

CONCORD TOWNSHIP
DELAWARE COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009



Dave Yost • Auditor of State

Board of Trustees
Concord Township
7250 Dublin Road
Delaware, Ohio 43015

We have reviewed the *Independent Auditors' Report* of Concord Township, Delaware County, prepared by Holbrook & Manter, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Concord Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

January 11, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Concord Township
Delaware County

We have audited the accompanying financial statements of Concord Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State of Ohio prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2010 and 2009, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, townships to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Concord Township, Delaware County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011 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.



Certified Public Accountants

November 28, 2011

CONCORD TOWNSHIP
DELAWARE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund Types</u>			Total Memorandum Only
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
CASH RECEIPTS:-				
Property tax and other local taxes	\$ 800,015	\$ 2,440,781	\$ 0	\$ 3,240,796
Charges for services	0	124,102	0	124,102
Licenses, permits, and fees	108,136	8,807	0	116,943
Intergovernmental receipts	497,585	487,830	0	985,415
Earnings on investments	24,358	1,267	6,248	31,873
Miscellaneous	601	18,631	0	19,232
Total cash receipts	1,430,695	3,081,418	6,248	4,518,361
CASH DISBURSEMENTS:-				
Current;-				
General government	528,552	0	0	528,552
Public safety	59,781	2,391,978	0	2,451,759
Public works	0	490,534	0	490,534
Health	0	10,944	0	10,944
Conservation- recreation	50,736	0	0	50,736
Capital outlay	842	2,352	926,351	929,545
Miscellaneous	0	10,202		10,202
Debt Service				
Principal	0	49,169	0	49,169
Interest and other fiscal charges	0	4,824	0	4,824
Total cash disbursements	639,911	2,960,003	926,351	4,526,265
Total receipts over (under) cash disbursements	790,784	121,415	(920,103)	(7,904)
OTHER FINANCING SOURCES (USES):-				
Other financing sources	14	0	0	14
Total other financing sources (uses)	14	0	0	14
Total of receipts and other sources over (under) disbursements and other uses	790,798	121,415	(920,103)	(7,890)
Fund cash balances, January 1, 2010	2,129,100	2,255,413	1,338,262	5,722,775
Fund cash balances, December 31, 2010	\$ 2,919,898	\$ 2,376,828	\$ 418,159	\$ 5,714,885
Reserve for encumbrances, December 31, 2010	\$ 49,025	\$ 27,451	\$ 347,971	\$ 424,447

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

**CONCORD TOWNSHIP
DELAWARE COUNTY**
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Fund Types</u>			<u>Total Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
CASH RECEIPTS:-				
Property tax and other local taxes	\$ 788,905	\$ 2,400,600	\$ 0	\$ 3,189,505
Charges for services	0	124,054	0	124,054
Licenses, permits, and fees	99,030	5,789	0	104,819
Intergovernmental receipts	161,309	482,992	0	644,301
Earnings on investments	50,569	2,506	10,921	63,996
Miscellaneous	3,294	19,695	0	22,989
Total cash receipts	1,103,107	3,035,636	10,921	4,149,664
CASH DISBURSEMENTS:-				
Current:-				
General government	715,543	0	0	715,543
Public safety	47,269	2,266,902	0	2,314,171
Public works	0	335,837	0	335,837
Health	0	13,585	0	13,585
Conservation - recreation	52,489	0	0	52,489
Capital outlay	363	8,215	76,620	85,198
Miscellaneous	0	6,493	0	6,493
Debt Service				
Principal	0	46,922	0	46,922
Interest and other fiscal charges	0	7,071	0	7,071
Total cash disbursements	815,664	2,685,025	76,620	3,577,309
Total receipts over (under) cash disbursements	287,443	350,611	(65,699)	572,355
OTHER FINANCING SOURCES (USES):-				
Transfer in	0	0	600,000	600,000
Transfer out	(600,000)	0	0	(600,000)
Other financing sources	22,067	0	0	22,067
Total other financing sources (uses)	(577,933)	0	600,000	22,067
Total of receipts and other sources over (under) disbursements and other uses	(290,490)	350,611	534,301	594,422
Fund cash balances, January 1, 2009	2,419,590	1,904,802	803,961	5,128,353
Fund cash balances, December 31, 2009	\$ 2,129,100	\$ 2,255,413	\$ 1,338,262	\$ 5,722,775
Reserve for encumbrances, December 31, 2009	\$ 16,146	\$ 32,762	\$ 30,280	\$ 79,188

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

**CONCORD TOWNSHIP
DELAWARE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - The constitution and laws of the State of Ohio establish the rights and privileges of Concord Township, Delaware County, Ohio, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Delaware County Sheriff for police services.

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

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

Basis of Accounting - These financial statements follow the accounting basis the Auditor of State of Ohio prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. 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 of Ohio.

Cash and Investments - The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Investment in Star Ohio is valued at amounts reported by the State Treasurer.

Fund Accounting - The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

General Fund

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

Special Revenue Funds

These funds account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire District Fund

This fund accounts for the fire levy passed by the residents of Concord Township as well as monies received for providing fire services to the Village of Shawnee Hills.

Road District

This fund accounts for the Road District levy passed by the residents of Concord Township to maintain roads.

Gasoline Tax Fund

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

**CONCORD TOWNSHIP
DELAWARE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Capital Project Fund

This fund accounts for receipts restricted to constructing major capital projects. The Township created this fund in 2007 for the building of the new Township Administrative building.

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

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.

Accumulated Leave - In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS:-

The Township maintains a cash pool used by all funds in the form of demand deposits (checking and savings accounts). The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2010 and 2009 was as follows:

		<u>2010</u>		<u>2009</u>
Demand deposits	\$	4,270,101	\$	3,254,107
Certificate of deposits		<u>1,444,784</u>		<u>2,468,668</u>
Total deposits and investments	\$	<u>5,714,885</u>	\$	<u>5,722,775</u>

Deposits - The Township's deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**CONCORD TOWNSHIP
DELAWARE COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2010 was as follows:

2010 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,120,631	\$ 1,430,709	\$ 310,078
Special revenue	3,026,005	3,081,418	55,413
Capital Project fund	<u>200,000</u>	<u>6,248</u>	<u>(193,752)</u>
Total	\$ <u>4,346,636</u>	\$ <u>4,518,375</u>	\$ <u>171,739</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,785,730	\$ 688,936	\$ 2,096,794
Special revenue	4,965,100	2,987,454	1,977,646
Capital Project fund	<u>1,568,543</u>	<u>1,274,322</u>	<u>294,221</u>
Total	\$ <u>9,319,373</u>	\$ <u>4,950,712</u>	\$ <u>4,368,661</u>

Contrary to Ohio law, actual receipts were less than estimated resources during 2010 in the Capital Projects Fund by \$193,752.

Contrary to Ohio law, appropriations exceeded estimated resources in the Capital Projects Fund during 2010 by \$30,281.

**CONCORD TOWNSHIP
DELAWARE COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2009 was as follows:

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,160,332	\$ 1,125,174	\$ (35,158)
Special Revenue	3,006,237	3,035,636	29,399
Capital Projects	300,000	610,921	310,921
Total	\$ 4,466,569	\$ 4,771,731	\$ 305,162

2009 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,820,700	\$ 1,431,810	\$ 1,388,890
Special Revenue	4,423,551	2,717,787	1,705,764
Capital Projects	1,100,000	106,900	993,100
Total	\$ 8,344,251	\$ 4,256,497	\$ 4,087,754

Contrary to Ohio law, actual receipts were less than estimated resources during 2009 in the General Fund by \$35,158.

**CONCORD TOWNSHIP
DELAWARE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 4 - PROPERTY TAX:-

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 Delaware County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to Delaware County by each April 30. The tangible personal property tax is being phased out over the next few years.

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

NOTE 5 - CAPITAL LEASES:-

On September 14, 2001, the Township entered into a lease agreement with Sutphen Fire Apparatus in the amount of \$422,000. The lease is to be paid back over a 10 year period and has an interest rate of 4.79%. The annual payments are \$53,993, including principal and interest and are due September 1st of each year beginning in 2002. As of December 31, 2010, the Township owes \$51,525 of principal on the lease. Upon receipt of the prepayment price in good funds with respect to the equipment, the lease shall terminate and the Township shall become entitled to such equipment as is.

NOTE 6 - RETIREMENT SYSTEMS:-

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which included postretirement healthcare and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. For 2010 and 2009, OP&F participants contributed 10% of their wages; however the Township elected to pick-up 6% of the prescribed 10%. For 2010 and 2009, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2010 and 2009, OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries for 2010 and 2009. The Township has paid all contributions required through December 31, 2010 and 2009.

NOTE 7 - RISK MANAGEMENT:-

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of Concord Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability
- Vehicle;
- Fire Department Coverage; and
- Road Department Coverage.

**CONCORD TOWNSHIP
DELAWARE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 7 - RISK MANAGEMENT:- (continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (the most recent information available):

	<u>2010</u>
Assets	\$ 38,982,088
Liabilities	(<u>12,880,766</u>)
Net Assets	\$ <u><u>26,101,322</u></u>

NOTE 8 - SUBSEQUENT EVENT:-

Management has evaluated subsequent events through November 28, 2011, the date which financial statements were available to be issued.



**Independent Accountants' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by *Government Auditing Standards***

Board of Trustees
Concord Township
Delaware County

We have audited the financial statements of Concord Township, Delaware County, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 28, 2011, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Concord Township's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Concord Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be deficiencies, 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.

We did note certain internal control matters that we reported to the Township's management in a separate letter dated November 28, 2011.

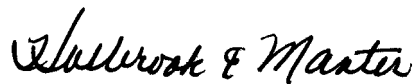
Compliance and Other Matters

As part of reasonably assuring whether Concord Township's financial statements are free of material misstatement, we tested of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are discussed in the Schedule of Findings as items 2010-001 and 2010-002.

We also noted certain noncompliance or other matters that we reported to the Government's management in a separate letter dated November 28, 2011.

Concord Township's responses to the findings identified in our audits are described in the accompanying schedule of findings. We did not audit Concord Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, Board of Trustees, those within the Township and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

November 28, 2011

**CONCORD TOWNSHIP
DELAWARE COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

Finding Number	2010-001
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Noncompliance Citation – Certification of Funds

Section 5705.41 (D), Ohio Revised Code, states that no subdivision shall make any contract or order any expenditure of money, unless a certificate of the Fiscal Officer is attached. The Fiscal Officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrance. Furthermore, contracts and orders for expenditures lacking prior certification should be null and void.

There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The Main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

During expenditure testing, we noted that the Township uses numerous blanket certificates. The Fiscal Officer may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

The Township is not properly following the above steps when creating and approving blanket purchase orders. We recommend that all blanket certificates be prepared with an established amount and it should be approved by resolution or ordinance and adopted by a majority of the board of trustees.

During our expenditure testing, we also noted a few instances where a purchase order was not approved prior to purchases being made. We recommend that all purchases be approved and appropriated prior to expending money.

Officials' Response

The Fiscal Officer is reviewing the Township's current policies and procedures regarding the approval of expenditures prior to the making purchases.

**CONCORD TOWNSHIP
DELAWARE COUNTY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009**

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

Finding Number	2010-002
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Noncompliance Citation – Appropriations Exceeded Actual Resources

Ohio Revised Code, Section 5705.39, states that the total appropriation from each fund should not exceed the total revenue as certified by the county budget commission. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The Township's appropriations exceeded actual resources as of December 31, 2010 as outlined on page 9 in Note 3 of the financial statements.

We recommend the trustees periodically review the Township's appropriations versus certified estimated resources to identify and investigate any variances and to help monitor legal compliance. The trustees should ensure that the Township has properly prepared and submitted all required budgetary documents to the county auditor. Also, each time appropriations are adopted or amended, the Township should ensure the certificate of the County Auditor is received indicating appropriations do not exceed certified resources.

Officials' Response

The Township had a mathematical error in the budget calculation in 2010 and we don't anticipate this issue in the future.

**CONCORD TOWNSHIP
DELAWARE COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-001	Material Weakness- Financial Reporting	Yes	Finding No Longer Valid.
2008-002	Noncompliance Citation- Certification of Funds	No	Partially Corrected.

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Dave Yost • Auditor of State

CONCORD TOWNSHIP

DELAWARE 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
JANUARY 24, 2012**