



**Mary Taylor, CPA**  
Auditor of State



**CONCORD TOWNSHIP  
LAKE COUNTY**

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# Mary Taylor, CPA

Auditor of State

Concord Township  
Lake County  
7229 Ravenna Road  
Concord Township, Ohio 44077

To the Board of Trustees:

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 30, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Concord Township  
Lake County  
7229 Ravenna Road  
Concord Township, Ohio 44077

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Lake County, Ohio (the Township), as of and for the year ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Concord Township, Lake County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

During 2008, the Township changed its financial statement presentation from *another comprehensive accounting basis* to a basis prescribed or permitted by the Auditor of State.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010, 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.



**Mary Taylor, CPA**  
Auditor of State

July 30, 2010



CONCORD TOWNSHIP  
LAKE COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$841,550	\$4,148,538	\$0	\$87,250	\$0	\$5,077,338
Charges for Services		348,620				348,620
Intergovernmental	716,038	975,650		396,417		2,088,105
Licenses, Permits, and Fees	201,840					201,840
Fines, Forfeitures, and Penalties	133					133
Special Assessments		86,514				86,514
Earnings on Investments	112,416	3,741			601	116,758
Other Revenue	70,436	42,121		6,269	2,000	120,826
<b>Total Cash Receipts</b>	<u>1,942,413</u>	<u>5,605,184</u>	<u>0</u>	<u>489,936</u>	<u>2,601</u>	<u>8,040,134</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	1,296,331	29,478				1,325,809
Public Safety	96,930	3,231,493				3,328,423
Public Works	48,000	2,624,977				2,672,977
Health		26,476				26,476
Conservation - Recreation	154,716			6,234		160,950
Capital Outlay		94,319		460,984		555,303
<b>Total Cash Disbursements</b>	<u>1,595,977</u>	<u>6,006,743</u>	<u>0</u>	<u>467,218</u>	<u>0</u>	<u>8,069,938</u>
Total Receipts (Under) Disbursements	346,436	(401,559)	0	22,718	2,601	(29,804)
<b>Other Financing Receipts / (Disbursements):</b>						
Transfers-In		650,000	8,000			658,000
Advances-In	1,055,000	640,000				1,695,000
Transfers-Out	(658,000)					(658,000)
Advances-Out	(640,000)	(1,055,000)				(1,695,000)
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>(243,000)</u>	<u>235,000</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	103,436	(166,559)	8,000	22,718	2,601	(29,804)
Fund Cash Balances, January 1, 2009	<u>1,897,644</u>	<u>2,648,833</u>	<u>0</u>	<u>792,345</u>	<u>28,762</u>	<u>5,367,584</u>
<b>Fund Cash Balances, December 31, 2009</b>	<u><b>\$2,001,080</b></u>	<u><b>\$2,482,274</b></u>	<u><b>\$8,000</b></u>	<u><b>\$815,063</b></u>	<u><b>\$31,363</b></u>	<u><b>\$5,337,780</b></u>
Reserve for Encumbrances, December 31	<u><b>\$54,857</b></u>	<u><b>\$79,431</b></u>	<u><b>\$0</b></u>	<u><b>\$100,000</b></u>	<u><b>\$0</b></u>	<u><b>\$234,288</b></u>

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

CONCORD TOWNSHIP  
LAKE COUNTY

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

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
<b>Operating cash receipts:</b>	
Other Revenue	<u>\$6,460</u>
Total Cash Receipts	<u>6,460</u>
Operating cash disbursements:	
Miscellaneous	<u>6,950</u>
Total Operating cash disbursements	<u>6,950</u>
Operating income/(loss)	<u>(490)</u>
Fund Cash Balances, January 1, 2009	<u>3,345</u>
<b>Fund Cash Balances, December 31, 2009</b>	<u><u>\$2,855</u></u>

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

**CONCORD TOWNSHIP  
LAKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$828,663	\$3,991,210	\$115,728	\$0	\$4,935,601
Charges for Services		287,880			287,880
Intergovernmental	689,643	1,469,756			2,159,399
Licenses, Permits, and Fees	218,574				218,574
Special Assessments		66,736			66,736
Fines, Forfeitures, and Penalties	155				155
Earnings on Investments	183,585	3,529		941	188,055
Other Revenue	64,756	45,948		3,300	114,004
<b>Total Cash Receipts</b>	<u>1,985,376</u>	<u>5,865,059</u>	<u>115,728</u>	<u>4,241</u>	<u>7,970,404</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,205,429	116,794			1,322,223
Public Safety	100,397	2,822,586			2,922,983
Public Works	44,236	3,113,145	56,395		3,213,776
Health		24,956			24,956
Conservation - Recreation	167,869		1,205		169,074
Capital Outlay	13,341	25,394	324,458		363,193
<b>Total Cash Disbursements</b>	<u>1,531,272</u>	<u>6,102,875</u>	<u>382,058</u>	<u>0</u>	<u>8,016,205</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>454,104</u>	<u>(237,816)</u>	<u>(266,330)</u>	<u>4,241</u>	<u>(45,801)</u>
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In			405,515		405,515
Advances-In		300,000			300,000
Transfers-Out		(405,515)			(405,515)
Advances-Out	(300,000)				(300,000)
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>(300,000)</u>	<u>(105,515)</u>	<u>405,515</u>	<u>0</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	154,105	(343,291)	139,186	4,241	(45,759)
<b>Fund Cash Balances, January 1, 2008</b>	<u>1,743,539</u>	<u>2,992,124</u>	<u>653,159</u>	<u>24,521</u>	<u>5,413,343</u>
<b>Fund Cash Balances, December 31, 2008</b>	<u><b>\$1,897,644</b></u>	<u><b>\$2,648,833</b></u>	<u><b>\$792,345</b></u>	<u><b>\$28,762</b></u>	<u><b>\$5,367,584</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$34,865</b></u>	<u><b>\$191,976</b></u>	<u><b>\$595,509</b></u>	<u><b>\$0</b></u>	<u><b>\$822,350</b></u>

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

CONCORD TOWNSHIP  
LAKE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
<b>Operating cash receipts:</b>	
Other Revenue	<u>\$6,710</u>
Total Cash Receipts	<u>6,710</u>
Operating cash disbursements:	
Miscellaneous	<u>6,225</u>
Total Operating cash disbursements	<u>6,225</u>
Operating income/(loss)	<u>485</u>
Fund Cash Balances, January 1, 2008	<u>2,860</u>
<b>Fund Cash Balances, December 31, 2008</b>	<u><u>\$3,345</u></u>

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

**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Concord Township, Lake County, (The Township) is a body politic and corporate established in Ohio 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 has also elected a Fiscal Office to oversee finances and records. The Township provides general government services, maintenance of township roads, fire & rescue services, and cemetery services. Police protection is provided by the Lake County Sheriff's Department.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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 disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

*Fire Levy Fund* - This fund receives property tax money used to provide and maintain fire equipment, buildings, supplies, and payment of firefighters and associated benefits.

**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Road Levy Fund* - This fund receives property tax money used for the improvement, construction, reconstruction, resurfacing and repair of roads and bridges.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of future debt.

**4. Capital Project Funds**

This fund is used for large capital projects, such as buildings, equipment, and other major projects.

**5. Fiduciary Funds (Trust Funds) –** These funds are used to account for resources restricted and are custodial in nature. The Township had the following fiduciary funds.

*Agency Funds* are purely custodial in nature and are used to hold resources for a department in the Township. The Agency Funds includes security deposits both from rental real estate of the Township and from rentals of the Community Center.

*Cemetery Trust Fund* is a bequest fund whose earned interest is used to maintain certain grave sites in the Township cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgetary Process**

**3. Encumbrances (Continued)**

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2009	2008
Demand deposits	\$867,927	\$1,012,226
Morgan Stanley Bank CD	200,000	
Total deposits	1,067,927	1,012,226
Investments		
US Treasury Money Market	62,810	687,058
Federal Home Loan Mtg. Corp	552,953	
Federal Home Loan Bank	1,923,821	707,158
Federal National Mtg. Assoc.	1,631,870	2,863,233
US Treasury Bonds	101,254	101,254
Total investments	4,272,708	4,358,703
Total deposits and investments	\$5,340,635	\$5,370,929

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

**Investments:** The Federal Agency securities are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2009 and December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,326,182	\$1,942,413	(\$383,769)
Special Revenue	6,647,894	6,255,184	(392,710)
Debt Service	8,000	8,000	0
Capital Projects	510,000	489,936	(20,064)
Permanent Fund	2,500	2,601	101
Agency	10,000	6,460	(3,540)
Total	<u>\$9,504,576</u>	<u>\$8,704,594</u>	<u>(\$799,982)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,486,669	\$2,308,834	\$1,177,835
Special Revenue	8,487,298	6,086,174	2,401,124
Capital Projects	607,000	567,218	39,782
Agency	7,950	6,950	1,000
Total	<u>\$12,588,917</u>	<u>\$8,969,176</u>	<u>\$3,619,741</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,978,658	\$1,985,376	\$6,718
Special Revenue	5,786,936	5,865,059	78,123
Capital Projects	128,424	521,243	392,819
Permanent Fund	4,000	4,241	241
Agency	7,180	6,710	(470)
Total	<u>\$7,905,198</u>	<u>\$8,382,629</u>	<u>\$477,431</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,211,866	\$1,566,137	\$1,645,729
Special Revenue	7,736,400	6,700,366	1,036,034
Capital Projects	982,214	977,567	4,647
Agency	8,000	6,225	1,775
Total	<u>\$11,938,480</u>	<u>\$9,250,295</u>	<u>\$2,688,185</u>



**CONCORD TOWNSHIP  
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. In certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property tax is assessed by the property owners for 2008 and only against local and inter-exchange telephone companies for 2009, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries from January 1, 2008 through December 31, 2009. The Township has paid all contributions required through December 31, 2009.

Effective August 3, 1992, new part-time Township fire-fighters and all emergency medical staff are no longer covered by Public Employees Retirement System and must contribute to social security. The Township's liability is 6.2 percent of wages paid.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Commercial automobile insurance
- Public officials liability
- Law Enforcement liability
- Crime

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# Mary Taylor, CPA

Auditor of State

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

Concord Township  
Lake County  
7229 Ravenna Road  
Concord Township, Ohio 44077

To the Board of Trustees:

We have audited the financial statements of Concord Township, Lake County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 30, 2010, wherein, we noted in 2009 and 2008 the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. During 2008, the Township changed its financial statement presentation from *another comprehensive accounting basis* to a basis prescribed or permitted by the Auditor of State. 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. However, *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 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 as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **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*.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 30, 2010



**Mary Taylor, CPA**  
Auditor of State

**CONCORD TOWNSHIP**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 7, 2010**