



*CONCORD TOWNSHIP, ROSS COUNTY*

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**Regular Audit**

**For the Years Ended December 31, 2010 and 2009**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







# Dave Yost • 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, 2009 through December 31, 2010. 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 black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 28, 2011

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**CONCORD TOWNSHIP, ROSS COUNTY**  
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*For the Years Ended December 31, 2010 and 2009*

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## 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, 2010 and 2009. 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, 2010 and 2009. Instead of the combined funds the accompanying financial statements present for 2010 and 2009, the revisions require the Township to present entity wide statements and also to present its larger (i.e. major) funds separately for 2010 and 2009. 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, 2010 and 2009 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, 2010 and 2009, 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 of the Township, as of December 31, 2010 and 2009, 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, 2010 and 2009. 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 2, 2011 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 2, 2011



**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, 2010**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b><u>Cash Receipts:</u></b>						
Local Taxes	\$52,415	\$202,962	\$0	\$0	\$0	\$255,377
Intergovernmental	56,524	138,612	0	18,595	0	213,731
Charges for Services	0	5,000	0	0	0	5,000
Licenses, Permits, and Fees	0	12,075	0	0	0	12,075
Earnings on Investments	2,142	796	0	0	6	2,944
Other Revenue	7,702	17,173	0	0	0	24,875
<b>Total Cash Receipts</b>	<b>118,783</b>	<b>376,618</b>	<b>0</b>	<b>18,595</b>	<b>6</b>	<b>514,002</b>
<b><u>Cash Disbursements:</u></b>						
<i>Current:</i>						
General Government	131,269	22,950	0	0	0	154,219
Public Safety	0	63,873	0	0	0	63,873
Public Works	5,100	201,125	0	0	0	206,225
Health	10,595	34,464	0	0	0	45,059
<i>Debt Service:</i>						
Redemption of Principal	0	0	40,404	0	0	40,404
Interest and Fiscal Charges	0	0	3,747	0	0	3,747
Capital Outlay	0	51,929	0	18,595	0	70,524
<b>Total Cash Disbursements</b>	<b>146,964</b>	<b>374,341</b>	<b>44,151</b>	<b>18,595</b>	<b>0</b>	<b>584,051</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(28,181)</b>	<b>2,277</b>	<b>(44,151)</b>	<b>0</b>	<b>6</b>	<b>(70,049)</b>
<b><u>Other Financing Sources (Uses):</u></b>						
Proceeds from the Sale of Notes	0	22,545	0	0	0	22,545
Operating Transfers In	0	0	44,151	0	0	44,151
Operating Transfers Out	0	(44,151)	0	0	0	(44,151)
Sale of Fixed Assets	0	17,779	0	0	0	17,779
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(3,827)</b>	<b>44,151</b>	<b>0</b>	<b>0</b>	<b>40,324</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(28,181)	(1,550)	0	0	6	(29,725)
Fund Cash Balances, January 1	72,640	284,375	0	0	3,572	360,587
<b>Fund Cash Balances, December 31</b>	<b>\$44,459</b>	<b>\$282,825</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,578</b>	<b>\$330,862</b>

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, 2009**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Permanent	
<b><u>Cash Receipts:</u></b>					
Local Taxes	\$50,050	\$178,183	\$36,341	\$0	\$264,574
Intergovernmental	66,958	101,348	7,999	0	176,305
Charges for Services	0	5,000	0	0	5,000
Licenses, Permits, and Fees	0	19,600	0	0	19,600
Earnings on Investments	3,368	621	0	0	3,989
Other Revenue	2,910	17,061	0	0	19,971
<b>Total Cash Receipts</b>	<b>123,286</b>	<b>321,813</b>	<b>44,340</b>	<b>0</b>	<b>489,439</b>
<b><u>Cash Disbursements:</u></b>					
<i>Current:</i>					
General Government	120,389	54,041	0	0	174,430
Public Safety	0	78,294	0	0	78,294
Public Works	56,092	179,141	0	0	235,233
Health	26,012	53,593	0	0	79,605
<i>Debt Service:</i>					
Redemption of Principal	0	0	54,067	0	54,067
Interest and Fiscal Charges	0	0	5,299	0	5,299
Capital Outlay	0	31,596	0	0	31,596
<b>Total Cash Disbursements</b>	<b>202,493</b>	<b>396,665</b>	<b>59,366</b>	<b>0</b>	<b>658,524</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(79,207)</b>	<b>(74,852)</b>	<b>(15,026)</b>	<b>0</b>	<b>(169,085)</b>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds from the Sale of Notes	0	42,000	0	0	42,000
Operating Transfers In	0	0	15,026	0	15,026
Operating Transfers Out	0	(15,026)	0	0	(15,026)
Sale of Fixed Assets	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>26,974</b>	<b>15,026</b>	<b>0</b>	<b>42,000</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(79,207)</b>	<b>(47,878)</b>	<b>0</b>	<b>0</b>	<b>(127,085)</b>
<b>Fund Cash Balances, January 1</b>	<b>151,847</b>	<b>332,253</b>	<b>0</b>	<b>3,572</b>	<b>487,672</b>
<b><u>Fund Cash Balances, December 31</u></b>	<b><u>\$72,640</u></b>	<b><u>\$284,375</u></b>	<b><u>\$0</u></b>	<b><u>\$3,572</u></b>	<b><u>\$360,587</u></b>

See accompanying notes to the financial statements.

**CONCORD TOWNSHIP, ROSS COUNTY**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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**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.

*Cemetery Fund* – This fund receives property tax money for maintaining Township cemeteries.

*Special 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, 2010 and 2009*

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**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 2010 and 2009 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, 2010 and 2009**

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**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, 2010	December 31, 2009
Demand Deposits	\$330,862	\$360,587

*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, 2010 and December 31, 2009 was as follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$86,003	\$118,783	\$32,780
Special Revenue	291,817	416,942	125,125
Debt Service	44,151	44,151	0
Capital Projects	23,438	18,595	(4,843)
Permanent	0	6	6
<i>Total</i>	\$445,409	\$598,477	\$153,068

2010 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$158,541	\$146,964	\$11,577
Special Revenue	568,780	418,492	150,288
Debt Service	44,151	44,151	0
Capital Projects	23,438	18,595	4,843
Permanent	0	0	0
<i>Total</i>	\$794,910	\$628,202	\$166,708

**CONCORD TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 4 – Budgetary Basis of Accounting** -(Continued)

2009 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$90,590	\$123,286	\$32,696
Special Revenue	307,048	363,813	56,765
Debt Service	59,366	59,366	0
Permanent	0	0	0
<i>Total</i>	<u>\$457,004</u>	<u>\$546,465</u>	<u>\$89,461</u>

2009 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$209,277	\$202,493	\$6,784
Special Revenue	605,190	411,691	193,499
Debt Service	59,366	59,366	0
Permanent	0	0	0
<i>Total</i>	<u>\$873,833</u>	<u>\$673,550</u>	<u>\$200,283</u>

**Note 5- Debt**

Debt outstanding at December 31, 2010 and 2009 was as follows:

2010	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Emergency Squad Note	\$28,660	\$0	\$28,660	\$0	\$0
Fire Station Lot Note	30,600	0	6,400	27,200	3,400
Dump Truck Refinance Note	42,000	0	8,344	33,656	7,889
Dump Truck Note	0	22,545	0	22,545	4,509
<i>Total</i>	<u>\$101,260</u>	<u>\$22,545</u>	<u>\$40,404</u>	<u>\$83,401</u>	<u>\$15,798</u>

**CONCORD TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 5- Debt – (Continued)**

2009	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Emergency Squad Note	\$57,327	\$0	\$28,667	\$28,660	\$28,660
Dump Truck Note	22,000	0	22,000	0	0
Fire Station Lot Note	34,000	0	3,400	30,600	3,400
Dump Truck Refinance Note	0	42,000	0	42,000	8,379
Total	<u>\$113,327</u>	<u>\$42,000</u>	<u>\$54,067</u>	<u>\$101,260</u>	<u>\$40,439</u>

The Township obtained a note in order to purchase equipment, an Emergency Squad, to use to provide emergency medical services in 2009. 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, 2010 are as follows:

Year end December 31	Fire Station Lot Note			Dump Truck Refinance Note			Dump Truck Note		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2011	\$3,400	\$1,190	\$4,590	\$7,889	\$1,429	\$9,318	\$4,509	\$845	\$5,354
2012	3,400	1,044	4,444	8,221	1,097	9,318	4,509	676	5,185
2013	3,400	893	4,293	8,573	744	9,317	4,509	507	5,016
2014	3,400	744	4,144	8,973	380	9,353	4,509	338	4,847
2015	3,400	595	3,995	0	0	0	4,509	169	4,678
2016 - 2018	10,200	894	11,094	0	0	0	0	0	0
Total	<u>\$27,200</u>	<u>\$5,360</u>	<u>\$32,560</u>	<u>\$33,656</u>	<u>\$3,650</u>	<u>\$37,306</u>	<u>\$22,545</u>	<u>\$2,535</u>	<u>\$25,080</u>

**CONCORD TOWNSHIP, ROSS COUNTY**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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**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 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, 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 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2009, were levied after October 1, 2009, 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 2010 (other than public utility property) represent collection of 2010 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value as of December 31, 2009. Tangible personal property is being phased out. For 2009, tangible personal property tax was assessed at 12.50 percent for property, including inventory. This percentage was reduced to 6.25 percent for 2010, 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, 2010 and 2009, was \$4.10 per \$1000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 and 2009 property tax receipts were based are as follows:

<u>Real Property:</u>	<u>2010</u>	<u>2009</u>
Residential/Agricultural	\$67,353,120	\$61,458,080
Commercial/Industrial	4,395,130	3,955,790
Personal Property	276,730	566,080
Public Utility	2,443,830	2,314,300
Total Assessed Value	<u>\$74,468,810</u>	<u>\$68,294,250</u>



**CONCORD TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**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 2010 and 2009, the Township contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage	
		2010	2009
Ohio Government Risk Management Plan	Commercial Property	\$ 1,324,200	\$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	2,100,000
	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, 2010 and 2009**

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**Note 8 – Retirement Systems - (Continued)**

For the year ended December 31, 2010, 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 11.1 percent of their annual covered salary; members in public safety contributed 10.5 percent. The Township's contribution rate for pension benefits for 2010 was 8.91 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.87 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2009, 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 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2009 was 8.12 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.63 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, 2010, 2009, and 2008 were \$10,899 \$9,933 and \$8,563, respectively. The full amount has been contributed for 2010, 2009 and 2008.

**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 2010 local government employer contribution rate was 14.0 percent of covered payroll (17.87 percent for public safety and law enforcement); 5.09 percent of covered payroll was the portion that was used to fund health care.

The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries.

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, 2010 and 2009*

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**Note 9 - Postemployment Benefits** – (Continued)

The number of active contributing participants in the traditional and combined plans for December 31, 2009 (the latest information available) were 357,584. Actual employer contributions for 2010 and 2009 which were used to fund postemployment benefits were \$6,227 and \$7,193 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, 2009, (the latest information available) were \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2009. 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, 2010 and 2009, and have issued our report thereon dated May 2, 2011, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 described in the accompanying schedule of findings to be a material weakness.

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

### **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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-01.

We noted a certain matter that we reported to the Township's management in a separate letter dated May 2, 2011.

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 2, 2011

**CONCORD TOWNSHIP, ROSS COUNTY**  
**Schedule of Findings**  
**For the Years Ended December 31, 2010 and 2009**

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

*Finding Number 2010-001*

**Financial Record Keeping - Material Weakness/Noncompliance**

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 2010, a transfer out of \$4,847 from Special Levy Fund was made to make debt payments, however it should have been made from the Gasoline Tax Fund. This did not allow the Fiscal Officer to accurately reflect the transactions of the Township.

The fact that the posting error resulting in an adjusting entry occurred, indicates a material weakness in the internal controls over financial record keeping and reporting and resulted in the inaccurate reflection of the receipts of the Township for 2010.

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 error associated with the above transaction, we agree that it should have been posted as Gasoline Tax Fund as it was entered. We will correct this in the future.

**CONCORD TOWNSHIP, ROSS COUNTY**  
**Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2010 and 2009**

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Description	Status	Comments
<i>Government Auditing Standards:</i>		
1. Significant deficiency - Cash receipts were not always posted to the correct revenue classifications.	Not Corrected	Reissued as finding 2010-001

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# Dave Yost • 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  
JULY 12, 2011**