



Dave Yost • Auditor of State

NEW LONDON TOWNSHIP
HURON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

New London Township
Huron County
5335 Section Line Road 21
New London, Ohio 44851-9457

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of New London Township, Huron County, Ohio (the Township) as of and for the years ended December 31, 2012 and 2011.

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 the 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 the 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 1 of the financial statements, the 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, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 New London Township, Huron County, Ohio as of December 31, 2012 and 2011, 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 1.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2011, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, 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. 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 the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

December 23, 2013

**NEW LONDON TOWNSHIP
HURON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

| | General | Special Revenue | Totals (Memorandum Only) |
|---|------------------|--------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$21,584 | \$56,345 | \$77,929 |
| Licenses, Permits and Fees | 1,375 | | 1,375 |
| Intergovernmental | 15,476 | 103,192 | 118,668 |
| Earnings on Investments | 255 | 18 | 273 |
| Miscellaneous | 1 | | 1 |
| <i>Total Cash Receipts</i> | <u>38,691</u> | <u>159,555</u> | <u>198,246</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 30,781 | | 30,781 |
| Public Safety | 12,774 | | 12,774 |
| Public Works | 18,805 | 77,997 | 96,802 |
| Health | 6,590 | | 6,590 |
| Capital Outlay | 38,915 | 31,212 | 70,127 |
| <i>Total Cash Disbursements</i> | <u>107,865</u> | <u>109,209</u> | <u>217,074</u> |
| <i>Net Change in Fund Cash Balances</i> | (69,174) | 50,346 | (18,828) |
| <i>Fund Cash Balances, January 1</i> | <u>206,528</u> | <u>130,486</u> | <u>337,014</u> |
| Fund Cash Balances, December 31 | | | |
| Restricted | | 180,832 | 180,832 |
| Unassigned | 137,354 | | 137,354 |
| <i>Fund Cash Balances, December 31</i> | <u>\$137,354</u> | <u>\$180,832</u> | <u>\$318,186</u> |

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

**NEW LONDON TOWNSHIP
HURON COUNTY**

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

| | General | Special Revenue | Totals (Memorandum Only) |
|---|-------------------------|-------------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$22,373 | \$56,326 | \$78,699 |
| Licenses, Permits and Fees | 705 | 300 | 1,005 |
| Intergovernmental | 43,116 | 103,720 | 146,836 |
| Earnings on Investments | 440 | 42 | 482 |
| Miscellaneous | 58 | 200 | 258 |
| <i>Total Cash Receipts</i> | <u>66,692</u> | <u>160,588</u> | <u>227,280</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 33,496 | | 33,496 |
| Public Safety | 18,105 | | 18,105 |
| Public Works | 2,131 | 162,262 | 164,393 |
| Health | 4,384 | 1,800 | 6,184 |
| Capital Outlay | 80 | | 80 |
| <i>Total Cash Disbursements</i> | <u>58,196</u> | <u>164,062</u> | <u>222,258</u> |
| <i>Net Change in Fund Cash Balances</i> | 8,496 | (3,474) | 5,022 |
| <i>Fund Cash Balances, January 1</i> | <u>198,032</u> | <u>133,960</u> | <u>331,992</u> |
| Fund Cash Balances, December 31 | | | |
| Restricted | | 130,486 | 130,486 |
| Unassigned | <u>206,528</u> | | <u>206,528</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$206,528</u></u> | <u><u>\$130,486</u></u> | <u><u>\$337,014</u></u> |

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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 New London Township, Huron 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 Village of New London to provide fire services.

The Township participates in one jointly governed organization and one public entity risk pool. Notes 7 and 8 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organization:

The Firelands Ambulance Service provides property and general liability insurance.

Public Entity Risk Pool:

The Ohio Government Risk Management Plan, Inc. provides property and general liability insurance.

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.

The Township values certificates of deposit at cost.

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:

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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. The Township had the following significant Special Revenue Funds:

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

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

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 2012 and 2011 budgetary activity appears in Note 4.

F. 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:

1. Nonspendable

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

The Township classifies assets as *nonspendable* 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, *Fund Balance Reporting and Governmental Fund Type Definitions*. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

3. EQUITY IN POOLED DEPOSITS

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

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:

| | 2012 | 2011 |
|-------------------------|-----------|-----------|
| Demand deposits | \$179,074 | \$198,052 |
| Certificates of deposit | 139,112 | 138,962 |
| Total deposits | \$318,186 | \$337,014 |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|-----------------|----------------------|--------------------|----------|
| General | \$36,369 | \$38,691 | \$2,322 |
| Special Revenue | 152,423 | 159,555 | 7,132 |
| Total | \$188,792 | \$198,246 | \$9,454 |

2012 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|-----------------|----------------------------|---------------------------|-----------|
| General | \$248,077 | \$107,865 | \$140,212 |
| Special Revenue | 278,018 | 109,419 | 168,599 |
| Total | \$526,095 | \$217,284 | \$308,811 |

2011 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|-----------------|----------------------|--------------------|----------|
| General | \$41,387 | \$66,692 | \$25,305 |
| Special Revenue | 149,154 | 160,588 | 11,434 |
| Total | \$190,541 | \$227,280 | \$36,739 |

2011 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|-----------------|----------------------------|---------------------------|-----------|
| General | \$265,432 | \$58,196 | \$207,236 |
| Special Revenue | 257,260 | 164,272 | 92,988 |
| Total | \$522,692 | \$222,468 | \$300,224 |

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

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 SYSTEM

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 2012 and 2011, 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, 2012.

7. RISK MANAGEMENT

Risk Pool Membership

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, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**NEW LONDON TOWNSHIP
HURON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

OPRM had 767 and 765 members as of December 31, 2012 and 2011 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 retained earnings at December 31, 2012 and 2011:

| | 2012 | 2011 |
|-----------------|---------------------|---------------------|
| Assets | <u>\$13,100,381</u> | <u>\$12,501,280</u> |
| Liabilities | <u>(6,687,193)</u> | <u>(5,328,761)</u> |
| Members' Equity | <u>\$6,413,188</u> | <u>\$7,172,519</u> |

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

8. JOINTLY GOVERNED ORGANIZATION

The Firelands Ambulance Service, Huron County, (the Ambulance Service) provides emergency medical services to residents of five political subdivisions. A five member Board of Trustees governs the Ambulance Service. Each political subdivision appoints one member. Those subdivisions are the Village of New London, Fitchville, and New London Townships in Huron County, and Ruggles and Troy Townships in Ashland County.

9. COMPLIANCE

Contrary to Ohio law the Township did not record real estate homestead and rollback reimbursements to the proper fund.



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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

New London Township
Huron County
5335 Section Line Road 21
New London, Ohio 44851-9457

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 New London Township, Huron County, Ohio (the Township) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated [End of Fieldwork Date], wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, and the Township adopted Governmental Accounting Standards Board Statement No. 54 in 2011.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Government's financial statements. We consider finding 2012-002 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-001 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

One Government Center, Suite 1420, Toledo, Ohio 43604-2246
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484
www.ohioauditor.gov

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, 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 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 2012-001.

Entity's Response to Findings

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the 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 the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

December 23, 2013

**NEW LONDON TOWNSHIP
HURON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011**

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

FINDING NUMBER 2012-001

Noncompliance Citation/Significant Deficiency

Ohio Revised Code § 5705.10(D) provides all revenues derived from a source other than the general property tax and which the law does not prescribe use for a particular purpose, shall be paid into the general fund.

The Fiscal Officer improperly posted real estate homestead and rollback reimbursements for the General Fund to the Road and Bridge Fund. The following table identifies the amounts recorded in error:

| | 2012 | 2011 |
|----------------------------|------------------------|------------------------|
| Fund Type / Fund | Adjusted Amount | Adjusted Amount |
| General Fund | \$ 5,216 | \$ 5,150 |
| Special Revenue Fund Type: | | |
| Road and Bridge | (5,216) | (5,150) |

The accompanying financial statements and Township accounting records have been adjusted to reflect these changes.

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

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and the Board of Trustees, to identify and correct errors and omissions, as well as recording correct budgetary information. Also, the Fiscal Officer can refer to the Ohio Township Handbook available from the following web address for guidance on the posting of transactions: <https://ohioauditor.gov/services/lgs/publications/LocalGovernmentManualsHandbooks/Ohio%20Township%20Handbook%202013.pdf>

FINDING NUMBER 2012-002

Material Weakness – Financial Reporting

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Township Trustees and is essential to ensure the information provided to readers of the financial statements is complete and accurate. Reclassifications were noted in the classification of fund balance reporting in accordance with Governmental Accounting Standards Board Statement No. 54 ranging in amounts from \$360 to \$125,386.

The following table identifies the amounts recorded in error:

| | Special | |
|-----------------------|------------------|--|
| | Revenue | |
| Classification | Fund Type | |
| Restricted | \$ 125,386 | |
| Committed | (125,026) | |
| Assigned | (360) | |
| | | |

The financial statements reflect the adjustments and reclassifications associated with these items.

To ensure the Township's financial statements are complete and accurate the Fiscal Officer should review the coding of accounts included in the Accounting Manual prepared by the Uniform Accounting Network at: https://uanlink.ohioauditor.gov/pdf/uan_win_software/AccountingAndGeneralManual.pdf. Additionally, the Township should refer to Auditor of State Bulletin 2011-004 regarding guidance related to Governmental Accounting Standards Board Statement No. 54 fund balance classification.

Officials' Response:

We will attempt to take the necessary steps to correct these findings for the next audit. We will make appropriate changes to address these comments in order to be compliant.

**NEW LONDON TOWNSHIP
HURON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 AND 2011**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2010-001 | Ohio Revised Code § 5705.10(D) for the improper distribution of revenue. | No | Not Corrected. Repeated as Finding 2012-001. |
| 2010-002 | Ohio Revised Code § 505.24(C) for the payment of Trustee compensation entirely from restricted funds. | Yes | |

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Dave Yost • Auditor of State

NEW LONDON TOWNSHIP

HURON 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
JANUARY 23, 2014**