



Mary Taylor, CPA
Auditor of State

**CONCORD TOWNSHIP
FAYETTE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
2006 Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis as of December 31, 2006.....	11
Statement of Activities – Cash Basis For the Year Ended December 31, 200	12
2006 Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances –Governmental Funds as of December 31, 2006	13
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2006	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2006	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Gasoline Tax Fund For the Year Ended December 31, 2006	16
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2006	17
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire District Fund For the Year Ended December 31, 2006	18
2005 Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis as of December 31, 2005.....	19
Statement of Activities – Cash Basis For the Year Ended December 31, 2005	20
2005 Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances –Governmental Funds as of December 31, 2005	21

**CONCORD TOWNSHIP
FAYETTE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2005	22
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2005	23
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Gasoline Tax Fund For the Year Ended December 31, 2005	24
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2005	25
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire District Fund For the Year Ended December 31, 2005	26
Notes to the Basic Financial Statements.....	27
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	37
Schedule of Prior Audit Findings	39



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Concord Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Concord Township, Fayette County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General fund, Gasoline Tax fund, Road and Bridge fund, and Fire District fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 22, 2007

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

This discussion and analysis of Concord Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006 and December 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2006 and 2005 are as follows:

In 2006, net assets of governmental activities increased \$28,198 or 15 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the Special Revenue Funds, primarily reflected in an increase of \$29,147 in gasoline tax receipts, improved interest rates on investments, and the retirement of the fire note in 2005.

In 2005, net assets of governmental activities increased \$34,395 or 22 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the Special Revenue Funds, primarily reflected in a cost savings due to the decrease in the paving program miles for the year.

The Township's general receipts are primarily property taxes. These receipts represent 53% percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed very little compared to 2005 and 2004.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

The primary government of the Township consists of all funds, departments, boards and agencies that are not legally separate from the Township. For Concord Township, this includes general governmental operations and activities for which the township is financially accountable. The Township shares a joint fire department with Green Township, Fayette County. The expenditures are included on Concord's operations; Green reimburses Concord proportionately to assessed valuation periodically throughout the fiscal year.

The statement of net assets and the statement of activities reflect how the Township did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

General Fund, Gasoline Tax Fund, the Road and Bridge Fund, and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis:

	2006	2005
Assets		
Cash and Cash Equivalents	\$221,400	\$193,202
Total Assets	\$221,400	\$193,202
 Net Assets		
Restricted	124,115	94,968
Unrestricted	97,285	98,234
Total Net Assets	\$221,400	\$193,202

As mentioned previously, net assets of governmental activities increased \$28,198 or 15 percent during 2006. The primary reason contributing to the increase in cash balances is as follows:

- The Township received an increase in Gas fund receipts of \$16,974 over 2005.
- Improved interest rates resulted in an increase in interest income.
- The fire note was retired in 2005, and therefore resulted in an improved cash flow for 2006.
- The Township implemented an aggressive paving program to maintain several roads that were in poor condition in 2004. Paving has decreased throughout 2005 and 2006.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005.

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities 2006	Governmental Activities 2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$0	\$3,070
Operating Grants and Contributions	99,290	84,322
Total Program Receipts	<u>99,290</u>	<u>87,392</u>
General Receipts:		
Property and Other Local Taxes	63,389	63,476
Grants and Entitlements Not Restricted to Specific Programs	25,654	26,070
Interest	8,000	2,184
Miscellaneous	15,641	22,929
Total General Receipts	<u>112,684</u>	<u>114,659</u>
Total Receipts	<u>211,974</u>	<u>202,051</u>
Disbursements:		
General Government	38,850	28,212
Public Safety	32,674	43,657
Public Works	98,106	77,680
Health	2,266	2,284
Conservation-Recreation	7,008	1,323
Capital Outlay	4,872	2,957
Principal Retirement	0	10,880
Interest and Fiscal Charges	0	663
Total Disbursements	<u>183,776</u>	<u>167,656</u>
Excess Before Transfers	28,198	34,395
Net Assets, January 1	<u>193,202</u>	<u>158,807</u>
Net Assets, December 31	<u>\$221,400</u>	<u>\$193,202</u>

Program receipts represent 47 percent in 2006 and 43% in 2005 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

During 2006, General receipts represent 53 percent of the Township's total receipts, and of this amount, over 56 percent are property and local taxes. During 2005, General receipts represent 57% of the Township's total receipts, and of this amount, over 55% are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

In 2006 and 2005, disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the miscellaneous costs of the board of trustees and the fiscal officer, as well as internal services such as accounting, payroll and purchasing, and maintaining the township building.

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

Disbursements for Public Safety are the costs of fire protection and have shown a decrease from 2006 to 2005, primarily due to the retirement of the fire note in November 2005. Public Health Services is the amount funded to the county health board.

The bulk of disbursements for 2006 and 2005 are for Public Works projects. In 2006, disbursements totaled \$98,106, or 53% of total expenditures for the year. In 2005, disbursements totaled \$77,680, or 46% of total expenditures for the year. Represented in this disbursement category are the costs associated with maintaining the roads and bridges within the township included but not limited to paving, culvert replacement, bridge repair, labor and supplies, etc.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for road and bridge maintenance, which account for 53% of all governmental disbursements for 2006, and 46% for 2005. Public Safety accounts for 18% of all governmental distributions in 2006, and 26% for 2005. General government also represents a significant cost, about 21% for 2006, and 17% for 2005. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)				
Governmental Activities				
	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services
	2006	2006	2005	2005
General Government	\$38,850	\$38,850	\$28,212	\$28,212
Public Safety	32,674	32,674	43,657	38,443
Public Works	98,106	(1,184)	77,680	(4,498)
Conservation/Recreation	7,008	7,008	1,323	1,323
Health	2,266	2,266	2,284	2,284
Capital Outlay	4,872	4,872	2,957	2,957
Principal Retirement			10,880	10,880
Interest and Fiscal Charges			663	663
Total Expenses	\$183,776	\$84,486	\$167,656	\$80,264

The dependence upon property tax receipts is apparent as over 46% of governmental activities for 2006 and 48% for 2005 are supported through these general receipts.

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

The Government's Funds

During 2006, total governmental funds had receipts of \$211,974 and disbursements of \$183,776. The greatest change within governmental funds occurred within the Gas Fund. The fund balance of the Gas Fund increased \$8,812, partially due to increased gas tax receipts, coupled with the recognition of increased administrative trustee duties resulting to a reduction in salaries charged to this fund. During 2005, total governmental funds had receipts of \$202,051 and disbursements of \$167,656. The greatest change within governmental funds occurred within the Gas Fund. The fund balance of the Gasoline Tax Fund increased \$19,755 as the result of the reduced paving program.

General Fund receipts were less than disbursements by \$949 in 2006. There is an increased reliance on the General Fund for public safety-fire protection resulting from continuing price increases for fire apparatus. In addition, administrative duties of the trustees were recognized and charged appropriately to the General Fund. General Fund receipts were greater than disbursements by \$3,858 in 2005.

For 2006, the Fund balance of the Road and Bridge Fund increased \$6,517 as a result of decreased road projects. The Fund balance of Fire District Fund increased \$5,031 as a result of the retiring of debt in 2005. During 2005, the fund balance of the Road and Bridge Fund increased \$3,916 as the result of decreased road projects. The Fund balance of the Fire District Fund decreased by \$1,919 as the result of the increased cost of fire protection services.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2006 and 2005, the Township amended its General Fund Budget several times to reflect changing circumstances.

Final budgeted receipts were above original budgeted receipts. General Fund receipts received were \$7,223 more than budgeted receipts for 2006, and \$3,696 less than budgeted receipts for 2005.

Final disbursements were budgeted at \$153,684, while actual disbursements were \$56,878 for 2006. Final disbursements were budgeted at \$136,586, while actual disbursements were \$58,262 for 2005. The Township kept spending below budgeted amounts as demonstrated by the reported variance.

Capital Assets and Debt Administration

Capital Assets

The Township uses the UAN Inventory Accounting System to keep track of its capital assets. The system is updated annually in January to reflect capital purchases and minor equipment purchases from the prior year. However, the Township does not report capital assets and infrastructure under the cash basis of accounting.

Debt

There is no debt reflected at year end.

Concord Township, Fayette County
Management's Discussion and Analysis
For the Years Ended December 31, 2006
Unaudited

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. The Township will continue to monitor anticipated receipts and decrease spending as necessary.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bridget Sollars, Fiscal Officer, Concord Township, 1325 Miami Trace Road SW, Washington Court House, Ohio 43160.

This page intentionally left blank.

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Net Assets - Cash Basis

December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$221,400
<i>Total Assets</i>	<u><u>\$221,400</u></u>
Net Assets	
Restricted for:	
Gasoline Tax	\$64,989
Fire	8,331
Other Purposes	50,795
Unrestricted	97,285
<i>Total Net Assets</i>	<u><u>\$221,400</u></u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$38,850	\$0	\$0	(\$38,850)
Public Safety	32,674	0	0	(32,674)
Public Works	98,106	0	99,290	1,184
Health	2,266	0	0	(2,266)
Conservation-Recreation	7,008	0	0	(7,008)
Capital Outlay	4,872	0	0	(4,872)
<i>Total Governmental Activities</i>	<u>\$183,776</u>	<u>\$0</u>	<u>\$99,290</u>	(\$84,486)
General Receipts				
Property Taxes				63,389
Grants and Entitlements not Restricted to Specific Programs				25,654
Earnings on Investments				8,000
Miscellaneous				15,641
<i>Total General Receipts</i>				<u>112,684</u>
Change in Net Assets				28,198
<i>Net Assets Beginning of Year</i>				<u>193,202</u>
<i>Net Assets End of Year</i>				<u><u>\$221,400</u></u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

December 31, 2006

	<u>GENERAL</u>	<u>GASOLINE TAX</u>	<u>ROAD AND BRIDGE</u>	<u>FIRE DISTRICT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$97,285	\$64,989	\$21,501	\$8,331	\$29,294	\$221,400
<i>Total Assets</i>	<u>\$97,285</u>	<u>\$64,989</u>	<u>\$21,501</u>	<u>\$8,331</u>	<u>\$29,294</u>	<u>\$221,400</u>
Fund Balances						
Unreserved:						
Undesignated, Reported in:						
General Fund	\$97,285	\$0	\$0	\$0	\$0	\$97,285
Special Revenue Funds	0	64,989	21,501	8,331	29,294	124,115
<i>Total Fund Balances</i>	<u>\$97,285</u>	<u>\$64,989</u>	<u>\$21,501</u>	<u>\$8,331</u>	<u>\$29,294</u>	<u>\$221,400</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$21,440	\$0	\$21,440	\$20,509	\$0	\$63,389
Intergovernmental	20,460	90,204	2,636	2,558	9,086	124,944
Earnings on Investments	4,728	2,584	0	0	688	8,000
Miscellaneous	4,300	0	456	0	0	4,756
Total Receipts	50,928	92,788	24,532	23,067	9,774	201,089
Disbursements						
Current:						
General Government	38,850	0	0	0	0	38,850
Public Safety	8,754	0	0	23,920	0	32,674
Public Works	0	79,376	17,743	0	987	98,106
Health	2,266	0	0	0	0	2,266
Conservation-Recreation	7,008	0	0	0	0	7,008
Capital Outlay	0	4,600	272	0	0	4,872
Total Disbursements	56,878	83,976	18,015	23,920	987	183,776
Excess of Receipts Over (Under) Disbursements	(5,950)	8,812	6,517	(853)	8,787	17,313
Other Financing Sources (Uses):						
Other Financing Sources	5,001	0	0	5,884	0	10,885
Total Other Financing Sources	5,001	0	0	5,884	0	10,885
Net Change in Fund Balances	(949)	8,812	6,517	5,031	8,787	28,198
Fund Balances Beginning of Year	98,234	56,177	14,984	3,300	20,507	193,202
Fund Balances End of Year	<u>\$97,285</u>	<u>\$64,989</u>	<u>\$21,501</u>	<u>\$8,331</u>	<u>\$29,294</u>	<u>\$221,400</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY*Statement of Receipts, Disbursements and Changes**In Fund Balance - Budget and Actual -Budget Basis**General Fund**For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Receipts				
Property and Other Local Taxes	\$21,450	\$21,440	\$21,440	\$0
Intergovernmental	15,800	16,466	20,460	3,994
Earnings on Investments	1,500	1,500	4,729	3,229
Miscellaneous	4,300	4,300	4,300	0
<i>Total receipts</i>	<u>43,050</u>	<u>43,706</u>	<u>50,929</u>	<u>7,223</u>
Disbursements				
Current:				
General Government	36,329	41,762	38,851	2,911
Public Safety	13,100	13,100	8,754	4,346
Health	6,000	6,000	2,265	3,735
Conservation-Recreation	12,000	14,000	7,008	6,992
Capital Outlay	86,255	78,822	0	78,822
<i>Total Disbursements</i>	<u>153,684</u>	<u>153,684</u>	<u>56,878</u>	<u>96,806</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(110,634)</u>	<u>(109,978)</u>	<u>(5,949)</u>	<u>104,029</u>
Other Financing Sources (Uses)				
Other Financing Sources	<u>12,400</u>	<u>12,400</u>	<u>5,000</u>	<u>(7,400)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>12,400</u>	<u>12,400</u>	<u>5,000</u>	<u>(7,400)</u>
<i>Net Change in Fund Balance</i>	<u>(98,234)</u>	<u>(97,578)</u>	<u>(949)</u>	<u>96,629</u>
<i>Fund Balance Beginning of Year</i>	<u>98,234</u>	<u>98,234</u>	<u>98,234</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$656</u>	<u>\$97,285</u>	<u>\$96,629</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Gasoline Tax Fund

For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$63,730	\$78,043	\$90,204	\$12,161
Earnings on Investments	400	2,500	2,584	84
<i>Total receipts</i>	<u>64,130</u>	<u>80,543</u>	<u>92,788</u>	<u>12,245</u>
Disbursements				
Current:				
Public Works	90,910	90,910	79,376	11,534
Capital Outlay	29,397	29,397	4,600	24,797
<i>Total Disbursements</i>	<u>120,307</u>	<u>120,307</u>	<u>83,976</u>	<u>36,331</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(56,177)</u>	<u>(39,764)</u>	<u>8,812</u>	<u>48,576</u>
<i>Net Change in Fund Balance</i>	<u>(56,177)</u>	<u>(39,764)</u>	<u>8,812</u>	<u>48,576</u>
<i>Fund Balance Beginning of Year</i>	<u>56,177</u>	<u>56,177</u>	<u>56,177</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$16,413</u>	<u>\$64,989</u>	<u>\$48,576</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Road and Bridge Fund

For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$21,450	\$21,441	\$21,440	(\$1)
Intergovernmental	2,700	2,692	2,636	(56)
Miscellaneous	1,130	400	456	56
<i>Total receipts</i>	<u>25,280</u>	<u>24,533</u>	<u>24,532</u>	<u>(1)</u>
Disbursements				
Current:				
Public Works	30,383	30,383	17,743	12,640
Capital Outlay	9,881	9,881	272	9,609
<i>Total Disbursements</i>	<u>40,264</u>	<u>40,264</u>	<u>18,015</u>	<u>22,249</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(14,984)</u>	<u>(15,731)</u>	<u>6,517</u>	<u>22,248</u>
<i>Net Change in Fund Balance</i>	<u>(14,984)</u>	<u>(15,731)</u>	<u>6,517</u>	<u>22,248</u>
<i>Fund Balance Beginning of Year</i>	<u>14,984</u>	<u>14,984</u>	<u>14,984</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>(\$747)</u>	<u>\$21,501</u>	<u>\$22,248</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Fire District Fund

For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$22,980	\$20,509	\$20,509	\$0
Intergovernmental	2,500	2,500	2,558	58
<i>Total receipts</i>	<u>25,480</u>	<u>23,009</u>	<u>23,067</u>	<u>58</u>
Disbursements				
Current:				
Public Safety	32,595	32,595	23,920	8,675
<i>Total Disbursements</i>	<u>32,595</u>	<u>32,595</u>	<u>23,920</u>	<u>8,675</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,115)</u>	<u>(9,586)</u>	<u>(853)</u>	<u>8,733</u>
Other Financing Sources (Uses)				
Other Financing Sources	3,815	1,101	5,884	4,783
<i>Total Other Financing Sources (Uses)</i>	<u>3,815</u>	<u>1,101</u>	<u>5,884</u>	<u>4,783</u>
<i>Net Change in Fund Balance</i>	(3,300)	(8,485)	5,031	13,516
<i>Fund Balance Beginning of Year</i>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>(\$5,185)</u>	<u>\$8,331</u>	<u>\$13,516</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Net Assets - Cash Basis

December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$193,202
<i>Total Assets</i>	<u><u>\$193,202</u></u>
Net Assets	
Restricted for:	
Gasoline Tax	\$56,177
Fire	3,300
Other Purposes	35,491
Unrestricted	98,234
<i>Total Net Assets</i>	<u><u>\$193,202</u></u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2005*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$28,212	\$0	\$0	(\$28,212)
Public Safety	43,657	3,070	2,144	(38,443)
Public Works	77,680	0	82,178	4,498
Health	2,284	0	0	(2,284)
Conservation-Recreation	1,323	0	0	(1,323)
Capital Outlay	2,957	0	0	(2,957)
Debt Service:				
Principal	10,880	0	0	(10,880)
Interest	663	0	0	(663)
<i>Total Governmental Activities</i>	<u>\$167,656</u>	<u>\$3,070</u>	<u>\$84,322</u>	(\$80,264)
General Receipts				
Property Taxes				63,476
Grants and Entitlements not Restricted to Specific Programs				26,070
Earnings on Investments				2,184
Miscellaneous				22,929
<i>Total General Receipts</i>				<u>114,659</u>
Change in Net Assets				34,395
<i>Net Assets Beginning of Year</i>				<u>158,807</u>
<i>Net Assets End of Year</i>				<u><u>\$193,202</u></u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

December 31, 2005

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$98,234	\$56,177	\$14,984	\$3,300	\$20,507	\$193,202
<i>Total Assets</i>	<u>\$98,234</u>	<u>\$56,177</u>	<u>\$14,984</u>	<u>\$3,300</u>	<u>\$20,507</u>	<u>\$193,202</u>
Fund Balances						
Unreserved:						
Undesignated, Reported in:						
General Fund	\$98,234	\$0	\$0	\$0	\$0	\$98,234
Special Revenue Funds	0	56,177	14,984	3,300	20,507	94,968
<i>Total Fund Balances</i>	<u>\$98,234</u>	<u>\$56,177</u>	<u>\$14,984</u>	<u>\$3,300</u>	<u>\$20,507</u>	<u>\$193,202</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$21,426	\$0	\$21,427	\$20,623	\$0	\$63,476
Charges for Services	690	0	0	0	0	690
Intergovernmental	20,823	73,230	2,667	2,580	11,092	110,392
Earnings on Investments	1,463	483	0	0	238	2,184
Miscellaneous	4,300	0	356	0	4,027	8,683
Total Receipts	48,702	73,713	24,450	23,203	15,357	185,425
Disbursements						
Current:						
General Government	28,212	0	0	0	0	28,212
Public Safety	25,605	0	0	18,052	0	43,657
Public Works	0	53,958	19,294	0	4,428	77,680
Health	2,284	0	0	0	0	2,284
Conservation-Recreation	1,323	0	0	0	0	1,323
Capital Outlay	838	0	2,119	0	0	2,957
Debt Service:						
Principal Retirement	0	0	0	10,880	0	10,880
Interest and Fiscal Charges	0	0	0	663	0	663
Total Disbursements	58,262	53,958	21,413	29,595	4,428	167,656
Excess of Receipts Over (Under) Disbursements	(9,560)	19,755	3,037	(6,392)	10,929	17,769
Other Financing Sources (Uses):						
Transfers In	0	0	879	1,265	0	2,144
Transfers Out	0	0	0	0	(2,144)	(2,144)
Other Financing Sources	13,418	0	0	3,208	0	16,626
Total Other Financing Sources (Uses)	13,418	0	879	4,473	(2,144)	16,626
Net Change in Fund Balances	3,858	19,755	3,916	(1,919)	8,785	34,395
Fund Balances Beginning of Year	94,376	36,422	11,068	5,219	11,722	158,807
Fund Balances End of Year	<u>\$98,234</u>	<u>\$56,177</u>	<u>\$14,984</u>	<u>\$3,300</u>	<u>\$20,507</u>	<u>\$193,202</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

General Fund

For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$21,500	\$21,500	\$21,426	(\$74)
Charges for Services	3,500	3,500	690	(2,810)
Intergovernmental	9,390	22,688	20,823	(1,865)
Earnings on Investments	400	400	1,463	1,063
Miscellaneous	4,310	4,310	4,300	(10)
<i>Total receipts</i>	<u>39,100</u>	<u>52,398</u>	<u>48,702</u>	<u>(3,696)</u>
Disbursements				
Current:				
General Government	35,805	35,805	28,212	7,593
Public Safety	27,000	27,000	25,605	1,395
Health	6,000	6,000	2,284	3,716
Conservation-Recreation	8,000	8,000	1,323	6,677
Capital Outlay	59,781	59,781	838	58,943
<i>Total Disbursements</i>	<u>136,586</u>	<u>136,586</u>	<u>58,262</u>	<u>78,324</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(97,486)</u>	<u>(84,188)</u>	<u>(9,560)</u>	<u>74,628</u>
Other Financing Sources (Uses)				
Other Financing Sources	3,110	3,110	13,418	10,308
<i>Total Other Financing Sources (Uses)</i>	<u>3,110</u>	<u>3,110</u>	<u>13,418</u>	<u>10,308</u>
<i>Net Change in Fund Balance</i>	(94,376)	(81,078)	3,858	84,936
<i>Fund Balance Beginning of Year</i>	<u>94,376</u>	<u>94,376</u>	<u>94,376</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$13,298</u>	<u>\$98,234</u>	<u>\$84,936</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Gasoline Tax Fund

For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$39,900	\$64,030	\$73,230	\$9,200
Earnings on Investments	100	100	483	383
<i>Total receipts</i>	<u>40,000</u>	<u>64,130</u>	<u>73,713</u>	<u>9,583</u>
Disbursements				
Current:				
Public Works	67,581	72,097	53,958	18,139
Capital Outlay	8,841	4,325	0	4,325
<i>Total Disbursements</i>	<u>76,422</u>	<u>76,422</u>	<u>53,958</u>	<u>22,464</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(36,422)</u>	<u>(12,292)</u>	<u>19,755</u>	<u>32,047</u>
<i>Net Change in Fund Balance</i>	(36,422)	(12,292)	19,755	32,047
<i>Fund Balance Beginning of Year</i>	<u>36,422</u>	<u>36,422</u>	<u>36,422</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$24,130</u>	<u>\$56,177</u>	<u>\$32,047</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Road and Bridge Fund

For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$21,500	\$21,500	\$21,427	(\$73)
Intergovernmental	2,500	3,132	2,667	(465)
Miscellaneous	610	610	1,235	625
<i>Total receipts</i>	<u>24,610</u>	<u>25,242</u>	<u>25,329</u>	<u>87</u>
Disbursements				
Current:				
Public Works	32,678	32,678	19,294	13,384
Capital Outlay	3,000	3,000	2,119	881
<i>Total Disbursements</i>	<u>35,678</u>	<u>35,678</u>	<u>21,413</u>	<u>14,265</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,068)</u>	<u>(10,436)</u>	<u>3,916</u>	<u>14,352</u>
<i>Net Change in Fund Balance</i>	(11,068)	(10,436)	3,916	14,352
<i>Fund Balance Beginning of Year</i>	<u>11,068</u>	<u>11,068</u>	<u>11,068</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$632</u>	<u>\$14,984</u>	<u>\$14,352</u>

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP, FAYETTE COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual -Budget Basis

Fire District Fund

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$21,725	\$21,725	\$20,623	(\$1,102)
Intergovernmental	2,500	3,194	2,580	(614)
<i>Total receipts</i>	<u>24,225</u>	<u>24,919</u>	<u>23,203</u>	<u>(1,716)</u>
Disbursements				
Current:				
Public Safety	19,864	19,901	18,052	1,849
Debt Service:				
Principal Retirement	10,880	10,880	10,880	0
Interest and Fiscal Charges	700	663	663	0
<i>Total Disbursements</i>	<u>31,444</u>	<u>31,444</u>	<u>29,595</u>	<u>1,849</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,219)</u>	<u>(6,525)</u>	<u>(6,392)</u>	<u>133</u>
Other Financing Sources (Uses)				
Other Financing Sources	2,000	2,000	4,473	2,473
<i>Total Other Financing Sources (Uses)</i>	<u>2,000</u>	<u>2,000</u>	<u>4,473</u>	<u>2,473</u>
<i>Net Change in Fund Balance</i>	(5,219)	(4,525)	(1,919)	2,606
<i>Fund Balance Beginning of Year</i>	5,219	5,219	5,219	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$694</u>	<u>\$3,300</u>	<u>\$2,606</u>

See accompanying notes to the basic financial statements

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

Concord Township, Fayette County, Ohio (the Township), is a body politic and corporate established in 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, and cemetery maintenance. The Township shares a joint fire department with Green Township, Fayette County. The expenditures are included on Concord Township's operations: Green Township reimburses Concord Township proportionately to assessed valuation periodically throughout the fiscal year.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance, of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are classified as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Township's major governmental funds:

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

Road and Bridge Fund – This fund receives property tax money to pay for constructing, maintaining and repairing Township roads.

Fire District Fund – This fund receives property tax money for fire protection services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Deposits

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During 2006 and 2005, the Township had a checking account and a savings account with a local commercial bank. The Township did not have any investments.

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 amounted to \$4,728 and \$1,463 during 2005.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for gasoline tax and fire protection. Restricted net assets for 2006 represent \$124,115 of a total fund balance of \$221,400. Restricted net assets for 2005 represent \$94,968 of a total fund balance of \$193,202. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no material encumbrances outstanding at year end.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 4 - Deposits and Investments (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Concord Township
 Fayette County
 Notes to the Financial Statements
 For the Years Ended December 31, 2006 and 2005

Note 4 - Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006, \$128,284 of the Township's bank balance of \$228,284 and at December 31, 2005, \$98,524 of the Township's bank balance of \$198,524 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$54.20 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property		
Residential / Agriculture	\$	15,921,380
Commercial/Industrial/Mineral		
Public Utility		547,540
Tangible Personal Property		550,352
Total Assessed Value	\$	17,019,272

Note 6 – 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.

A. Risk Pool Membership

The Government 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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Concord Township
 Fayette County
 Notes to the Financial Statements
 For the Years Ended December 31, 2006 and 2005

Note 6 – Risk Management (continued)

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, 2005 and 2004 (latest information available).

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	<u>(12,344,576)</u>	<u>(11,086,379)</u>
Retained earnings	<u>\$18,141,062</u>	<u>\$17,046,241</u>

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	<u>(1,406,031)</u>	<u>(543,176)</u>
Retained earnings	<u>\$7,771,765</u>	<u>\$7,045,167</u>

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment. The Township's share of these unpaid claims is approximately \$8,878.

B. Workers' Compensation

For fiscal years 2006 and 2005, the Township participated in the Ohio Township Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of GRP is to achieve the benefit of a reduced premium for the Township by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Townships is calculated as one experience and a common premium rate is applied to all Townships in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to Townships that can meet the GRP's selection criteria. The firm of Frank Gates Company provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The Township offers optional participation in a group medical plan operated by Medical Mutual of Ohio. Medical Mutual provides claim review and processing. Members of the plan are required to remit 25% of the medical premium.

Note 7 – Defined Benefit Pension Plan

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 7 – Defined Benefit Pension Plan (continued)

20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For the year ended December 31, 2006, the members of all three plans, were required to contribute 9 percent of their annual covered salaries. For the year ended December 31, 2005, the required contribution was 8.5% of annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent and for 2005 was 13.55%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$9,920, \$9,528 and \$9,341 respectively; the full amount has been contributed for 2006, 2005, and 2004.

Note 8 - Postemployment Benefits

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

Concord Township
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 8 - Postemployment Benefits (continued)

The number of active contributing participants in the traditional and combined plans was 369,214 for 2006 and 376,109 for 2005. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$1,967 and \$1,728 for 2005. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concord Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 22, 2007, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242
Telephone: (513) 361-8550 (800) 368-7419 Fax: (513) 361-8577
www.auditor.state.oh.us

We noted certain matters that we reported to the Township's management in a separate letter dated May 22, 2007.

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, providing an opinion 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*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated May 22, 2007.

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 22, 2007

CONCORD TOWNSHIP
FAYETTE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Township Fiscal Officer was overpaid \$102, amount was repaid under audit.	Yes	



Mary Taylor, CPA
Auditor of State

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
JUNE 12, 2007**