



**Auditor of State
Betty Montgomery**

**CONCORD TOWNSHIP
ROSS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Concord Township
Ross County
985 Jamison Road
Frankfort, Ohio 45628

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2002, and December 31, 2001. 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 auditing standards generally accepted in the United States of America 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 and reserves for encumbrances of Concord Township, Ross County, Ohio, as of December 31, 2002, and December 31, 2001, 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 March 7, 2003, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, the Board of Trustees, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 7, 2003

**CONCORD TOWNSHIP
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:						
Local Taxes	\$31,961	\$128,113	\$23,425	\$0	\$0	\$183,499
Intergovernmental	102,203	97,521	7,299	18,750	0	225,773
Charges for services	0	3,000	0	0	0	3,000
Licenses, Permits, and Fees	0	19,451	0	0	0	19,451
Earnings on Investments	5,892	638	0	0	34	6,564
Other Revenue	3,435	16,508	0	0	0	19,943
Total Cash Receipts	143,491	265,231	30,724	18,750	34	458,230
Cash Disbursements:						
Current:						
General Government	104,038	6,686	0	0	0	110,724
Public Safety	0	32,768	0	0	0	32,768
Public Works	121,655	158,855	0	0	0	280,510
Health	9,377	34,229	0	0	0	43,606
Debt Service:						
Redemption of Principal	0	0	26,045	0	0	26,045
Interest and Fiscal Charges	0	0	4,679	0	0	4,679
Capital Outlay	0	3,010	0	18,750	0	21,760
Total Cash Disbursements	235,070	235,548	30,724	18,750	0	520,092
Total Receipts Over/(Under) Disbursements	(91,579)	29,683	0	0	34	(61,862)
Other Financing Receipts						
Sale of Notes	0	24,000	0	0	0	24,000
Sale of Fixed Assets	0	2,602	0	0	0	2,602
Total other financing receipts	0	26,602	0	0	0	26,602
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(91,579)	56,285	0	0	34	(35,260)
Fund Cash Balances, January 1	166,443	215,436	1	0	3,427	385,307
Fund Cash Balances, December 31	\$74,864	\$271,721	\$1	\$0	\$3,461	\$350,047
Reserve for Encumbrances, December 31	\$1,313	\$1,963	\$0	\$0	\$0	\$3,276

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
Cash Receipts:						
Local Taxes	\$28,091	\$119,145	\$20,472	\$0	\$0	\$167,708
Intergovernmental	167,082	101,793	7,299	26,000	0	302,174
Licenses, Permits, and Fees	0	19,735	0	0	0	19,735
Charges for Services	0	3,000	0	0	0	3,000
Earnings on Investments	14,640	864	0	0	69	15,573
Other Revenue	2,785	20,628	0	0	0	23,413
Total Cash Receipts	212,598	265,165	27,771	26,000	69	531,603
Cash Disbursements:						
Current:						
General Government	86,853	6,777	0	0	0	93,630
Public Safety	0	38,776	0	0	0	38,776
Public Works	179,602	172,863	0	0	0	352,465
Health	2,752	33,324	0	0	0	36,076
Debt Service:						
Redemption of Principal	0	0	24,036	0	0	24,036
Interest and Fiscal Charges	0	0	3,735	0	0	3,735
Capital Outlay	0	104,581	0	26,000	0	130,581
Total Cash Disbursements	269,207	356,321	27,771	26,000	0	679,299
Total Receipts Over/(Under) Disbursements	(56,609)	(91,156)	0	0	69	(147,696)
Other Financing Receipts						
Proceeds of Notes	0	43,000	0	0	0	43,000
Sale of Asstets	0	7,936	0	0	0	7,936
Total Other Financing Receipts	0	50,936	0	0	0	50,936
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(56,609)	(40,220)	0	0	69	(96,760)
Fund Cash Balances, January 1	223,052	255,656	1	0	3,358	482,067
Fund Cash Balances, December 31	\$166,443	\$215,436	\$1	\$0	\$3,427	\$385,307
Reserve for Encumbrances, December 31	\$60	\$3,980	\$0	\$0	\$0	\$4,040

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Ross 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for constructing, maintaining and repairing Township roads and bridges.

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

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money to provide fire fighting and emergency services to the Township.

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township's had the following significant capital projects fund:

Road Improvement Fund- This fund receives Issue II monies for the construction, maintenance, and repair of specific township roads.

4. Fiduciary Fund (Trust Fund)

This fund is used to account for resources restricted by a legally binding trust agreement. The Township's had the following significant fiduciary fund:

Non-Expendable Trust Fund- Per the terms of the trust agreement the interest earnings can be expended. The corpus must remain intact.

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.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	2002	2001
Demand Deposits	\$350,047	\$345,307
Certificates of deposit	0	40,000
Total deposits	\$350,047	\$385,307

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$138,232	\$143,491	\$5,259
Special Revenue	237,871	291,833	53,962
Debt Service	31,271	30,724	(547)
Capital Projects	18,750	18,750	0
Non-Expendable Trust	60	34	(26)
Total	\$426,184	\$484,832	\$58,648

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$303,939	\$236,383	\$67,556
Special Revenue	446,606	237,511	209,095
Debt Service	31,271	30,724	547
Capital Projects	18,750	18,750	0
Total	\$800,566	\$523,368	\$277,198

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$87,024	\$212,598	\$125,574
Special Revenue	274,505	316,101	41,596
Debt Service	27,770	27,771	1
Capital Projects	26,000	26,000	0
Non-Expendable Trust	41	69	28
Total	\$415,340	\$582,539	\$167,199

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$312,720	\$269,207	\$43,513
Special Revenue	479,016	360,301	118,715
Debt Service	27,770	27,771	(1)
Capital Projects	26,000	26,000	0
Total	\$845,506	\$683,279	\$162,227

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, the first half is due December 31. The second half payment is due the following June 20.

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, 2002, was as follows:

General Obligation Notes:

	Principal	Interest Rate
Dump Truck	\$24,100	3.80%
Maintenance Garage	33,333	5.75%
2001 Squad Vehicle	21,525	5.75%
Total	\$78,958	

**CONCORD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

The dump truck note was issued to finance the purchase of a new dump truck to be used for Township road maintenance. The note will be paid off in two annual installments of \$12,751. The note is collateralized by the Dump Truck and the Township's taxing authority.

The garage note was established to build a new garage to house Township equipment in 1999. The remainder of the note will be repaid in annual installments of \$7,299 including interest over six years. The note is collateralized by the Township's taxing authority.

The squad vehicle note was issued to purchase a new squad vehicle for emergency service within the Township. The remainder of the note will be paid off in one annual installment of \$23,425. The note is collateralized by the Township's taxing authority.

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

Year ending December 31:	Dump Truck	Garage	Squad	Total
2003	\$12,751	\$7,299	\$23,425	
2004	12,751	7,299		
2005		7,299		
2006		7,299		
2007		7,299		
2008		7,299		
Total	<u>\$25,503</u>	<u>\$43,791</u>	<u>\$23,425</u>	<u>\$92,719</u>

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.

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 for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

The Township has commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Officials liability

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**Auditor of State
Betty Montgomery**

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

Concord Township
Ross County
985 Jamison Road
Frankfort, Ohio 45628

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated March 7, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 7, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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CONCORD TOWNSHIP

ROSS 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
MAY 8, 2003**