



OHIO AUDITOR OF STATE  
**KEITH FABER**





CONCORD TOWNSHIP  
LAKE COUNTY

TABLE OF CONTENTS

| TITLE  | PAGE |
|--|------|
| Independent Auditor's Report .....   | 1    |
| Prepared by Management:  |      |
| Combined Statement of Receipts, Disbursements<br>And Changes in Fund Balances (Cash Basis)<br>All Governmental Fund Types<br>For the Year Ended December 31, 2020 .....                  | 5    |
| Notes to the Financial Statements .....  | 6    |
| Schedule of Expenditures of Federal Awards.....  | 15   |
| Notes to the Schedule of Expenditures of Federal Awards.....   | 16   |
| Independent Auditor's Report on Internal Control Over<br>Financial Reporting and on Compliance and Other Matters<br>Required by <i>Government Auditing Standards</i> .....               | 17   |
| Independent Auditor's Report on Compliance with Requirements<br>Applicable to the Major Federal Program and on Internal Control Over<br>Compliance Required by the Uniform Guidance..... | 19   |
| Schedule of Findings .....   | 21   |

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# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## 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 for each governmental fund type as of and for the year ended December 31, 2020, and related notes of Concord Township, Lake County, Ohio (the Township).

### ***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 such 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, 2020, and the respective 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 cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020, and related notes of the Township, 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.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

***Other Matters***

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2021, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 17, 2021

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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, 2020*

|  | General          | Special<br>Revenue | Capital<br>Projects | Permanent       | Totals<br>(Memorandum<br>Only) |
|--|------------------|--------------------|---------------------|-----------------|--------------------------------|
| <b>Cash Receipts</b>                                 |                  |                    |                     |                 |                                |
| Property and Other Local Taxes                       | \$869,349        | \$7,054,648        | \$64,767            |                 | \$7,988,764                    |
| Charges for Services                                 | 2,868            | 422,467            |                     |                 | 425,335                        |
| Licenses, Permits and Fees                           | 293,609          |                    |                     |                 | 293,609                        |
| Fines and Forfeitures                                | 75               |                    |                     |                 | 75                             |
| Intergovernmental                                    | 320,461          | 2,349,617          |                     |                 | 2,670,078                      |
| Special Assessments                                  |                  | 136,287            |                     |                 | 136,287                        |
| Earnings on Investments                              | 43,566           | 3,139              |                     | 569             | 47,274                         |
| Miscellaneous  | 82,452           | 251,748            |                     | 3,300           | 337,500                        |
| <i>Total Cash Receipts</i>                           | <u>1,612,380</u> | <u>10,217,906</u>  | <u>64,767</u>       | <u>3,869</u>    | <u>11,898,922</u>              |
| <b>Cash Disbursements</b>                            |                  |                    |                     |                 |                                |
| Current:   |                  |                    |                     |                 |                                |
| General Government                                   | 1,379,776        | 33,839             |                     |                 | 1,413,615                      |
| Public Safety  | 17,486           | 5,441,415          |                     |                 | 5,458,901                      |
| Public Works   | 20,000           | 3,391,420          |                     |                 | 3,411,420                      |
| Health   |                  | 30,855             |                     |                 | 30,855                         |
| Conservation-Recreation                              | 209,014          |                    |                     |                 | 209,014                        |
| Other  |                  | 154,975            |                     |                 | 154,975                        |
| Capital Outlay                                       |                  | 177,284            | 63,344              |                 | 240,628                        |
| <i>Total Cash Disbursements</i>                      | <u>1,626,276</u> | <u>9,229,788</u>   | <u>63,344</u>       | <u>0</u>        | <u>10,919,408</u>              |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(13,896)</u>  | <u>988,118</u>     | <u>1,423</u>        | <u>3,869</u>    | <u>979,514</u>                 |
| <b>Other Financing Receipts</b>                      |                  |                    |                     |                 |                                |
| Sale of Capital Assets                               |                  | 4,050              | 13,606              |                 | 17,656                         |
| <i>Total Other Financing Receipts</i>                | <u>0</u>         | <u>4,050</u>       | <u>13,606</u>       | <u>0</u>        | <u>17,656</u>                  |
| <i>Net Change in Fund Cash Balances</i>              | (13,896)         | 992,168            | 15,029              | 3,869           | 997,170                        |
| <i>Fund Cash Balances, January 1</i>                 | <u>284,682</u>   | <u>3,881,004</u>   | <u>877,478</u>      | <u>60,368</u>   | <u>5,103,532</u>               |
| <i>Fund Cash Balances, December 31</i>               | <u>\$270,786</u> | <u>\$4,873,172</u> | <u>\$892,507</u>    | <u>\$64,237</u> | <u>\$6,100,702</u>             |

See accompanying notes to the basic financial statements

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**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.

***Health Care Insurance Pool***

Concord Township participates in the Jefferson Health Plan (JHP), which is a claims servicing self-insurance pool organized for the purpose of establishing and carrying out a cooperative program to administer medical and prescription drug benefits. The JHP is a council of governments of school districts and other political subdivisions organized and existing as a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code providing health care and related insurance benefits to over fifty member organizations. The JHP's business affairs are conducted by a Board of Directors elected from member organizations and composed of one representative from each county served and a career center representative. Each member organization pays a monthly premium based on its claims history and monthly administrative fee.

The Jefferson Health Plan contracts with third-party administrators to process and pay health and prescription drug claims incurred by township employees and their eligible dependents. The cash balance in the Township's account as of December 31, 2020 was \$546,608. This amount is excluded from the Township's reported cash fund balance because this balance is held by the Health Plan and is reserved for payment for outstanding claims.

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.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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

**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 mutual funds 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.

**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. This 2.7 mills levy was renewed in 2017, beginning in 2018 for a 5-year term.

Road Levy Fund – This fund receives property tax money used for improvement, construction, reconstruction, resurfacing and repair of roads and bridges. This levy is a 1.7 continuous renewal with a .3 increase.

Safety Services Levy – This fund received property tax money used for providing fire, police and ambulance, and emergency medical services. The 4 mills. continuous levy that generates revenue for this fund replaced the 1.0 mill police protection levy and the 2.0 mills fire levy in 2016.

**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. This money is generated from Hotel Tax revenue.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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

**4. 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.

**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 and 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 2020 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end. Township 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**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 Ending December 31, 2020

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**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:

|                                | <u>2020</u>               |
|--------------------------------|---------------------------|
| Demand deposits                | <u>\$1,170,296</u>        |
| Total deposits                 | <u>1,170,296</u>          |
| Investments                    |                           |
| Money Market Investments       | 699,450                   |
| Fannie Mae                     | 386,583                   |
| Freddie Mac                    | 326,199                   |
| Federal Home Loan Bank         | 648,584                   |
| US Treasury Bonds              | <u>2,869,590</u>          |
| Total Investments              | <u>4,930,406</u>          |
| Total Deposits and Investments | <u><u>\$6,100,702</u></u> |

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure repayment of all public monies deposited in the financial institution.

**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.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**Note 3 - BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2020 follows:

| 2020 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$1,560,029          | \$1,612,380        | \$52,351  |
| Special Revenue                   | 10,060,606           | 10,221,956         | 161,350   |
| Capital Projects                  | 75,000               | 78,373             | 3,373     |
| Permanent Fund                    | 3,750                | 3,869              | 119       |
| Total                             | \$11,699,385         | \$11,916,578       | \$217,193 |

| 2020 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |             |
|---|----------------------------|---------------------------|-------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance    |
| General   | \$1,743,516                | \$1,626,276               | \$117,240   |
| Special Revenue                                       | 11,800,892                 | 9,508,383                 | 2,292,510   |
| Capital Projects                                      | 600,000                    | 63,344                    | 536,656     |
| Permanent Fund  | 5,000                      | 0                         | 5,000       |
| Total   | \$14,149,408               | \$11,198,002              | \$2,951,405 |

**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.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**Note 5 - DEBT**

In 2013 the Township was approved for a \$7,390,450 State Infrastructure Bank Loan to be used as our local match for the LAK Auburn-Crile connector Road Project for ODOT. The line of credit was reduced in 2015 to \$5,390,450. The loan term is 20 years and the first payment commenced on the 31<sup>st</sup> month after closing date of 2/1/14, and there is a 3% pre-payment penalty prior to the 36<sup>th</sup> month.

The draw feature on the SIB loan is still open as the contractor, while finished with work to be performed, still has not billed the State for the change orders requested. In addition, the State will not close out this project because it is involved with litigation with this contractor on other projects. Current encumbrances as of December 31, 2020 are \$34,206 plus interest. We hope that the project will be closed out prior to the second quarter 2021.

**Note 6 - RETIREMENT SYSTEMS**

***Ohio Public Employees Retirement System***

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare, and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equal to 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

***Ohio Police and Fire Retirement System***

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their gross wages. The Township contributed an amount equal to 24 percent of full-time fire fighter's wages. The Township has paid all contributions required through December 31, 2020.

***Social Security***

The Board Members of the Zoning Commission and Board of Zoning Appeals, as well as, the Volunteer fire fighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.



CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**Note 7 - RISK MANAGEMENT**

**Worker's Compensation**

Worker's Compensation coverage is provided by the State of Ohio. The Township pays the State Worker's Compensation System a premium based on a rate of \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Commercial Insurance**

The Township has obtained commercial insurance through the Ohio Plan for the following risks:

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

**Note 8 - CONTINGENT LIABILITIES**

The Township is the defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe that the resolution of these matters will not materially adversely affect the Township's financial condition.

**Note 9 - FUND BALANCES**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

| <u>Fund Balances</u>     | <u>Special<br/>Revenue</u> | <u>Permanent</u> | <u>Total</u>     |
|--------------------------|----------------------------|------------------|------------------|
| Nonspendable:            |                            |                  |                  |
| Corpus                   |                            | \$57,715         | \$57,715         |
| Outstanding Encumbrances | \$278,252                  |                  | 278,252          |
| Total                    | <u>\$278,252</u>           | <u>\$57,715</u>  | <u>\$335,967</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, capital projects, and permanent funds would include the outstanding encumbrances. In the general funds, outstanding encumbrances are considered assigned.

**Note 10 - SUBSEQUENT EVENTS**

On November 3, 2020, Concord Township voters voted in favor of an \$8,000,000 bond levy for the purpose of constructing, furnishing, and equipping fire station buildings and improving the sites thereof. The levy will be repaid annually over a maximum 26 years at .6 mills for each one dollar of tax valuation. Subsequently, the bond sale occurred on June 3, 2021.

CONCORD TOWNSHIP  
LAKE COUNTY

Notes to the Financial Statements  
For the Year Ending December 31, 2020

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**Note 11 - CHANGE IN ACCOUNTING PRINCIPLE**

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition for fiduciary funds, adding a separate combined statement of additions, deductions, and changes to the fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash balances) – all governmental fund types.

The effect of this change restated beginning cash balance in the general fund type from \$279,793 to \$284,682 and in the fiduciary fund type from \$4,889 to \$0.

**Note 12 - COVID -19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either Federal or State cannot be estimated.

During 2020, the Township received CARES Act funding of \$908,879. Of the amounts received, \$3,000 was provided as a donation to the Fair Housing Resource Center. The remainder amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**CONCORD TOWNSHIP  
LAKE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

| <b>FEDERAL GRANTOR</b><br><i>Pass Through Grantor</i><br><b>Program / Cluster Title</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|---|------------------------------------|---------------------------------------|
| <b><u>U.S. DEPARTMENT OF TREASURY:</u></b>  |                                    |                                       |
| <i>Passed Through Ohio Office of Budget and Management:</i>                             |                                    |                                       |
| COVID-19 - Coronavirus Relief Fund  | 21.019                             | <u>\$908,879</u>                      |
| Total U.S. Department of Treasury   |                                    | <u><b>908,879</b></u>                 |
| <b>Total Expenditures of Federal Awards</b>   |                                    | <u><b>\$908,879</b></u>               |

*The accompanying notes are an integral part of this schedule.*

**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Concord Township (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the cash balances, receipts and disbursement by fund type of the Township.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## 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 for each governmental fund type combined total as of and for the year ended December 31, 2020, and related notes of Concord Township, Lake County, Ohio (the Township) and have issued our report thereon dated August 17, 2021, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. 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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 17, 2021

# OHIO AUDITOR OF STATE KEITH FABER



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Cleveland, Ohio 44113-1801  
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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Concord Township  
Lake County  
7229 Ravenna Road  
Concord, Ohio 44077

To the Township Trustees:

### ***Report on Compliance for the Major Federal Program***

We have audited Concord Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Concord Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

### ***Management's Responsibility***

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

***Opinion on the Major Federal Program***

In our opinion, Concord Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

***Report on Internal Control Over Compliance***

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 17, 2021



**CONCORD TOWNSHIP  
LAKE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |   |   |
|---------------------|---|---|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>  | Adverse- GAAP Basis<br>Unmodified - Cash Regulatory Basis |
| <b>(d)(1)(ii)</b>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | No  |
| <b>(d)(1)(ii)</b>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No  |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No  |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>   | Unmodified  |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>  | No  |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>   | ➤ Coronavirus Relief Fund, CFDA# 21.019                   |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A\B Programs</b>  | Type A: > \$ 750,000<br>Type B: all others                |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee under 2 CFR § 200.520?</b>  | No  |

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD**

None.

# OHIO AUDITOR OF STATE KEITH FABER



**CONCORD TOWNSHIP**

**LAKE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/7/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)