



Dave Yost • Auditor of State

JENNINGS TOWNSHIP
VAN WERT COUNTY

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Dave Yost • Auditor of State

Jennings Township
Van Wert County
21332 Gilbert Road
Spencerville, Ohio 45887

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 government 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.

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Dave Yost
Auditor of State

June 14, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Jennings Township
Van Wert County
21332 Gilbert Road
Spencerville, Ohio 45887

To the Board of Trustees:

We have audited the accompanying financial statements of Jennings Township, Van Wert County, (the Township) as of and for the years ended December 31, 2011 and 2010. 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 third and fourth following paragraphs.

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, 2011 and 2010 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, 2011 and 2010, or its changes in financial position for the years then ended.

During the prior audit year of 2007, the Township charged Trustees' salaries, related taxes and retirement (OPERS) to the Gasoline Tax, Road and Bridge and Motor Vehicle License Tax fund without required supportive documentation which is a violation against Ohio Revised Code Section 505.24(C) and Ohio Attorney General Opinion 2004-056 and did not make those adjustments to the financial statements nor to their accounting records. The General fund balance was overstated by \$31,756 and therefore the Special Revenue fund balances were understated by \$31,756.

Also, in our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the combined fund cash balances of the General and Special Revenue Funds of Jennings Township, Van Wert County, as of December 31, 2011 and 2010 and their combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Capital Project and Private Purpose Trust Funds of Jennings Township, Van Wert County, Ohio, as of December 31, 2011 and 2010, and their combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 the Jennings Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2012, 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

June 14, 2012

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$5,866	\$35,286	\$41,152
Licenses, Permits and Fees		1,500	1,500
Intergovernmental	20,247	105,993	126,240
Earnings on Investments	38	32	70
Miscellaneous		2,000	2,000
Total Cash Receipts	<u>26,151</u>	<u>144,811</u>	<u>170,962</u>
Cash Disbursements:			
Current:			
General Government	23,630	3,233	26,863
Public Safety		14,576	14,576
Public Works		113,435	113,435
Health	9,346	3,470	12,816
Total Cash Disbursements	<u>32,976</u>	<u>134,714</u>	<u>167,690</u>
Excess of Receipts Over (Under) Disbursements	<u>(6,825)</u>	<u>10,097</u>	<u>3,272</u>
Net Change in Fund Cash Balances	(6,825)	10,097	3,272
Fund Cash Balances, January 1, 2011	<u>25,783</u>	<u>119,612</u>	<u>145,395</u>
Fund Cash Balances, December 31, 2011:			
Restricted		129,709	129,709
Unassigned (Deficit)	<u>18,958</u>		<u>18,958</u>
Fund Cash Balances, December 31, 2011	<u>\$18,958</u>	<u>\$129,709</u>	<u>\$148,667</u>

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

JENNINGS TOWNSHIP
VAN WERT COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Fiduciary Fund</u>
	<u>Private Purpose Trust</u>
Non-Operating Receipts:	
Earnings on Investments	\$7
Total Non-Operating Receipts	<u>7</u>
Net Change in Fund Cash Balances	7
Fund Cash Balances, January 1, 2011	<u>803</u>
Fund Cash Balances, December 31, 2011	<u><u>\$810</u></u>

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

**JENNINGS TOWNSHIP
VAN WERT 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$5,847	\$34,997		\$40,844
Licenses, Permits, and Fees		2,575		2,575
Intergovernmental	24,265	108,533	\$53,129	185,927
Earnings on Investments	40	49		89
Miscellaneous	510	2,050		2,560
Total Cash Receipts	<u>30,662</u>	<u>148,204</u>	<u>53,129</u>	<u>231,995</u>
Cash Disbursements:				
Current:				
General Government	25,443	5,496		30,939
Public Safety		13,093		13,093
Public Works	2,400	133,135		135,535
Health	9,030	3,881		12,911
Capital Outlay		2,350	53,129	55,479
Debt Service:				
Redemption of Principal		2,610		2,610
Total Cash Disbursements	<u>36,873</u>	<u>160,565</u>	<u>53,129</u>	<u>250,567</u>
Total Receipts Over/(Under) Disbursements	<u>(6,211)</u>	<u>(12,361)</u>		<u>(18,572)</u>
Fund Cash Balances, January 1, 2010	<u>31,994</u>	<u>131,973</u>		<u>163,967</u>
Fund Cash Balances, December 31, 2010	<u>\$25,783</u>	<u>\$119,612</u>	<u>\$0</u>	<u>\$145,395</u>

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

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Fiduciary Fund Type</u>
	<u>Private Purpose Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$8
Total Non-Operating Cash Receipts	<u>8</u>
Fund Cash Balances, January 1, 2010	<u>795</u>
Fund Cash Balances, December 31, 2010	<u><u>\$803</u></u>

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

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 Jennings Township, Van Wert County, (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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Invincible Fire Company, Inc. and the Village of Middle Point to provide fire services and Spencerville Ambulance Service, Inc. to provide ambulance services.

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 maintains all of its funds in an interest bearing checking account and U.S. Savings Bonds.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is 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 Fund:

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

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund.

Issue II Fund - The Township received a grant from the State of Ohio for a resurfacing project.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust funds are for the benefit of Morgan and Lewis Trust and Endowment. This is a nonexpendable trust that maintained amounts donated in perpetuity.

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.

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 re-appropriated in the subsequent year.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, 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:

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Non-spendable

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

2. 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.

3. 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.

4. 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.

5. 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.

G. 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. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2011, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 did not have an effect on fund balances previously reported.

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. EQUITY IN POOLED 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:

	2011	2010
Demand Deposits	\$148,977	\$145,698
Total deposits	148,977	145,698
U.S. Savings Bond	500	500
Total investments	500	500
Total deposits and investments	\$149,477	\$146,198

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: The Federal Reserve holds the Township's U.S. Savings Bond in book-entry form in the name of the Township.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 27,156	\$ 26,151	(\$1,005)
Special Revenue	139,849	144,811	4,962
Capital Projects	3,285		(3,285)
Fiduciary	10	7	(3)
Total	\$170,300	\$170,969	\$ 669

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 52,470	\$ 32,976	\$ 19,494
Special Revenue	226,161	134,714	91,447
Capital Projects	3,285		3,285
Total	\$281,916	\$167,690	\$114,226

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 36,198	\$ 30,662	(\$5,536)
Special Revenue	141,689	148,204	6,515
Capital Projects	53,000	53,129	129
Fiduciary	10	8	(2)
Total	\$230,897	\$232,003	\$1,106

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 78,128	\$ 36,873	\$ 41,255
Special Revenue	223,350	160,565	62,785
Capital Projects	53,129	53,129	
Total	\$354,607	\$250,567	\$104,040

5. 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.

6. RETIREMENT SYSTEMS

The Township's 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. For 2011 and 2010, 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, 2011.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

Jennings Township
Van Wert County
21332 Gilbert Road
Spencerville, Ohio 45887

To the Board of Trustees:

We have audited the financial statements of Jennings Township, Van Wert County, (the Township) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 14, 2012, wherein, we noted the Township failed to post prior year audit adjustments to the beginning balances. We also noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. In addition, we 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 Government 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.

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 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 2011-01 described in the accompanying schedule of findings to be a material weakness.

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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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-01.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 14, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 14, 2012

**JENNINGS TOWNSHIP
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Allocation of Township Trustees Salary- Noncompliance/Material Weakness

FINDING NUMBER 2011-01

Ohio Revised Code Section 505.24(C) sets forth the method by which township trustees' compensation should be allocated. This section is amplified by **Ohio Attorney General Opinion 2004-036**. This Section requires that compensation of a township trustee must be paid from the Township General Fund or from such other restricted township funds, in such proportions based on the amount of time spent on matters related to the services rendered. In addition, OAG Opinion 2004-036 indicates trustees should establish administrative procedures to document the proportionate amount of trustees' salaries chargeable to other township funds based on the portion of time spent on matters related to the services rendered. The "administrative procedures" can be timesheets or a similar method of record keeping, as long as the trustee's document all time spent on township business and the type of services(s) performed, in a manner similar to trustee's paid salary compensation. If trustees do not document their time, then no part of salaries may be paid from these other funds. The requirements of Ohio Rev. Code Section 505.24 (C) were noted in the Jennings Township's report for the audit conducted for years ending December 31, 2007 and 2006.

During the prior audit year of 2007, the Township charged Trustees' salaries, related taxes and retirement (OPERS) to the Gas Tax in the amount of \$10,156, Road and Bridge in the amount of \$10,060, and Motor Vehicle License Tax fund in the amount of \$11,540 without required supportive documentation and did not make these adjustments to its financial statements nor the Uniform Accounting Network (UAN) system. In accordance with the foregoing facts, we hereby issue a finding for adjustment against the General Fund for \$31,756 and in favor for the Motor Vehicle License Tax Fund for \$11,540, Gas Tax Fund for \$10,156, and Road and Bridge Fund for \$10,060.

The Township failed to record the December 31, 2007 adjustments required to properly reflect these salaries, related taxes and OPERS amounts to the December 31, 2009 ending balances (January 1, 2010 Beginning Balance). The January 1, 2010 balances should have been adjusted and presented as follows:

Fund	December 31, 2009 Ending Balance	Adjustments	January 1, 2010 Beginning Balance
General Fund	\$ 31,995	(\$31,756)	\$ 239
Motor Vehicle License Tax Fund	4,641	11,540	16,181
Gas Tax Fund	82,674	10,156	92,830
Road and Bridge Fund	8,608	10,060	18,668
Totals	\$127,918	\$ 0	\$127,918

If the Township had recorded the above adjustments, the effect on December 31, 2011 and 2010 financial statements, would be to decrease the General fund balance and increase the balance of the Motor Vehicle License Tax, Gas Tax, and Road and Bridge funds by the adjustment amounts above.

Officials Response:

We did not receive a response from the Officials.

JENNINGS TOWNSHIP
VAN WERT COUNTY

SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2011 AND 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-01	Proper classification of revenues	No	Partially Corrected therefore moved to Management Letter



Dave Yost • Auditor of State

JENNINGS TOWNSHIP

VAN WERT 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
JULY 24, 2012