



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CONCORD TOWNSHIP  
CHAMPAIGN COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Concord Township  
Champaign County  
6239 Millerstown Eris Road  
Urbana, Ohio 43078

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Champaign County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2000 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 grants.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

August 23, 2000

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CONCORD TOWNSHIP  
CHAMPAIGN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Local Taxes	\$15,451	\$64,570	\$80,021
Intergovernmental	32,591	114,991	147,582
Licenses, Permits, and Fees	5,788		5,788
Interest Income	3,014	4,521	7,535
Other Revenue	163	34,914	35,077
Total Cash Receipts	57,007	218,996	276,003
<b>Cash Disbursements:</b>			
Current:			
General Government	22,372		22,372
Public Safety		13,238	13,238
Public Works		136,770	136,770
Health	5,407		5,407
Conservation - Recreation		99,495	99,495
Debt Service:			
Redemption of Principal		66,042	66,042
Interest and Fiscal Charges		1,627	1,627
Capital Outlay	406	9,500	9,906
Total Cash Disbursements	28,185	326,672	354,857
Total Receipts Over/(Under) Disbursements	28,822	(107,676)	(78,854)
<b>Other Financing Receipts:</b>			
Proceeds of Note		82,500	82,500
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	28,822	(25,176)	3,646
Fund Cash Balances, January 1	57,661	185,498	243,159
<b>Fund Cash Balances, December 31</b>	<b>\$86,483</b>	<b>\$160,322</b>	<b>\$246,805</b>

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

CONCORD TOWNSHIP  
CHAMPAIGN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Local Taxes	\$11,848	\$57,608	\$69,456
Intergovernmental	26,597	76,431	103,028
Licenses, Permits, and Fees	3,188		3,188
Interest Income	3,029	4,543	7,572
Other Revenue		7,786	7,786
	44,662	146,368	191,030
<b>Cash Disbursements:</b>			
Current:			
General Government	21,776		21,776
Public Safety		12,327	12,327
Public Works		79,000	79,000
Health	5,166		5,166
Conservation - Recreation		80,545	80,545
Debt Service:			
Interest and Fiscal Charges		583	583
Capital Outlay		3,500	3,500
	26,942	175,955	202,897
Total Receipts Over/(Under) Disbursements	17,720	(29,587)	(11,867)
<b>Other Financing Receipts:</b>			
Proceeds of Note		66,042	66,042
Sale of Fixed Assets		907	907
	0	66,949	66,949
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	17,720	37,362	55,082
Fund Cash Balances, January 1	39,941	148,136	188,077
<b>Fund Cash Balances, December 31</b>	<b>\$57,661</b>	<b>\$185,498</b>	<b>\$243,159</b>

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



**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Concord Township, Champaign County, (the Township) is a body corporate and politic established 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 provides general governmental services, including road maintenance, cemetery maintenance, fire protection and emergency medical services. The Champaign County Sheriff's department provides security of persons and property.

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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

The Township utilized an interest bearing checking account for all its funds.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

Park Fund- this fund receives grant money and donations to pay for development of a park.

**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

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

**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 reappropriated. The Township did not use the encumbrance method of accounting.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. 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.

**2. EQUITY IN POOLED CASH**

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

	<b>1999</b>	<b>1998</b>
Demand Deposits	\$246,805	\$243,159

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,231	\$57,007	\$26,776
Special Revenue	333,995	301,496	(32,499)
Debt Service	103	0	(103)
Total	<u>\$364,329</u>	<u>\$358,503</u>	<u>(\$5,826)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$87,892	\$28,185	\$59,707
Special Revenue	519,493	326,672	192,821
Debt Service	103	0	103
Total	<u>\$607,488</u>	<u>\$354,857</u>	<u>\$252,631</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,159	\$44,662	\$14,503
Special Revenue	228,261	213,317	(14,944)
Total	<u>\$258,420</u>	<u>\$257,979</u>	<u>(\$441)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,100	\$26,942	\$43,158
Special Revenue	376,397	175,955	200,442
Total	<u>\$446,497</u>	<u>\$202,897</u>	<u>\$243,600</u>

The Township did not certify the availability of funds prior to expenditure which violated Ohio Rev. Code Section 5705.41(D).

**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding 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.

Public utilities are also taxed on personal and real property located within the Township.

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.

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Bank Loan for Park	\$82,500	5.60%

The bank loan for the Park is equal to the amount the Township will receive in reimbursement from a Natureworks Grant. The Township borrows funds until it is reimbursed by the State for each phase of the park development.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Bank Loan for Park
2000	\$4,620
2001	82,795
Total	\$87,415

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**6. RETIREMENT SYSTEMS** (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Concord Township  
Champaign County  
6239 Millerstown Eris Road  
Urbana, Ohio 43078

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Champaign County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-40311-001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

August 23, 2000



**CONCORD TOWNSHIP  
CHAMPAIGN COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-40311-001**

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

None of the 1999 and 1998 transactions were certified by the Clerk prior to making orders for the expenditure of Township funds. In addition, neither of the two exceptions above were utilized for these transactions. Procedures should be implemented to help assure compliance with this requirement.





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**CONCORD TOWNSHIP**

**CHAMPAIGN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**OCTOBER 10, 2000**