



Dave Yost • Auditor of State

SPENCER TOWNSHIP
LUCAS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Spencer Township
Lucas County
630 North Mielke Road, P.O. Box 28
Holland, Ohio 43528-0028

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Spencer Township, Lucas County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012.

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.

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 the Township as of December 31, 2013 and 2012, 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 Spencer Township, Lucas County, Ohio as of December 31, 2013 and 2012, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2014, 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

July 25, 2014

**SPENCER TOWNSHIP
LUCAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 72,955	\$ 125,873	\$ 198,828
Charges for Services		32,621	32,621
Licenses, Permits and Fees	8,973	263	9,236
Intergovernmental	49,112	365,723	414,835
Miscellaneous	301	8,561	8,862
	<u>131,341</u>	<u>533,041</u>	<u>664,382</u>
Total Cash Receipts			
Cash Disbursements			
Current:			
General Government	119,892	33,949	153,841
Public Safety		126,419	126,419
Public Works	12,667	91,499	104,166
Conservation-Recreation	8,878		8,878
Capital Outlay	17,103	230,739	247,842
Debt Service:			
Principal Retirement	685	20,065	20,750
Interest and Fiscal Charges	201	1,851	2,052
	<u>159,426</u>	<u>504,522</u>	<u>663,948</u>
Total Cash Disbursements			
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(28,085)</u>	<u>28,519</u>	<u>434</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets		3,915	3,915
Transfers In		10,900	10,900
Transfers Out	(10,900)		(10,900)
Advances In	15,000	15,000	30,000
Advances Out	(15,000)	(15,000)	(30,000)
Other Financing Sources	50		50
	<u>(10,850)</u>	<u>14,815</u>	<u>3,965</u>
Total Other Financing Receipts (Disbursements)			
<i>Net Change in Fund Cash Balances</i>	<u>(38,935)</u>	<u>43,334</u>	<u>4,399</u>
<i>Fund Cash Balances, January 1</i>	<u>143,538</u>	<u>98,220</u>	<u>241,758</u>
Fund Cash Balances, December 31			
Restricted		141,555	141,555
Unassigned	104,606		104,606
<i>Fund Cash Balances, December 31</i>	<u>\$ 104,606</u>	<u>\$ 141,555</u>	<u>\$ 246,161</u>

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

**SPENCER TOWNSHIP
LUCAS COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 86,238	\$ 152,659	\$ 238,897
Charges for Services		37,218	37,218
Licenses, Permits and Fees	11,407	1,303	12,710
Intergovernmental	76,274	413,708	489,982
Miscellaneous	12,069	30,824	42,893
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	185,988	635,712	821,700
Cash Disbursements:			
Current:			
General Government	104,875	75,985	180,860
Public Safety		129,128	129,128
Public Works	12,863	59,618	72,481
Conservation-Recreation	7,245		7,245
Capital Outlay	24,109	397,822	421,931
Debt Service:			
Principal Retirement	10,623	18,481	29,104
Interest and Fiscal Charges	350	3,246	3,596
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	160,065	684,280	844,345
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	25,923	(48,568)	(22,645)
Other Financing Receipts/(Disbursements):			
Sale of Capital Assets		5,848	5,848
Other Financing Sources	4,742	8,000	12,742
Other Financing Uses	(1,703)		(1,703)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	3,039	13,848	16,887
Net Change in Fund Cash Balances	28,962	(34,720)	(5,758)
Fund Cash Balance, January 1	<hr/>	<hr/>	<hr/>
	114,576	132,940	247,516
Fund Cash Balance, December 31			
Restricted		90,220	90,220
Committed	63	8,000	8,063
Unassigned	143,475		143,475
<i>Fund Cash Balance, December 31</i>	<hr/>	<hr/>	<hr/>
	\$ 143,538	\$ 98,220	\$ 241,758

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

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 Spencer Township, Lucas County, as a body corporate and politic. Spencer Township appoints a 3-member Board of Trustees to govern the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services.

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

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 does not have any investments.

D. Fund Accounting

The Township uses fund accounting.

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 other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

Fire District Fund – This fund receives property tax money for maintain and operating the Township Fire Department.

E. Budgetary Process

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

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. 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 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 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

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. Equity in Pooled Deposits

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

	2013	2012
Total demand deposits	\$246,161	\$241,758

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township; or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$124,852	\$146,391	\$21,539
Special Revenue	489,830	562,856	73,026
Total	\$614,682	\$709,247	\$94,565

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$268,329	\$185,326	\$83,003
Special Revenue	587,986	519,522	68,464
Total	<u>\$856,315</u>	<u>\$704,848</u>	<u>\$151,467</u>

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$190,000	\$190,730	\$730
Special Revenue	302,000	649,560	347,560
Total	<u>\$492,000</u>	<u>\$840,290</u>	<u>\$348,290</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$304,575	\$161,768	\$142,807
Special Revenue	825,311	684,280	141,031
Total	<u>\$1,129,886</u>	<u>\$846,048</u>	<u>\$283,838</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division 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 Other Governments' Grants In Aid. 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 taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible 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 Library.

5. Debt

Debt outstanding at December 31, 2013 was as follows:

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

	Principal	Interest Rate
Bank Loan Schwamberger Road Project	\$7,491	2%
Ambulance Lease / Purchase	31,896	3%
Total	\$39,387	

Township entered into note agreements with Fifth Third Bank to finance the payoff of a line of credit and reconstruction of Schwamberger Road. The Township's taxing authority collateralized the notes.

The Township authorized on February 23, 2010 the execution of a Master-Lease-Purchase agreement for the purpose of acquiring a Ford E-450 Type III ambulance. As collateral security for secured obligations, the Township (lessee) grants to Republic First National Corporation (lessor), now assigned to People's Bank Co, a first priority security interest in any and all of the equipment.

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

	Schwamberger Road Project	Ambulance
Year ending December 31:		
2014	\$7,548	\$15,410
2015		15,410
2016		2,568
Total	\$7,548	\$33,388

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 2013 and 2012, 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, 2013.

7. Interfund Transfers and Advances

During 2013 the following transfers and advances were made:

	General Fund	Special Revenue Funds
Transfers In		\$10,900
Transfers Out	\$(10,900)	
Advances In	15,000	15,000
Advances Out	(15,000)	(15,000)

General Fund Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

8. Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$8,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change

**SPENCER TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2012</u>
\$14,728	\$13,863

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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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

Spencer Township
Lucas County
630 North Mielke Road, P.O. Box 28
Holland, Ohio 43528-0028

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 Spencer Township, Lucas County, Ohio (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated July 25, 2014, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

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 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. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

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, 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*.

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

July 25, 2014

SPENCER TOWNSHIP
LUCAS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012

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

FINDING NUMBER 2013-001

Material Weakness - Monitoring of Financial Activity

Inaccurate posting of transactions impedes the ability of the Township Management to accurately assess the financial status of the Township. We noted examples such as the following during our audit:

- \$28,351 of intergovernmental revenue was posted as tax revenue in the special revenue fund during 2013 and \$30,584 in the general fund during 2012.
- \$334,029 of Grant revenue was posted as Debt Proceeds in the special revenue fund during 2012.
- \$363,142 of capital outlay expenditures was miss-posted as other financing uses in the special revenue fund during 2012.

As a result of the errors noted above, the financial statements did not correctly reflect the financial activity of the Township. The accompanying financial statements (none of these would have affected the fund balances) have been adjusted to reflect these amounts in the correct accounts.

We recommend the Fiscal Officer post all transactions in accordance with the guidance established by the Ohio Township Handbook Chart of Accounts issued by the Auditor of State. Further, the Township should adopt policies and procedures including a final review of the financial statements by the Fiscal Officer and management to ensure that errors and omissions are detected and corrected.

Officials' Response:

We did not receive a response from Officials to this finding.

**SPENCER TOWNSHIP
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Material weakness due to errors in financial reporting.	No	Not corrected and re-issued as Finding 2013-001 in this report.
2011-002	Internal Revenue Code Chapter 26 §3403 for underpayment of Medicare and Federal Income Tax withholdings.	Yes	



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SPENCER TOWNSHIP

LUCAS 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
AUGUST 14, 2014**