



**CONCORD TOWNSHIP
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CONCORD TOWNSHIP
ROSS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Concord Township
Ross County
985 Jamison Road
Frankfort, Ohio 45628

To: Board of Trustees

We have audited the accompanying financial statements of the Concord Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 audit 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 audit provides 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 reserve for encumbrances of Concord Township, Ross County, Ohio as of December 31, 2000 and December 31, 1999, 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 January 24, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management and Board of Trustees 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.

JIM PETRO
Auditor of State

January 24, 2001

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**CONCORD TOWNSHIP
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$28,080	\$97,216	\$23,468	\$0	\$148,764
Intergovernmental Receipts	203,569	103,363	7,298	25,000	339,230
Charges for Services	0	3,000	0	0	3,000
Fines, Licenses, and Permits	0	24,950	0	0	24,950
Earnings on Investments	8,331	1,820	0	0	10,151
Miscellaneous	797	18,003	0	0	18,800
	<u>240,777</u>	<u>248,352</u>	<u>30,766</u>	<u>25,000</u>	<u>544,895</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Public Safety	0	69,899	0	0	69,899
Public Health Services	2,549	19,446	0	0	21,995
Public Works	29,011	158,458	0	0	187,469
General Government	68,288	6,997	0	0	75,285
Debt Service:					
Principal Payments	0	0	27,477	0	27,477
Interest Payments	0	0	5,113	0	5,113
Capital Outlay	0	10,540	0	25,000	35,540
	<u>99,848</u>	<u>265,340</u>	<u>32,590</u>	<u>25,000</u>	<u>422,778</u>
Total Disbursements					
Total Receipts Over/(Under) Disbursements	140,929	(16,988)	(1,824)	0	122,117
Fund Cash Balances, January 1	82,123	272,643	1,825	0	356,591
Fund Cash Balances, December 31	<u>\$223,052</u>	<u>\$255,655</u>	<u>\$1</u>	<u>\$0</u>	<u>\$478,708</u>
Reserves for Encumbrances, December 31	<u>\$1,777</u>	<u>\$3,695</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,472</u>

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Non-Expendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$76
Total Operating Cash Receipts	76
Operating Cash Disbursements:	
Supplies and Materials	0
Total Operating Cash Disbursements	0
Operating Income/(Loss)	76
Fund Cash Balances, January 1	3,282
Fund Cash Balances, December 31	\$3,358
Reserve for Encumbrances, December 31	\$0

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

**CONCORD TOWNSHIP
ROSS COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$26,042	\$83,355	\$28,213	\$0	\$137,610
Intergovernmental Receipts	87,100	100,342	1,825	38,320	227,587
Charges for Services	0	3,000	0	0	3,000
Fines, Licenses, and Permits	0	13,953	0	0	13,953
Earnings on Investments	7,688	1,651	0	0	9,339
Miscellaneous	112	22,032	0	0	22,144
	<u>120,942</u>	<u>224,333</u>	<u>30,038</u>	<u>38,320</u>	<u>413,633</u>
Cash Disbursements:					
Current:					
Public Safety	0	25,319	0	0	25,319
Public Health Services	4,745	20,716	0	0	25,461
Public Works	660	129,235	0	0	129,895
General Government	66,714	3,751	0	0	70,465
Debt Service:					
Principal Payments	0	0	26,314	0	26,314
Interest Payments	0	0	3,760	0	3,760
Capital Outlay	18,871	59,548	0	38,320	116,739
	<u>90,990</u>	<u>238,569</u>	<u>30,074</u>	<u>38,320</u>	<u>397,953</u>
Total Receipts Over/(Under) Disbursements	<u>29,952</u>	<u>(14,236)</u>	<u>(36)</u>	<u>0</u>	<u>15,680</u>
Other Financing Receipts/(Disbursements):					
Sale of Bonds or Notes	0	50,000	0	0	50,000
Advances-In	32,250	32,250	0	0	64,500
Advances-Out	(32,250)	(32,250)	0	0	(64,500)
	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	29,952	35,764	(36)	0	65,680
Fund Cash Balances, January 1	52,171	236,879	1,861	0	290,911
Fund Cash Balances, December 31	<u>\$82,123</u>	<u>\$272,643</u>	<u>\$1,825</u>	<u>\$0</u>	<u>\$356,591</u>
Reserves for Encumbrances, December 31	<u>\$351</u>	<u>\$12,127</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,478</u>

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$57
Total Operating Cash Receipts	57
Operating Cash Disbursements:	
Total Operating Cash Disbursements	0
Operating Income/(Loss)	57
Fund Cash Balances, January 1	3,225
Fund Cash Balances, December 31	\$3,282
Reserve for Encumbrances, December 31	\$0

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Ross County, Ohio (the Township) 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 emergency ambulance and fire services, and maintains the Township's roads and cemeteries.

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. 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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

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:

Gasoline Tax Fund - This fund receives gasoline tax money for construction, maintaining, and repairing township roads.

Fire District Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for the protection from fire hazards within the Township.

Road District Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for the maintenance and upkeep of the Township roads.

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant debt service fund:

Debt Service - The current fund is used to pay note debt incurred by the Township for acquisition of a new fire truck and maintenance building.

Capital Projects Fund

Road Improvement Fund - This fund receives Issue II monies for the construction, maintenance, and repair of specific township road projects.

Fiduciary Fund

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

Non-Expendable Trust - Per the terms of the trust only the interest earnings can be expended. The corpus must remain intact.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

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.

Encumbrances

Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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.

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>2000</u>	<u>1999</u>
Demand deposits	\$357,066	\$359,873
Certificates of deposits	<u>125,000</u>	<u>0</u>
Total deposits	<u>\$482,066</u>	<u>\$359,873</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 72,674	\$ 240,777	\$ 168,103
Special Revenue	191,753	248,352	56,599
Debt Service	30,766	30,766	0
Capital Projects	25,000	25,000	0
Non-Expendable Trust	<u>60</u>	<u>76</u>	<u>16</u>
Total	<u>\$ 320,253</u>	<u>\$ 544,971</u>	<u>\$ 224,718</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 150,902	\$ 101,625	\$ 49,277
Special Revenue	417,290	269,035	148,255
Debt Service	32,590	32,590	0
Capital Projects	25,000	25,000	0
Non-Expendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 625,782</u>	<u>\$ 428,250</u>	<u>\$ 197,532</u>

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 71,924	\$ 129,942	\$ 58,018
Special Revenue	272,031	274,333	2,302
Debt Service	28,213	30,038	1,825
Capital Projects	0	38,320	38,320
Non-Expendable Trust	92	57	(35)
Total	\$ 372,260	\$ 472,690	\$ 100,430

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 154,558	\$ 91,341	\$ 30,967
Special Revenue	518,727	250,696	235,781
Debt Service	31,499	30,074	1,425
Capital Projects	38,320	38,320	0
Non-Expendable Trust	0	0	0
Total	\$ 743,104	\$ 410,431	\$ 268,173

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Council. 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 Intergovernmental Receipts. 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.

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.

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Fire Truck - Citizens National Bank	\$ 19,332	5.50%
Maintenance Garage - National City Bank	42,092	6.27%
Total	\$ 61,424	

The Township issued a \$100,000 note in 1996 for the purchase of a fire truck. The note is being repaid in annual installments of \$23,468 including interest, over 5 years. The loan is collateralized by property tax receipts.

The Township issued a \$50,000 note in 1999 to build a new garage to house township equipment. The note will be repaid in annual installments of \$7,299, including interest over 9 years. The loan is collateralized by property tax receipts.

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

Year ending December 31:	Fire Truck	Maintenance Building
2001	\$ 23,468	\$ 7,299
2002	0	7,299
2003	0	7,299
2004	0	7,299
2005	0	7,299
2006-2008	0	16,392
Total	\$ 23,468	\$ 52,887

6. RETIREMENT SYSTEMS

The Township's full and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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. For 2000 and 1999, PERS members 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, 2000.

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public officials liability

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

Concord Township
Ross County
985 Jamison Road
Frankfort, Ohio 45628

To: Board of Trustees

We have audited the accompanying financial statements of the Concord Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated January 24, 2001. We conducted our audit 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

Concord Township
Ross County
Report on Compliance and on Internal Control Required
By *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

January 24, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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CONCORD TOWNSHIP

ROSS 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
MARCH 8, 2001**