430,568
Capital Outlay	313,808	570,538	59,483	511,055
Total Disbursements	<u>1,928,308</u>	<u>2,345,904</u>	<u>1,404,281</u>	<u>941,623</u>
Excess of Receipts Over (Under) Disbursements	(689,708)	(1,082,304)	(119,957)	962,347
Net Change in Fund Balance	(689,708)	(1,082,304)	(119,957)	962,347
Unencumbered Cash Balance Beginning of Year	<u>1,060,418</u>	<u>1,060,418</u>	<u>1,060,418</u>	
Unencumbered Cash Balance End of Year	<u><u>\$370,710</u></u>	<u><u>(\$21,886)</u></u>	<u><u>\$940,461</u></u>	<u><u>\$962,347</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$1,400,000	\$1,400,000	\$1,485,873	\$85,873
Charges for Services	49,440	49,440	49,440	
Intergovernmental	900,000	900,647	944,730	44,083
Miscellaneous	179,750	844,287	849,665	5,378
Total receipts	<u>2,529,190</u>	<u>3,194,374</u>	<u>3,329,708</u>	<u>135,334</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	3,070,450	3,131,682	2,557,789	573,893
Capital Outlay	198,050	1,842,990	1,306,857	536,133
Total Disbursements	<u>3,268,500</u>	<u>4,974,672</u>	<u>3,864,646</u>	<u>1,110,026</u>
Excess of Receipts Over (Under) Disbursements	<u>(739,310)</u>	<u>(1,780,298)</u>	<u>(534,938)</u>	<u>1,245,360</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Fixed Assets			2,500	2,500
Advances In		244,240	244,187	(53)
Total Other Financing Sources (Uses)		<u>244,240</u>	<u>246,687</u>	<u>2,447</u>
Net Change in Fund Balance	(739,310)	(1,536,058)	(288,251)	1,247,807
Unencumbered Cash Balance Beginning of Year	<u>1,551,722</u>	<u>1,551,722</u>	<u>1,551,722</u>	
Unencumbered Cash Balance End of Year	<u>\$812,412</u>	<u>\$15,664</u>	<u>\$1,263,471</u>	<u>\$1,247,807</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2008**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Cash	\$5,485,830
Total Assets	<u>5,485,830</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	4,057,890
Unrestricted	1,427,940
Total Net Assets	<u>\$5,485,830</u>

*See accompanying notes to the basic financial statements.*

**This page intentionally left blank.**

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Program Cash Receipts</b>			<b>Net (Disbursements) Receipts and Changes in Net Assets</b>
	<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>	<b>Governmental Activities Total</b>			
General Government	\$299,648	\$9,419		(\$290,229)
Public Safety	3,793,974	111,537	\$112,651	(3,569,786)
Public Works	841,616		139,662	(701,954)
Health	80,909			(80,909)
Other		8,000	1,600	9,600
Capital Outlay	543,535			(466,803)
<b>Total Governmental Activities</b>	<b>\$5,559,682</b>	<b>\$128,956</b>	<b>\$253,913</b>	<b>\$76,732</b>
<b>General Receipts:</b>				
Property and Other Local Taxes				4,393,433
Grants and Entitlements not Restricted to Specific Programs				1,874,846
Sale of Fixed Assets				2,525
Earnings on Investments				90,178
Miscellaneous				252,441
<b>Total General Receipts</b>				<b>6,613,423</b>
Change in Net Assets				1,513,342
Net Assets Beginning of Year				3,972,488
Net Assets End of Year				<b>\$5,485,830</b>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<b>General</b>	<b>Road and Bridge</b>	<b>Police District</b>	<b>Fire District</b>	<b>Road District</b>	<b>Foam Fund</b>
<b>Assets:</b>						
Cash	\$1,427,940	\$353,212	\$1,060,418	\$1,551,722	\$488,995	\$305
Total Assets	<u>1,427,940</u>	<u>353,212</u>	<u>1,060,418</u>	<u>1,551,722</u>	<u>488,995</u>	<u>305</u>
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Reserved for Encumbrances						
<b>Unreserved:</b>						
<b>Undesignated, Reported in:</b>						
General Fund	1,427,940					
Special Revenue Funds		353,212	1,060,418	1,551,722	488,995	305
Total Fund Balances	<u>\$1,427,940</u>	<u>\$353,212</u>	<u>\$1,060,418</u>	<u>\$1,551,722</u>	<u>\$488,995</u>	<u>\$305</u>

*See accompanying notes to the basic financial statements.*



<b>EMS Medical Billing</b>	<b>Police Education Fund</b>	<b>Federal Grant</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$28,385	\$2,237	\$1,373	\$571,243	\$5,485,830
<u>28,385</u>	<u>2,237</u>	<u>1,373</u>	<u>571,243</u>	<u>5,485,830</u>
2,456				2,456
				1,427,940
25,929	2,237	1,373	571,243	4,055,434
<u>\$28,385</u>	<u>\$2,237</u>	<u>\$1,373</u>	<u>\$571,243</u>	<u>\$5,485,830</u>

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Police District</u>	<u>Fire District</u>	<u>Road District</u>	<u>Foam Fund</u>
<b>Receipts:</b>						
Property and Other Local Taxes	\$241,790	\$361,017	\$1,266,301	\$2,348,193	\$176,132	
Charges for Services				48,000		
Licenses, Permits and Fees	9,419					
Fines and Forfeitures			9,115			
Intergovernmental	517,528	132,553	363,957	799,378	80,183	
Earnings on Investments	78,022					
Miscellaneous	31,053	23,581	47,270	146,843	351	\$9,600
Total Receipts	<u>877,812</u>	<u>517,151</u>	<u>1,686,643</u>	<u>3,342,414</u>	<u>256,666</u>	<u>9,600</u>
<b>Disbursements:</b>						
<b>Current:</b>						
General Government	299,648					
Public Safety	60,049		1,092,988	2,506,709		13,368
Public Works	33,120	429,237			316,432	
Health	80,909					
Capital Outlay	54,743	56,366	221,191	65,707		
Total Disbursements	<u>528,469</u>	<u>485,603</u>	<u>1,314,179</u>	<u>2,572,416</u>	<u>316,432</u>	<u>13,368</u>
Excess of Receipts Over (Under) Disbursements	349,343	31,548	372,464	769,998	(59,766)	(3,768)
<b>Other Financing Sources (Uses):</b>						
Sale of Fixed Assets			2,525			
Total Other Sources (Uses)			<u>2,525</u>			
Net Change in Fund Balances	349,343	31,548	374,989	769,998	(59,766)	(3,768)
Fund Balances Beginning of Year	<u>1,078,597</u>	<u>321,664</u>	<u>685,429</u>	<u>781,724</u>	<u>548,761</u>	<u>4,073</u>
Fund Balances End of Year	<u>\$1,427,940</u>	<u>\$353,212</u>	<u>\$1,060,418</u>	<u>\$1,551,722</u>	<u>\$488,995</u>	<u>\$305</u>

See accompanying notes to the basic financial statements.

<b>EMS Medical Billing</b>	<b>Police Education Fund</b>	<b>Federal Grant</b>	<b>Other Governmental Funds</b>	<b>Total</b>
				\$4,393,433
52,796				100,796
				9,419
			\$1,627	10,742
	\$2,720	\$94,522	216,392	2,207,233
			12,156	90,178
				258,698
<u>52,796</u>	<u>2,720</u>	<u>94,522</u>	<u>230,175</u>	<u>7,070,499</u>
				299,648
27,228	483	93,149		3,793,974
			62,827	841,616
				80,909
			145,528	543,535
<u>27,228</u>	<u>483</u>	<u>93,149</u>	<u>208,355</u>	<u>5,559,682</u>
25,568	2,237	1,373	21,820	1,510,817
				2,525
				2,525
25,568	2,237	1,373	21,820	1,513,342
2,817			549,423	3,972,488
<u>\$28,385</u>	<u>\$2,237</u>	<u>\$1,373</u>	<u>\$571,243</u>	<u>\$5,485,830</u>

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts:</b>				
Property and Other Local Taxes	\$186,500	\$186,500	\$241,790	\$55,290
Licenses, Permits and Fees	19,600	19,600	9,419	(10,181)
Intergovernmental	256,056	256,056	517,528	261,472
Earnings on Investments	100,000	100,000	78,022	(21,978)
Miscellaneous	2,500	2,500	31,053	28,553
Total receipts	<u>564,656</u>	<u>564,656</u>	<u>877,812</u>	<u>313,156</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	587,600	586,600	299,648	286,952
Public Safety	72,356	72,657	60,049	12,608
Public Works	17,100	44,100	33,120	10,980
Health	80,000	81,000	80,909	91
Capital Outlay	569,000	865,886	54,743	811,143
Total Disbursements	<u>1,326,056</u>	<u>1,650,243</u>	<u>528,469</u>	<u>1,121,774</u>
Net Change in Fund Balance	(761,400)	(1,085,587)	349,343	1,434,930
Fund Balance Beginning of Year	1,078,019	1,078,019	1,078,019	
Prior Year Encumbrances Appropriated	<u>578</u>	<u>578</u>	<u>578</u>	
Fund Balance End of Year	<u>\$317,197</u>	<u>(\$6,990)</u>	<u>\$1,427,940</u>	<u>\$1,434,930</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts:</b>				
Property and Other Local Taxes	\$263,500	\$263,500	\$361,017	\$97,517
Intergovernmental	121,994	121,994	132,553	10,559
Special Assessments	500	500		(500)
Miscellaneous	1,500	1,500	23,581	22,081
Total receipts	<u>387,494</u>	<u>387,494</u>	<u>517,151</u>	<u>129,657</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	660,500	648,000	429,237	218,763
Capital Outlay	126,000	61,246	56,366	4,880
Total Disbursements	<u>786,500</u>	<u>709,246</u>	<u>485,603</u>	<u>223,643</u>
Net Change in Fund Balance	(399,006)	(321,752)	31,548	353,300
Fund Balance Beginning of Year	<u>321,664</u>	<u>321,664</u>	<u>321,664</u>	
Fund Balance End of Year	<u>(\$77,342)</u>	<u>(\$88)</u>	<u>\$353,212</u>	<u>\$353,300</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
POLICE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$863,000	\$962,761	\$1,266,301	\$303,540
Fines and Forfeitures	10,000	10,000	9,115	(885)
Intergovernmental	360,500	453,649	363,957	(89,692)
Miscellaneous	5,100	5,100	47,270	42,170
Total receipts	<u>1,238,600</u>	<u>1,431,510</u>	<u>1,686,643</u>	<u>255,133</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	1,620,600	1,634,800	1,092,988	541,812
Capital Outlay	306,708	385,647	221,191	164,456
Total Disbursements	<u>1,927,308</u>	<u>2,020,447</u>	<u>1,314,179</u>	<u>706,268</u>
Excess of Receipts Over (Under) Disbursements	<u>(688,708)</u>	<u>(588,937)</u>	<u>372,464</u>	<u>961,401</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Fixed Assets			2,525	2,525
Transfers In	2,700	2,700		(2,700)
Total Other Financing Sources (Uses)	<u>2,700</u>	<u>2,700</u>	<u>2,525</u>	<u>(175)</u>
Net Change in Fund Balance	(686,008)	(586,237)	374,989	961,226
Fund Balance Beginning of Year	<u>685,429</u>	<u>685,429</u>	<u>685,429</u>	
Fund Balance End of Year	<u><u>(\$579)</u></u>	<u><u>\$99,192</u></u>	<u><u>\$1,060,418</u></u>	<u><u>\$961,226</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$1,610,000	\$1,610,000	\$2,348,193	\$738,193
Charges for Services	48,000	48,000	48,000	
Intergovernmental	758,176	823,251	799,378	(23,873)
Miscellaneous	10,000	10,000	146,843	136,843
Total receipts	<u>2,426,176</u>	<u>2,491,251</u>	<u>3,342,414</u>	<u>851,163</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	2,976,200	2,975,600	2,506,709	468,891
Capital Outlay	231,800	297,097	65,707	231,390
Total Disbursements	<u>3,208,000</u>	<u>3,272,697</u>	<u>2,572,416</u>	<u>700,281</u>
Net Change in Fund Balance	(781,824)	(781,446)	769,998	1,551,444
Fund Balance Beginning of Year	<u>781,724</u>	<u>781,724</u>	<u>781,724</u>	
Fund Balance End of Year	<u>(\$100)</u>	<u>\$278</u>	<u>\$1,551,722</u>	<u>\$1,551,444</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
ROAD DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>(Optional)</b>
	<u>Original</u>	<u>Final</u>		<b>Variance with Final Budget Positive (Negative)</b>
<b>Receipts:</b>				
Property and Other Local Taxes	\$115,000	\$115,000	\$176,132	\$61,132
Intergovernmental	74,127	74,127	80,183	6,056
Miscellaneous			351	351
Total receipts	<u>189,127</u>	<u>189,127</u>	<u>256,666</u>	<u>67,539</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	<u>626,500</u>	<u>626,500</u>	<u>316,432</u>	<u>310,068</u>
Total Disbursements	<u>626,500</u>	<u>626,500</u>	<u>316,432</u>	<u>310,068</u>
Net Change in Fund Balance	(437,373)	(437,373)	(59,766)	377,607
Fund Balance Beginning of Year	<u>548,761</u>	<u>548,761</u>	<u>548,761</u>	
Fund Balance End of Year	<u>\$111,388</u>	<u>\$111,388</u>	<u>\$488,995</u>	<u>\$377,607</u>

*See accompanying notes to the basic financial statements.*



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
FOAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Miscellaneous	\$9,000	\$11,000	\$9,600	(\$1,400)
Total receipts	<u>9,000</u>	<u>11,000</u>	<u>9,600</u>	<u>(1,400)</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	13,000	15,000	13,368	1,632
Total Disbursements	<u>13,000</u>	<u>15,000</u>	<u>13,368</u>	<u>1,632</u>
Net Change in Fund Balance	(4,000)	(4,000)	(3,768)	232
Fund Balance Beginning of Year	<u>4,073</u>	<u>4,073</u>	<u>4,073</u>	
Fund Balance End of Year	<u><u>\$73</u></u>	<u><u>\$73</u></u>	<u><u>\$305</u></u>	<u><u>\$232</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
EMS MEDICAL BILLING  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Charges for Services	\$15,000	\$37,000	\$52,796	\$15,796
Total receipts	<u>15,000</u>	<u>37,000</u>	<u>52,796</u>	<u>15,796</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	17,800	39,800	29,684	10,116
Total Disbursements	<u>17,800</u>	<u>39,800</u>	<u>29,684</u>	<u>10,116</u>
Net Change in Fund Balance	(2,800)	(2,800)	23,112	25,912
Fund Balance Beginning of Year	<u>2,817</u>	<u>2,817</u>	<u>2,817</u>	
Fund Balance End of Year	<u><u>\$17</u></u>	<u><u>\$17</u></u>	<u><u>\$25,929</u></u>	<u><u>\$25,912</u></u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
POLICE EDUCATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>(Optional)</b>
	<u>Original</u>	<u>Final</u>		<b>Variance with Final Budget Positive (Negative)</b>
<b>Receipts:</b>				
Intergovernmental	\$3,200	\$3,200	\$2,720	(\$480)
Total receipts	<u>3,200</u>	<u>3,200</u>	<u>2,720</u>	<u>(480)</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	3,200	3,200	483	2,717
Total Disbursements	<u>3,200</u>	<u>3,200</u>	<u>483</u>	<u>2,717</u>
Net Change in Fund Balance			2,237	2,237
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$2,237</u>	<u>\$2,237</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
FEDERAL GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$2,700	\$2,700	\$94,522	\$91,822
Total receipts	<u>2,700</u>	<u>2,700</u>	<u>94,522</u>	<u>91,822</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety		93,149	93,149	
Total Disbursements		<u>93,149</u>	<u>93,149</u>	
Net Change in Fund Balance	2,700	(90,449)	1,373	91,822
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$2,700</u>	<u>(\$90,449)</u>	<u>\$1,373</u>	<u>\$91,822</u>

*See accompanying notes to the basic financial statements.*

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

**1. REPORTING ENTITY**

Shawnee Township, Allen County, (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and police protection, and emergency medical services.

**B. Component Unit**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. There were no component units of the Township for 2009 or 2008.

**C. Jointly Governed Organizations and Public Entity Risk Pools**

The Township participates in a jointly governed organization and a public entity risk pool. Note 6 to the financial statements provides additional information for the public entity risk pool. These organizations are:

**1. Jointly Governed Organization:**

**Allen Water District-** The Allen Water District, (the District), was created by the Court of Common Pleas in Allen County in accordance with the provisions of Section 6119.01 to provide water services to residents of Bath, Perry, and Shawnee Townships. A seven (7) member appointed Board of Trustees manage the District. Each member appoints a member and those members appoint at large members. Financial information can be obtained by contacting Glenn Hasting, Treasurer, at P.O Box 724, Lima, Ohio 45802-0724

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**1. REPORTING ENTITY (Continued)**

**2. Public Entity Risk Pool:**

**OTARMA-** 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. OTARMA is a member to the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the member's deductibles.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The activities of the Township are reported as governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible.

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. During 2009, the Township's major governmental funds were the General Fund, Gasoline Tax Fund, Police District Fund, and Fire District Fund. During 2008, the Township's major governmental funds were the General Fund, Police District Fund, Fire District Fund, Road and Bridge Fund, Road District Fund, Foam Special Revenue Fund, EMS Medical Billing Fund, Police Education Fund, and Federal Grant Fund.

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

**Police District Fund** – This Fund receives property tax money to maintain police protection services to the Township.

**Fire District Fund** – This Fund Fund receives property tax money to maintain fire protection and emergency medical service to the Township.

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

**Foam Fund** – This fund receives funds from local businesses for the purchase of foam to combat fires.

**Emergency Medical Billing Fund** – This fund receives property tax money for providing emergency medical services for the Township and maintaining EMS equipment and vehicles.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Police Education Fund** – This fund receives grant funds for the education of police officers.

**Federal Grant Fund** – This fund receives federal grant funds from various sources for Township programs and services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**2. Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The Township's fiduciary funds are agency funds, purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for monies received from insurance companies for the demolition or repair of private property buildings damaged by fires, and for monies received as performance bonds for driveway permit fees, roadside tiled taps, and construction within the road right of way. At January 1, 2008, the agency funds had available fund balance of \$200. During 2008, the agency funds had financial activity which resulted in the fund balance to be zero at December 31, 2008, while there was no financial activity during 2009. Therefore, no statement of fiduciary net assets is presented.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. In 2009, the Township received a total of \$35,051 in interest earnings, for which \$31,241 was allocated to the General Fund, and \$3,610 and \$200 was allocated to the Gasoline Tax and Motor Vehicle License Tax Fund, respectively. In 2008, the Township received a total of \$90,178 in interest earnings, for which \$78,022 was allocated to the General fund and \$11,435 and \$721 was allocated to the Gasoline Tax and Motor Vehicle License Tax Fund, respectively.

**F. Restricted Assets**

Cash, cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township had no restricted assets for the years ended 2009 and 2008.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. The employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for tax levy monies for police and fire protection, and road and bridge maintenance, motor vehicle license fund money, and gasoline tax money.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which the restricted and unrestricted net assets are available.

**M. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**N. Interfund Transactions**

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. For 2009, the Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Police District Fund, and Fire District Fund; in addition to the Road and Bridge, Road District, Foam, EMS Medical Billing, Police Education, and Federal Grant Funds for the year ended December 31, 2008, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The difference between the budget basis and the cash basis is that outstanding year end encumbrances are treated as disbursements (budget basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$2,456 for the EMS Medical Billing Fund for the year ended December 31, 2008.

**4. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by state statute into three categories.

Active monies and are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or can be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in a money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**4. DEPOSITS AND INVESTMENTS (Continued)**

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2009 and 2008, \$4,807,662 and \$5,315,125, respectively, of the Township's bank balance of \$5,557,662 and \$5,565,125, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

The Township's policy on custodial risk does not extend beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**5. PROPERTY TAX**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2009 and 2008 for real and public utility property taxes represent the collection of 2008 and 2007 taxes. Property tax payments received during 2009 and 2008 for tangible personal property (other than public utility property) is for 2008 and 2007 taxes.

2009 and 2008 real property taxes are levied after October 1, 2008 and 2007 on the assessed values as of January 1, 2008 and 2007, the lien dates. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 and 2007 real property taxes are collected in, and intended to finance 2009 and 2008, respectively.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**5. PROPERTY TAX (Continued)**

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 and 2008 public utility property taxes which became a lien on December 31, 2008 and 2007, are levied after October 1, 2008 and 2007, and are collected in 2009 and 2008 with real property taxes.

2009 and 2008 tangible property taxes are levied after October 1, 2008 and 2007, on the value as of December 31, 2008 and 2007. Collections were made in 2009 and 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent and for 2006 was 18.75 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009.

Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2009 was 15.60 and for 2008, was \$15.60, per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	<b>2009</b>	<b>2008</b>
Real Property		
Residential & Agricultural	\$251,997,400	\$248,128,520
Commercial/Industrial/Mineral	41,228,730	38,524,810
Public Utility Property		
Real	145,960	128,660
Personal	18,425,770	18,932,380
Total Assessed Value	\$311,857,860	\$305,714,370

**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.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**6. RISK MANAGEMENT (Continued)**

**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.

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):

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

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 \$23,930.

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	\$28,276
2008	\$23,946
2009	\$27,826

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**6. RISK MANAGEMENT (Continued)**

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.

**7. DEFINED BENEFIT PENSION PLAN**

**A. Ohio Public Employees Retirement System**

**Plan Description** - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377

**Funding Policy** - The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and 2008, the members in state and local classifications, were required to contribute 10 percent, of covered payroll. Members who were in law enforcement and public safety contributed 10.1 percent of their annual covered salary.

The Township's contribution rate for pension benefits for 2009 and 2008 was 14.00 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions for 2009 and 2008 were 17.63 percent and 17.40 percent, respectively of covered payroll.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$209,829, \$183,325, and \$170,783, respectively. The full amount has been contributed for 2009, 2008 and 2007. There were no member-directed plans for those years.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Ohio Police and Fire Pension Fund**

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for only firefighters were \$326,914 for the year ended December 31, 2009; \$287,184 for the year ended December 31, 2008, and \$278,580, for the year ended December 31, 2007. The Township has contributed the full amount for all years.

**8. POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

**Plan Description** - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment healthcare.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement. To qualify for post-employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit.

Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 - 7377.

**Funding Policy** – The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment healthcare.



**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**8. POST-EMPLOYMENT BENEFITS (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, state employers and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.63% for 2009 and 17.40% for 2008. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1, through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The actual amounts in which the Township contributed to fund post-employment benefits for the years ending December 31, 2009, 2008, and 2007, were \$79,198, \$ 82,296, and \$61,812, respectively; 100 percent has been contributed for all years.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of Jan. 1, 2006, Jan. 1, 2007 and Jan. 1, 2008, which allowed additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

**Plan Description** – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium Reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

**8. POST-EMPLOYMENT BENEFITS (Continued)**

**Funding Policy** –The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 24% of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under and IRS Code Seciton 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2009 and 2008, the employer contributions allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

For the years ending December 31, 2009, 2008, and 2007 the Township's contributions to OP&F for the healthcare plan were \$108,857, \$115,534, and \$78,281, respectively.

**9. INTERFUND TRANSACTIONS**

Interfund advances at December 31, 2009 as reported on the fund statements, consist of the following:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General Fund	Fire Fund	<u>\$244,187</u>

The primary purpose of the interfund advance was to provide funds for capital expenditures made by the Fire fund. Interfund advances between governmental funds are eliminated on the government-wide financial statements.

**10. CONTINGENCIES**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding or disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



# 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*

Shawnee Township  
Allen County  
2530 Fort Amanda Road  
Lima, Ohio 45804

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shawnee Township, Allen County, (the Township) as of and for the year ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 24, 2010, wherein we noted that the Township prepared its financial statements using a comprehensive accounting basis other than generally accepted accounting principles. 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 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 certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 findings 2009-002, 2009-003 and 2009-004 described in the accompanying schedule of findings to be material weaknesses

### **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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated March 24, 2010.

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

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



**Mary Taylor, CPA**  
Auditor of State

March 24, 2010

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2009-001**

**Ohio Rev. Code Section 5705.39** states in part that total appropriations from each fund shall not exceed the total estimated resources.

As of December 31, 2008, the following funds had appropriations which exceeded total estimated resources; General Fund (\$6,990), Road and Bridge (\$88), and Federal Grant Fund (\$90,449). At December 31, 2009, the following funds had appropriations which exceeded total estimated resources; General Fund (\$223,853), Police District Fund (\$21,886).

The Township should compare the estimated resources and appropriations throughout the year and make timely amendments as necessary. (See also finding 2009-003)

**OFFICIALS' RESPONSE**

Originally the Federal Grant Fund was set up incorrectly in the UAN System. The funds shall be looked at more closely throughout the year to avoid this type of budget error.

**FINDING NUMBER 2009-002**

**Material Weakness - Classifying Revenues and Expenditures**

During 2008, an Issue II grant in the amount of \$76,732 was received and disbursed by Allen County on behalf of the Township, and was not recorded on the Township's accounting records. During 2009, the Township was awarded a federal grant in the amount of \$85,764. The Fiscal Officer (1) recorded expenditures for the grant program from the Fire District Fund, (2) recorded the reimbursing grant funds received in the Federal Grant Fund and (3) recorded an expenditure from the Federal Grant Fund to the Fire District Fund as reimbursement. Also during 2008, the Township was awarded a federal grant in the amount of \$93,149. The Fiscal Officer (1) recorded expenditures for the grant program from the Police District Fund, (2) recorded the reimbursing grant funds received in the Federal Grant Fund and (3) recorded an expenditure from the Federal Grant Fund to the Police District Fund as reimbursement. Regarding the federal grant activity, the Township had appropriately established the Federal Grant Fund in accordance with Ohio Revised Section 5705.09. However, the method which was used by the Fiscal Officer to record the federal grant program activity resulted in revenues and expenditures being inappropriately recorded twice on the Township's accounting records. The failure to record the revenues and expenditures for the Issue II grant, in addition to the inappropriate recording of the federal grant program activity in the Township accounting records, resulted in the material misstatement of revenues and expenditures. The accompanying financial statements include the required audit adjustments to accurately present the Township's revenue and expenditure activity for 2008 and 2009.

For the Issue II grant, the Township should obtain the necessary documentation and record all transactions processed on their behalf. Additional reference should be made to Auditor of State Bulletins 2000-08, 2002-004, and 2002-005 regarding the accounting and recording of this type of on-behalf of grant. Furthermore, upon receiving notice of federal reimbursement grant award(s) the Township Trustees should, by resolution, approve an advance from the appropriate fund; whereby the Fiscal Officer should record the advance as a receipt into the grant fund and record all the expenditure(s) for the grant program to the grant fund on the Township's accounting records.

**OFFICIALS' RESPONSE**

In the future a book entry will be made for Issue II monies.

**FINDING NUMBER - 2009-003**

**Material Weakness - Agreeing Authorized Budgeted Amounts to the Amounts Posted to the Computer System & Budgetary Statements**

The estimated receipts as approved by the County Budget Commission by fund and the budgeted appropriations at the legal level of control as adopted by the Trustee's did not always agree with the budgeted amounts recorded in the Township's budgetary accounting computer system and incorrect amounts were presented on the 2009 and 2008 Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual Statements. The financial statement budgetary amounts were adjusted as follows:

<b>2009</b>			
General Fund	Final Budgeted Expenditures	Increase	\$244,178
	Final Budgeted Revenue	Decrease	244,178
Gasoline Tax	Final Budgeted Revenue	Increase	12,000
	Original Budgeted Expenditures	Increase	75,000
Police District	Final Budgeted Revenue	Increase	110,937
Fire District	Final Budgeted Revenue	Increase	244,240
	Original Budgeted Revenue	Decrease	657,737
<b>2008</b>			
General Fund	Original Budgeted Expenditures	Decrease	\$324,187
Road and Bridge	Original Budgeted Expenditures	Increase	77,254
Police District	Final Budgeted Revenue	Increase	99,761
Foam Fund	Final Budgeted Revenue	Decrease	4,000
EMS Fund	Final Budgeted Revenue	Increase	\$ 22,000

The lack of procedures to ensure that the authorized budgeted amounts have been accurately posted to the budgetary accounting computer system resulted in inaccurate financial information. Inaccurate budget amounts presented in financial reports presented to elected officials and management could hinder financial decisions.

The Fiscal Officer should implement procedures to ensure that the original and amended budget appropriations and estimated resources are posted accurately and timely to the Township's budgetary accounting computer system.

**OFFICIALS' RESPONSE**

In 2010, the financial reporting method will be changed from the OCBOA 34 Method to the Regulatory Method to avoid the reporting requirements of GASB, and lessen financial reporting errors.

**FINDING NUMBER - 2009-004**

**Material Weakness - Accuracy of Financial Statements**

Presentation of financial statements is designed to provide an accurate accounting of the financial condition of the entity to the public. To accurately present the current year financial statements designation of the major funds and classification of the program revenues must be accurate. During the audit of the financial statements and the trial balances the following problems were noted:

**FINDING NUMBER - 2009-004  
(Continued)**

- In 2009, the financial statements and trial balances did not properly reflect the Gasoline Tax Fund as a major fund as required. This error resulted in adjustments to the financial statements, note disclosure and Management Discussion and Analysis for this activity.
- Adjustments to the Statement of Activities were necessary for the proper presentation of program revenue. Reclassifications were made to general receipts and program receipts in the amounts of \$2,029,642 and \$1,603,696 for 2009 and 2008, respectively.

The incorrect reporting of funds and revenues could result in erroneous assumptions by users. Lack of effective oversight of the financial reporting and internal control process by those charged with governance resulted in material misstatements in the basic financial statements that were not initially identified by internal controls. In addition, the determination and rectification of these discrepancies by audit staff resulted in additional audit time and costs. During the process of accumulating data for preparation of the trial balances and the compilation of financial statements, the information should be reviewed for accuracy and completeness. In addition, management should review the compilation to verify the accuracy and completeness of the financial statements and note disclosures, the trial balances, and supporting documentation. Procedures should be implemented for monitoring the results of the compilation to provide that it properly reflects the financial condition of the Township. Procedures should include reviews by the governing body and comparisons of the current year information with prior year. Supporting documentation for the compilation should also be reviewed to determine if it has been properly completed.

**OFFICIALS' RESPONSE**

In 2010, the financial reporting method will be changed from the OCBOA 34 Method to the Regulatory Method to avoid the reporting requirements of GASB, and lessen financial reporting errors.

**SHAWNE TOWNSHIP  
ALLEN 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><b>Explain</b></i>
2007-001	Finding for Recovery: Overpayment of Employee Wages for Mark Reed \$741.25	No	Partially Corrected; Township has promissory note with employee for repayment. Employee has repaid \$140 and the remaining unpaid balance is \$601 as of December 31, 2009
2007-002	Material Weakness – Ambulance and Fire Claim Billing and Collection Monitoring Procedures	Yes	





**Mary Taylor, CPA**  
Auditor of State

**SHAWNEE TOWNSHIP**

**ALLEN 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  
MAY 6, 2010**