



Dave Yost • Auditor of State

**BENNINGTON TOWNSHIP
MORROW COUNTY**

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Dave Yost • Auditor of State

Bennington Township
Morrow County
P.O. Box 337
Marengo, Ohio 43334

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your township to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 14, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bennington Township
Morrow County
P.O. Box 337
Marengo, OH 43334

To the Board of Trustees:

We have audited the accompanying financial statements of Bennington Township, Morrow County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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www.auditor.state.oh.us

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Bennington Township, Morrow County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2011, 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.



Dave Yost
Auditor of State

November 14, 2011

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types			Totals
	General	Special Revenue	Debt Service	(Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$ 80,140	\$ 62,001	\$ -	\$ 142,141
Licenses, Permits, and Fees	-	3,750	-	3,750
Intergovernmental	12,783	106,377	-	119,160
Earnings on Investments	271	58	-	329
Miscellaneous	984	3,250	-	4,234
Total Cash Receipts	94,178	175,436	-	269,614
Cash Disbursements:				
Current:				
General Government	93,810	905	-	94,715
Public Works	-	83,073	-	83,073
Health	-	22,021	-	22,021
Capital Outlay	-	5,542	-	5,542
Debt Service:				
Redemption of Principal	8,885	6,104	462	15,451
Interest and Other Fiscal Charges	667	566	-	1,233
Total Cash Disbursements	103,362	118,211	462	222,035
Total Receipts Over/(Under) Disbursements	(9,184)	57,225	(462)	47,579
Fund Cash Balance, January 1	84,410	204,091	467	288,968
Fund Cash Balance, December 31	\$ 75,226	\$ 261,316	\$ 5	\$ 336,547

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

**BENNINGTON TOWNSHIP
MORROW COUNTY**

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

	Governmental Fund Types			Totals
	General	Special Revenue	Debt Service	(Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$ 76,652	\$ 59,627	\$ -	\$ 136,279
Licenses, Permits, and Fees	-	4,610	-	4,610
Intergovernmental	64,192	118,893	-	183,085
Earnings on Investments	656	118	-	774
Miscellaneous	244	6,000	-	6,244
Total Cash Receipts	141,744	189,248	-	330,992
Cash Disbursements:				
Current:				
General Government	104,768	10	-	104,778
Public Works	-	149,707	-	149,707
Health	-	32,750	-	32,750
Capital Outlay	960	5,388	-	6,348
Debt Service:				
Redemption of Principal	-	1,252	12,614	13,866
Interest and Other Fiscal Charges	-	-	1,875	1,875
Total Cash Disbursements	105,728	189,107	14,489	309,324
Total Receipts Over/(Under) Disbursements	36,016	141	(14,489)	21,668
Other Financing Receipts/(Disbursements):				
Transfers-In	-	25,000	14,489	39,489
Transfers-Out	(35,867)	(3,622)	-	(39,489)
Total Other Financing Receipts/(Disbursements)	(35,867)	21,378	14,489	(0)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	149	21,519	-	21,668
Fund Cash Balance, January 1	84,261	182,572	467	267,300
Fund Cash Balance, December 31	\$ 84,410	\$ 204,091	\$ 467	\$ 288,968

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

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Bennington Township, Morrow County, Ohio, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, including road and bridge maintenance and cemetery maintenance. The Township has an agreement with Big Walnut Joint Fire District to provide ambulance and fire protection services.

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

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

STAR Ohio is recorded at share values the mutual funds report.

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Funds

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

Cemetery Fund - This fund receives tax monies for maintaining the cemetery and fees from Township residents for the purchase of cemetery lots and the opening and closing of grave sites.

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

3. Debt Service Fund

This fund accounts for resources the Township accumulates to pay its debt. This fund was used to pay the Township's loan with First Knox National Bank.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

2. Equity in Pooled Deposits

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

	2010	2009
Total Demand Deposits	\$336,547	\$288,968

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$147,069	\$94,178	(\$52,891)
Special Revenue	191,466	175,436	(16,030)
Total	\$338,535	\$269,614	(\$68,921)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$203,480	\$103,362	\$100,118
Special Revenue	299,580	118,211	181,369
Debt Service	462	462	0
Total	\$503,522	\$222,035	\$281,487

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$141,643	\$141,744	\$101
Special Revenue	214,648	214,248	(400)
Debt Service	14,489	14,489	0
Total	\$370,780	\$370,481	(\$299)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$206,147	\$141,595	\$64,552
Special Revenue	281,702	192,729	88,973
Debt Service	14,489	14,489	0
Total	\$502,338	\$348,813	\$153,525

4. Property Tax

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

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

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

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

5. Debt

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
First Knox National Bank	\$17,524	4.91%

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. Debt (Continued)

The First Knox National Bank Loan was issued to help finance the purchase of real estate and is being repaid in 60 monthly installments of \$1,207 with interest at the rate of 4.91% through March 2012. The loan is collateralized by the Township's taxing authority.

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

Year ending December 31:	First Knox National Bank
2011	<u>\$14,489</u>
2012	<u>3,622</u>
Total	<u><u>\$18,111</u></u>

The Township issued a loan through the Ohio Public Works Commission to help finance the reconstruction of Township Road 21 in 2003. The loan was paid off in full on November 30, 2010.

6. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

7. 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.

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

7. Risk Management (Continued)

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, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 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.

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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$1,500.

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.

<u>Contributions to OTARMA</u>	
<u>2010</u>	<u>2009</u>
\$2,691	\$3,122

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

7. Risk Management (Continued)

responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. Related Party Transactions

The Township purchased hauling services and stone for Township roads during 2010 and 2009 from Jim Young Trucking, a company owned by the father of the Township's Fiscal Officer. Purchases totaled \$24,198 for 2010 and \$40,889 for 2009.

The Township also leases office space and a computer from the Township's Fiscal Officer. Payments made to the Fiscal Officer in 2010 and 2009 equaled \$3,000 each year.

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Dave Yost • Auditor of State

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

Bennington Township
Morrow County
P.O. Box 337
Marengo, Ohio 43334

To the Board of Trustees:

We have audited the financial statements of Bennington Township, Morrow County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 14, 2011, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted 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(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-002 described in the accompanying schedule of findings to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2010-001 described in the accompanying schedule of findings to be a significant deficiency.

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 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated November 14, 2011.

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, the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

November 14, 2011

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

**Deposits of Public Money
Material Noncompliance/Significant Deficiency**

Ohio Rev. Code §9.38 states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt if the total amount of such moneys received exceeds one thousand dollars.

For example, a government employee, other than the fiscal officer collecting funds and issuing a receipt, must deposit the funds with the government’s fiscal officer on the business day following the day of receipt if the total amount of moneys received exceeds one thousand dollars. As an alternative to depositing the funds with the government’s fiscal officer, the employee instead may deposit funds with the government’s designated depository on the business day following the day of receipt.

Pursuant to Ohio Rev. Code §9.38 if the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public-office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the first business day following the date of receipt.

The Township is posting receipts as they are collected, but only making deposits 1 or 2 times a month. This could cause the Township to over-expend public money and report the activity in the wrong fiscal period resulting in financial statement misstatements.

The following was noted in 2010:

Receipt Number	Receipt Amount	Date Received	Date Posted	Deposit Date
99	\$877.90	12/14/10	12/29/10	2/9/11
100	\$2,172.76	12/16/10	12/29/10	2/9/11
101	\$2,368.31	12/16/10	12/29/10	2/9/11

We recommend that the Township make deposits in a timelier manner.

Officials’ Response: The Fiscal Officer will be mailing deposits to the financial institution, to make sure that deposits are made more often.

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-002

**Financial Statement Presentation
Material Weakness**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the December 31, 2010 financial statements and accounting records:

1. Adjustment to remove \$658 in expenditures from the General fund and increase expenditures in the Cemetery fund by \$466 and Road and Bridge fund by \$192 to properly account for real estate tax collection fees in the funds that received the taxes.
2. Adjustment of \$1,010 of Property Tax receipts from the Cemetery Fund to Intergovernmental revenue in the Road and Bridge Fund to account for Road and Bridge receipts misposted to the Cemetery Fund.
3. Adjustment of \$18,151 in the Permissive Motor Vehicle License Tax fund for permissive taxes incorrectly posted as taxes instead of intergovernmental revenue.

The following reclassifications were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2010 financial statements:

1. Reclassifications of \$8,698 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the General Fund.
2. Reclassification of \$309 of debt expenditures from Public Works to Redemption of Principal in the Permissive Motor Vehicle License Tax Fund.
3. Reclassifications of \$4,840 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the Cemetery Fund.
4. Reclassification of \$998 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the Road and Bridge Fund.

The following audit adjustments were made to the December 31, 2009 financial statements and accounting records:

1. Adjustment to remove \$1,382 in expenditures from the General Fund and increase expenditures in the Cemetery fund by \$978 and Road and Bridge fund by \$404 to properly account for real estate tax collection fees in the funds that received the taxes.
2. Adjustment of \$1,000 to remove a transfer that was made from the General fund to the Motor Vehicle License Tax fund because the transfer was not approved by the Board of Trustees.
3. Adjustment of \$18,134 in the Permissive Motor Vehicle License tax fund for permissive taxes incorrectly posted as taxes instead of intergovernmental revenue.

The following reclassifications were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2009 financial statements:

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-002 (Continued)

Financial Statement Presentation
Material Weakness

1. Reclassifications of \$8,591 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the General Fund.
2. Reclassification of \$1,252 of debt expenditures from Public Works to Principal Retirement in the Gasoline Tax Fund.
3. Reclassification of \$4,773 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the Cemetery Fund.
4. Reclassification of \$1,982 of Homestead and Rollback monies from Property and Other Local Tax receipts to Intergovernmental receipts in the Road and Bridge Fund.

The adjustments and reclassifications identified above should be reviewed by the Fiscal Officer and Board of Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Township should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statements information to ensure it accurately reflects the Township's activity.

Officials' Response: The Fiscal Officer has already reallocated all Township permissive motor vehicle license taxes and Homestead and Rollback receipts to Intergovernmental revenue for the current year. All auditor tax collection fees are now being deducted from their representative funds instead of just the General fund.

**BENNINGTON TOWNSHIP
MORROW COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Financial Statement Presentation	No	Not Corrected - Reissued as Finding 2010-002
2008-002	Appropriations Exceeding Actual Resources	No	Not Corrected - Reissued in Management Letter
2008-003	Prior Certification	No	Partially Corrected - Reissued in Management Letter
2008-004	Competitive Bidding	Yes	
2008-005	Actual Expenditures Exceeding Appropriations	No	Partially Corrected - Reissued in Management Letter
2008-006	Board Approval of Transfers	No	Partially Corrected - Reissued in Management Letter
2008-007	Bond Requirements	Yes	
2008-008	Annual Inventory	Yes	



Dave Yost • Auditor of State

BENNINGTON TOWNSHIP

MORROW 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
DECEMBER 08, 2011**