

**BEE, BERGVALL & CO**  
A PROFESSIONAL CORPORATION

**Certified Public Accountants**

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June 18, 2010

To the Board of Commissioners  
Haverford Township  
Delaware County, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Haverford Township for the year ended December 31, 2009. Professional standards require that we provide information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2009. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Haverford Township are described in Note 1 to the financial statements. The application of existing policies was not changed during the fiscal year ended December 31, 2009, however, Haverford Township adopted a new accounting policy: Governmental Accounting Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*", as disclosed in part I, D, 10 and IV, D of the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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:

Management's estimate of the capital asset depreciation expense is based on an estimate of the useful lives of the capital assets. The end of year liability for compensated absences is calculated based on vested time accumulated. We evaluated the key factors and assumptions used to develop the accounting estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

### *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. Management has corrected all such misstatements. Because Haverford Township's general ledger is maintained for each fund according to the modified accrual basis of accounting, we recommended adjustment to allow for the presentation of the government-wide financial statements on the full accrual basis since generally accepted accounting principles require that both presentations be made in the financial statements. The following material misstatement detected as a result of audit procedures were corrected by management:

- Remove Skatium Fund activity from the General Fund in the amount of \$1,598,097 of assets, \$966,370 of liabilities, \$335,649 of net assets, and \$296,078 of current year net income.
- Taxes receivable were decreased by \$235,553 to reflect liened properties.

### *Disagreements with Management*

For purposes 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 June 18, 2010.

### *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 governmental unit'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.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

At the conclusion of our audit, we issued a Schedule of Findings that discusses internal control related and other matters that existed for the year ended December 31, 2009. In that letter we identified a significant deficiency and material weakness in internal controls.

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

Very truly yours,

*Bee, Bergvall & Co.*

Bee, Bergvall & Co., P.C.