

***CONCORD TOWNSHIP  
LAKE COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Trustees  
Concord Township  
7229 Ravenna Road  
Concord Township, Ohio 44077

We have reviewed the *Report of Independent Accountants* of Concord Township, Lake County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. 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 Auditors' 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 Auditors' 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

August 9, 2012

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**CONCORD TOWNSHIP  
LAKE COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2011 and 2010**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Board of Trustees:

We have audited the accompanying financial statements of Concord Township, Lake County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion 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, Concord Township, Lake County 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 Concord Township, Lake County 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 the Township 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, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Concord Township, Lake County as of December 31, 2011 and 2010, 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 fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Concord Township, Lake County, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 9, during 2011 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2012, on our consideration of Concord Township, Lake County'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.

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

May 11, 2012



**CONCORD TOWNSHIP  
LAKE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types					Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$ 768,256	\$ 5,027,119	-	\$ 109,722	-	\$ 5,905,097
Charges For Services	4,192	339,832	-	-	-	344,024
Intergovernmental	936,793	935,575	-	-	-	1,872,368
Fees, Fines, Licenses & Permits	195,122	-	-	-	-	195,122
Special Assessments	-	92,684	-	-	-	92,684
Earnings on Investments	74,368	1,228	-	-	\$ 350	75,946
Miscellaneous	89,597	59,693	-	-	3,600	152,890
<b>Total Cash Receipts</b>	<b>2,068,328</b>	<b>6,456,131</b>	<b>-</b>	<b>109,722</b>	<b>3,950</b>	<b>8,638,131</b>
<b>Cash Disbursements:</b>						
<b>Current:</b>						
General Government	1,211,515	24,049	-	-	-	1,235,564
Public Safety	-	3,898,311	-	-	-	3,898,311
Public Works	36,562	2,246,381	-	-	-	2,282,943
Health	-	16,111	-	-	5,000	21,111
Conservation-Recreation	230,354	-	-	-	-	230,354
Capital Outlay	26,557	69,370	-	90,813	-	186,740
<b>Debt Service:</b>						
Principal Retirement	-	-	\$ 90,179	-	-	90,179
<b>Total Cash Disbursements</b>	<b>1,504,988</b>	<b>6,254,222</b>	<b>90,179</b>	<b>90,813</b>	<b>5,000</b>	<b>7,945,202</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>563,340</b>	<b>201,909</b>	<b>(90,179)</b>	<b>18,909</b>	<b>(1,050)</b>	<b>692,929</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers-In	-	-	76,500	-	-	76,500
Transfers-Out	(76,500)	-	-	-	-	(76,500)
Other Financing Uses	-	(3,900)	-	-	-	(3,900)
<b>Total Other Financing Sources/(Uses)</b>	<b>(76,500)</b>	<b>(3,900)</b>	<b>76,500</b>	<b>-</b>	<b>-</b>	<b>(3,900)</b>
<b>Excess of Cash Receipts and Other Financing Sources Over / (Under) Cash Disbursements and Other Financing Uses</b>	<b>486,840</b>	<b>198,009</b>	<b>(13,679)</b>	<b>18,909</b>	<b>(1,050)</b>	<b>689,029</b>
<b>Fund Cash Balance, January 1</b>	<b>2,356,795</b>	<b>2,647,459</b>	<b>13,688</b>	<b>960,711</b>	<b>37,714</b>	<b>6,016,367</b>
<b>Fund Cash Balance, December 31</b>						
Nonspendable	-	-	-	-	34,115	34,115
Restricted	-	1,863,989	9	979,496	2,549	2,846,043
Committed	-	-	-	124	-	124
Assigned	44,033	981,479	-	-	-	1,025,512
Unassigned	2,799,602	-	-	-	-	2,799,602
<b>Fund Cash Balance, December 31</b>	<b>\$ 2,843,635</b>	<b>\$ 2,845,468</b>	<b>\$ 9</b>	<b>\$ 979,620</b>	<b>\$ 36,664</b>	<b>\$ 6,705,396</b>

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP**  
**LAKE COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**FIDUCIARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Fiduciary Fund Types
	Agency Fund
<b>Operating Cash Receipts:</b>	
<b>Miscellaneous</b>	<b>\$ 7,700</b>
<b>Total Operating Cash Receipts</b>	<b>7,700</b>
<b>Operating Cash Disbursements:</b>	
<b>Other</b>	<b>6,600</b>
<b>Total Operating Cash (Disbursements)</b>	<b>6,600</b>
<b>Operating Income/(Loss)</b>	<b>1,100</b>
<b>Fund Cash Balance, January 1</b>	<b>4,615</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 5,715</b>

See accompanying Notes to the Financial Statements.

CONCORD TOWNSHIP  
LAKE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types					Total Memorandum Only
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$ 779,125	\$ 4,519,164	-	\$ 98,532	-	\$ 5,396,821
Charges For Services	6,900	339,432	-	-	-	346,332
Intergovernmental	697,509	1,072,539	-	18,515	-	1,788,563
Fees, Fines, Licenses & Permits	201,190	-	-	-	-	201,190
Special Assessments	-	86,438	-	-	-	86,438
Earnings on Investments	78,720	7,280	-	-	\$ 2,251	88,251
Miscellaneous	82,825	46,725	-	-	4,100	133,650
<b>Total Cash Receipts</b>	<b>1,846,269</b>	<b>6,071,578</b>	<b>-</b>	<b>117,047</b>	<b>6,351</b>	<b>8,041,245</b>
<b>Cash Disbursements:</b>						
<b>Current:</b>						
General Government	1,234,226	26,496	-	-	-	1,260,722
Public Safety	99,549	3,018,464	-	-	-	3,118,013
Public Works	35,650	2,710,726	-	20,000	-	2,766,376
Health	-	13,885	-	-	-	13,885
Conservation-Recreation	174,541	-	-	-	-	174,541
Capital Outlay	-	78,910	-	43,890	-	122,800
<b>Debt Service:</b>						
Principal Retirement	-	-	\$ 2,312	-	-	2,312
<b>Total Cash Disbursements</b>	<b>1,543,966</b>	<b>5,848,481</b>	<b>2,312</b>	<b>63,890</b>	<b>-</b>	<b>7,458,649</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>302,303</b>	<b>223,097</b>	<b>(2,312)</b>	<b>53,157</b>	<b>6,351</b>	<b>582,596</b>
<b>Other Financing Sources/(Uses):</b>						
Sale of Fixed Assets	-	3,500	-	-	-	3,500
Proceeds of Loan	-	-	-	92,491	-	92,491
Transfers-In	-	-	8,000	-	-	8,000
Transfers-Out	(8,000)	-	-	-	-	(8,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(8,000)</b>	<b>3,500</b>	<b>8,000</b>	<b>92,491</b>	<b>-</b>	<b>95,991</b>
<b>Excess of Cash Receipts and Other Financing Sources Over / (Under) Cash Disbursements and Other Financing Uses</b>	<b>294,303</b>	<b>226,597</b>	<b>5,688</b>	<b>145,648</b>	<b>6,351</b>	<b>678,587</b>
<b>Fund Cash Balance, January 1</b>	<b>2,001,080</b>	<b>2,482,274</b>	<b>8,000</b>	<b>815,063</b>	<b>31,363</b>	<b>5,337,780</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 2,295,383</b>	<b>\$ 2,708,871</b>	<b>\$ 13,688</b>	<b>\$ 960,711</b>	<b>\$ 37,714</b>	<b>\$ 6,016,367</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ 14,500</b>	<b>\$ 27,154</b>	<b>\$ -</b>	<b>\$ 95,240</b>	<b>\$ -</b>	<b>\$ 136,894</b>

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP**  
**LAKE COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**FIDUCIARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Fiduciary Fund Types
	Agency Fund
<b>Operating Cash Receipts:</b>	
Miscellaneous	\$ 6,660
Total Operating Cash Receipts	6,660
<b>Operating Cash Disbursements:</b>	
Other	4,900
Total Operating Cash (Disbursements)	4,900
Operating Income/(Loss)	1,760
Fund Cash Balance, January 1	2,855
Fund Cash Balance, December 31	\$ 4,615

See accompanying Notes to the Financial Statements.

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

Concord Township, Lake County, (The Township) is a body politic and corporate established in Ohio to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township has also elected a Fiscal Office to oversee finances and records. The Township provides general government services, maintenance of township roads, fire & rescue services, and cemetery services. Police protection is provided by the Lake County Sheriff's Department.

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

**B. 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**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies (continued)**

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

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

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of future debt. The following is the significant debt service fund:

Debt Service Fund – This fund is used to accumulate resources for the payment of bond and note indebtedness for the Township.

**4. Capital Projects Funds**

These funds are used for large capital projects, such as buildings, equipment, and other major projects. The following is the significant capital projects fund:

Capital Projects Fund – This fund accounts for monies set aside by the Board of Trustees specifically for major capital and technology improvements.

**5. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

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

**6. Fiduciary Funds**

These funds are used to account for resources restricted and are custodial in nature. The Township had the following fiduciary funds:

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

**E. Budgetary Process**

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

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies (continued)**

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**F. Fund Balance**

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board of Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies (continued)**

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board of Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. 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.

**H. Accumulated Leave**

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



**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2. Equity in Pooled Deposits and Investments**

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

	2011	2010
Demand Deposits	\$ 684,223	\$ 1,967,053
Total Deposits	684,223	1,967,053
<b>Investments</b>		
Money Market Investments	586,274	55,378
Federal Home Loan Mtg Corp.	306,482	301,312
Federal Home Loan Bank	504,048	1,313,377
Federal National Mtg Assoc.	3,459,639	1,829,302
US Treasury Bonds	1,170,445	554,560
Total Investments	6,026,888	4,053,929
Total Deposits and Investments	\$ 6,711,111	\$ 6,020,982

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

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

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2011 and December 31, 2010 was as follows:

2011 Budget vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,851,100	\$ 2,068,328	\$ 217,228
Special Revenue	6,562,784	6,456,131	(106,653)
Debt Service	90,000	76,500	(13,500)
Capital Projects	195,000	109,722	(85,278)
Permanent Fund	3,500	3,950	450
Total	\$ 8,702,384	\$ 8,714,631	\$ 12,247

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**3. Budgetary Activity (continued)**

<b>2011 Appropriations vs Budgetary Disbursements</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Disbursements</b>	<b>Variance</b>
General	\$ 4,027,280	\$ 1,625,521	\$ 2,401,759
Special Revenue	8,161,016	6,855,379	1,305,637
Debt Service	91,000	90,179	821
Capital Projects	746,240	154,206	592,034
Permanent Fund	5,000	5,000	-
<b>Total</b>	<b>\$ 13,030,536</b>	<b>\$ 8,730,285</b>	<b>\$ 4,300,251</b>

<b>2010 Budget vs Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 1,769,308	\$ 1,846,269	\$ 76,961
Special Revenue	5,933,249	6,075,078	141,829
Debt Service	8,000	8,000	-
Capital Projects	1,137,000	209,538	(927,462)
Permanent Fund	5,750	6,351	601
<b>Total</b>	<b>\$ 8,853,307</b>	<b>\$ 8,145,236</b>	<b>\$ (708,071)</b>

<b>2010 Appropriations vs Budgetary Disbursements</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Disbursements</b>	<b>Variance</b>
General	\$ 2,389,987	\$ 1,566,466	\$ 823,521
Special Revenue	7,159,520	5,875,635	1,283,885
Debt Service	8,000	2,312	5,688
Capital Projects	1,100,500	159,130	941,370
Permanent	-	-	-
<b>Total</b>	<b>\$ 10,658,007</b>	<b>\$ 7,603,543</b>	<b>\$ 3,054,464</b>

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**4. Property Taxes**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the Township. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Lake County Auditor's Office at 35% of appraised market value. All property is required to be revalued every six year. The last revaluation for the Township was completed in 2011; an update will be done in 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due December 31, with the remainder payable June 20.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2011 represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied April 1, 2009 on the values listed as of December 31, 2009. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Lake County Auditor collects property taxes on behalf of the Township. The Lake County Auditor remits the collected taxes to the Township. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

**5. Retirement Systems**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2011 and 2010, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F for fire fighters. OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries for 2011 and 2010. The Township has paid all contributions required through December 31, 2011.

**6. Risk Management**

**Commercial Insurance** - The Township has obtained commercial insurance for the following risks:

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

**CONCORD TOWNSHIP  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**6. Risk Management (continued)**

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

**7. Inter-Fund Transactions**

During 2010 the following transfers were made:

Transfer from the General Fund to Debt Service Fund	\$8,000
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During 2011 the following transfers were made:

Transfer from the General Fund to Debt Service Fund	\$76,500
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**8. Contingent Liabilities/Subsequent Events**

Management believes there are no significant pending claims or lawsuits.

**9. Restatement of Prior Year Fund Balance**

Fund balance reclassification of the Emergency Fund to the General Fund in accordance with Governmental Accounting Standards Board Statement Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

	General Fund	Special Revenue	Total
Fund balance, Dec. 31, 2010	\$ 2,295,383	\$ 2,708,871	\$ 5,051,627
Reclassification of Emergency Fund	61,412	(61,412)	-
Adjusted fund balance, Jan 1, 2011	\$ 2,356,795	\$ 2,647,459	\$ 5,051,627

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

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

To the Board of Trustees:

We have audited the financial statements of Concord Township, Lake County, Ohio (the Township) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 11, 2012, 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 also noted the Township implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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.

**Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

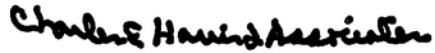
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies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

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

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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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



**Charles E. Harris and Associates, Inc.**

May 11, 2012

### **STATUS OF PRIOR YEARS' FINDINGS**

The prior audit report, for the years ending December 31, 2009 and 2008, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**CONCORD TOWNSHIP**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 21, 2012**