



**CONCORD TOWNSHIP
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CONCORD TOWNSHIP
LAKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Concord Township
Lake County
7229 Ravenna Road
Concord, 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 years ended December 31, 2001 and December 31, 2000. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Concord Township, Lake County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

April 23, 2002

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**CONCORD TOWNSHIP
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$514,560	\$2,497,515		\$3,012,075
Intergovernmental	683,876	401,154		1,085,030
Special Assessments		25,683		25,683
Licenses, Permits, and Fees	72,550			72,550
Fines, Forfeitures, and Penalties	1,718			1,718
Earnings on Investments	144,498	2,576	\$150	147,224
Other Revenue	178,910	68,477	1,000	248,387
	<u>1,596,112</u>	<u>2,995,405</u>	<u>1,150</u>	<u>4,592,667</u>
Cash Disbursements:				
Current:				
General Government	1,204,132	6,872		1,211,004
Public Safety	40	1,645,463		1,645,503
Public Works	616,521	1,526,910		2,143,431
Health		10,502		10,502
Conservation - Recreation	174,884			174,884
Miscellaneous				0
Capital Outlay		122,083		122,083
	<u>1,995,577</u>	<u>3,311,830</u>	<u>0</u>	<u>5,307,407</u>
Total Receipts Over/(Under) Disbursements	<u>(399,465)</u>	<u>(316,425)</u>	<u>1,150</u>	<u>(714,740)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(399,465)	(316,425)	1,150	(714,740)
Fund Cash Balances, January 1, 2001	<u>1,154,161</u>	<u>1,953,290</u>	<u>5,147</u>	<u>3,112,598</u>
Fund Cash Balances, December 31, 2001	<u>\$754,696</u>	<u>\$1,636,865</u>	<u>\$6,297</u>	<u>\$2,397,858</u>
Reserve for Encumbrances, December 31, 2001	<u>\$72,877</u>	<u>\$467,578</u>	<u>\$0</u>	<u>\$540,455</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 AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$459,012	\$2,380,803		\$2,839,815
Intergovernmental	732,410	407,983		1,140,393
Special Assessments		22,162		22,162
Charges for Services				0
Licenses, Permits, and Fees	59,413			59,413
Fines, Forfeitures, and Penalties	213			213
Earnings on Investments	171,775	4,292	\$7	176,074
Other Revenue	152,742	52,325		205,067
	<u>1,575,565</u>	<u>2,867,565</u>	<u>7</u>	<u>4,443,137</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	664,098	8,080		672,178
Public Safety	40	1,193,460		1,193,500
Public Works	448,120	1,339,555		1,787,675
Health		13,991		13,991
Conservation - Recreation	150,240			150,240
Miscellaneous				0
Capital Outlay		137,018		137,018
	<u>1,262,498</u>	<u>2,692,104</u>	<u>0</u>	<u>3,954,602</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>313,067</u>	<u>175,461</u>	<u>7</u>	<u>488,535</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Transfers-In	1,200			1,200
Transfers-Out		(1,200)		(1,200)
	<u>1,200</u>	<u>(1,200)</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	314,267	174,261	7	488,535
Fund Cash Balances, January 1, 2000	<u>839,894</u>	<u>1,779,029</u>	<u>5,140</u>	<u>2,624,063</u>
Fund Cash Balances, December 31, 2000	<u>\$1,154,161</u>	<u>\$1,953,290</u>	<u>\$5,147</u>	<u>\$3,112,598</u>
Reserve for Encumbrances, December 31, 2000	<u>\$303,669</u>	<u>\$459,167</u>	<u>\$0</u>	<u>\$762,836</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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Lake County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Trustee provides various services including, road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Investments are included in fund cash balances. Certificates of deposit and Federal Agency Securities are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Fire Levy - This fund receives property tax money to provide fire protection to Township residents.

Road Levy - This receives property tax money for constructing, maintaining, and repairing Township roads.

**CONCORD TOWNSHIP
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Fiduciary Funds

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant Fiduciary Fund:

Non-Expendable Cemetery Trust - This is a Cemetery Bequest fund whose earned interest is to be 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 or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2001 and 2000 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.

**CONCORD TOWNSHIP
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment 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:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$220,313	\$12,598
Certificates of Deposits	<u>2,000,000</u>	<u>2,900,000</u>
Total deposits	2,220,313	2,912,598
Federal National Mortgage Bank	<u>177,545</u>	<u>200,000</u>
Total investments	<u>177,545</u>	<u>200,000</u>
Total deposits and investments	<u><u>\$2,397,858</u></u>	<u><u>\$3,112,598</u></u>

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,316,483	\$1,596,112	\$279,629
Special Revenue	2,827,210	2,995,405	168,195
Fiduciary	<u>0</u>	<u>1,150</u>	<u>1,150</u>
Total	<u><u>\$4,143,693</u></u>	<u><u>\$4,592,667</u></u>	<u><u>\$448,974</u></u>

**CONCORD TOWNSHIP
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$2,463,763	\$2,068,454	\$395,309
Special Revenue	4,764,369	3,779,408	984,961
Fiduciary	<u>5,100</u>	<u>0</u>	<u>5,100</u>
Total	<u>\$7,233,232</u>	<u>\$5,847,862</u>	<u>\$1,385,370</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,058,535	\$1,576,765	\$518,230
Special Revenue	2,703,069	2,867,565	164,496
Fiduciary	<u>0</u>	<u>7</u>	<u>7</u>
Total	<u>\$3,761,604</u>	<u>\$4,444,337</u>	<u>\$682,733</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,880,316	\$1,566,167	\$314,149
Special Revenue	4,453,782	3,152,471	1,301,311
Fiduciary	<u>5,139</u>	<u>0</u>	<u>5,139</u>
Total	<u>\$6,339,237</u>	<u>\$4,718,638</u>	<u>\$1,620,599</u>

**CONCORD TOWNSHIP
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with 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

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township also provides health insurance and dental and vision to full-time employees through a private carrier.

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

Concord Township
Lake County
7229 Ravenna Road
Concord, 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 years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 23, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated April 23, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 23, 2002.

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and "P".

Jim Petro
Auditor of State

April 23, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 18, 2002**