



Dave Yost • Auditor of State

CONCORD TOWNSHIP
LAKE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Concord Township
Lake County
7229 Ravenna Road
Concord, Ohio 44077

To the Township Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Concord Township, Lake County, Ohio, (the Township) as of and for the year ended December 31, 2016.

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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2016, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Concord Township, Lake County, Ohio as of December 31, 2016, and its combined cash receipts and disbursements for the year 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 May 31, 2017, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large loop at the end of the last name.

Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2017

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Concord Township
Lake County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

| | General | Special Revenue | Debt Service | Capital Projects | Permanent | Totals (Memorandum Only) |
|---|------------------|--------------------|-----------------|---------------------|-----------------|--------------------------------|
| Cash Receipts | | | | | | |
| Property and Other Local Taxes | \$750,336 | \$6,163,065 | | \$121,703 | | \$7,035,104 |
| Charges for Services | 5,849 | 407,428 | | | | 413,277 |
| Licenses, Permits and Fees | 257,505 | | | | | 257,505 |
| Fines and Forfeitures | 125 | | | | | 125 |
| Intergovernmental | 370,509 | 1,221,180 | | 85,538 | | 1,677,227 |
| Special Assessments | | 112,512 | | | | 112,512 |
| Earnings on Investments | 62,998 | 1,012 | | | \$466 | 64,476 |
| Miscellaneous | 72,762 | 54,719 | | 381 | 1,501 | 129,363 |
| <i>Total Cash Receipts</i> | <u>1,520,084</u> | <u>7,959,916</u> | | <u>207,622</u> | <u>1,967</u> | <u>9,689,589</u> |
| Cash Disbursements | | | | | | |
| Current: | | | | | | |
| General Government | 1,426,940 | 36,046 | | | | 1,462,986 |
| Public Safety | | 4,122,336 | | | | 4,122,336 |
| Public Works | 29,307 | 2,572,162 | | | | 2,601,469 |
| Health | | 15,636 | | | | 15,636 |
| Conservation-Recreation | 219,717 | | | | | 219,717 |
| Other | | 221,831 | | | | 221,831 |
| Capital Outlay | 53,120 | 2,511,657 | | 484,157 | | 3,048,934 |
| Debt Service: | | | | | | |
| Principal Retirement | | 1,000,000 | | | | 1,000,000 |
| <i>Total Cash Disbursements</i> | <u>1,729,084</u> | <u>10,479,668</u> | | <u>484,157</u> | | <u>12,692,909</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(209,000)</u> | <u>(2,519,752)</u> | | <u>(276,535)</u> | <u>1,967</u> | <u>(3,003,320)</u> |
| Other Financing Receipts (Disbursements) | | | | | | |
| Sale of Capital Assets | | | | 22,300 | | 22,300 |
| Loan Proceeds | | 2,333,532 | | | | 2,333,532 |
| Transfers In | 133 | | | | | 133 |
| Transfers Out | | | (\$9) | (124) | | (133) |
| Advances In | 300,000 | 300,000 | | | | 600,000 |
| Advances Out | (300,000) | (300,000) | | | | (600,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>133</u> | <u>2,333,532</u> | <u>(9)</u> | <u>22,176</u> | | <u>2,355,832</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>(208,867)</u> | <u>(186,220)</u> | <u>(9)</u> | <u>(254,359)</u> | <u>1,967</u> | <u>(647,488)</u> |
| <i>Fund Cash Balances, January 1, Restated</i> | <u>1,035,411</u> | <u>3,182,621</u> | <u>9</u> | <u>1,891,385</u> | <u>47,998</u> | <u>6,157,424</u> |
| Fund Cash Balances, December 31 | | | | | | |
| Nonspendable | | | | | 45,715 | 45,715 |
| Restricted | | 2,413,039 | | 1,637,026 | 4,250 | 4,054,315 |
| Assigned | | 583,362 | | | | 583,362 |
| Unassigned | 826,544 | | | | | 826,544 |
| <i>Fund Cash Balances, December 31</i> | <u>\$826,544</u> | <u>\$2,996,401</u> | <u>\$0</u> | <u>\$1,637,026</u> | <u>\$49,965</u> | <u>\$5,509,936</u> |

See accompanying notes to the basic financial statements

Concord Township
Lake County, Ohio
Statement of Receipts, Disbursements
and Changes in Fund Balance (Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2016

| | <i>Agency</i> |
|---|---------------|
| Operating Cash Receipts | |
| Miscellaneous | \$17,480 |
| Operating Cash Disbursements | |
| Other | 16,405 |
| <i>Net Change in Fund Cash Balance</i> | 1,075 |
| <i>Fund Cash Balance, January 1</i> | 10,621 |
| <i>Fund Cash Balance, December 31</i> | \$11,696 |
| <i>See accompanying notes to the basic financial statements</i> | |

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Lake County, Ohio, (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 Officer to oversee finances and records.

The Township provides general government services, maintenance of township roads, fire & rescue services, recreation and cemetery services. The Township police protection services is provided by the Lake County Sheriff.

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

B. Basis of Accounting

These financial statements follow the basis of accounting basis permitted by the financial reporting provisions of the Ohio Revised Code 117.38 and Ohio Administrative Code 117-2-03 (D). The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when cash is received rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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.

The Township values Federal Agency securities and U.S. Treasury Bonds at fair value. Money market investments are recorded at share values in the mutual funds report.

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.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Fund Accounting – (Continued)

2. Special Revenue Funds

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

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 improvement, construction, reconstruction, resurfacing and repair of roads and bridges.

Safety Services Levy – This fund received property tax money used for providing fire, police and ambulance, and emergency medical services. The levy that generates revenue for this fund replaced the police protection levy and the 2.0 mills fire levy in 2016.

3. Debt Service Fund

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

4. Capital Projects Fund

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.

5. Permanent Funds

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

Cemetery Trust Fund – This fund's nonexpendable corpus includes monies received from past trust agreements and \$100 from each current lot sale. Interest earned on the nonexpendable corpus is used for general cemetery care.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Fund Accounting – (Continued)

6. Fiduciary Funds

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

Agency Fund - are purely custodial in nature and are used to hold resources for a department in the Township. The Agency Fund includes security deposits for community garden plots and 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 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.

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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2016 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.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

F. Fund Balance - (Continued)

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*. Government 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.

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 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.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

| | |
|----------------------------------|-------------|
| | 2016 |
| Demand deposits | \$156,846 |
| Investments: | |
| Money Market Investments | 3,928 |
| Federal National Mortgage Assoc. | 1,154,968 |
| Federal Home Loan Mortgage Corp. | 500,802 |
| US Treasury Bonds | 3,705,088 |
| Total investments | 5,364,786 |
| Total Deposits and Investments | \$5,521,632 |

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

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.

Note 3 - BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2016 follows:

| 2016 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$1,750,796 | \$1,820,217 | \$69,421 |
| Special Revenue | 8,124,115 | 10,593,448 | 2,469,333 |
| Capital Projects | 334,300 | 229,922 | (104,378) |
| Permanent Fund | 1,500 | 1,967 | 467 |
| Total | \$10,210,711 | \$12,645,554 | \$2,434,843 |

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 3 – BUDGETARY ACTIVITY – (CONTINUED)

| 2016 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$2,350,625 | \$2,029,084 | \$321,541 |
| Special Revenue | 10,142,297 | 10,779,688 | (637,391) |
| Debt Service | 9 | 9 | 0 |
| Capital Projects | 710,124 | 484,281 | 225,843 |
| Total | \$13,203,055 | \$13,293,062 | (\$90,007) |

Note 4 - PROPERTY TAX

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

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

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

Note 5 - DEBT

Debt outstanding at December 31, 2016 was as follows:

| | Principal | Interest Rate |
|--------------------------------|--------------|---------------|
| Truck Capital Lease | \$ 270,841 | 2.6% |
| State Infrastructure Bank Loan | 1,343,532 | 3.0% |
| Total | \$ 1,614,373 | |

During 2015, the Township entered into a capital lease agreement with Santander Bank for the purchase of five trucks. The Township made a \$200,000 payment in 2015 and in 2016 which leaves 3 payments of \$92,608 required through 2019.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 5 – DEBT – (CONTINUED)

In 2013, the Township was approved for a \$7,390,450 State Infrastructure Bank Loan (line-of-credit) to be used as local match for the LAK Auburn-Crile connector road project for the Ohio Department of Transportation. The line-of-credit was reduced to \$5,390,450 in 2015. The loan term will be 20 years and the first payment will commence on the 31st month after the closing date of February 1, 2014. There is a 3% pre-payment penalty prior to the 36th month. As of December 31, 2016 the balance of the loan is \$1,343,532. The amortization schedule will be finalized when the project is completed.

Amortization of the capital lease, including interest, is scheduled as follows:

| Year ended December 31: | Truck Capital Lease |
|-------------------------|------------------------|
| 2017 | \$ 92,608 |
| 2018 | 92,608 |
| 2019 | 92,608 |
| Total | <u>\$ 277,824</u> |

Note 6 - 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. The Board members of the Zoning Commission and Board of Zoning Appeals, as well as, the volunteer fire fighters are covered under Social Security.

Contribution rates are also prescribed by the Ohio Revised Code. For 2016, members of OP&F participants contributed 12.25 percent of their gross wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. For 2016, OPERS members contributed 10 percent of their gross salaries. The Township contributed an amount equal to 14 percent of participants' gross salaries. For 2016, Social Security participant's contributed 6.2 percent of their gross salaries. The Township contributed an equal amount to their gross salaries. The Township has paid all contributions required through December 31, 2016.

Note 7 – POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 8 - RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions.

Note 9 - INTER-FUND TRANSACTIONS

During 2016, the Township made a \$300,000 advance from the General Fund to the Safety Services Levy Fund awaiting real estate tax proceeds in the second quarter. The advance was paid back prior to year-end.

The Township also made a \$124 transfer from the Cemetery Capital Projects Fund to the General Fund, and an \$9 transfer from the Debt Service Fund to the General Fund in order to close the two unused funds.

Note 10 – FUND BALANCE RESTATEMENT

The Township's special revenue funds' and capital project funds' fund cash balances were restated due to accounting revisions related to certain Ohio Department of Transportation grant funds as follows:

| | Special Revenue Funds' | Capital Projects Funds' |
|--------------------------------------|------------------------------|-------------------------------|
| Fund Cash Balance, December 31, 2015 | \$3,053,458 | \$2,020,548 |
| Accounting Revision | <u>129,163</u> | <u>(129,163)</u> |
| Fund Cash Balance, January 1, 2016 | <u>\$3,182,621</u> | <u>\$1,891,385</u> |



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, Ohio 44077

To the Township 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 the cash balances, receipts, and disbursements by fund type of Concord Township, Lake County, Ohio, (the Township) as of and for the year ended December 31, 2016, and the related notes to the financial statements and have issued our report thereon dated May 31, 2017 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2017



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 20, 2017**