



**Auditor of State
Betty Montgomery**

CONCORD TOWNSHIP
FAYETTE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Audit Findings	13

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Concord Township
Fayette County
1325 Miami Trace Road SW
Washington Courthouse, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of the Township as of December 31, 2002 and 2001, 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 March 5, 2003 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 the audit committee, management, the Board of Trustees and other officials authorized to receive this report under Section 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2003

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$20,678	\$40,525	\$0	\$61,203
Intergovernmental	19,569	64,473	102,045	186,087
Charges for Services	3,094	0	0	3,094
Earnings on Investments	2,181	1,610	0	3,791
Other Revenue	3,870	1,364	0	5,234
	<u>49,392</u>	<u>107,972</u>	<u>102,045</u>	<u>259,409</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	29,736	0	0	29,736
Public Safety	20,849	12,626	0	33,475
Public Works		103,734	0	103,734
Health	2,347	0	0	2,347
Conservation - Recreation	154	0	0	154
Debt Service:				
Redemption of Principal	0	10,880	0	10,880
Interest and Fiscal Charges	0	2,616	0	2,616
Capital Outlay	0	4,198	102,045	106,243
	<u>53,086</u>	<u>134,054</u>	<u>102,045</u>	<u>289,185</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(3,694)</u>	<u>(26,082)</u>	<u>0</u>	<u>(29,776)</u>
Other Financing Receipts and (Disbursements):				
Other Sources	9,082	1,475	0	10,557
	<u>9,082</u>	<u>1,475</u>	<u>0</u>	<u>10,557</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,388	(24,607)	0	(19,219)
Fund Cash Balances, January 1	<u>68,153</u>	<u>137,258</u>	<u>0</u>	<u>205,411</u>
Fund Cash Balances, December 31	<u>\$73,541</u>	<u>\$112,651</u>	<u>\$0</u>	<u>\$186,192</u>

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

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$19,667	\$38,746	\$58,413
Intergovernmental	39,903	65,824	105,727
Charges for Services	1,386	0	1,386
Earnings on Investments	4,690	4,285	8,975
Other Revenue	3,870	1,472	5,342
	<u>69,516</u>	<u>110,327</u>	<u>179,843</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	25,351	0	25,351
Public Safety	24,266	68,817	93,083
Public Works	0	121,886	121,886
Health	2,183	0	2,183
Conservation - Recreation	1,832	0	1,832
Debt Service:			
Redemption of Principal	0	10,880	10,880
Interest and Fiscal Charges	0	3,403	3,403
	<u>53,632</u>	<u>204,986</u>	<u>258,618</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>15,884</u>	<u>(94,659)</u>	<u>(78,775)</u>
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	2,460	0	2,460
Other Sources	9,238	3,476	12,714
	<u>11,698</u>	<u>3,476</u>	<u>15,174</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>27,582</u>	<u>(91,183)</u>	<u>(63,601)</u>
Fund Cash Balances, January 1	<u>40,571</u>	<u>228,441</u>	<u>269,012</u>
Fund Cash Balances, December 31	<u>\$68,153</u>	<u>\$137,258</u>	<u>\$205,411</u>

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

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Fayette 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 road maintenance, cemetery maintenance, and fire protection.

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

Township funds are deposited in two "NOW" checking accounts with local commercial banks. The Township also had investments in a repurchase agreement and certificates of deposit. The Township pools its cash to capture the highest rate of return. Interest earnings are distributed to Township funds based upon the Ohio Constitution.

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:

1. 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.

2. 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:

Motor Vehicle License Tax Fund

This fund receives motor vehicle tax money for constructing, maintaining and repairing Township roads.

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Gasoline Tax Fund

This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Road and Bridge Fund

This fund receives property tax money for constructing, maintaining and repairing Township roads.

Permissive Motor Vehicle License Fund

This fund receives tax money to pay for constructing, maintaining and repairing Township roads.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds during 2002:

Issue II Fund

The Township received a grant from the State of Ohio to widen Bunker Hill – Glendon Road.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Demand deposits	\$186,192	\$25,000
Repurchase agreement	0	180,411
Total deposits and investments	\$186,192	\$205,411

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

Investments: The Township participated in an overnight sweep account repurchase agreement with a local commercial depository. These investments were held by the financial institution.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,080	\$58,474	\$17,394
Special Revenue	100,493	109,447	8,954
Capital Projects	116,500	102,045	(14,455)
Total	\$258,073	\$269,966	\$11,893

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$109,233	\$53,086	\$56,147
Special Revenue	237,751	134,054	103,697
Capital Projects	0	102,045	(102,045)
Total	\$346,984	\$289,185	\$57,799

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,599	\$81,214	\$40,615
Special Revenue	99,483	113,803	14,320
Total	\$140,082	\$195,017	\$54,935

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$80,933	\$53,632	\$27,301
Special Revenue	328,161	204,986	123,175
Total	\$409,094	\$258,618	\$150,476

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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 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.

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.

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$32,640	6.17%

The general obligation notes were issued in conjunction with Green Township, Fayette County, Ohio to finance the purchase of a fire truck to be used for the Concord-Green Fire Department. The notes are collateralized solely by each Township's taxing authority. The amounts reflected above represent Concord Township's share of the debt.

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	<u>General Obligation Notes</u>
2003	12,894
2004	12,223
2005	11,551
Total	<u><u>\$36,668</u></u>

6. RETIREMENT SYSTEMS

Township Officials and other employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. For that same period, the Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Risk Management Authority Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may make supplemental assessments premiums. The following risks are covered by the Pool:

- Comprehensive property and general liability;
- Vehicle; and
- Wrongful Acts.

The Township also provides group health insurance coverage to officials through a private carrier and reimburses employees for their health coverage if with a private carrier outside the group. Beginning with the March 2002 renewal, the Board of Trustees approved that the Township would be responsible for 75% of the officials and employees group insurance premiums.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Concord Township
Fayette County
1325 Miami Trace Road SW
Washington Courthouse, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 5, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 5, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 management of the Township in a separate letter dated March 5, 2003.

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 5, 2003

**CONCORD TOWNSHIP
FAYETTE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40624-001	ORC, Section 5705.41(D) – 45% of the expenditures tested did not contain prior certification or a then and now certification of the fiscal officer.	No	Significant corrective action has been taken by management. Only 8% of tested expenditures were not properly certified. The use of then and now certifications contributed to this improvement in controls. Therefore, this is now included in the management letter.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CONCORD TOWNSHIP

FAYETTE 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
APRIL 3, 2003**