



OHIO AUDITOR OF STATE
KEITH FABER



**CONCORD TOWNSHIP
CHAMPAIGN COUNTY
DECEMBER 31, 2021 AND 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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Report on the Financial Statements, Internal Control, and Compliance

Concord Township
Champaign County
P.O. Box 694
St. Paris, Ohio 43078

To the Board of Trustees:

We have selectively tested certain accounts, financial records, reports and other documentation of Concord Township, Champaign County, (the Township), as of and for the years ended December 31, 2021 and 2020. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code § 117.11, and Ohio Admin. Code 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency 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, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider findings 2021-001 and 2021-005 reported in the Schedule of Findings to be internal control deficiencies management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Township, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could directly and materially affect the determination of financial statement amounts that we reported in the Schedule of Findings as item 2021-001 through 2021-004.

Township's Response to Findings

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

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2022

Concord Township*Champaign County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2021*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$65,002	\$123,169	\$188,171
Licenses, Permits and Fees	3,338		3,338
Intergovernmental	22,223	238,451	260,674
Earnings on Investments	409	298	707
Miscellaneous	2,547		2,547
<i>Total Cash Receipts</i>	<u>93,519</u>	<u>361,918</u>	<u>455,437</u>
Cash Disbursements			
Current:			
General Government	46,261		46,261
Public Safety		61,033	61,033
Public Works		195,313	195,313
Health	11,878		11,878
<i>Total Cash Disbursements</i>	<u>58,139</u>	<u>256,346</u>	<u>314,485</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,380</u>	<u>105,572</u>	<u>140,952</u>
Other Financing Receipts (Disbursements)			
Transfers In	19,897		19,897
Transfers Out		(19,897)	(19,897)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>19,897</u>	<u>(19,897)</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	55,277	85,675	140,952
<i>Fund Cash Balances, January 1</i>	<u>(99,044)</u>	<u>713,186</u>	<u>614,142</u>
<i>Fund Cash Balances, December 31</i>	<u>(\$43,767)</u>	<u>\$798,861</u>	<u>\$755,094</u>

See accompanying notes to the basic financial statements

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Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Concord Township, Champaign County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the JSP Fire District to provide fire and EMS services and Riverside to provide EMS services, the Village of West Liberty to provide fire services, the City of Urbana to provide EMS services, and Adams Township to provide fire services.

On March 3, 2020, the Auditor of State declared the Township in fiscal emergency as of December 31, 2019, due to the existence of a negative fund balance in the General Fund and treasury deficiency balance. The declaration resulted in a financial planning and supervision commission assuming management responsibilities for the duration of this emergency. The initial meeting was held on July 30, 2020. The Township's financial recovery plan included passing legislation to move inside millage from the Road and Bridge Fund to the General Fund and requested from the Department of Taxation to transfer fund balance in the Road and Bridge Fund to the General Fund.

Public Entity Risk Pools

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool available to Ohio townships. Note 7 to the financial statements provide additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies – (Continued)

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Road District Fund The road district fund accounts for and reports the receipt of property taxes restricted for maintenance and repair of roads within the Township.

Local Fiscal Recovery Fund This fund receives American Rescue Plan Act of 2021 government money to aid with public health/negative economic impacts, for premium pay, for revenue loss and for investments in water, sewer and broadband infrastructure.

Fire and EMS Fund The fire and EMS fund accounts for and reports the receipt of property tax monies restricted for the purpose of providing fire and EMS services to Township residents.

Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 4.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies – (Continued)

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:

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.

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

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.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, at December 31, 2021, the General fund had a deficit cash balance of \$43,767.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021, follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,597	\$113,416	\$6,819
Special Revenue	351,009	361,918	10,909
Total	\$457,606	\$475,334	\$17,728

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$68,440	\$58,139	\$10,301
Special Revenue	350,547	276,243	74,304
Total	\$418,987	\$334,382	\$84,605

Note 5 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit account is as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposit	\$755,094
<i>Total carrying amount of deposits held in the Pool</i>	\$755,094

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Social Security

One Township employee 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, 2021.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits

OPERS offers 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 11 - Fund Balance

The fund balance of special revenue funds is either restricted or committed. These restricted and committed fund balances in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. There were no outstanding encumbrances.

Concord Township*Champaign County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$32,009	\$153,015	\$185,024
Licenses, Permits and Fees	2,386		2,386
Intergovernmental	16,546	164,790	181,336
Earnings on Investments	355	233	588
Miscellaneous	6,430	2,016	8,446
<i>Total Cash Receipts</i>	<u>57,726</u>	<u>320,054</u>	<u>377,780</u>
Cash Disbursements			
Current:			
General Government	50,485		50,485
Public Safety		36,726	36,726
Public Works		93,510	93,510
Health	11,746		11,746
<i>Total Cash Disbursements</i>	<u>62,231</u>	<u>130,236</u>	<u>192,467</u>
<i>Net Change in Fund Cash Balances</i>	(4,505)	189,818	185,313
<i>Fund Cash Balances, January 1</i>	<u>(94,539)</u>	<u>523,368</u>	<u>428,829</u>
<i>Fund Cash Balances, December 31</i>	<u>(\$99,044)</u>	<u>\$713,186</u>	<u>\$614,142</u>

See accompanying notes to the basic financial statements

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Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Concord Township, Champaign County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the JSP Fire District to provide fire and EMS services and Riverside to provide EMS services, the Village of West Liberty to provide fire services, the City of Urbana to provide EMS services, and Adams Township to provide fire services.

On March 3, 2020, the Auditor of State declared the Township in fiscal emergency as of December 31, 2019, due to the existence of a negative fund balance in the General Fund and treasury deficiency balance. The declaration resulted in a financial planning and supervision commission assuming management responsibilities for the duration of this emergency. The initial meeting was held on July 30, 2020. The Township's financial recovery plan included passing legislation to move inside millage from the Road and Bridge Fund to the General Fund and requested from the Department of Taxation to transfer fund balance in the Road and Bridge Fund to the General Fund.

Public Entity Risk Pools and Related Organizations

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool available to Ohio townships. Note 7 to the financial statements provide additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies – (Continued)

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Road District Fund The road district fund accounts for and reports the receipt of property taxes restricted for maintenance and repair of roads within the Township.

Fire and EMS Fund The fire and EMS fund accounts for and reports the receipt of property tax monies restricted for the purpose of providing fire and EMS services to Township residents.

Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies – (Continued)

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:

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.

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

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.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, at December 31, 2020, the General fund had a deficit cash balance of \$99,044.

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,781	\$57,726	(\$6,055)
Special Revenue	317,390	320,054	2,664
Total	\$381,171	\$377,780	(\$3,391)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,760	\$62,231	\$29,529
Special Revenue	590,630	130,236	460,394
Total	\$682,390	\$192,467	\$489,923

Note 5 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit account is as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposit	\$614,142
<i>Total carrying amount of deposits held in the Pool</i>	\$614,142

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Concord Township
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

One Township employee 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
Champaign County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Postemployment Benefits

OPERS offers 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. 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.

Note 11 - Fund Balance

The fund balance of special revenue funds is either restricted or committed. These restricted and committed fund balances in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. There were no outstanding encumbrances.

Note 12 - Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

**CONCORD TOWNSHIP
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

1.

<i>Finding Number</i>	2021-001
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Noncompliance and Internal Control Deficiency

Ohio Rev. Code § 5705.09 states, in part, that each subdivision shall establish the following funds, among others: (D) A special fund for each special levy; and (F) a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

Ohio Rev. Code § 5705.10 provides, in part, (C) that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made and (D) that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

Auditor of State Bulletin 2020-007 states, in part, for Bureau of Workers' Compensation (BWC) COVID-19 rebates/dividends received, local governments must return the prorated portion of the rebate attributable to local, state or federally-restricted fund to those funds. However, the amount returned to these restricted funds would be capped by the premium paid for the policy year associated with the rebate. Any amounts received in excess of the original premium payment would be unrestricted and could be receipted in the general fund.

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to provide the information given to the readers of the financial statements is complete and accurate. The following audit adjustments were posted to the December 31, 2020 financial statements and accounting records:

- General Fund Miscellaneous receipts were reduced by \$1,562 and Gasoline Tax and Road and Bridge Special Revenue Funds Miscellaneous receipts were increased by \$1,289 and \$273, respectively, in 2020 to adjust Bureau of Workers' Compensation premium refund receipts that were not properly allocated among funds.
- Adjusted Gasoline Tax Fund 2020 beginning fund balance by reducing it and Public Works expenditures by \$278 due to an adjustment to 2019 made in 2020 for a voided check.
- General Fund Miscellaneous receipts were reduced by \$454 and Motor Vehicle License Tax and Gasoline Tax Funds Miscellaneous Receipts were increased by \$304 and \$150, respectively, in 2020 to adjust OTARMA refund receipts that were not properly allocated among funds.

Additionally, the Township received permissive motor vehicle license tax monies in 2020 and 2021. The Township did not create a special fund consisting of monies only relating to the permissive motor vehicle license tax for the receipts and instead posted them into the Motor Vehicle License Tax Fund. The receipt and expenditure activity netted to \$0 in both fiscal year 2020 and 2021; therefore, no adjustments in the accounting system were needed.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds. The Fiscal Officer should also create a special fund, a Permissive Motor Vehicle License Tax Fund, to separately track receipts and expenditures.

<i>Finding Number</i>	2021-001 (Continued)
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Officials' Response:

At the November 2022 meeting, the trustees passed Resolution 2022-10 which establishes the Permissive Motor Vehicle License Fund. Receipts received for the permissive motor vehicle license tax monies will be posted to this newly established PMVL Fund, and permissive motor vehicle license tax monies previously received in 2022 will be reallocated to the PMVL Fund.

2.

<i>Finding Number</i>	2021-002
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Noncompliance

Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

All of the Township's elected officials with terms ending during the audit period, did not, during their term of office ending December 31, 2021, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

Officials' Response:

The elected officials are aware that they, or their designee(s), should attend public records training and maintain proof of completion. The fiscal officer will send the trustees necessary information regarding upcoming Certified Public Records Training.

3.

<i>Finding Number</i>	2021-003
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Noncompliance

Ohio Rev. Code § 121.22(C) states, in part, the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection.

The Township failed to prepare, file, and maintain minutes for the March 2020 meeting. The minutes, dated April 13, 2020, noted the minutes were not available for the March 2020 meeting due to resignation of the Fiscal Officer.

<i>Finding Number</i>	2021-003 (Continued)
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The minutes represent the official record of the Township events and resolutions passed by the Board of Trustees. Failure to complete and maintain Township minutes could result in important approvals being undocumented.

The Township officials should implement procedure to verify all public records are completed and maintained as required by the Ohio Revised Code.

Officials' Response:

During the March 2020 meeting, the fiscal officer resigned from the position and minutes were not taken for this particular meeting. From April 2020 thru current day, minutes for each meeting have been taken and subsequently approved at the next regularly scheduled township meeting.

4.

<i>Finding Number</i>	2021-004
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Noncompliance

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established.

Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit fund balances.

The General Fund had a deficit fund balance of \$43,767 and \$99,044 at December 31, 2021 and 2020, respectively. Negative fund balances could result in the use of restricted receipts for unallowable purposes. A procedure(s) and control(s), such as the Management and/or Board's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to identify those funds that may potentially develop a negative balance.

Advances or transfers should be made for these funds or appropriations modified to prevent a negative cash balance. The Township should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

The Township should develop and implement procedures to regularly monitor cash fund balances and also consider the reduction of disbursements, if possible, to avoid negative fund balances.

Officials' Response:

On March 3, 2020, the Auditor of State declared the Township in fiscal emergency as of December 31, 2019, due to the existence of a negative fund balance in the General Fund. The declaration resulted in a financial planning and supervision commission assuming management responsibilities for the duration of this emergency. The initial meeting was held on July 30, 2020. The Township's fiscal recovery plan included passing legislation to move inside millage from the Road and Bride Fund to the General Fund and requested from the Department of Taxation to transfer fund balance in the Road and Bridge Fund to the General Fund.

5.

<i>Finding Number</i>	2021-005
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Internal Control Deficiency – Receipt Support

The Township should maintain an accounting system and accounting records sufficient to enable the Township to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Five instances were noted where the Township lacked sufficient documentation (e.g. number of square feet permit purchased was for or number of land splits) to support the amount of License, Permits and Fees collections the Township received. While the receipts were able to be traced to the Township's bank account and some supporting documentation was attached, it could not be determined whether the amount the Township charged agreed with rates in force due to insufficient supporting documentation.

The failure to complete and maintain adequate supporting documentation of collected monies could result in errors or irregularities in the posting of receipts.

The Township should implement additional policies and procedures for all individuals whom are responsible for cash collections. The Township should require a uniform system of documentation to accompany all receipts to support all cash collections, including, but not limited to, validated bank deposit slips, copies of checks received, duplicate receipt books, order forms, and other such records that support the completeness of receipts.

Officials' Response:

The Township recently added procedures that will have the Zoning Inspector provide written explanation/calculation for zoning fees collected. This written explanation/calculation, as well as the check issued for payment for the zoning fee, will be given to the Fiscal Officer and attached with the UAN receipt.

**CONCORD TOWNSHIP
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2019-001	Material Weakness and Noncompliance – Trustee Salary Allocation	Yes	
2019-002	Noncompliance – Appropriations Exceeded Estimated Resources	Yes	

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OHIO AUDITOR OF STATE KEITH FABER



CONCORD TOWNSHIP

CHAMPAIGN 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 12/1/2022

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
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