



May 12, 2011

To the Board of Trustees
Charter Township of Van Buren

We have audited the financial statements of the Charter Township of Van Buren (the "Township") for the year ended December 31, 2010 and have issued our report thereon dated May 12, 2011. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Communications Required Under SAS 114

Section II - Other Recommendations

Section III - Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the board of trustees of the Charter Township of Van Buren.

Section II presents recommendations related to internal controls and procedures noted during our current year audit. These comments are offered in the interest of helping the government in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section III contains updated legislative and informational items that we believe will be of interest to you.

In addition to the comments and recommendations in this letter, our observations and comments regarding the Township's internal controls, including any significant deficiencies or material weaknesses that we identified, have been reported to you in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. This report is included in the supplemental schedule of federal awards (single audit report), and we recommend that the matters we have noted there receive your careful consideration.

We would like to take this opportunity to thank the Township's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

To the Board of Trustees
Charter Township of Van Buren

May 12, 2011

This report is intended solely for the use of management, the board, and others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "David Helisek". The signature is written in a cursive style with a large, looped initial "D".

David H. Helisek

Section I - Communications Required Under SAS 114

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 16, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Charter Township of Van Buren. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the Charter Township of Van Buren's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we have made some assessments of the Charter Township of Van Buren's compliance with certain provisions of laws, regulations, contracts, and grant agreements. While those assessments are not sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, we are required to communicate all noncompliance conditions that come to our attention. We have communicated those conditions in a separate letter dated May 12, 2011 regarding our consideration of the Charter Township of Van Buren's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

We are also obligated to communicate certain matters related to our audit to those responsible for the governance of the Charter Township of Van Buren, including certain instances of error or fraud and significant deficiencies in internal control that we identify during our audit. In certain situations, *Government Auditing Standards* require disclosure of illegal acts to applicable government agencies. If such illegal acts were detected during our audit, we would be required to make disclosures regarding these acts to applicable government agencies. No such disclosures were required.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 8, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Charter Township of Van Buren are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2010.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were unbilled water and sewer receivables, calculations of incurred but not reported liabilities relating to self-insurance and workers' compensation, other postemployment benefit actuarial estimates, and Michigan Tax Tribunal (MTT) estimate refunds to taxpayers. Management's estimate of unbilled water and sewer receivables, various incurred but not reported amounts, and MTT refund amounts are based on historical information. Additionally, other postemployment benefit estimates are based on actuarial assessments. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The attached schedules summarize uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Other Recommendations

During our audit, we noted areas where we believe there are opportunities for the Township to further strengthen internal controls or to increase operating efficiencies. Our observations on those areas are presented for your consideration below.

- Repeat suggestion - During our testing, it was noted that the Township board does not review special revenue accounts (they are not included in the board packet). We suggest that all revenue accounts be included in the monthly board packet in order to allow oversight of revenue amounts due to the risk of misstatement/misappropriation.
- During our testing, we noted that the Water and Sewer Fund had an operating loss even after depreciation and interest income are added back. The goal would be for rates to be set so that this calculation nets to zero when calculated. We recommend that the Township review its current water and sewer rates in an effort to align them with this goal.

Section III - Legislative and Informational Items

Budgetary Stress

The Township has been navigating its budget through some rough waters. Specifically:

- Property taxes have declined due to decreases in taxable value. After decades of relatively dependable inflationary increases, taxable value dropped 3 percent in 2009 and 11 percent in 2010. For 2011, taxable value is not yet completed, but is currently anticipated to be 6 percent lower.
- State-shared revenue has been on a steady decline since 2001, as the State uses it to balance its own budget; 2011 will see an additional 1/3 reduction in statutory revenue sharing
- Building permits, interest income, and all revenue, it seems, other than cable fees, have dropped off the charts.

As a result, the Township's anticipated revenue for 2011 is approximately 17 percent (excluding transfers in) lower than it was just three years ago. This has permanently re-set the level of services that the Township can afford to provide. In reaction to this revenue decline, the Township has:

- Reduced staffing levels by approximately 12 employees
- Pursued additional grant revenue to fund projects

We would like to commend the Township for the actions taken to date. These are difficult decisions to make, since they impact employees as well as service levels that residents had come to expect. Unfortunately, the taxable value and state-shared revenue continue to decline, and we anticipate that additional budget adjustments will become necessary in the 2012 budget.

State Initiatives Impacting Local Units of Government

Governor Snyder has begun his tenure with several significant initiatives, and he is moving his agenda forward at a quick pace. One of these initiatives is to improve the transparency and efficiency of local units - cities, townships, villages, and counties. More specifically, his current local government initiatives include the following:

- Replace "statutory revenue sharing" with a newly named "Economic Vitality Incentive Program" that will be reduced by approximately 1/3 and require local units to compete for the remaining \$200 million by demonstrating best practices in the following areas:
 - Transparency - Provide more accessible financial information to citizens
 - Service sharing - Consolidation or collaboration with other units of government

- Employee benefits - Slimmed-down pension and healthcare benefits
- Significantly strengthening the powers of emergency financial managers
- Potential changes to Act 312, police and fire arbitration
- Potential changes to the Urban Cooperation Act
- Potential elimination of personal property taxes

Each of these initiatives could have a significant impact on the Township and will be discussed in more detail below.

Accountability and Transparency

Governor Snyder's proposals call for each local unit to produce a citizen's guide to their finances (a "transparency tool") and a performance "dashboard" by October 1, 2011. These two tools should be readily available to the public, which likely means available via Internet. The citizen's guide can be thought of as a simplified view of financial data, much like a Popular Annual Financial Report (a PAFR). The performance dashboard would be comparisons of key metrics both to your community (over time) and to other communities (comparables).

At this point, there is no single set of criteria for these two tools; there is even some discussion at the state level that lack of criteria may be preferable, since that would allow local units to design tools that are tailored and relevant to them. In addition, it may allow for more creativity, and the creation of some excellent models that can be shared with others as we go forward.

There are a couple of Excel-based transparency tools that have been created, including one by Plante & Moran. There is also an Internet-based tool that has been created and the State is evaluating; while there would be a cost to obtain a license, the benefits would be timely access to comparative data, and there would be no requirement to have skills in Excel.

We would be happy to work with the Township to develop a strategy for meeting the transparency tool and dashboard requirements by October 1.

Service Sharing and Consolidation

The second requirement to compete for statutory revenue sharing has an implementation date of January 1, 2012. The State is requiring local units to submit a plan that identifies what steps they are already doing in terms of sharing services with other governments, or consolidation of services.

The State requires the service sharing plans to include estimates of potential savings and costs associated with sharing services. In addition, the State has set aside a small amount (\$5 million out of the \$200 million) to assist communities with one-time implementation costs related to launching new service-sharing initiatives.

Employee Compensation Best Practices

The governor's proposal requires changes only to new, modified, or extended employee contracts. Such contracts would be subject to the following criteria:

- a) Placing all new hires in a defined contribution plan or a hybrid retirement plan that caps annual employer contributions at 10 percent of base salary
- b) Where applicable, a 1.5 percent multiplier should be used to determine employee pensions. A 2 percent multiplier should be used for employees who are not eligible for Social Security benefits.
- c) Implementing controls to avoid pension spiking such as using a three-year salary average that does not include more than a total of 240 hours of paid leave and overtime to determine benefit levels
- d) If health care is offered, all new hires must be on an 80/20 employer-to-employee healthcare premium split. Alternatively, a dollar amount could be assigned to local healthcare plans and compared to the state healthcare plan if it is an HMO or includes other cost-saving measures such as co-pays or deductibles.

Impact of Census Results on State-shared Revenue

The 2010 census data was released on March 22, 2011. Census results indicated an overall decline in population for the state of Michigan of 0.6 percent. The impact of the census on local units of government will vary widely, based mostly upon whether or not a local unit is receiving statutory revenue-sharing payments.

In the prior year, it was reported that approximately 1,200 local units (out of approximately 1,775) did not receive any statutory revenue payments. For those communities that are only receiving constitutional payments, their percentage increase (or decrease) in population should result in a corresponding percentage increase (decrease) in constitutional revenue-sharing payments, retroactive to October 1, 2010. The retroactive payments are scheduled to be made (or deducted) in the June and August distributions.

The State's budget appropriation for 2010-2011 specifies that each local unit that experiences an increase in constitutional distributions (for instance, as a result of a population increase) will receive a corresponding reduction in statutory revenue sharing. What is less clear is whether those communities that receive a decline in constitutional distributions (due to a population decline) would receive an increase in statutory revenue sharing. This is because of the provision that if the total statutory state-shared revenue to be paid throughout the state is higher than the State's budgeted amount, the State is under no obligation to pay more than was budgeted. At this point, we believe communities should plan on receiving the decreased amount.

Property Assessment Cap

As you recall, Proposal A limits the growth in taxable value to the lesser of inflation or 5 percent. The inflation factor for this calculation is published by the State Tax Commission and is:

2010	(.03)%
2009	4.4%
2008	2.3%
2007	3.7%
2006	3.3%
2005	2.3%
2004	2.3%
2003	1.5%
2002	3.2%
2001	3.2%
2000	1.9%
1999	1.6%
1998	2.7%
1997	2.8%
1996	2.8%
1995	2.6%
1994	3.0%

Also, as you probably recall, the Headlee Amendment to the Michigan Constitution limits the amount of taxes that can be levied by the Township. In general terms, if growth on the Township's existing property tax base exceeds inflation for a particular year, the Headlee Amendment requires the Township to "roll back" its property tax rate to inflation. Prior to the passage of Proposal A in 1994, during years when the growth on the Township's existing property tax base was less than inflation, the Headlee Amendment allowed the Township to "roll up" its property tax rate and recover from years when the property tax rate was "rolled back". However, subsequent to the passage of Proposal A and as a result of changes made to the State's General Property Tax Act, the Township is no longer allowed to "roll up" its property tax rate in years when growth on its existing tax base is less than inflation.

For the year ended December 31, 2010, the Township's Headlee maximum property tax rate for its operating levy was .9144 mills even though Township Charter would allow the Township to levy 1 mill for operations. Because of changes made to the General Property Tax Act in 1994, this reduction in millage rate is permanent absent a Headlee override vote. Additionally, as demonstrated in several published studies and reports, due to definitional changes made to the General Property Tax Act in 1994, the treatment of uncapped values or the "pop up" amount when a property is transferred or sold (as growth on existing property subject to the Headlee rollback calculation), will continue downward pressure on millage rates particularly given the significant gap that now exists between taxable value and state equalized value.

Other Legislative Developments

Senate Bill 34 - Elimination of the Personal Property Tax

On January 19, 2011, SB 34 was introduced. Very simply, this bill, if it becomes law, will amend PA 206 of 1893 and exempt all personal property from the collection of taxes. Altogether, this would reduce revenue for communities across the state by approximately \$770 million. Including the school districts, the lost revenue would be over \$1 billion. This bill does not provide any source of revenue to replace that which is lost.

Obviously, this would be devastating to many communities as personal property taxes are a significant component of a local unit's tax structure. During the governor's announcement of his budget, he did state that the elimination of the personal property tax was not part of his 2012 budget. The Township's personal property tax currently brings in approximately \$1,200,000.

Emergency Financial Managers - Public Act 4 of 2011

On March 16, 2011, PA 4, *Local Government and School District Fiscal Accountability Act*, was signed into law. This Act repeals Public Act 72 of 1990, the previous *Local Government Fiscal Responsibility Act*. Under the new Act, the state treasurer can conduct a preliminary review to determine the existence of a local government financial problem if one or more of 18 different "triggering events" occur. Some of these events are truly a sign of financial stress, such as incurring payless paydays or defaulting on a bond or note payment. Others are more subjective, including a blanket statement that the existence of "other facts or circumstances...as determined by the state treasurer" is sufficient to start the process.

If a finding of probable financial stress is made, the governor shall appoint a review team. The team would conduct its review and report back to the governor and state treasurer within 60 days of its appointment. Depending on the severity of the findings during the review, the actions then taken could range from none to a declaration of a financial emergency, the local unit would be placed in receivership, and an Emergency Financial Manager (EFM) appointed in place of the existing governing body and chief administrative officer. For communities that have some of the triggers but seem to have a plan to address them, there is an in-between step whereby a consent agreement is entered into and monitored.

Clearly, this legislation is causing great anxiety in terms of both the uncertainty as to how aggressive the State will be in implementing the legislation as well as the broadness of the powers granted to an EFM. Any new EFMs would have the authority to reject, modify, or terminate the terms of an existing contract or collective bargaining agreement.

This legislation may ultimately change the tenor of future union negotiations, in that it gives the collective bargaining representatives a strong incentive to work with the Township to avoid receivership by an EFM.

Proposed Amendments to the Urban Cooperation Act and Related Statutes

House Bills 4309 - 4312 intend to amend the various statutes that govern local unit service sharing. These bills eliminate certain guarantees and provisions of collectively bargained agreements. The problem in trying to form new collaborative ventures is that the existing act includes a clause that prevents the immediate negotiation of new contracts. This stands in the way of even the consideration of mergers by many local units because the new entity is hampered by a multi-layer set of work rules, wages, and benefits which effectively eliminate the economic efficiencies that are the very reason to consolidate. Under the amended act, management and employees should be allowed to immediately begin the collective bargaining process for the new entity and complete this within an appropriate timeframe.

House Bills 4309 - 4312 were passed by the House on March 24, 2011; they have not been passed by the Senate to date.

Congress Approves 1099 Repeal Bill; Obama Expected to Sign

In March 2010, Congress approved the Patient Protection and Affordable Care Act (PPACA) which included among its revenue raisers an expansion of business information reporting. In particular, Section 9006 required entities (including governmental entities) to file a Form 1099 when they make annual purchases aggregating \$600 or more to a single provider (other than a tax-exempt organization) for payments made after December 31, 2011. This PPACA also repealed the long-standing reporting exception for payments made to corporations. On April 5, 2011, the Senate approved a bill (H.R. 4), previously passed by the House, to repeal this expanded reporting requirement. President Obama is expected to sign the bill when it reaches the White House.

Municipal Finance Act Revisions - REMINDER

The Municipal Finance Act was amended several years ago. Communities are now required to submit a filing once a year with the Michigan Department of Treasury. The old 10-day "exemption from prior approval" process has been eliminated and is replaced with this qualification process. This filing will serve as a pre-approval for future debt issues. The current filing is due within six months of the Township's year ended December 31, 2010 and is good for one year thereafter. The Township should consider the need to file a qualifying statement for each of its component units.

GASB No. 54 - Time for Implementation

By now you are likely aware that GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is effective for the Township's 2010-2011 fiscal year. GASB No. 54 clarifies the definition of fund types and requires fund balances to be classified into new categories based on the level of availability for discretionary spending. In order to have a smooth transition to the new standard, the Township may need to modify budget formats, general ledger account structure, and board policies. Also, key stakeholders in the community such as board members, management, and bargaining groups may need education to fully understand the new reporting.

GASB No. 54 eliminates the current use of the terms "reserved" and "designated" in the reporting of fund balance, and replaces those terms with five new categories:

- **Non-spendable** - Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This would include inventory, prepaids, and noncurrent receivables.
- **Restricted** - Reflects the same definition as restricted net assets: constraints placed on the use of amounts are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital projects funds, debt service funds, and funds supported by dedicated millages or federal grant dollars.
- **Committed** - Includes amounts that are committed for specific purposes by formal action of the board. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the council/board removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.
- **Assigned** - Amounts that are intended by the community to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Intent should be expressed by the board itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the board. This would include ANY activity reported in a fund other than the General Fund that is not otherwise restricted more narrowly by the above definitions.
- **Unassigned** - Includes any remaining amounts after applying the above definitions. Planned spending in the subsequent year's budget would be included here and can no longer be described as "designated" unless formally committed or assigned.

The Township should consider what formal "commitments" are appropriate and adopt formal policies or budget approvals to document these decisions. Commitments or assignments of fund balance should be made prior to December 31, 2011.

GASB No. 54 also modifies the definition of existing governmental fund types. The changes to the General Fund, debt service fund, and capital project fund definitions are minor and are not likely to result in changes to the fund types currently used. However, changes to the special revenue fund definition could result in some existing special revenue funds no longer meeting the criteria, resulting in fund reclassifications. Specifically, any fund that does not have a particular external revenue source as its foundation will likely no longer meet the definition of a special revenue fund. For example, a fund such as an improvement revolving fund would likely be reclassified to a capital projects fund and activity of a budget stabilization fund will likely need to be reported within the General Fund (although consideration should be given to continuing to budget separately, if the governing body finds that useful).

GASB No. 54 is required to be implemented for financial statements for periods beginning after June 15, 2010. Retroactive restatement is required for all periods presented, although there is an exception for the statistical section in a CAFR. At a minimum, governments will need to apply this change at the beginning of the year of implementation so that the MD&A disclosures are comparative. The standard also requires disclosure in the financial statements of any minimum fund balance policies, and the purposes for restrictions, commitments, and assignments of fund balance.

We encourage the Township to become familiar with the new terms and definitions and work with the users of the financial statements to ensure a clear presentation and understanding of the new requirements.

Client: Charter Township of Van Buren
Opinion Unit: Governmental Activities
Y/E: 12/31/2010

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Pretax Income
KNOWN MISSTATEMENTS:									
A1	To adjust accrued interest receivable to actual	\$ 19,098					\$ 19,098		\$ 19,098
A2									
ESTIMATE ADJUSTMENTS:									
B1									
B2									
IMPLIED ADJUSTMENTS:									
C1									
C2									
	Total	<u>\$ 19,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,098</u>	<u>\$ -</u>	<u>\$ 19,098</u>

Client: Charter Township of Van Buren
Opinion Unit: Business-type Activities
Y/E: 12/31/2010

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Pretax Income
KNOWN MISSTATEMENTS:									
A1	To adjust accrued interest receivable to actual	\$ 129,467					\$ 129,467		\$ 129,467
A2							-		
ESTIMATE ADJUSTMENTS:									
B1	Fair market value adjustment relating to fixed income securities held by the Township	17,413					17,413		17,413
B2									
IMPLIED ADJUSTMENTS:									
C1									
C2									
	Total	<u>\$ 146,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,880</u>	<u>\$ -</u>	<u>\$ 146,880</u>

Client: **Charter Township of Van Buren**
Opinion Unit: **Aggregate Discretely Presented Component Units**
Y/E: **12/31/2010**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Pretax Income
KNOWN MISSTATEMENTS:									
A1 A2	To adjust accrued interest receivable to actual	\$ 29,216					\$ 29,216		\$ 29,216
ESTIMATE ADJUSTMENTS:									
B1 B2									
IMPLIED ADJUSTMENTS:									
C1 C2									
		-	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total		<u>\$ 29,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,216</u>	<u>\$ -</u>	<u>\$ 29,216</u>

Client: **Charter Township of Van Buren**
Opinion Unit: **General Fund (Major Governmental Fund)**
Y/E: **12/31/2008**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Pretax Income
KNOWN MISSTATEMENTS:									
A1 A2	To adjust accrued interest receivable to actual	\$ 10,321					\$ 10,321		\$ 10,321
ESTIMATE ADJUSTMENTS:									
B1 B2									
IMPLIED ADJUSTMENTS:									
C1 C2									
		-	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total		<u>\$ 10,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,321</u>	<u>\$ -</u>	<u>\$ 10,321</u>

Client: **Charter Township of Van Buren**
 Opinion Unit: **Landfill Fund (Major Governmental Fund)**
 Y/E: **12/31/2010**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Pretax Income
KNOWN MISSTATEMENTS:									
A1 A2	To adjust accrued interest receivable to actual	\$ 8,777					\$ 8,777		\$ 8,777
ESTIMATE ADJUSTMENTS:									
B1 B2									
IMPLIED ADJUSTMENTS:									
C1 C2									
		-	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total		<u>\$ 8,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,777</u>	<u>\$ -</u>	<u>\$ 8,777</u>