



CONCORD TOWNSHIP, ROSS COUNTY

Regular Audit

For the Years Ended December 31, 2012 and 2011

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
Concord Township
985 Jameson Road
Frankfort, Ohio 45628

We have reviewed the *Independent Auditor's Report* of Concord Township, Ross County, prepared by J. L. Uhrig and Associates, Inc., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Concord Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 10, 2013

This Page Left Intentionally Blank

CONCORD TOWNSHIP, ROSS COUNTY
Table of Contents
For the Years Ended December 31, 2012 and 2011

Independent Auditor's Report.....	1
FINANCIAL STATEMENTS:	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2012	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2011	4
Notes to the Financial Statements.....	5
Independent Accountant's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards.....	13
Schedule of Prior Audit Findings.....	15

This page intentionally left blank.

Independent Auditor's Report

Board of Trustees
Concord Township, Ross County
985 Jamison Road
Frankfort, OH 45628

To the Board of Trustees,

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Concord Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Concord Township, Ross County as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 2.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during 2011 Concord Township, Ross County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2013 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. Uhrig and Associates, Inc.
Chillicothe, Ohio

February 15, 2013

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2012

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<u>Cash Receipts:</u>						
Local Taxes	\$53,324	\$220,721	\$0	\$0	\$0	\$274,045
Intergovernmental	69,871	109,384	0	50,150	0	229,405
Charges for Services	0	5,000	0	0	0	5,000
Gifts and Donations	0	399,882	0	0	0	399,882
Licenses, Permits, and Fees	0	19,201	0	0	0	19,201
Earnings on Investments	669	279	0	0	0	948
Other Revenue	7,989	31,510	0	0	0	39,499
Total Cash Receipts	131,853	785,977	0	50,150	0	967,980
<u>Cash Disbursements:</u>						
<i>Current:</i>						
General Government	115,245	36,336	0	0	0	151,581
Public Safety	0	84,087	0	0	0	84,087
Public Works	37,310	212,019	0	0	0	249,329
Health	18,725	26,265	0	0	0	44,990
<i>Debt Service:</i>						
Redemption of Principal	0	0	16,137	0	0	16,137
Interest and Fiscal Charges	0	0	2,998	0	0	2,998
Capital Outlay	0	339,280	0	50,150	0	389,430
Total Cash Disbursements	171,280	697,987	19,135	50,150	0	938,552
Total Cash Receipts Over/(Under) Cash Disbursements	(39,427)	87,990	(19,135)	0	0	29,428
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	0	0	19,135	0	0	19,135
Operating Transfers Out	0	(19,135)	0	0	0	(19,135)
Total Other Financing Sources (Uses)	0	(19,135)	19,135	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(39,427)	68,855	0	0	0	29,428
Fund Cash Balances, January 1	56,620	317,187	0	0	3,580	377,387
Nonspendable	0	0	0	0	3,500	3,500
Restricted	0	386,042	0	0	80	386,122
Unassigned	17,193	0	0	0	0	17,193
Fund Cash Balances, December 31	\$17,193	\$386,042	\$0	\$0	\$3,580	\$406,815

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2011

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<u>Cash Receipts:</u>						
Local Taxes	\$53,992	\$222,255	\$0	\$0	\$0	\$276,247
Intergovernmental	107,059	124,388	0	42,000	0	273,447
Charges for Services	0	5,000	0	0	0	5,000
Licenses, Permits, and Fees	0	20,601	0	0	0	20,601
Earnings on Investments	1,470	593	0	0	2	2,065
Other Revenue	9,703	36,095	0	0	0	45,798
Total Cash Receipts	172,224	408,932	0	42,000	2	623,158
<u>Cash Disbursements:</u>						
<i>Current:</i>						
General Government	119,023	17,111	0	0	0	136,134
Public Safety	0	72,580	0	0	0	72,580
Public Works	15,586	225,351	0	0	0	240,937
Health	25,454	17,616	0	0	0	43,070
<i>Debt Service:</i>						
Redemption of Principal	0	0	15,804	0	0	15,804
Interest and Fiscal Charges	0	0	3,453	0	0	3,453
Capital Outlay	0	22,655	0	42,000	0	64,655
Total Cash Disbursements	160,063	355,313	19,257	42,000	0	576,633
Total Cash Receipts Over/(Under) Cash Disbursements	12,161	53,619	(19,257)	0	2	46,525
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	0	0	19,257	0	0	19,257
Operating Transfers Out	0	(19,257)	0	0	0	(19,257)
Total Other Financing Sources (Uses)	0	(19,257)	19,257	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	12,161	34,362	0	0	2	46,525
Fund Cash Balances, January 1	44,459	282,825	0	0	3,578	330,862
Nonspendable	0	0	0	0	3,500	3,500
Restricted	0	317,187	0	0	80	317,267
Unassigned	56,620	0	0	0	0	56,620
Fund Cash Balances, December 31	\$56,620	\$317,187	\$0	\$0	\$3,580	\$377,387

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 1 – Reporting Entity

Concord Township, Ross County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, fire protection and emergency medical services.

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 Accounting

The Township's 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. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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:

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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.

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.

Cemetery Fund – This fund receives property tax money for maintaining Township cemeteries.

Special Levy 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.

Debt Service Fund: This fund accounts for resources the Township accumulates to pay note debt. The Township had the following Debt Service Fund:

General Bond (Note) Retirement Fund - This fund receives real estate and gasoline tax money to retire the debt the Township has incurred.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Projects Funds: These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund:

Miscellaneous Capital Projects - The Township received funding to assist in repair and maintenance of Township roads.

Permanent Funds: These funds are used to account for resources restricted by legally binding trust agreements, whereby the agreement requires the Township to maintain the corpus of the trust.

Budgetary Process

The Ohio Revised Code requires that each Township 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. The Ross County Budget Commission must also approve the annual appropriation measure. Unencumbered 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 Ross County Budget Commission must also certify estimated resources.

Encumbrances: The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried forward and need not be reappropriated in the subsequent year.

A summary of 2012 and 2011 budgetary activity appears in Note 4.

Fund Balances

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.

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*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 2 – Summary of Significant Accounting Policies - (continued)

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.

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.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

Note 3 – Cash and Investments

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Township had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2012	December 31, 2011
Demand Deposits	\$406,815	\$377,387

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 4 – Budgetary Basis of Accounting

The Township’s budgetary activity for the years ending December 31, 2012 and December 31, 2011 was as follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$122,521	\$131,853	\$9,332
Special Revenue	702,107	785,977	83,870
Debt Service	19,140	19,135	(5)
Capital Projects	49,900	50,150	250
Total	\$893,668	\$987,115	\$93,447

2012 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$176,621	\$171,280	\$5,341
Special Revenue	983,341	717,122	266,219
Debt Service	19,140	19,135	5
Capital Projects	49,900	50,150	(250)
Total	\$1,229,002	\$957,687	\$271,315

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 4 – Budgetary Basis of Accounting -(Continued)

2011 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$161,597	\$172,224	\$10,627
Special Revenue	314,613	408,932	94,319
Debt Service	19,261	19,257	(4)
Capital Projects	37,237	42,000	4,763
Permanent	0	2	2
Total	\$532,708	\$642,415	\$109,707

2011 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Budgeted	Actual	Variance
General	\$164,191	\$160,063	\$4,128
Special Revenue	557,861	374,570	183,291
Debt Service	19,261	19,257	4
Capital Projects	42,000	42,000	0
Total	\$783,313	\$595,890	\$187,423

Note 5- Debt

Debt outstanding at December 31, 2012 and 2011 was as follows:

2012	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Fire Station Lot Note	\$23,800	\$0	\$3,400	\$20,400	\$3,400
Dump Truck Refinance Note	25,792	0	8,249	17,543	8,573
Dump Truck Note	18,005	0	4,488	13,517	4,509
Total	\$67,597	\$0	\$16,137	\$51,460	\$16,482

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 5- Debt – (Continued)

2011	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Fire Station Lot Note	\$27,200	\$0	\$3,400	\$23,800	\$3,400
Dump Truck Refinance Note	33,656	0	7,864	25,792	8,221
Dump Truck Note	22,545	0	4,540	18,005	4,509
Total	<u>\$83,401</u>	<u>\$0</u>	<u>\$15,804</u>	<u>\$67,597</u>	<u>\$16,130</u>

The Township obtained a note in order to purchase equipment, a One Ton Dump Truck, to use to provide road maintenance services in 2008. The note is to be repaid in three years. The note is collateralized by the Township's taxing authority.

The Township obtained a note in order to purchase a lot adjacent to the Township Fire Station in 2008. The note is to be repaid in ten years. The note is collateralized by the Township's taxing authority.

Principal and interest requirements to retire debt outstanding at December 31, 2012 are as follows:

Year end December 31	Fire Station Lot Note			Dump Truck Refinance Note			Dump Truck Note		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$3,400	\$893	\$4,293	\$8,573	\$744	\$9,317	\$4,509	\$507	\$5,016
2014	3,400	744	4,144	8,970	380	9,350	4,509	338	4,847
2015	3,400	595	3,995	0	0	0	4,499	169	4,668
2016	3,400	447	3,847	0	0	0	0	0	0
2017	3,400	298	3,698	0	0	0	0	0	0
2018	3,400	149	3,549	0	0	0	0	0	0
Total	<u>\$20,400</u>	<u>\$3,126</u>	<u>\$23,526</u>	<u>\$17,543</u>	<u>\$1,124</u>	<u>\$18,667</u>	<u>\$13,517</u>	<u>\$1,014</u>	<u>\$14,531</u>

Note 6– Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and 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 April 30.

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

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2012 and 2011, the Township contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage	
		2012	2011
Ohio Government Risk Management Plan	Commercial Property	\$ 1,370,100	\$1,324,200
	General Liability	1,000,000 / 3,000,000	1,000,000 / 3,000,000
	Commercial Crime	1,000 / 5,000	1,000 / 5,000
	Inland Marine	118,300	118,300
	Vehicle	1,000,000	1,000,000
	Public Officials	10,000	10,000
	Fire Vehicle RC	2,100,000	2,100,000
	EDP	10,000	10,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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. The System administers and pays all claims.

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Note 8 – Retirement Systems

The Township's employees belong to the Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement 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. For 2012 and 2011, members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2012.

Note 9 – Change in Accounting Principle

For 2011, the Township implemented GASB Statement No. 54, "Fund Balances Reporting and Governmental Fund Type Definitions". The implementation of this statement did not result in any change in the Townships financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2012 and 2011

Note 10 – Fund Cash Balances

As of December 31, 2012, fund balances are composed of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Permanent Funds</u>	<u>Total</u>
<i>Nonspendable:</i>				
Cemetery	\$0	\$0	\$3,500	\$3,500
<i>Restricted:</i>				
Cemetery	0	27,096	80	27,176
Fire and EMS Services	0	227,690	0	227,690
Road and Bridge Maintenance	0	131,256	0	131,256
<i>Unassigned</i>	<u>17,193</u>	<u>0</u>	<u>0</u>	<u>17,193</u>
Total	<u><u>\$17,193</u></u>	<u><u>\$386,042</u></u>	<u><u>\$3,580</u></u>	<u><u>\$406,815</u></u>

As of December 31, 2011, fund balances are composed of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Permanent Funds</u>	<u>Total</u>
<i>Nonspendable:</i>				
Cemetery	\$0	\$0	\$3,500	\$3,500
<i>Restricted:</i>				
Cemetery	0	21,157	80	21,237
Fire and EMS Services	0	157,274	0	157,274
Road and Bridge Maintenance	0	138,756	0	138,756
<i>Unassigned</i>	<u>56,620</u>	<u>0</u>	<u>0</u>	<u>56,620</u>
Total	<u><u>\$56,620</u></u>	<u><u>\$317,187</u></u>	<u><u>\$3,580</u></u>	<u><u>\$377,387</u></u>

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Concord Township, Ross County
985 Jamison Road
Frankfort, OH 45628

We have audited, 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 of America, the financial statements of Concord Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated February 15, 2013, wherein we noted that the Township followed a special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. It was also noted that the Township adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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 correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Concord Township, Ross County
Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

Compliance and Other Matters

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 or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated February 15, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

Chillicothe, Ohio

February 15, 2013

CONCORD TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Year Ended December 31, 2012 and 2011

Description	Status	Comments
<i>Government Auditing Standards:</i>		
1. Significant deficiency - Cash receipts were not always posted to the correct revenue classifications.	Corrected	N/A

This page intentionally left blank.



Dave Yost • Auditor of State

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
APRIL 23, 2013**