

**CONCORD TOWNSHIP
LAKE COUNTY, OHIO**

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Concord Township, Lake County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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.

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 "Dave Yost".

Dave Yost
Auditor of State

June 12, 2014

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**CONCORD TOWNSHIP
LAKE COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2013 and 2012**

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INDEPENDENT AUDITORS' REPORT

Concord Township
Lake County
7229 Ravenna Road
Concord Township, Ohio 44077

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Concord Township, Lake County, (the Township) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Concord Township, Lake County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



CHARLES E. HARRIS & ASSOCIATES, INC.

April 25, 2014

**CONCORD TOWNSHIP
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Governmental Fund Types					Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$ 700,754	\$ 5,091,790	-	\$ 118,034	-	\$ 5,910,578
Charges For Services	3,060	362,320	-	-	-	365,380
Intergovernmental	758,865	1,161,934	-	-	-	1,920,799
Fees, Fines, Licenses & Permits	216,081	-	-	-	-	216,081
Special Assessments	-	94,423	-	-	-	94,423
Earnings on Investments	16,003	993	-	-	\$ 261	17,257
Miscellaneous	115,839	71,761	-	-	4,200	191,800
Total Cash Receipts	1,810,602	6,783,221	-	118,034	4,461	8,716,318
Cash Disbursements:						
Current:						
General Government	1,146,837	9,239	-	-	-	1,156,076
Public Safety	-	3,706,367	-	-	-	3,706,367
Public Works	36,347	2,447,279	-	-	-	2,483,626
Health	-	16,811	-	-	-	16,811
Conservation-Recreation	194,319	-	-	-	-	194,319
Other	-	260,522	-	-	-	260,522
Capital Outlay	35,827	56,554	-	134,938	-	227,319
Total Cash Disbursements	1,413,330	6,496,772	-	134,938	-	8,045,040
Total Receipts Over/(Under) Disbursements	397,272	286,449	-	(16,904)	4,461	671,278
Other Financing Sources/(Uses):						
Other Financing Uses	-	(7,285)	-	-	-	(7,285)
Total Other Financing Sources/(Uses)	-	(7,285)	-	-	-	(7,285)
Net Change in Fund Cash Balances	397,272	279,164	-	(16,904)	4,461	663,993
Fund Cash Balance, January 1	1,053,983	3,056,409	\$ 9	3,009,735	38,737	7,158,873
Fund Cash Balance, December 31						
Nonspendable	-	-	-	-	40,015	40,015
Restricted	-	1,895,645	9	2,992,708	3,183	4,891,545
Committed	-	1,439,928	-	124	-	1,440,052
Assigned	29,874	-	-	-	-	29,874
Unassigned	1,421,381	-	-	-	-	1,421,381
Fund Cash Balance, December 31	\$ 1,451,255	\$ 3,335,573	\$ 9	\$ 2,992,831	\$ 43,198	\$ 7,822,866

See accompanying Notes to the Financial Statements.

CONCORD TOWNSHIP
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Fiduciary Fund Types Agency Fund
Operating Cash Receipts:	
Miscellaneous	\$ 14,060
Total Operating Cash Receipts	14,060
Operating Cash Disbursements:	
Other	12,980
Total Operating Cash (Disbursements)	12,980
Operating Income/(Loss)	1,080
Fund Cash Balance, January 1	6,092
Fund Cash Balance, December 31	\$ 7,172

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Governmental Fund Types					Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$ 765,649	\$ 5,053,746	-	\$ 122,010	-	\$ 5,941,405
Charges For Services	1,884	326,251	-	-	-	328,135
Intergovernmental	533,798	1,020,197	-	-	-	1,553,995
Fees, Fines, Licenses & Permits	228,697	-	-	-	-	228,697
Special Assessments	-	92,809	-	-	-	92,809
Earnings on Investments	60,172	1,259	-	-	\$ 373	61,804
Miscellaneous	108,027	78,273	-	-	1,700	188,000
Total Cash Receipts	1,698,227	6,572,535	-	122,010	2,073	8,394,845
Cash Disbursements:						
Current:						
General Government	1,208,093	9,577	-	-	-	1,217,670
Public Safety	-	3,766,681	-	-	-	3,766,681
Public Works	30,258	2,080,442	-	-	-	2,110,700
Health	-	16,546	-	-	-	16,546
Conservation-Recreation	200,180	-	-	-	-	200,180
Other	-	383,672	-	-	-	383,672
Capital Outlay	49,348	104,684	-	91,894	-	245,926
Total Cash Disbursements	1,487,879	6,361,602	-	91,894	-	7,941,375
Total Receipts Over/(Under) Disbursements	210,348	210,933	-	30,116	2,073	453,470
Other Financing Sources/(Uses):						
Transfers-In	-	-	-	2,000,000	-	2,000,000
Transfers-Out	(2,000,000)	-	-	-	-	(2,000,000)
Advances-In	30,000	30,000	-	-	-	60,000
Advances-Out	(30,000)	(30,000)	-	-	-	(60,000)
Total Other Financing Sources/(Uses)	(2,000,000)	-	-	2,000,000	-	-
Net Change in Fund Cash Balance	(1,789,652)	210,933	-	2,030,116	2,073	453,470
Fund Cash Balance, January 1	2,843,635	2,845,476	\$ 9	979,620	36,664	6,705,404
Fund Cash Balance, December 31						
Nonspendable	-	-	-	-	35,815	35,815
Restricted	-	1,912,736	9	3,009,611	2,922	4,925,278
Commited	-	1,143,673	-	124	-	1,143,797
Assigned	2,889	-	-	-	-	2,889
Unassigned	1,051,094	-	-	-	-	1,051,094
Fund Cash Balance, December 31	\$ 1,053,983	\$ 3,056,409	\$ 9	\$ 3,009,736	\$ 38,737	\$ 7,158,874

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Fiduciary Fund Types
	Agency Fund
Operating Cash Receipts:	
Miscellaneous	\$ 12,030
Total Operating Cash Receipts	12,030
Operating Cash Disbursements:	
Other	11,653
Total Operating Cash (Disbursements)	11,653
Operating Income/(Loss)	377
Fund Cash Balance, January 1	5,715
Fund Cash Balance, December 31	\$ 6,092

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

Concord Township, Lake County, (The Township) is a body politic and corporate established in Ohio 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 has also elected a Fiscal Office to oversee finances and records. The Township provides general government services, maintenance of township roads, fire & rescue services, and cemetery services. Police protection is provided by the Lake County Sheriff's Department.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

Fire Levy Fund – This fund receives property tax money used to provide and maintain fire equipment, buildings, supplies, and payment of firefighters and associated benefits.

Road Levy Fund – This fund receives property tax money used for the improvement, construction, reconstruction, resurfacing and repair of roads and bridges.

Police Protection Levy Fund – This fund receives property tax money to provide for additional police protection.

3. Capital Projects Funds

These funds are used for large capital projects, such as buildings, equipment, and other major projects. The following is the significant capital projects fund:

Capital Projects Fund – This fund accounts for monies set aside by the Board of Trustees specifically for major capital and technology improvements.

4. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

Cemetery Trust Fund – Is a bequest fund whose earned interest is used to maintain certain grave sites in the Township cemetery.

5. Fiduciary Funds

These funds are used to account for resources restricted and are custodial in nature. The Township had the following fiduciary fund:

Agency Funds – These funds are purely custodial in nature and are used to hold resources for a department in the Township. The Agency Funds include security deposits both from rental real estate of the Township and from rentals of the Community Center.

E. Budgetary Process

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

1. Appropriations

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

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board of Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board of Trustees or a Township official delegated that authority by resolution, or by State Statute.

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. Equity in Pooled Deposits and Investments

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

	2013	2012
Demand Deposits	\$ 831,703	\$ 829,870
Total Deposits	831,703	829,870
Investments		
Money Market Investments	382,356	264,746
Federal Home Loan Mtg Corp.	-	312,782
Federal Home Loan Bank	1,673,035	407,476
Federal National Mtg Assoc.	2,569,440	2,827,389
US Treasury Bonds	2,373,504	2,522,702
Total Investments	6,998,335	6,335,095
Total Deposits and Investments	\$ 7,830,038	\$ 7,164,965

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

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

2. Equity in Pooled Deposits and Investments (continued)

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

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2013 and 2012 was as follows:

2013 Budget vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,142,303	\$ 1,810,602	\$ (331,701)
Special Revenue	6,465,519	6,783,221	317,702
Capital Projects	120,000	118,034	(1,966)
Permanent Fund	1,000	4,461	3,461
Total	\$ 8,728,822	\$ 8,716,318	\$ (12,504)

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,647,880	\$ 1,443,204	\$ 1,204,676
Special Revenue	7,864,750	6,910,141	954,609
Capital Projects	1,145,000	147,176	997,824
Permanent Fund	-	-	-
Total	\$ 11,657,630	\$ 8,500,521	\$ 3,157,109

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

3. Budgetary Activity (continued)

2012 Budget vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,653,592	\$ 1,738,227	\$ (915,365)
Special Revenue	6,649,262	6,602,535	(46,727)
Capital Projects	2,120,000	2,122,010	2,010
Permanent Fund	500	2,073	1,573
Total	\$ 11,423,354	\$ 10,464,845	\$ (958,509)

2012 Budgeted vs Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 4,195,000	\$ 3,520,768	\$ 674,232
Special Revenue	8,389,400	6,431,602	1,957,798
Capital Projects	1,860,000	91,894	1,768,106
Permanent Fund	-	-	-
Total	\$ 14,444,400	\$ 10,044,264	\$ 4,400,136

4. Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20. In certain circumstances, State statute permits alternate payment dates to be established.

Public utility personal property tax is assessed by the property owners, who must file a list of such property to the county by each April 30.

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

**CONCORD TOWNSHIP
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

5. Retirement Systems

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2013 and 2012, members of OP&F participants contributed 10% of their wages, and increased to 10.75% after July 1, 2013. The Township contributed an amount equal to 24% of their wages to OP&F. OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries for 2013 and 2012. The Township has paid all contributions required through December 31, 2013.

6. Risk Management

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Commercial automobile insurance
- Public Officials liability
- Crime

There were no significant reductions in coverage from the prior year. Also, claims have not exceeded coverage in the past two years.

7. Interfund Transactions

During 2012, the Township made a \$2,000,000 transfer from the General Fund to the Capital Projects Fund. Also during 2012, the Township made an advance from the General Fund to the Fire Prevention Fund for \$30,000 and repaid in the same year.

During 2013, there were no transfers or advances made.

8. Debt

There was no outstanding debt in 2013.

9. Contingent Liabilities/Subsequent Events

Management believes there are no significant pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Concord Township
Lake County
7229 Ravenna Road
Concord Township, Ohio 44077

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Concord Township, Lake County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

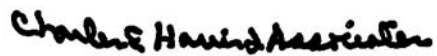
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CHARLES E. HARRIS & ASSOCIATES, INC.

April 25, 2014

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report, for the years ending December 31, 2011 and 2010, reported no material citations or recommendations.

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Dave Yost • Auditor of State

CONCORD TOWNSHIP

LAKE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 26, 2014**