



CONCORD TOWNSHIP, ROSS COUNTY

Regular Audit

For the Years Ended December 31, 2008 and 2007

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Concord Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Mary Taylor, CPA
Auditor of State

June 15, 2009

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CONCORD TOWNSHIP, ROSS COUNTY
Table of Contents
For the Years Ended December 31, 2008 and 2007

Independent Auditor's Report	1
FINANCIAL STATEMENTS:	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	4
Notes to the Financial Statements	5
Independent Accountant's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	14
Schedule of Findings	16

Independent Auditor's Report

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

We have audited the accompanying financial statements of Concord Township, Ross County (the Township) as of and for the years ended December 31, 2008 and 2007. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2008 and 2007. Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require the Township to present entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, 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, 2008 and 2007 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, 2008 and 2007, or its changes in financial position for the years then ended.

Board of Trustees
Concord Township, Ross County
Independent Auditor's Report

Also, in our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2008 and 2007. 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 a report dated May 15, 2009 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. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 15, 2009

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2008

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<u>Cash Receipts:</u>						
Local Taxes	\$41,348	\$148,192	\$33,357	\$0	\$0	\$222,897
Intergovernmental	158,116	153,652	1	0	0	311,769
Charges for Services	0	5,000	0	0	0	5,000
Licenses, Permits, and Fees	0	15,750	0	0	0	15,750
Earnings on Investments	8,583	2,172	0	0	18	10,773
Other Revenue	537	44,359	0	0	0	44,896
Total Cash Receipts	208,584	369,125	33,358	0	18	611,085
<u>Cash Disbursements:</u>						
<i>Current:</i>						
General Government	89,493	56,256	0	0	0	145,749
Public Safety	0	59,794	0	0	0	59,794
Public Works	37,304	225,547	0	1,813	0	264,664
Health	18,494	22,898	0	0	0	41,392
<i>Debt Service:</i>						
Redemption of Principal	0	0	33,621	0	0	33,621
Interest and Fiscal Charges	0	0	4,848	0	0	4,848
Capital Outlay	22,000	76,547	0	0	0	98,547
Total Cash Disbursements	167,291	441,042	38,469	1,813	0	648,615
Total Cash Receipts Over/(Under) Cash Disbursements	41,293	(71,917)	(5,111)	(1,813)	18	(37,530)
<u>Other Financing Sources (Uses):</u>						
Proceeds from the Sale of Notes	22,000	34,000	0	0	0	56,000
Operating Transfers In	0	0	1,359	0	0	1,359
Operating Transfers Out	0	(1,359)	0	0	0	(1,359)
Sale of Fixed Assets	0	3,183	0	0	0	3,183
Total Other Financing Sources (Uses)	22,000	35,824	1,359	0	0	59,183
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	63,293	(36,093)	(3,752)	(1,813)	18	21,653
Fund Cash Balances, January 1	88,554	368,346	3,752	1,813	3,554	466,019
Fund Cash Balances, December 31	\$151,847	\$332,253	\$0	\$0	\$3,572	\$487,672
Reserve for Encumbrances, December 31	\$0	\$10,716	\$0	\$0	\$0	\$10,716

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2007

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<u>Cash Receipts:</u>						
Local Taxes	\$37,551	\$177,615	\$0	\$0	\$0	\$215,166
Intergovernmental	81,562	159,635	0	0	0	241,197
Charges for Services	0	5,000	0	0	0	5,000
Licenses, Permits, and Fees	0	18,550	0	0	0	18,550
Earnings on Investments	11,374	3,438	0	0	21	14,833
Other Revenue	1,291	38,238	0	0	0	39,529
Total Cash Receipts	131,778	402,476	0	0	21	534,275
<u>Cash Disbursements:</u>						
<i>Current:</i>						
General Government	72,946	47,281	0	0	0	120,227
Public Safety	0	62,274	0	0	0	62,274
Public Works	29,300	158,591	0	2,946	0	190,837
Health	24,994	14,973	0	0	0	39,967
<i>Debt Service:</i>						
Redemption of Principal	0	0	9,269	0	0	9,269
Interest and Fiscal Charges	0	0	703	0	0	703
Capital Outlay	0	137,586	0	0	0	137,586
Total Cash Disbursements	127,240	420,705	9,972	2,946	0	560,863
Total Cash Receipts Over/(Under) Cash Disbursements	4,538	(18,229)	(9,972)	(2,946)	21	(26,588)
<u>Other Financing Sources (Uses):</u>						
Proceeds from the Sale of Notes	0	86,000	0	0	0	86,000
Operating Transfers In	0	0	9,228	0	0	9,228
Operating Transfers Out	0	(9,228)	0	0	0	(9,228)
Sale of Fixed Assets	0	2,500	0	0	0	2,500
Total Other Financing Sources (Uses)	0	79,272	9,228	0	0	88,500
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,538	61,043	(744)	(2,946)	21	61,912
Fund Cash Balances, January 1	84,016	307,303	4,496	4,759	3,533	404,107
Fund Cash Balances, December 31	\$88,554	\$368,346	\$3,752	\$1,813	\$3,554	\$466,019
Reserve for Encumbrances, December 31	\$0	\$4,000	\$0	\$0	\$0	\$4,000

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 1 – Reporting Entity

Concord Township, Ross County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Township's financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Fund Accounting

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

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

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

Gasoline Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Road and Bridge Fund – This fund receives real estate tax, tangible personal property tax and homestead and rollback tax money for constructing, maintaining and repairing Township roads and bridges.

Fire Levy Fund – This fund receives real estate tax, tangible personal property tax and homestead and rollback tax money to provide fire fighting and emergency services to the Township.

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

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

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Budgetary Process

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

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

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

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

A summary of 2008 and 2007 budgetary activity appears in Note 4.

Property, Plant and Equipment

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

Accumulated Leave

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

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 3 – Cash and Investments

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

	December 31, 2008	December 31, 2007
Demand Deposits	\$487,672	\$466,019

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

Note 4 – Budgetary Basis of Accounting

The Township's budgetary activity for the years ending December 31, 2008 and December 31, 2007 was as follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$81,783	\$230,584	\$148,801
Special Revenue	245,057	406,308	161,251
Debt Service	34,716	34,716	0
<i>Total</i>	\$361,556	\$671,608	\$310,052

2008 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$169,677	\$167,291	\$2,386
Special Revenue	564,264	453,117	111,147
Debt Service	38,469	38,469	0
Capital Projects	1,813	1,813	0
<i>Total</i>	\$774,223	\$660,690	\$113,533

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 4 – Budgetary Basis of Accounting -(Continued)

2007 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$110,501	\$131,778	\$21,277
Special Revenue	277,506	490,976	213,470
Debt Service	5,478	9,228	3,750
Capital Projects	20,700	0	(20,700)
<i>Total</i>	<u>\$414,185</u>	<u>\$631,982</u>	<u>\$217,797</u>

2007 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$188,865	\$127,240	\$61,625
Special Revenue	577,819	433,933	143,886
Debt Service	9,974	9,972	2
Capital Projects	25,459	2,946	22,513
<i>Total</i>	<u>\$802,117</u>	<u>\$574,091</u>	<u>\$228,026</u>

A reduced amended certificate should have been obtained for the Miscellaneous Capital Projects Fund as the deficiency caused current appropriations to exceed actual available resources. Actual disbursements did not exceed actual resources.

Note 5- Debt

Debt outstanding at December 31, 2008 and 2007 was as follows:

2007	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Kubota-Tractor Mower Note	\$5,000	\$0	\$2,500	\$2,500	\$2,500
Maintenance Garage Note	9,217	0	6,769	2,448	2,448
Emergency Squad Note	0	86,000	0	86,000	28,673
<i>Total</i>	<u>\$14,217</u>	<u>\$86,000</u>	<u>\$9,269</u>	<u>\$90,948</u>	<u>\$33,621</u>

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 5- Debt – (Continued)

2008	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Kubota-Tractor Mower Note	\$2,500	\$0	\$2,500	\$0	\$0
Maintenance Garage Note	2,448	0	2,448	0	0
Emergency Squad Note	86,000	0	28,673	57,327	28,667
Dump Truck Note	0	22,000	0	22,000	7,333
Fire Station Lot Note	0	34,000	0	34,000	3,400
Total	<u>\$90,948</u>	<u>\$56,000</u>	<u>\$33,621</u>	<u>\$113,327</u>	<u>\$39,400</u>

The Township obtained a note in order to construct a maintenance garage to house Township equipment in 1999. The note was repaid in annual installments of \$7,299 including interest. The note was collateralized by the Township's taxing authority.

The Township obtained a note in order to purchase equipment, a Kubota tractor, to use to maintain the cemetery in 2004. The note was repaid in four equal payments of \$2,500 plus interest at 3.5%. The note was collateralized by the Township's taxing authority.

The Township obtained a note in order to purchase equipment, an Emergency Squad, to use to provide emergency medical services in 2007. The note is to be repaid in three years. The note is collateralized by the Township's taxing authority.

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

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

Principal and interest requirements to retire debt outstanding at December 31, 2008 are as follows:

Year end December 31	Emergency Squad			Dump Truck			Fire Station Lot		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	\$28,667	\$2,764	\$31,431	\$7,333	\$666	\$7,999	\$3,400	\$4,907	\$8,307
2010	28,660	1,382	30,042	7,333	623	7,956	3,400	4,739	8,139
2011	0	0	0	7,334	312	7,646	3,400	4,590	7,990
2012	0	0	0	0	0	0	3,400	4,444	7,844
2013	0	0	0	0	0	0	3,400	4,293	7,693
2014 - 2018	0	0	0	0	0	0	17,000	19,233	36,233
Total	<u>\$57,327</u>	<u>\$4,146</u>	<u>\$61,473</u>	<u>\$22,000</u>	<u>\$1,601</u>	<u>\$23,600</u>	<u>\$34,000</u>	<u>\$42,206</u>	<u>\$76,206</u>

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 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 received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, 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 half 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 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, 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 2008 (other than public utility property) represent collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is being phased out. For 2007, tangible personal property tax was assessed at 12.50 percent for property, including inventory. This percentage was reduced to 6.25 percent for 2008, and will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 30.

The full tax rate for all Township operations for the year ended December 31, 2008 and 2007, was \$4.10 per \$1000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 and 2007 property tax receipts were based are as follows:

<u>Real Property:</u>	<u>2008</u>	<u>2007</u>
Residential/Agricultural	\$58,846,760	\$48,388,620
Commercial/Industrial	3,572,020	3,221,640
Personal Property	2,190,320	1,702,430
Public Utility	2,149,630	3,079,820
Total Assessed Value	<u>\$66,758,730</u>	<u>\$56,392,510</u>

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008 and 2007, the Township contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage	
		2008	2007
Ohio Government Risk Management Plan	Commercial Property	\$ 1,060,480	\$1,060,480
	General Liability	1,000,000 / 3,000,000	1,000,000 / 3,000,000
	Commercial Crime	1,000 / 5,000	1,000 / 5,000
	Inland Marine	118,300	118,300
	Vehicle	1,000,000	1,000,000
	Public Officials	10,000	10,000
	Fire Vehicle RC	2,100,000	1,196,643
	EDP	10,000	10,000

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

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

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

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

Note 8 – Retirement Systems

A. 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.

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.

CONCORD TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 8 – Retirement Systems - (Continued)

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.10 percent of their annual covered salary; members in public safety contributed 10.10 percent. The Township's contribution rate for pension benefits for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.75 percent. The Township's contribution rate for pension benefits for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.17 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations for the years ended December 31, 2008, 2007, and 2006 were \$8,563 \$11,700 and \$10,734, respectively. The full amount has been contributed for 2008, 2007 and 2006.

Note 9 - Postemployment Benefits

A. 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 Postemployment 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 2008 local government employer contribution rate was 14.0 percent of covered payroll (17.4 percent for public safety and law enforcement); 7.0 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, 2008, include a rate of return on investments of 6.50 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 4.0 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.3 percent annually for the next nine years and 4.00 percent annually after nine 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, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 9 - Postemployment Benefits – (Continued)

The number of active contributing participants in the traditional and combined plans for December 31, 2008 and December 31, 2007 were 363,503 and 364,076, respectively. Actual employer contributions for 2008 and 2007 which were used to fund postemployment benefits were \$8,563 and \$5,631 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 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.

Independent Accountant's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

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

We have audited the accompanying financial statements of Concord Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 15, 2009, wherein we noted that the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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 expressing our opinion on the financial statements, but not to opine 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2008-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Board of Trustees
Concord Township, Ross County
Independent Accountant's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we believe finding number 2008-001 is also a material weakness.

Compliance and Other Matters

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

We noted a certain matter that we reported to the Township's management in a separate letter **dated May 15, 2009**.

The Township's response to the finding identified in our audit as described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 15, 2009

CONCORD TOWNSHIP, ROSS COUNTY
Schedule of Findings
For the Years Ended December 31, 2008 and 2007

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2008-001

Financial Record Keeping - Significant Deficiency/Material Weakness

Ohio Administrative Code (OAC) Section 117-2-02(A) directs all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, and analyze, classify, record, and report its transactions, maintain accountability for the related assets, and prepare financial statements required by Rule 117-2-03 of the OAC. OAC Section 117-2-02(D) allows the records to be maintained manually or in a computerized format and requires the following: (1) Cash journal with the amount, date, receipt number, check number, account code, and any other information necessary to properly classify the transaction; (2) Receipts ledger to assemble and classify receipts into separate accounts for each type of receipt of each fund consisting of the amount, date, name of the payer, purpose, receipt number, and other information necessary to record the transaction on this ledger, and; (3) Appropriation ledger to assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, date, fund, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations, and any other information required may be entered in the appropriate columns.

In 2008, a Gasoline Tax receipt was posted incorrectly to the Motor Vehicle License Tax Fund. This did not allow the Fiscal Officer to accurately reflect the receipt transactions of the Township.

The fact that the posting error resulting in an adjusting entry occurred, indicates a significant deficiency in the internal controls over financial record keeping and reporting and resulted in the inaccurate reflection of the receipts of the Township for 2008.

We recommend the Fiscal Officer review the requirements of OAC Section 117-2-02 and the description of the accounts and maintain the receipt ledger in the manner prescribed therein.

Officials' Response

After reviewing the information and discussing the posting errors associated with the above transactions, I agree that it should have been posted as Motor Vehicle License tax interest as it was entered. We will correct this in the future and will post these monies into intergovernmental receipts in the Gasoline Tax fund, per the language in the revenue code descriptions.



Mary Taylor, CPA
Auditor of State

CONCORD TOWNSHIP

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 30, 2009