

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

*Financial Statements  
(Audited)*

For the Years Ended  
December 31, 2016 and 2015

**SALLY HATFIELD, FISCAL OFFICER**





# Dave Yost • Auditor of State

Board of Trustees  
Bennington Township  
6642 Bennington Chapel Rd.  
Centerburg, Ohio 43011

We have reviewed the Independent Auditor's Report of Bennington Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bennington Township is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 6, 2017

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

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# Julian & Grube, Inc.

*Serving Ohio Local Governments*

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## Independent Auditor's Report

Bennington Township  
Licking County  
6642 Bennington Chapel Rd  
Centerburg, OH 43011

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Bennington Township, Licking County, Ohio as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Bennington Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Bennington Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, Bennington Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though Bennington Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Bennington Township as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Bennington Township, Licking County, Ohio as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2017, on our consideration of Bennington 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bennington Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
March 28, 2017

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash receipts:					
Local Taxes	\$ 93,049	\$ 313,335	\$ -	\$ -	\$ 406,384
Intergovernmental	34,434	116,449	148,857	-	299,740
Licenses, permits and fees	1,325	2,950	-	-	4,275
Earnings on Investments	473	112	-	-	585
Miscellaneous	106	400	-	-	506
Total cash receipts	<u>129,387</u>	<u>433,246</u>	<u>148,857</u>	<u>-</u>	<u>711,490</u>
Cash disbursements:					
Current:					
General Government	70,042	748	-	-	70,790
Public Safety	-	71,963	-	-	71,963
Public Works	1,120	249,577	-	-	250,697
Health	7,418	300	-	-	7,718
Human Services	-	20,939	-	-	20,939
Capital Outlay	-	23,576	172,893	-	196,469
Debt service:					
Principal Retirement	7,271	14,046	-	-	21,317
Interest & Fiscal Charges	1,001	1,735	-	-	2,736
Total cash disbursements	<u>86,852</u>	<u>382,884</u>	<u>172,893</u>	<u>-</u>	<u>642,629</u>
Excess of receipts over (under) disbursements	<u>42,535</u>	<u>50,362</u>	<u>(24,036)</u>	<u>-</u>	<u>68,861</u>
Other financing receipts/(disbursements):					
Proceeds from sale of notes	-	-	24,036	-	24,036
Other sources	24	-	-	-	24
Total other financing receipts/(disbursements)	<u>24</u>	<u>-</u>	<u>24,036</u>	<u>-</u>	<u>24,060</u>
Net change in fund cash balances	42,559	50,362	-	-	92,921
Fund cash balances, January 1, 2016	<u>86,634</u>	<u>446,583</u>	<u>-</u>	<u>2,816</u>	<u>536,033</u>
Fund cash balances December 31, 2016					
Nonspendable	-	-	-	2,000	2,000
Restricted	-	496,945	-	-	496,945
Committed	-	-	-	816	816
Unassigned	129,193	-	-	-	129,193
Fund cash balances, December 31, 2016	<u>\$ 129,193</u>	<u>\$ 496,945</u>	<u>\$ -</u>	<u>\$ 2,816</u>	<u>\$ 628,954</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Permanent	
Cash receipts:				
Local Taxes	\$ 90,871	\$ 290,655	\$ -	\$ 381,526
Intergovernmental	39,977	132,512	-	172,489
Licenses, permits and fees	1,361	4,794	-	6,155
Earnings on Investments	613	115	-	728
Miscellaneous	320	3,136	-	3,456
Total cash receipts	<u>133,142</u>	<u>431,212</u>	<u>-</u>	<u>564,354</u>
Cash disbursements:				
Current:				
General Government	72,597	4,042	-	76,639
Public Safety	-	131,733	-	131,733
Public Works	2,968	231,750	-	234,718
Health	7,621	2,357	-	9,978
Human Services	-	17,309	-	17,309
Debt service:				
Principal Retirement	3,522	14,575	-	18,097
Interest & Fiscal Charges	613	2,805	-	3,418
Total cash disbursements	<u>87,321</u>	<u>404,571</u>	<u>-</u>	<u>491,892</u>
Net change in fund cash balances	45,821	26,641	-	72,462
Fund cash balances, January 1, 2015	<u>40,813</u>	<u>419,942</u>	<u>2,816</u>	<u>463,571</u>
Fund cash balances December 31, 2015				
Nonspendable	-	-	2,000	2,000
Restricted	-	446,583	-	446,583
Committed	-	-	816	816
Unassigned	86,634	-	-	86,634
Fund cash balances, December 31, 2015	<u>\$ 86,634</u>	<u>\$ 446,583</u>	<u>\$ 2,816</u>	<u>\$ 536,033</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 1 - REPORTING ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Bennington Township, Licking County, Ohio, (the "Township") as a body corporate and politic. A publicly elected three member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the Hartford Volunteer Fire Department to provide fire and emergency medical services. Police protection for the township is provided by the Licking County Sheriff. The Township participates in Ohio Government Risk Management Plan, a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable. Note 4 to the financial statement describes these assets.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

*Road and Bridge Fund* - (2016 and 2015) This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

*Fire Levy Fund* - (2015) This fund receives property tax money levied for the funding of the contracted fire and emergency medical services.

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Capital Project Funds** - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following capital project fund:

*OPWC* - (2016) The Township received grants and loans from the state for Township road widening.

**Permanent Funds** - These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Township's programs (for the benefit of the government or its citizenry). The Township had the following permanent fund:

*Smith Cemetery Bequest Fund* - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

**Appropriations** - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the item level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

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

**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 the 2016 and 2015 budgetary activity appears in Note 3.

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

***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.

The Township purchases certificates(s) of deposit through The Park National Bank & Heartland Bank. These deposit(s) have been placed with the Park National Bank & Heartland Bank as our agents and custodians, through CDARS & Certificate of Deposit with one or more FDIC - insured depository institutions. The funds are resubmitted for deposit at maturity. The Trustees, by motion and vote to determine the amount and time invested.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** - The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

***Restricted*** - Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** - Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Assigned* - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$103,518	\$129,411	\$25,893
Special Revenue	330,730	433,246	102,516
Capital Projects	203,914	172,893	(31,021)
Total	\$638,162	\$735,550	\$97,388

2016 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$190,152	\$86,852	\$103,300
Special Revenue	777,313	382,884	394,429
Capital Projects	203,914	172,893	31,021
Permanent	2,816	-	2,816
Total	\$1,174,195	\$642,629	\$531,566

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 3 - BUDGETARY ACTIVITY - (Continued)**

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,841	\$133,142	\$40,301
Special Revenue	372,860	431,212	58,352
Permanent	5	-	(5)
Total	\$465,706	\$564,354	\$98,648

2015 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$133,654	\$87,321	\$46,333
Special Revenue	792,802	404,571	388,231
Permanent	821	-	821
Total	\$927,277	\$491,892	\$435,385

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

	2016	2015
Demand Deposits	\$ 376,954	\$ 334,033
Certificates of Deposit	252,000	202,000
Total Deposits	\$ 628,954	\$ 536,033

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

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 5 - PROPERTY TAXES**

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.

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

**NOTE 6 - RISK MANAGEMENT**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<b>2015</b>	<b>2014</b>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	\$5,531,637	\$5,887,681

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

There are 7 employees 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. OPERS members contributed 10% and 10%, respectively, of their gross salaries and the Township contributed an amount equaling 14% and 14%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2016 and 2015.

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**NOTE 9 - DEBT**

Debt outstanding at December 31, 2016 and 2015 was follows:

<u>Description</u>	<u>Fund</u>	<u>Fund Type</u>	<u>Interest Rate</u>	<u>2016</u>	<u>2015</u>
Building Addition	General	General	4.15%	\$ 18,396	\$ 25,666
OPWC - Dutch Cross Road	Gas Tax	Special Revenue	0.00%	575	1,729
OPWC - Drury Road South	Gas Tax	Special Revenue	0.00%	10,634	12,154
OPWC - Drury Road North	Gas Tax	Special Revenue	0.00%	22,834	-
Tractor/Loader	Road & Bridge Equipment	Special Revenue	3.95%	<u>33,043</u>	<u>43,215</u>
	Total			<u>\$ 85,482</u>	<u>\$ 82,764</u>

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

**NOTE 9 - DEBT - (Continued)**

*Leases*

The Township leased a 2017 International 7300 Dump Truck from Rush Truck Centers, with Santander Bank, N.A. holding the 5 year lease. The Township disbursed \$13,363 to pay lease costs for the year ended December 31, 2016 from the Road and Bridge Special Revenue Fund Type.

*Amortization*

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

Year Ending December 31	Leases	Notes
2017	\$ 26,726	\$ 22,717
2018	26,726	24,103
2019	26,726	18,814
2020	26,726	3,924
2021	13,363	3,924
2022 - 2026	<u>-</u>	<u>15,810</u>
Total	<u>\$ 120,267</u>	<u>\$ 89,292</u>





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Bennington Township  
Licking County  
6642 Bennington Chapel Rd  
Centerburg, OH 43011

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Bennington Township, Licking County, Ohio as of and for the years ended December 31, 2016 and December 31, 2015, and the related notes to the financial statements and have issued our report thereon dated March 28, 2017, wherein we noted Bennington Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Bennington Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of Bennington Township's internal control. Accordingly, we have not opined on it.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Bennington Township's financial statements. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and responses that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Board of Trustees  
Bennington Township

***Compliance and Other Matters***

As part of reasonably assuring whether Bennington 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Bennington Township's Response to the Finding***

Bennington Township's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Bennington Township's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Bennington Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Bennington Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
March 28, 2017

**BENNINGTON TOWNSHIP  
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2016-001

Material Weakness - Financial Reporting

A critical part of financial reporting is to maintain internal controls to help ensure the proper reporting of financial statement amounts.

We identified misstatements in the financial statements and notes to the financial statements for the years under audit that were not initially identified by the Township's internal controls.

The Township had the following audit adjustments necessary to properly record activity in 2016.

**General Fund**

- Increase cash and intergovernmental receipts for rollback and homestead in the amount of \$6,543.

**Road and Bridge Fund (Special Revenue fund type)**

- Decrease cash and property tax receipts for rollback and homestead in the amount of \$6,543.

**OPWC Fund (Capital Projects fund type)**

- Decrease intergovernmental receipts and increase proceeds of notes receipts in the amount of \$24,036.

**Note Disclosure**

- Certain note disclosures were modified and updated from the Township's Hinkle filing.

The Township's records have been adjusted to reflect these adjustments.

Improper posting of receipts could mislead the Trustee's and Township citizens as improper financial reporting may misrepresent individual fund balances and possibly misrepresent budget and planning reports.

We recommend that the Township implement additional internal controls to help ensure receipts are properly recorded and reflected in the Township's records. We further recommend the Township implement additional internal controls over financial reporting to help ensure accurate financial reports throughout the year and at year end. We also recommend the Township consult their auditors, local government services or UAN for proper posting of transactions if questions arise.

Client Response: The Township will attempt to properly post all transactions in the future. The Fiscal Officer will consult the Township Handbook and/or a consulting firm when unusual/or infrequent transactions occur. Further, the Township will consider obtaining an additional review of financial statements and notes prior to submitting to the Hinkle system.



# Dave Yost • Auditor of State

**BENNINGTON TOWNSHIP**

**LICKING COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 20, 2017**