



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CONCORD TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Concord Township
Lake County
7229 Ravenna Road
Concord, Ohio 44077

To the Board of Trustees:

We have audited the accompanying financial statements of the Concord Township, Lake County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Concord Township, Lake County, as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2000 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 grants.

This report is intended solely for the information and use of the Board of Trustees, management, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 30, 2000

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CONCORD TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$444,843	\$2,002,251		\$2,447,094
Intergovernmental	640,644	206,337		846,981
Special Assessments		22,395		22,395
Licenses, Permits, and Fees	81,361			81,361
Fines, Forfeitures, and Penalties	273			273
Earnings on Investments	117,801	6,025	\$9	123,835
Other Revenue	114,763	94,092		208,855
Total Cash Receipts	<u>1,399,685</u>	<u>2,331,100</u>	<u>9</u>	<u>3,730,794</u>
Cash Disbursements:				
Current:				
General Government	557,020			557,020
Public Safety		1,113,615		1,113,615
Public Works	432,657	699,877		1,132,534
Health	109,508	22,194		131,702
Conservation - Recreation	69,062			69,062
Miscellaneous		35,494		35,494
Capital Outlay	113,852	586,632		700,484
Total Cash Disbursements	<u>1,282,099</u>	<u>2,457,812</u>	<u>0</u>	<u>3,739,911</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	117,586	(126,712)	9	(9,117)
Fund Cash Balances, January 1	<u>722,308</u>	<u>1,905,741</u>	<u>5,131</u>	<u>2,633,180</u>
Fund Cash Balances, December 31	<u>\$839,894</u>	<u>\$1,779,029</u>	<u>\$5,140</u>	<u>\$2,624,063</u>
Reserve for Encumbrances, December 31	<u>\$22,122</u>	<u>\$165,284</u>	<u>\$0</u>	<u>\$187,406</u>

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

CONCORD TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$420,565	\$1,849,954		\$2,270,519
Intergovernmental	363,842	334,757		698,599
Special Assessments		21,810		21,810
Charges for Services		2,508		2,508
Licenses, Permits, and Fees	62,665			62,665
Fines, Forfeitures, and Penalties	218			218
Earnings on Investments	131,940	5,897	\$37	137,874
Other Revenue	154,676	135,291		289,967
	<u>1,133,906</u>	<u>2,350,217</u>	<u>37</u>	<u>3,484,160</u>
Cash Disbursements:				
Current:				
General Government	567,984			567,984
Public Safety	40	1,055,795		1,055,835
Public Works	393,277	703,053		1,096,330
Health	93,961	14,730		108,691
Conservation - Recreation	71,162			71,162
Miscellaneous		19,111		19,111
Capital Outlay	210,968	107,427		318,395
	<u>1,337,392</u>	<u>1,900,116</u>	<u>0</u>	<u>3,237,508</u>
Total Cash Disbursements	<u>1,337,392</u>	<u>1,900,116</u>	<u>0</u>	<u>3,237,508</u>
Total Receipts Over/(Under) Disbursements	<u>(203,486)</u>	<u>450,101</u>	<u>37</u>	<u>246,652</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Other Sources		6,800		6,800
	<u>0</u>	<u>6,800</u>	<u>0</u>	<u>6,800</u>
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>6,800</u>	<u>0</u>	<u>6,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(203,486)	456,901	37	253,452
Fund Cash Balances, January 1	925,794	1,448,840	5,094	2,379,728
Fund Cash Balances, December 31	<u>\$722,308</u>	<u>\$1,905,741</u>	<u>\$5,131</u>	<u>\$2,633,180</u>
Reserve for Encumbrances, December 31	<u>\$70,280</u>	<u>\$516,346</u>	<u>\$0</u>	<u>\$586,626</u>

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

**CONCORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Lake County, is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection, emergency medical services, and park operations (leisure time activities).

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit and Federal Agency Securities are valued 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 fund as follows:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

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

Fire Levy - This fund receives property tax money to provide fire protection to Township residents.

Road Levy - This receives property tax money for constructing, maintaining, and repairing Township roads.

**CONCORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Fiduciary Funds

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Non-Expendable Cemetery Trust - This is a Cemetery Bequest fund whose earned interest is to be used to maintain certain grave sites in the Township cemetery.

E. Budgetary Process

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

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.

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

**CONCORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$24,773	\$24,018
Certificates of Deposits	<u>2,350,000</u>	<u>2,350,000</u>
Total deposits	2,374,773	2,374,018
Federal National Mortgage Bank	<u>249,290</u>	<u>259,162</u>
Total investments	<u>249,290</u>	<u>259,162</u>
Total deposits and investments	<u>\$2,624,063</u>	<u>\$2,633,180</u>

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

Investments: The Federal Agency securities are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,017,588	\$1,399,685	\$382,097
Special Revenue	2,362,716	2,331,100	(31,616)
Fiduciary	<u>0</u>	<u>9</u>	<u>9</u>
Total	<u>\$3,380,304</u>	<u>\$3,730,794</u>	<u>\$350,490</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,739,891	\$1,304,221	\$435,670
Special Revenue	4,268,450	2,623,096	1,645,354
Fiduciary	<u>5,131</u>	<u>0</u>	<u>5,131</u>
Total	<u>\$6,013,472</u>	<u>\$3,927,317</u>	<u>\$2,086,155</u>

**CONCORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$960,517	\$1,133,906	\$173,389
Special Revenue	2,441,045	2,357,017	(84,028)
Fiduciary	<u>0</u>	<u>37</u>	<u>37</u>
Total	<u>\$3,401,562</u>	<u>\$3,490,960</u>	<u>\$89,398</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,886,311	\$1,407,672	\$478,639
Capital Projects	3,889,794	2,416,462	1,473,332
Fiduciary	<u>5,094</u>	<u>0</u>	<u>5,094</u>
Total	<u>\$5,781,199</u>	<u>\$3,824,134</u>	<u>\$1,957,065</u>

4. RETIREMENT SYSTEMS

The Township's full time firefighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. Members of PFDPF contributed 10% of their wages. The Township contributed an amount equal to 24% of participants' wages. Members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as General Property Taxes. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

CONCORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. PROPERTY TAX (Continued)

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

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- Fire and Theft

The Township also provides health insurance and dental coverage to full-time employees through a private carrier.

7. CONTINGENT LIABILITIES

There are lawsuits pending against the Township. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

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OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Concord Township
Lake County
7229 Ravenna Road
Concord, Ohio 44077

To the Board of Trustees:

We have audited the financial statements of the Concord Township, Lake County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 30, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of Township in a separate letter dated May 30, 2000.

This report is intended for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

Jim Petro
Auditor of State

May 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CONCORD TOWNSHIP

LAKE 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 27, 2000**