



**CONCORD TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008-2007



Mary Taylor, CPA
Auditor of State

CONCORD TOWNSHIP
DELAWARE COUNTY

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Mary Taylor, CPA
Auditor of State

Concord Township
Delaware County
7250 Dublin Road
Delaware, Ohio 43015

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 Township 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

March 24, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Concord Township
Delaware County
7250 Dublin Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Delaware County, Ohio (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 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. 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, 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.

Also, 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, Delaware County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 March 24, 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 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

March 24, 2009

**CONCORD TOWNSHIP
DELAWARE 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> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Property and Other Local Taxes | \$779,553 | \$2,349,531 | \$0 | \$3,129,084 |
| Charges for Services | 0 | 125,617 | 0 | 125,617 |
| Licenses, Permits, and Fees | 145,062 | 4,350 | 0 | 149,412 |
| Intergovernmental | 348,133 | 473,347 | 0 | 821,480 |
| Earnings on Investments | 60,140 | 2,487 | 3,961 | 66,588 |
| Miscellaneous | 1,440 | 7,097 | 0 | 8,537 |
| | <u>1,334,328</u> | <u>2,962,429</u> | <u>3,961</u> | <u>4,300,718</u> |
| Total Cash Receipts | | | | |
| | <u>1,334,328</u> | <u>2,962,429</u> | <u>3,961</u> | <u>4,300,718</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 526,625 | 0 | 0 | 526,625 |
| Public Safety | 78,463 | 2,190,517 | 0 | 2,268,980 |
| Public Works | 1,308 | 472,737 | 0 | 474,045 |
| Health | 0 | 4,923 | 0 | 4,923 |
| Conservation - Recreation | 18,151 | 0 | 0 | 18,151 |
| Miscellaneous | 0 | 1,730 | 0 | 1,730 |
| | <u>624,547</u> | <u>2,669,907</u> | <u>0</u> | <u>3,294,454</u> |
| Total Cash Disbursements | | | | |
| | <u>624,547</u> | <u>2,669,907</u> | <u>0</u> | <u>3,294,454</u> |
| Total Receipts Over/(Under) Disbursements | <u>709,781</u> | <u>292,522</u> | <u>3,961</u> | <u>1,006,264</u> |
| Other Financing Receipts / (Disbursements): | | | | |
| Transfers-In | 0 | 0 | 500,000 | 500,000 |
| Transfers-Out | (500,000) | 0 | 0 | (500,000) |
| Other Financing Sources | 1,993 | 0 | 0 | 1,993 |
| Sale of Asset | 0 | 2,700 | 0 | 2,700 |
| | <u>(498,007)</u> | <u>2,700</u> | <u>500,000</u> | <u>4,693</u> |
| Total Other Financing Receipts / (Disbursements) | | | | |
| | <u>(498,007)</u> | <u>2,700</u> | <u>500,000</u> | <u>4,693</u> |
| Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements | <u>211,774</u> | <u>295,222</u> | <u>503,961</u> | <u>1,010,957</u> |
| Fund Cash Balances, January 1 | <u>2,207,816</u> | <u>1,609,580</u> | <u>300,000</u> | <u>4,117,396</u> |
| Fund Cash Balances, December 31 | <u>\$2,419,590</u> | <u>\$1,904,802</u> | <u>\$803,961</u> | <u>\$5,128,353</u> |
| Reserve for Encumbrances, December 31 | <u>\$6,277</u> | <u>\$20,991</u> | <u>\$0</u> | <u>\$27,268</u> |

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

**CONCORD TOWNSHIP
DELAWARE 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**

| | <u>Governmental Fund Types</u> | | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | | |
| Property and Other Local Taxes | \$752,194 | \$2,309,923 | \$0 | \$0 | \$3,062,117 |
| Charges for Services | 0 | 116,138 | 0 | 0 | 116,138 |
| Licenses, Permits, and Fees | 115,580 | 11,350 | 0 | 0 | 126,930 |
| Intergovernmental | 306,895 | 449,636 | 0 | 0 | 756,531 |
| Earnings on Investments | 109,071 | 3,352 | 0 | 0 | 112,423 |
| Miscellaneous | 4,764 | 33,981 | 0 | 0 | 38,745 |
| | <u>1,288,504</u> | <u>2,924,380</u> | <u>0</u> | <u>0</u> | <u>4,212,884</u> |
| Total Cash Receipts | | | | | |
| | <u>1,288,504</u> | <u>2,924,380</u> | <u>0</u> | <u>0</u> | <u>4,212,884</u> |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| General Government | 566,990 | 0 | 0 | 0 | 566,990 |
| Public Safety | 78,156 | 2,630,301 | 0 | 0 | 2,708,457 |
| Public Works | 12,611 | 475,839 | 0 | 0 | 488,450 |
| Health | 5,074 | 13,898 | 0 | 0 | 18,972 |
| Conservation - Recreation | 36,978 | 12,285 | 0 | 0 | 49,263 |
| Miscellaneous | 0 | 13,081 | 0 | 0 | 13,081 |
| Capital Outlay | 0 | 9,663 | 0 | 0 | 9,663 |
| Debt Service: | | | | | |
| Redemption of Principal | 0 | 0 | 36,580 | 0 | 36,580 |
| Interest and Other Fiscal Charges | 0 | 0 | 3,420 | 0 | 3,420 |
| | <u>699,809</u> | <u>3,155,067</u> | <u>40,000</u> | <u>0</u> | <u>3,894,876</u> |
| Total Cash Disbursements | | | | | |
| | <u>699,809</u> | <u>3,155,067</u> | <u>40,000</u> | <u>0</u> | <u>3,894,876</u> |
| Total Receipts Over/(Under) Disbursements | <u>588,695</u> | <u>(230,687)</u> | <u>(40,000)</u> | <u>0</u> | <u>318,008</u> |
| Other Financing Receipts / (Disbursements): | | | | | |
| Transfers-In | 0 | 0 | 40,000 | 300,000 | 340,000 |
| Transfers-Out | (340,000) | 0 | 0 | 0 | (340,000) |
| Advances-In | 0 | 0 | 0 | 0 | 0 |
| Other Financing Sources | 1,191 | 0 | 0 | 0 | 1,191 |
| Sale of Asset | 0 | 2,032 | 0 | 0 | 2,032 |
| Total Other Financing Receipts / (Disbursements) | <u>(338,809)</u> | <u>2,032</u> | <u>40,000</u> | <u>300,000</u> | <u>3,223</u> |
| Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements | 249,886 | (228,655) | 0 | 300,000 | 321,231 |
| Fund Cash Balances, January 1 | <u>1,957,930</u> | <u>1,838,235</u> | <u>0</u> | <u>0</u> | <u>3,796,165</u> |
| Fund Cash Balances, December 31 | <u>\$2,207,816</u> | <u>\$1,609,580</u> | <u>\$0</u> | <u>\$300,000</u> | <u>\$4,117,396</u> |
| Reserve for Encumbrances, December 31 | <u>\$17,784</u> | <u>\$48,289</u> | <u>\$0</u> | <u>\$0</u> | <u>\$66,073</u> |

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

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Concord Township, Delaware County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Delaware County Sheriff for police services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for these entities.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Investment in Star Ohio is valued at amounts reported by the State Treasurer.

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 reports all financial resources except those required to be accounted for in another fund.

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

Fire District Fund- This fund accounts for the fire levy passed by the residents of Concord Township as well as monies received for providing fire services to the Village of Shawnee Hills.

Road District - This fund accounts for the Road District levy passed by the residents of Concord Township to maintain roads.

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

3. Capital Project Fund

This fund accounts for receipts restricted to constructing major capital projects. The Township created this fund in 2007 in anticipation of building a new Township Administrative building.

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 function 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 re-appropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

| | 2008 | 2007 |
|-------------------------|-------------|-------------|
| Demand deposits | \$2,705,751 | \$1,748,947 |
| Certificates of deposit | 2,422,602 | 2,368,449 |
| Total deposits | 5,128,353 | 4,117,396 |

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and December 31, 2007 follows:

2008 Budgeted vs. Actual Receipts

| | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|---------------|
| General | \$3,222,146 | \$1,336,321 | (\$1,885,825) |
| Special Revenue | 4,302,705 | 2,965,129 | (1,337,576) |
| Capital Projects | 800,000 | 503,961 | (296,039) |
| Total | \$8,324,851 | \$4,805,411 | (\$3,519,440) |

2008 Budgeted vs. Actual Budgetary Basis Expenditures

| | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|-------------|
| General | \$2,900,200 | \$1,130,824 | \$1,769,376 |
| Special Revenue | 4,098,282 | 2,690,898 | 1,407,384 |
| Capital Projects | 0 | 0 | 0 |
| Total | \$6,998,482 | \$3,821,722 | \$3,176,760 |

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity (Continued)

| Fund Type | 2007 Budgeted vs Actual Receipts | | Variance |
|------------------|----------------------------------|--------------------|----------------------|
| | Budgeted Receipts | Actual Receipts | |
| General | \$2,936,287 | \$1,289,695 | (\$1,646,592) |
| Special Revenue | 4,181,083 | 2,926,412 | (1,254,671) |
| Debt Service | 40,000 | 40,000 | 0 |
| Capital Projects | 300,000 | 300,000 | 0 |
| Total | <u>\$7,457,370</u> | <u>\$4,556,107</u> | <u>(\$2,901,263)</u> |

| Fund Type | 2007 Budgeted vs. Actual Budgetary Basis Expenditures | | Variance |
|------------------|---|------------------------|--------------------|
| | Appropriation Authority | Budgetary Expenditures | |
| General | \$2,500,064 | \$1,057,593 | \$1,442,471 |
| Special Revenue | 3,851,140 | 3,203,356 | 647,784 |
| Debt Service | 40,000 | 40,000 | 0 |
| Capital Projects | 0 | 0 | 0 |
| Total | <u>\$6,391,204</u> | <u>\$4,300,949</u> | <u>\$2,090,255</u> |

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. The tangible personal property tax is being phased out over the next few years.

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 Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OP&F participants contributed 10% of their wages; however the Township elected to pick-up 6% of the prescribed 10%. For 2008 and 2007, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

6. Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of Concord Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Vehicle;
- Fire Department Coverage; and
- Road Department Coverage.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (the most recent information available):

| | |
|-----------------------|--------------|
| | <u>2007</u> |
| Cash and investments | \$43,210,703 |
| Actuarial liabilities | \$13,357,837 |

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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
Delaware County
7250 Dublin
Delaware, Ohio 43015

To the Township Board of Trustees:

We have audited the financial statements of Concord Township, Delaware County, Ohio, (the Township) as of and for the year ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated March 24, 2009, wherein we noted 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 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 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 a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

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We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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.

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

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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-002.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated March 24, 2009.

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



Mary Taylor, CPA
Auditor of State

March 24, 2009

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Weakness- Financial Reporting

Sound financial reporting is the responsibility of the Township's Finance Department and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments/reclassifications were made to the December 31, 2008 financial statements and Township accounting records:

1. An audit adjustment was made in the amount of \$144,472 to properly reflect homestead and rollback receipts in the Fire District and Road Improvement funds.
2. An audit adjustment was made in the amount of \$48,802 to properly reflect homestead and rollback receipts in the general fund.
3. An audit reclassification was made in the amount of \$1,528 to properly reflect a utility deregulation receipt amount from miscellaneous to intergovernmental revenue.
4. An audit reclassification was made in the amount of \$2,700 to properly reflect sale of assets from intergovernmental to sale of assets.

The following audit adjustments/reclassifications were made to the December 31, 2007 financial statements and Township accounting records:

1. An audit adjustment was made in the amount of \$12,285 to properly reflect restricted grant funds received from the general fund to the Community Park Improvement Grant (CPIG) fund.
2. An audit adjustment was made in the amount of \$48,082 to properly reflect homestead and rollback receipts in the general fund.
3. An audit adjustment was made in the amount of \$144,472 to properly reflect homestead and rollback receipts in the Fire District and Road Improvement funds.
4. An audit reclassification was made in the amount of \$32,978 to properly reflect the sale of assets and insurance payment reimbursements from intergovernmental to miscellaneous and sale of assets.

We recommend the Township develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Township and thereby increasing the reliability of the financial data throughout the year. We also recommend the Township implement additional procedures over the completeness and accuracy of financial information reported within the annual financial report. Such procedures may include review of the financial statements and related components by a member of management with analytical comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

CONCORD TOWNSHIP
DELAWARE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2008-002

Noncompliance Citation- Certification of Funds

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Fiscal Officer can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal Officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township used Super Blanket Certificates to certify expenditures, however these expenditures were not for purposes defined in the guidelines above for use of Super Blanket Certificates. For 8 of 25 transactions tested (32%), the Township used improper certificates to authorize purchases. Improper use of Super Blanket Certificates can lead to purchases under the certificate for unauthorized purposes. Proper certification of funds also is a key control in the disbursement process to assure that purchase commitments receive prior approval.

**CONCORD TOWNSHIP
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

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|---|
| <p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p> |
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FINDING NUMBER 2008-002 (Continued)

Noncompliance Citation- Certification of Funds (Continued)

We recommend the Township review the use of Super Blanket Certificates. The Township should ensure Super Blankets are used only for specific recurring and predictable operating expenses. The Township Board of Trustees should review a listing of Super Blanket Certificates to ensure they are only being opened for authorized purposes.

CONCORD TOWNSHIP
DELAWARE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---------------------------------------|------------------|--|
| 2006-001 | Appropriation authority ORC5705.41(B) | Yes | Fully Corrected |



Mary Taylor, CPA
Auditor of State

CONCORD TOWNSHIP

DELAWARE 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 4, 2009**