



**CONCORD TOWNSHIP - CITY OF PAINESVILLE
JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009



Dave Yost • Auditor of State

**CONCORD TOWNSHIP – CITY OF PAINESVILLE JOINT ECONOMIC DEVELOPMENT District
LAKE COUNTY**

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Dave Yost • Auditor of State

Concord Township – City of Painesville
Joint Economic Development District
Lake County
7229 Ravenna Road
Concord Township, Ohio 44077

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

August 10, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Concord Township – City of Painesville
Lake County
7229 Ravenna Road
Concord Township, Ohio 44077

To the Board of Trustees:

We have audited the accompanying financial statements of the Concord Township – City of Painesville Joint Economic Development District, Lake County, Ohio, (the District) as of and for the year ended December 31, 2010 and as of and for the initial year of operation ended December 31, 2009. These financial statements are the responsibility of the District'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require District's to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and December 31, 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2010 and December 31, 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Concord Township – City of Painesville Joint Economic Development District, Lake County, Ohio, as of December 31, 2010 and December 31, 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2011, on our consideration of the District'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Dave Yost
Auditor of State

August 10, 2011

CONCORD TOWNSHIP - CITY OF PAINESVILLE JEDD
LAKE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General Fund</u>
Cash Receipts:	
Local Taxes	<u>\$656,192</u>
Total Cash Receipts	<u>656,192</u>
Cash Disbursements:	
General Government	36,787
City of Painesville	146,906
Concord Township	<u>440,719</u>
Total Cash Disbursements	<u>624,412</u>
Total Receipts Over/(Under) Disbursements	<u>31,780</u>
Fund Cash Balances, January 1, 2010	<u>4,921</u>
Fund Cash Balances, December 31, 2010	<u><u>\$36,701</u></u>

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

CONCORD TOWNSHIP - CITY OF PAINESVILLE JEDD
LAKE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General Fund</u>
Cash Receipts:	
Local Taxes	\$145,686
Total Cash Receipts	<u>145,686</u>
Cash Disbursements:	
General Government	9,966
City of Painesville	32,700
Concord Township	<u>98,099</u>
Total Cash Disbursements	<u>140,765</u>
Total Receipts Over/(Under) Disbursements	<u>4,921</u>
Fund Cash Balances, January 1, 2009	<u>0</u>
Fund Cash Balances, December 31, 2009	<u><u>\$4,921</u></u>

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

**CONCORD TOWNSHIP – CITY OF PAINESVILLE JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Concord Township – City of Painesville Joint Economic Development District, Lake County, Ohio, (the District) was incorporated on August 22, 2008 under the authority of Ohio Rev. Code § 715.72 through 715.83. The District was comprised of Concord Township and the City of Painesville. The District operates under an appointed five-member Board of Trustees established in accordance with § 715.78 (A). The District was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Pursuant to § 715.74 of the Revised Code, the Board adopted a resolution to levy an income tax in the District at a rate of 1.5% for three years, effective January 1, 2009 and to be increased to 1.75% on January 1, 2012.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of a non-interest bearing checking account.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has the following fund:

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a non interest bearing checking account for the General Fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$36,701</u>	<u>\$4,921</u>
Total deposits	<u><u>\$36,701</u></u>	<u><u>\$4,921</u></u>

Deposits: Deposits are fully insured by the Federal Depository Insurance Corporation.

**CONCORD TOWNSHIP – CITY OF PAINESVILLE JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. LOCAL INCOME TAX

The District levies a municipal income tax of 1.5% percent on substantially all earned income arising from employment, residency, or business activities within the District.

Employers within the District withhold income tax on employee compensation and remit the tax to the Central Collection Agency which is then distributed to the District; the District retains 8% and distributes of the remainder, 75% to Concord Township and 25% to the City of Painesville.

4. RISK MANAGEMENT

The District has obtained commercial insurance for general liabilities. The District's property is covered under the policy held by Concord Township.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Concord Township – City of Painesville
Joint Economic Development District
Lake County
7229 Ravenna Road
Concord Township, Ohio 44077

To the Board of Trustees:

We have audited the financial statements of the Concord Township – City of Painesville Joint Economic Development District, Lake County, Ohio, (the District) as of and for the year ended December 31, 2010 and as of and for the initial year of operation ended December 31, 2009, and have issued our report thereon dated August 10, 2011, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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*.

We intend this report solely for the information and use of the audit committee, management, the Board of Trustees, and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

August 10, 2011



Dave Yost • Auditor of State

CONCORD TOWNSHIP-CITY OF PAINESVILLE JOINT ECONOMIC DEVELOPMENT DISTRICT

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 23, 2011