



**Auditor of State  
Betty Montgomery**



**CONCORD TOWNSHIP  
MIAMI COUNTY**

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MIAMI COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Concord Township  
Miami County  
2678 W. State Route 718  
Troy, Ohio 45373

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Concord Township, Miami County, (the Township), as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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. The Township processes its financial statement transactions with the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Concord Township, Miami County, as of December 31, 2005 and 2004, and the respective changes in modified cash financial positions and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, and Fire District Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2005 and 2004, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2006, 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. 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Betty Montgomery**  
Auditor of State

June 21, 2006

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED**

This discussion and analysis of the Concord Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2005 are as follows:

- Net assets of Township activities decreased \$42,470 or 2.3 percent, from the prior year. The funds most affected by the decrease in cash and cash equivalents were the Gasoline Tax, Road & Bridge, Fire District, and Other Governmental Funds, which realized the greatest burden of increased costs in 2005.
- The Township's general receipts are primarily property taxes. These receipts represent respectively 52 percent of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Township has slowed.
- The major project of the year was paving of the Merrimont and Cedar Ridge Subdivisions. Another significant event was the record snow fall in late December of 2004. The costs associated with that event were partially reimbursed by FEMA in early 2005.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the Township-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED  
(Continued)**

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, one can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township had one type of activity:

**Governmental Activities** - The Township's basic services are reported here, including street and road construction, maintenance, and repair, along with contracted fire and emergency medical services. Property taxes, gasoline taxes, and motor vehicle license fees finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major funds are the General Fund, Gasoline Tax Fund, Road & Bridge Fund, and the Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED  
(Continued)**

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a modified cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$80,048	\$75,232
Investments	1,676,499	1,723,785
Total Assets	1,756,547	1,799,017
<b>Net Assets</b>		
Restricted for:		
Other Purposes	438,173	594,632
Unrestricted	1,318,374	1,204,385
Total Net Assets	\$1,756,547	\$1,799,017

As mentioned previously, net assets of Township activities decreased \$42,470 percent during 2005. The primary reasons contributing to the decreases in cash balances are as follows:

- The Township had several streets that were in very poor condition that needed extensive repairs costing in excess of \$236,380.

Table 2 reflects the changes in net assets in 2005.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED  
(Continued)**

**(Table 2)  
Changes in Net Assets**

	<b>Governmental Activities 2005</b>	<b>Governmental Activities 2004</b>	<b>Variance</b>
<b>Receipts:</b>			
Program Receipts:			
Charges for Services and Sales	\$13,258	\$13,060	\$198
Operating Grants and Contributions	152,224	157,674	(5,450)
<b>Total Program Receipts</b>	<b>165,482</b>	<b>170,734</b>	<b>(5,252)</b>
General Receipts:			
Property and Other Local Taxes	490,497	487,378	3,119
Grants and Entitlements Not Restricted to Specific Programs	186,175	78,521	107,654
Interest	60,296	24,772	35,524
Miscellaneous	33,072	292,352	(259,280)
<b>Total General Receipts</b>	<b>770,040</b>	<b>883,023</b>	<b>(112,983)</b>
<b>Total Receipts</b>	<b>935,522</b>	<b>1,053,757</b>	<b>(118,235)</b>
<b>Disbursements:</b>			
General Government	138,421	140,355	(1,934)
Public Safety	362,998	268,804	94,194
Public Works	446,651	235,958	210,693
Health	29,584	29,273	311
Capital Outlay	338	2,907	(2,569)
<b>Total Disbursements</b>	<b>977,992</b>	<b>677,297</b>	<b>300,695</b>
Excess (Deficiency) Before Transfers	(42,470)	376,460	333,990
Transfers In	5,142		5,142
Transfers Out	(5,142)		(5,142)
<b>Increase (Decrease) in Net Assets</b>	<b>(42,470)</b>	<b>376,460</b>	<b>333,990</b>
Net Assets, January 1	1,799,017	1,422,557	376,460
<b>Net Assets, December 31</b>	<b>\$1,756,547</b>	<b>\$1,799,017</b>	<b>(\$42,470)</b>

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board, departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Township attempted to limit these costs as a small portion of General Fund unrestricted receipts. Public Safety are the costs of fire protection and ambulance service.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED  
(Continued)**

**The Township's Funds**

Total Township funds had receipts of \$940,664 and disbursements of \$983,134. The greatest change within Township funds occurred within the Road & Bridge and Gasoline Tax Funds.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2005, the Township amended its appropriations once to reflect the establishment of the Federal Emergency Management Agency (FEMA) fund and the receipts from FEMA to reimburse for the expenses associated with the snow fall event. Final budgeted receipts were above original budgeted receipts due, in part, to Estate Tax and steady real estate and Local Government Fund receipts. The difference between final budgeted receipts and actual receipts was not significant.

The General Fund's final disbursements were budgeted at \$1,146,623 while actual disbursements were \$191,642. The Township budgeted aggressively, but spent carefully. The result is the increase in fund balance of \$113,590 for 2005.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure. An inventory list of assets is maintained and a copy is provided to the Miami County Engineer annually.

**Debt**

The Township had no outstanding debt.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Township relied heavily on local taxes and has very little industry to support the tax base. We reviewed our sources of revenue and determined that increases are unlikely. We then reviewed the disbursement history of the Township. While the Township was not in a deficit now, the Township may have to be cautious in the future since the Township has had very little development in the recent past.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Patricia M. Quillen, Clerk-Treasurer, Concord Township, 2678 West State Route 718, Troy, Ohio 45373.

CONCORD TOWNSHIP  
MIAMI COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$80,048
Investments	1,676,499
Total Assets	<u><u>\$1,756,547</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	438,173
Unrestricted	1,318,374
Total Net Assets	<u><u>\$1,756,547</u></u>

*See accompanying notes to the basic financial statements*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
			<u>Governmental Activities</u>
<b>Governmental Activities</b>			
General Government	\$138,421	\$1,100	\$53,187
Public Safety	362,998	12,158	(350,840)
Public Works	446,651		99,037
Health	29,584		(29,584)
Capital Outlay	338		(338)
	<hr/>	<hr/>	<hr/>
Total Governmental Activities	\$977,992	\$13,258	\$152,224
			(812,510)
<b>General Receipts</b>			
Property Taxes			460,913
Other Taxes			29,584
Grants and Entitlements not Restricted to Specific Programs			186,175
Earnings on Investments			60,296
Miscellaneous			33,072
			<hr/>
Total General Receipts			770,040
Transfers In			5,142
Transfers Out			(5,142)
			<hr/>
Total General Receipts and Transfers			770,040
			<hr/>
Change in Net Assets			(42,470)
Net Assets Beginning of Year			1,799,017
			<hr/>
Net Assets End of Year			\$1,756,547
			<hr/> <hr/>

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$36,646	\$20,922	\$17,739	\$883	\$3,858	\$80,048
Investments	1,281,728	145,721	112,721	87,068	49,261	1,676,499
Total Assets	<u>1,318,374</u>	<u>166,643</u>	<u>130,460</u>	<u>87,951</u>	<u>53,119</u>	<u>\$1,756,547</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	400	5,100	1,000		1,500	8,000
Unreserved:						
Undesignated, Reported in:						
General Fund	1,317,974					1,317,974
Special Revenue Funds		161,543	129,460	87,951	51,619	430,573
Total Fund Balances	<u>\$1,318,374</u>	<u>\$166,643</u>	<u>\$130,460</u>	<u>\$87,951</u>	<u>\$53,119</u>	<u>\$1,756,547</u>

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>						
Property and Other Local Taxes	\$55,984		\$129,283	\$305,230		\$490,497
Intergovernmental	180,369	\$79,992	18,561	40,431	\$19,046	338,399
Special Assessments					12,158	12,158
Earnings on Investments	52,325	6,771			1,200	60,296
Miscellaneous	16,553		17,619			34,172
<b>Total Receipts</b>	<u>305,231</u>	<u>86,763</u>	<u>165,463</u>	<u>345,661</u>	<u>32,404</u>	<u>935,522</u>
<b>Disbursements</b>						
Current:						
General Government	138,421					138,421
Public Safety				362,998		362,998
Public Works	23,029	160,642	219,341		43,639	446,651
Health	29,584					29,584
Capital Outlay	208		130			338
<b>Total Disbursements</b>	<u>191,242</u>	<u>160,642</u>	<u>219,471</u>	<u>362,998</u>	<u>43,639</u>	<u>977,992</u>
Excess of Receipts Over (Under) Disbursements	<u>113,989</u>	<u>(73,879)</u>	<u>(54,008)</u>	<u>(17,337)</u>	<u>(11,235)</u>	<u>(42,470)</u>
Other Financing Sources (Uses)						
Transfers In			5,142			5,142
Transfers Out					(5,142)	(5,142)
<b>Total Other Financing Sources (Uses)</b>			<u>5,142</u>		<u>(5,142)</u>	
<b>Net Change in Fund Balances</b>	<u>113,989</u>	<u>(73,879)</u>	<u>(48,866)</u>	<u>(17,337)</u>	<u>(16,377)</u>	<u>(42,470)</u>
Fund Balances Beginning of Year	<u>1,204,385</u>	<u>240,522</u>	<u>179,326</u>	<u>105,288</u>	<u>69,496</u>	<u>1,799,017</u>
<b>Fund Balances End of Year</b>	<u><u>\$1,318,374</u></u>	<u><u>\$166,643</u></u>	<u><u>\$130,460</u></u>	<u><u>\$87,951</u></u>	<u><u>\$53,119</u></u>	<u><u>\$1,756,547</u></u>

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND 1000  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$54,865	\$55,748	\$55,984	\$236
Intergovernmental	74,701	175,304	180,370	5,066
Earnings on Investments	16,780	45,000	52,325	7,325
Miscellaneous	1,101	8,100	16,553	8,453
Total Receipts	<u>147,447</u>	<u>284,152</u>	<u>305,232</u>	<u>21,080</u>
<b>Disbursements</b>				
Current:				
General Government	647,923	647,923	138,821	509,102
Public Works	443,500	443,500	23,029	420,471
Health	35,000	35,000	29,584	5,416
Capital Outlay	20,000	20,000	208	19,792
Total Disbursements	<u>1,146,423</u>	<u>1,146,423</u>	<u>191,642</u>	<u>954,781</u>
Excess of Receipts Over (Under) Disbursements	<u>(998,976)</u>	<u>(860,271)</u>	<u>113,590</u>	<u>975,861</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(25,000)</u>	<u>(25,000)</u>		<u>25,000</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>		<u>25,000</u>
Net Change in Fund Balance	(1,023,976)	(887,271)	113,590	1,000,861
Fund Balance Beginning of Year	1,204,686	1,204,686	1,204,686	
Prior Year Encumbrances Appropriated	<u>200</u>	<u>200</u>	<u>200</u>	
Fund Balance End of Year	<u>\$180,910</u>	<u>\$317,615</u>	<u>\$1,318,476</u>	<u>\$1,000,861</u>

See accompanying notes to the basic financial statements.



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GAS TAX FUND 2021  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Intergovernmental	\$45,000	\$66,000	\$79,991	\$13,991
Earnings on Investments	2,350	6,000	6,771	771
Total Receipts	<u>47,350</u>	<u>72,000</u>	<u>86,762</u>	<u>14,762</u>
<b>Disbursements</b>				
Current:				
Public Works	250,001	250,001	165,742	(84,259)
Total Disbursements	<u>250,001</u>	<u>250,001</u>	<u>165,742</u>	<u>(84,259)</u>
Excess of Receipts Over (Under) Disbursements	<u>(202,651)</u>	<u>(178,001)</u>	<u>(78,980)</u>	<u>99,021</u>
Net Change in Fund Balance	(202,651)	(178,001)	(78,980)	99,021
Fund Balance Beginning of Year	238,772	238,772	238,772	
Prior Year Encumbrances Appropriated	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	
Fund Balance End of Year	<u><u>\$37,871</u></u>	<u><u>\$62,521</u></u>	<u><u>\$161,542</u></u>	<u><u>\$99,021</u></u>

*See accompanying notes to the basic financial statements.*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND 2031  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$128,862	\$131,200	\$129,283	(\$1,917)
Intergovernmental	16,602	15,800	18,560	2,760
Miscellaneous		22,400	17,619	(4,781)
Total Receipts	<u>145,464</u>	<u>169,400</u>	<u>165,462</u>	<u>(3,938)</u>
<b>Disbursements</b>				
Current:				
Public Works	315,000	315,000	220,341	94,659
Capital Outlay	2,000	2,000	130	1,870
Total Disbursements	<u>317,000</u>	<u>317,000</u>	<u>220,471</u>	<u>96,529</u>
Excess of Receipts Over (Under) Disbursements	<u>(171,536)</u>	<u>(147,600)</u>	<u>(55,009)</u>	<u>92,951</u>
<b>Other Financing Sources</b>				
Transfers In		5,142	5,142	
Total Other Financing Sources		<u>5,142</u>	<u>5,142</u>	
Net Change in Fund Balance	(171,536)	(142,458)	(49,867)	92,591
Fund Balance Beginning of Year	<u>179,326</u>	<u>179,326</u>	<u>179,326</u>	
Fund Balance End of Year	<u><u>\$7,790</u></u>	<u><u>\$36,868</u></u>	<u><u>\$129,459</u></u>	<u><u>\$92,591</u></u>

*See accompanying notes to the basic financial statements.*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND 2111  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$304,420	\$307,290	\$305,230	(\$2,060)
Intergovernmental	38,961	37,345	40,432	3,087
Total Receipts	<u>343,381</u>	<u>344,635</u>	<u>345,662</u>	<u>1,027</u>
<b>Disbursements</b>				
Current:				
Public Safety	368,000	368,000	362,998	5,002
Total Disbursements	<u>368,000</u>	<u>368,000</u>	<u>362,998</u>	<u>5,002</u>
Excess of Receipts Over (Under) Disbursements	<u>(24,619)</u>	<u>(23,365)</u>	<u>(17,336)</u>	<u>6,029</u>
Net Change in Fund Balance	(24,619)	(23,365)	(17,336)	6,029
Fund Balance Beginning of Year	<u>105,287</u>	<u>105,287</u>	<u>105,287</u>	
Fund Balance End of Year	<u><u>\$80,668</u></u>	<u><u>\$81,922</u></u>	<u><u>\$87,951</u></u>	<u><u>\$6,029</u></u>

*See accompanying notes to the basic financial statements.*

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**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**1. REPORTING ENTITY**

Concord Township, Miami County, (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 Clerk.

The reporting entity is comprised of the primary government.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the City of Troy, City of Tipp City, and Village of Covington for fire protection and ambulance services.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business type activities.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a modified cash basis or draws from the Township's general receipts.

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All the funds of the Township are governmental.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds include the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Gasoline Tax Fund received tax money for constructing, maintaining, and repairing Township roads and bridges. The Road and Bridge Fund received property tax money for constructing, maintaining, and repairing Township roads and bridges. The Fire District Fund received property tax money for fire and emergency medical services in the Township.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2005, the Township invested in STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2005 was \$52,325 and \$7,971 to other Township funds.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent \$438,173.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**J. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for fire protection and ambulance services, among other special revenue purposes.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**L. Interfund Transactions**

Transfers in governmental activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund were prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$400 for the General Fund and \$6,100 for major special revenue funds.

**4. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township had no undeposited cash on hand.

**A. Deposits**

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

As of December 31, 2005, the Township had the following investments:

	<u>Carrying Value</u>
STAR Ohio	<u>\$1,676,499</u>
Total Portfolio	<u><u>\$1,676,499</u></u>

The STAR Ohio carries a rating of AAAm by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**5. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**5. PROPERTY TAXES (Continued)**

The full tax rate for all Township operations for the year ended December 31, 2005, was \$3.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential	\$119,806,900
Agriculture	6,165,840
Commercial/Industrial	8,073,600
<b>Public Utility Property:</b>	
Real	31,600
Personal	7,012,570
Tangible Personal Property	6,115,130
Total Assessed Value	\$147,205,640

**6. 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 2005 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

Legal Liability	\$2,000,000	Per Occurrence
Automobile Liability	\$2,000,000	Per Occurrence
Wrongful Acts	\$2,000,000	Per Occurrence
Property	\$509,113	Total Coverage
Electronic Data Equipment	\$2,100	Total Coverage

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

**7. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$28,489, \$28,146, and \$27,257 respectively. The full amount has been contributed for 2005, 2004 and 2003.

**8. POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll and 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**8. POSTEMPLOYMENT BENEFITS (Continued)**

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2005 which were used to fund post-employment benefits were \$210,421. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**9. INTERFUND TRANSFERS**

During 2005 the following transfers were made:

Transfer from the Other Governmental Fund to:	\$5,142
Road and Bridge Fund	\$5,142

The transfer represents the FEMA money received in the FEMA Fund 2901 transferred to the fund in which the original expenditures were incurred.

**10. CONTINGENT LIABILITIES**

The Township is a defendant in one lawsuit. Although management cannot presently determine the outcome of the suit, their legal counsel believes that a favorable outcome is likely for the Township and that any financial loss is unlikely.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED**

This discussion and analysis of the Concord Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2004, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2004 are as follows:

- Net assets of Township activities increased \$376,460 or 26.46 percent, from the prior year. The funds most affected by the increase in cash and cash equivalents were the General and Fire Levy funds, which realized the greatest increases in 2004. The General Fund increase resulted from the sale of the Tow Path Bike Path and the Dye Mill to St. Rt. 202 Bike Path (Miami Recreational Trail) to the Miami County Park District. The Fire Levy Fund increase was due to the first year collection of the 2.4 mill replacement levy passed in November of 2003.
- The Township's general receipts are primarily property taxes. These receipts represent respectively 46 percent of the total cash received for governmental activities during the year. Property tax receipts for 2004 changed very little compared to 2003 as development within the Township is slow. The only exception is the increase millage of the Fire Levy mentioned above.

The major events and projects of the 2004 were:

- The appointment of a new Trustee, Warren Davidson, by Miami County Probate Court to replace Nevin Fessler who resigned on December 30, 2003.
- The Road Superintendent, Neil Rhoades, retired on May 31 and was rehired on June 1. He applied for and received his Ohio Public Employees Retirement.
- The Township Building had a new roof installed. One new garage door was installed and remote control openers were added to each garage door. New lighting was put in the garage.
- The Township purchased a leaf vacuum and collection box and began a leaf pick-up program in October.
- For the first time in this Township, "strip patch" was used to repair roads rather than having the whole road repaved.
- A record snowfall event occurred December 23 and 24, with depths up to 24 inches.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the Township-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED  
(Continued)**

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2004, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has only one type of activity and it is categorized as Governmental Activities. Most of the Township's basic services are reported as Governmental Activities, including street and road construction, maintenance, and repair, along with contracted fire and emergency medical services. Property taxes, gasoline taxes, and motor vehicle license fees finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED  
(Continued)**

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major funds are the General Fund, Gasoline Tax Fund, Road & Bridge Fund, and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2004 compared to 2003 on a modified cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2004</b>	<b>2003</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$75,232	\$190,132
Investments	1,723,785	1,232,425
Total Assets	1,799,017	1,422,557
<b>Net Assets</b>		
Restricted for:		
Other Purposes	594,632	441,129
Unrestricted	1,204,385	981,428
Total Net Assets	\$1,799,017	\$1,422,557

As mentioned previously, net assets of Township activities increased \$376,460 during 2004. The primary reasons contributing to the decreases in cash balances are as follows:

- The sale of two parcels of real estate (Bike Path) to the Miami County Park District.
- This was the first year of collection of the 2.4 mill fire levy which had previously been 1.5 mills.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED  
(Continued)**

Table 2 reflects the changes in net assets in 2004. The Township did not prepare financial statements in this format for 2003.

**(Table 2)  
Changes in Net Assets**

	<b>Governmental Activities 2004</b>
<b>Receipts:</b>	
Program Receipts:	
Charges for Services and Sales	\$13,060
Operating Grants and Contributions	157,674
Total Program Receipts	170,734
General Receipts:	
Property and Other Local Taxes	487,378
Grants and Entitlements Not Restricted to Specific Programs	78,521
Interest	24,772
Miscellaneous	292,352
Total General Receipts	883,023
Total Receipts	1,053,757
<b>Disbursements:</b>	
General Government	140,355
Public Safety	268,804
Public Works	235,958
Health	29,273
Capital Outlay	2,907
Total Disbursements	677,297
Increase in Net Assets	376,460
Net Assets, January 1, 2004	1,422,557
Net Assets, December 31, 2004	\$1,799,017

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board, departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Township attempted to limit these costs as a small portion of General Fund unrestricted receipts. Public Safety are the costs of fire protection and ambulance service.

**The Township's Funds**

Total Township funds had receipts of \$1,053,757 and disbursements of \$677,297. The greatest change within Township funds occurred within the General and Fire District Funds.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
UNAUDITED  
(Continued)**

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2004, the Township amended its appropriations once to increase the appropriation for the public health expenditure. Final budgeted receipts were above original budgeted receipts due to the real estate sale mentioned previously. Local Government Revenue and real estate taxes remained steady.

Final disbursements were budgeted at \$1,108,154 while actual disbursements were \$238,595. The Township budgeted quite aggressively, but spent very carefully. The result is the increase in fund balance of \$222,757 for 2004.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure. An inventory list of assets is maintained and a copy is provided to the Miami County Engineer annually.

**Debt**

The Township had no outstanding debt.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Township relied heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases are unlikely. We then reviewed the disbursement history of the Township. While the Township is not in a deficit now, the Township may have to be cautious in the future since the Township has had very little development in the recent past.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Patricia M. Quillen, Clerk-Treasurer, Concord Township, 2678 West State Route 718, Troy, Ohio 45373.

CONCORD TOWNSHIP  
MIAMI COUNTY

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2004

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$75,232
Investments	1,723,785
Total Assets	<u>1,799,017</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	594,632
Unrestricted	1,204,385
Total Net Assets	<u>\$1,799,017</u>

*See accompanying notes to the basic financial statements.*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
General Government	\$140,355	\$1,100	\$74,850	(\$64,405)
Public Safety	268,804	11,960		(256,844)
Public Works	235,958		82,824	(153,134)
Health	29,273			(29,273)
Capital Outlay	2,907			(2,907)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	\$677,297	\$13,060	\$157,674	(506,563)
<b>General Receipts</b>				
Property Taxes				458,105
Other Taxes				29,273
Grants and Entitlements not Restricted to Specific Programs				78,521
Earnings on Investments				24,772
Miscellaneous				292,352
				<hr/>
Total General Receipts				883,023
Change in Net Assets				376,460
Net Assets Beginning of Year				<hr/> 1,422,557
Net Assets End of Year				<hr/> <hr/> \$1,799,017

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$2,073	\$37,012	\$16,605	\$3,219	\$16,323	\$75,232
Investments	1,202,312	203,511	162,721	102,068	5,173	1,723,785
Total Assets	<u>1,204,385</u>	<u>240,523</u>	<u>179,326</u>	<u>105,287</u>	<u>69,496</u>	<u>\$1,799,017</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	200	1,750			2,740	\$4,690
Unreserved:						
Undesignated, Reported in:						
General Fund	1,204,185					1,204,185
Special Revenue Funds		238,773	179,326	105,287	66,756	590,142
Total Fund Balances	<u>\$1,204,385</u>	<u>\$240,523</u>	<u>\$179,326</u>	<u>\$105,287</u>	<u>\$69,496</u>	<u>\$1,799,017</u>

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED - CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>						
Property and Other Local Taxes	\$54,372		\$127,474	\$305,532		\$487,378
Intergovernmental	93,203	\$69,499	18,818	41,350	\$13,325	236,195
Special Assessments					11,960	11,960
Earnings on Investments	21,375	2,861			536	24,772
Miscellaneous	292,402		1,050			293,452
<b>Total Receipts</b>	<u>461,352</u>	<u>72,360</u>	<u>147,342</u>	<u>346,882</u>	<u>25,821</u>	<u>1,053,757</u>
<b>Disbursements</b>						
Current:						
General Government	140,355					140,355
Public Safety				268,804		268,804
Public Works	65,860	24,978	130,861		14,259	235,958
Health	29,273					29,273
Capital Outlay	2,907					2,907
<b>Total Disbursements</b>	<u>238,395</u>	<u>24,978</u>	<u>130,861</u>	<u>268,804</u>	<u>14,259</u>	<u>677,297</u>
Excess of Receipts Over Disbursements	<u>222,957</u>	<u>47,382</u>	<u>16,481</u>	<u>78,078</u>	<u>11,562</u>	<u>376,460</u>
Net Change in Fund Balances	222,957	47,382	16,481	78,078	11,562	376,460
Fund Balances Beginning of Year	<u>981,428</u>	<u>193,141</u>	<u>162,845</u>	<u>27,209</u>	<u>57,934</u>	<u>1,422,557</u>
Fund Balances End of Year	<u>\$1,204,385</u>	<u>\$240,523</u>	<u>\$179,326</u>	<u>\$105,287</u>	<u>\$69,496</u>	<u>\$1,799,017</u>

See accompanying notes to the basic financial statements.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND 1000  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$53,473	\$53,473	\$54,372	\$899
Intergovernmental	101,343	101,343	93,203	(8,140)
Earnings on Investments	31,162	31,162	21,375	(9,787)
Miscellaneous	1,401	292,663	292,402	(261)
Total Receipts	<u>187,379</u>	<u>478,641</u>	<u>461,352</u>	<u>(17,289)</u>
<b>Disbursements</b>				
Current:				
General Government	620,597	620,797	140,555	480,242
Public Works	443,500	443,500	65,860	377,640
Health	33,357	38,357	29,273	9,084
Capital Outlay	5,000	5,000	2,907	2,093
Total Disbursements	<u>1,102,454</u>	<u>1,107,654</u>	<u>238,595</u>	<u>869,059</u>
Excess of Receipts Over (Under) Disbursements	<u>(915,075)</u>	<u>(629,013)</u>	<u>222,757</u>	<u>851,770</u>
Net Change in Fund Balance	(915,075)	(629,013)	222,757	851,770
Fund Balance Beginning of Year	981,429	981,429	981,429	
Prior Year Encumbrances Appropriated	<u>500</u>	<u>500</u>	<u>500</u>	
Fund Balance End of Year	<u><u>\$66,854</u></u>	<u><u>\$352,916</u></u>	<u><u>\$1,204,686</u></u>	<u><u>\$851,770</u></u>

*See accompanying notes to the basic financial statements.*



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GAS TAX FUND 2021  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$41,100	\$41,100	\$69,499	\$28,399
Earnings on Investments	3,807	3,807	2,861	(946)
Total Receipts	<u>44,907</u>	<u>44,907</u>	<u>72,360</u>	<u>27,453</u>
<b>Disbursements</b>				
Current:				
Public Works	185,001	185,001	26,728	158,273
Total Disbursements	<u>185,001</u>	<u>185,001</u>	<u>26,728</u>	<u>158,273</u>
Excess of Receipts Over (Under) Disbursements	<u>(140,094)</u>	<u>(140,094)</u>	45,632	185,726
Net Change in Fund Balance	(140,094)	(140,094)	45,632	185,726
Fund Balance Beginning of Year	<u>193,140</u>	<u>193,140</u>	<u>193,140</u>	
Fund Balance End of Year	<u><u>\$53,046</u></u>	<u><u>\$53,046</u></u>	<u><u>\$238,772</u></u>	<u><u>\$185,726</u></u>

*See accompanying notes to the basic financial statements.*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND 2031  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$125,581	\$125,581	\$127,474	\$1,893
Intergovernmental	16,203	16,203	18,818	2,615
Miscellaneous			1,050	1,050
Total Receipts	<u>141,784</u>	<u>141,784</u>	<u>147,342</u>	<u>5,558</u>
<b>Disbursements</b>				
Current:				
Public Works	265,500	265,500	130,861	134,639
Capital Outlay	7,000	7,000		7,000
Total Disbursements	<u>272,500</u>	<u>272,500</u>	<u>130,861</u>	<u>141,639</u>
Excess of Receipts Over (Under) Disbursements	<u>(130,716)</u>	<u>(130,716)</u>	<u>16,481</u>	<u>147,197</u>
Net Change in Fund Balance	(130,716)	(130,716)	16,481	147,197
Fund Balance Beginning of Year	<u>162,845</u>	<u>162,845</u>	<u>162,845</u>	
Fund Balance End of Year	<u>\$32,129</u>	<u>\$32,129</u>	<u>\$179,326</u>	<u>\$147,197</u>

*See accompanying notes to the basic financial statements.*

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND 2111  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$301,275	\$301,275	\$305,532	\$4,257
Intergovernmental	38,553	38,553	41,350	2,797
<b>Total Receipts</b>	<u>339,828</u>	<u>339,828</u>	<u>346,882</u>	<u>7,054</u>
<b>Disbursements</b>				
Current:				
Public Safety	272,000	272,000	268,804	3,196
<b>Total Disbursements</b>	<u>272,000</u>	<u>272,000</u>	<u>268,804</u>	<u>3,196</u>
<b>Excess of Receipts Over Disbursements</b>	<u>67,828</u>	<u>67,828</u>	<u>78,078</u>	<u>10,250</u>
<b>Net Change in Fund Balance</b>	67,828	67,828	78,078	10,250
<b>Fund Balance Beginning of Year</b>	<u>27,209</u>	<u>27,209</u>	<u>27,209</u>	
<b>Fund Balance End of Year</b>	<u><u>\$95,037</u></u>	<u><u>\$95,037</u></u>	<u><u>\$105,287</u></u>	<u><u>\$10,250</u></u>

*See accompanying notes to the basic financial statements.*

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**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**1. DESCRIPTION OF THE TOWNSHIP AND REPORTING ENTITY**

Concord Township, Miami 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 Clerk.

The reporting entity is comprised of the primary government.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the City of Troy, City of Tipp City, and Village of Covington to provide fire protection and ambulance services.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business type activities.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or activity is self-financing on a modified cash basis or draws from the Township's general receipts.

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are governmental.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds include the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Gasoline Tax Fund received tax money for constructing, maintaining, and repairing Township roads and bridges. The Road and Bridge Fund received property tax money for constructing, maintaining, and repairing Township roads and bridges. The Fire District Fund received property tax money for fire and emergency medical services in the Township.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2004, the Township invested in STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2004.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2004 was \$21,375 and \$3,397 to other Township funds.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent \$594,632.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**J. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for fire protection and ambulance services, among other special revenue purposes.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.



**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY**

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the modified cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type.

The transition from the regulatory basis of accounting to the modified cash basis of accounting generated the following changes to fund balance/equity as previously reported at December 31, 2003. The calculation of net assets of governmental type activities at December 31, 2003 is also presented.

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund were prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$200 for the General Fund \$1,750 for major special revenue funds.

**5. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had no undeposited cash on hand.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

At year end, the carrying amount of the Township's deposits was \$75,232 and the bank balance was \$83,294. Of the bank balance \$83,294 was covered by federal depository insurance. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

The Township's investments are required to be categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the Township's name. Investments in STAR Ohio (\$1,723,785) were not classified since they are not evidenced by securities that exist in physical or book-entry form.

**6. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2003 became a lien on December 31, 2002, were levied after October 1, 2003, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2004 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**6. PROPERTY TAXES (Continued)**

The full tax rate for all Township operations for the year ended December 31, 2004, was \$3.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2004 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential	\$117,731,580
Agriculture	6,115,860
Commercial/Industrial	8,008,140
<b>Public Utility Property:</b>	
Real	34,550
Personal	7,109,460
Tangible Personal Property	6,464,350
Total Assessed Value	\$145,463,940

**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 2004 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

Legal Liability	\$2,000,000	Per Occurrence
Automobile Liability	\$2,000,000	Per Occurrence
Wrongful Acts	\$2,000,000	Per Occurrence
Property	\$432,935	Total Coverage
Electronic Data Equipment	\$2,100	Total Coverage

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$28,146, \$27,257, and \$25,332 respectively.

**9. POST-EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

**CONCORD TOWNSHIP  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

**9. POST-EMPLOYMENT BENEFITS (Continued)**

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund post-employment benefits were \$210,421. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**10. CONTINGENT LIABILITIES**

The Township is a defendant in one lawsuit. Although management cannot presently determine the outcome of the suit, their legal counsel believes that a favorable outcome is likely for the Township and that any financial loss is unlikely.



## Auditor of State Betty Montgomery

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

Concord Township  
Miami County  
2678 W. State Route 718  
Troy, Ohio 45373

To the Board of Trustees:

We have audited the financial statements of the Concord Township, Miami County, (the Township), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 21, 2006, wherein we noted the Township revised its financial statements for 2005 and 2004, making them comparable to the requirements of governmental Auditing Standard Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments*. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, and, as requested, operates UAN. 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 Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated June 21, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township'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*. In a separate letter to the Township's management dated June 21, 2006, we reported a matter related to noncompliance we deemed immaterial.

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We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for 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

June 21, 2006





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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800-282-0370

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**CONCORD TOWNSHIP**

**MIAMI 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 3, 2006**