



OHIO AUDITOR OF STATE
KEITH FABER



CONCORD TOWNSHIP
LAKE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Concord Township
Lake County
7229 Ravenna Road
Concord, Ohio 44077

To the Township Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Concord Township, Lake County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

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Concord Township
Lake County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$861,204	\$7,210,361	\$414,960	\$101,882		\$8,588,407
Charges for Services	2,813	438,152				440,965
Licenses, Permits and Fees	316,619					316,619
Fines and Forfeitures	125					125
Intergovernmental	351,286	2,058,654	7,325	38,466		2,455,731
Special Assessments		138,813				138,813
Earnings on Investments	30,099	1,841			\$207	32,147
Miscellaneous	93,992	64,196		5,034	2,600	165,822
<i>Total Cash Receipts</i>	<u>1,656,138</u>	<u>9,912,017</u>	<u>422,285</u>	<u>145,382</u>	<u>2,807</u>	<u>12,138,629</u>
Cash Disbursements						
Current:						
General Government	1,341,496	55,671				1,397,167
Public Safety	6,262	5,097,457				5,103,719
Public Works	20,000	2,886,438				2,906,438
Health		40,329			4,600	44,929
Conservation-Recreation	267,591			804		268,395
Other		1,145,912				1,145,912
Capital Outlay		55,000		137,345		192,345
Debt Service:						
Principal Retirement		34,206	275,000			309,206
Interest and Fiscal Charges			219,787			219,787
<i>Total Cash Disbursements</i>	<u>1,635,349</u>	<u>9,315,013</u>	<u>494,787</u>	<u>138,149</u>	<u>4,600</u>	<u>11,587,898</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>20,789</u>	<u>597,004</u>	<u>(72,502)</u>	<u>7,233</u>	<u>(1,793)</u>	<u>550,731</u>
Other Financing Receipts (Disbursements)						
Sale of Bonds				8,000,000		8,000,000
Premium and Accrued Interest on Debt			559,299			559,299
Transfers In	21,449	638,489		59,576		719,514
Transfers Out		(719,514)				(719,514)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>21,449</u>	<u>(81,025)</u>	<u>559,299</u>	<u>8,059,576</u>	<u>0</u>	<u>8,559,299</u>
<i>Net Change in Fund Cash Balances</i>	42,238	515,979	486,797	8,066,809	(1,793)	9,110,030
<i>Fund Cash Balances, January 1</i>	<u>270,786</u>	<u>4,873,172</u>	<u>0</u>	<u>892,507</u>	<u>64,237</u>	<u>6,100,702</u>
<i>Fund Cash Balances, December 31</i>	<u>\$313,024</u>	<u>\$5,389,151</u>	<u>\$486,797</u>	<u>\$8,959,316</u>	<u>\$62,444</u>	<u>\$15,210,732</u>

See accompanying notes to the basic financial statements

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CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Concord Township, Lake County, Ohio, (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 Officer to oversee finances and records.

The Township provides general government services, maintenance of township roads, fire & rescue services, recreation and cemetery services. The Township police protection services is provided by the Lake County Sheriff.

Health Care Insurance Pool

Concord Township participates in the Jefferson Health Plan (JHP), which is a claims servicing self-insurance pool organized for the purpose of establishing and carrying out a cooperative program to administer medical and prescription drug benefits. The JHP is a council of governments of school districts and other political subdivisions organized and existing as a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code providing health care and related insurance benefits to over fifty-member organizations. The JHP's business affairs are conducted by a Board of Directors elected from member organizations and composed of one representative from each county served and a career center representative. Each member organization pays a monthly premium based on its claims history and monthly administrative fee.

The Jefferson Health Plan contracts with third-party administrators to process and pay health and prescription drug claims incurred by township employees and their eligible dependents. The cash balance in the Township's account as of December 31, 2021 was \$579,415. This amount is excluded from the Township's reported cash fund balance because this balance is held by the Health Plan and is reserved for payment for outstanding claims.

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

B. Basis of Accounting

These financial statements follow the basis of accounting basis permitted by the financial reporting provisions of the Ohio Revised Code 117.38 and Ohio Administrative Code 117-2-03 (D). The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when cash is received rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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.

The Township values Federal Agency securities and U.S. Treasury Bonds at fair value. Money market mutual funds are recorded at share values in the mutual funds report.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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. This 2.7 mills levy was renewed in 2017, beginning in 2018 for a 5-year term.

Road Levy Fund – This fund receives property tax money used for improvement, construction, reconstruction, resurfacing and repair of roads and bridges. This levy is a 1.7 continuous renewal with a .3 increase.

Safety Services Levy Fund – This fund received property tax money used for providing fire, police and ambulance, and emergency medical services. The 4 mills. continuous levy that generates revenue for this fund replaced the 1.0 mill police protection levy and the 2.0 mills fire levy in 2016.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

General (Bond) (Note) Retirement Fund - This fund receives property tax money used for the purpose of constructing, furnishing, and equipping fire station buildings and improving the sites thereof. This 0.6 mills levy was enacted in 2020, beginning in 2021 for a 26-year term.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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. This money is generated from Hotel Tax revenue and Fire Station Levy Bond Proceeds.

5. Permanent Funds

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

Cemetery Trust Fund – This fund's nonexpendable corpus includes monies received from past trust agreements and \$100 from each current lot sale. Interest earned on the nonexpendable corpus is used for general cemetery care.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2021 budgetary activity appears in Note 3.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Fund Balance

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end. Township 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 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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.

Note 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2021</u>
Demand deposits	\$1,812,645
Investments	
Money Market Investments	132,276
Star Ohio	8,602,025
US Treasury Bonds	4,663,786
Total investments	<u>13,398,087</u>
Total Deposits and Investments	<u><u>\$15,210,732</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure repayment of all public monies deposited in the financial institution.

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.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 3 - BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,630,403	\$1,677,587	\$47,184
Special Revenue	10,394,872	10,550,506	155,634
Capital Projects	8,128,500	8,204,958	76,458
Debt Services Fund	981,585	981,584	(1)
Permanent Fund	2,900	2,807	(93)
Total	\$21,138,260	\$21,417,442	\$279,182

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,878,005	\$1,635,349	\$242,656
Special Revenue	13,303,972	10,849,483	2,454,489
Capital Projects	2,540,000	138,149	2,401,851
Debt Services Fund	497,000	494,787	2,213
Permanent Fund	5,000	4,600	400
Total	\$18,223,977	\$13,122,368	\$5,101,609

Note 4 - PROPERTY TAX

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

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 County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 5 - DEBT

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Huntington National Bank	\$7,725,000	5.0%

In 2021 the Township used the Fire Station Levy fund projections to issue an \$8,000,000 Bond. Huntington National Bank is the paying agent (the firm that provides the bond proceeds and invoices the Township for debt service payments). Proceeds in the amount of \$8,000,000 and premiums/accrued interest of \$559,298 were received on June 3, 2021. The first annual payment of \$393,821 (\$275,000 principal, \$118,821 interest) was paid to Huntington National Bank on November 3, 2021.

In 2013 the Township was approved for a \$7,390,450 State Infrastructure Bank Loan to be used as our local match for the LAK Auburn-Crile connector Road Project for ODOT. The line of credit was reduced in 2015 to \$5,390,450. The loan term is 20 years and the first payment commenced on the 31st month after closing date of February 1, 2014, and there is a 3% pre-payment penalty prior to the 36th month.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$235,000	\$226,563	\$461,563
2023	240,000	214,813	454,813
2024	245,000	202,813	447,813
2025	250,000	190,563	440,563
2026	255,000	178,062	433,062
2027-2031	1,365,000	693,312	2,058,312
2032-2036	1,525,000	468,462	1,993,462
2037-2041	1,705,000	308,862	2,013,862
2042-2046	1,905,000	127,350	2,032,350
Total	\$7,725,000	\$2,610,800	\$10,335,800

Note 6 - RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare, and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equal to 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 6 - RETIREMENT SYSTEMS – (Continued)

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their gross wages. The Township contributed an amount equal to 24 percent of full-time fire fighter's wages. The Township has paid all contributions required through December 31, 2021.

Social Security

The Board Members of the Zoning Commission and Board of Zoning Appeals, as well as, the Volunteer fire fighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 7 - RISK MANAGEMENT

Worker's Compensation

Worker's Compensation coverage is provided by the state of Ohio. The Township pays the State Worker's Compensation System a premium based on a rate of \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 7 - RISK MANAGEMENT – (Continued)

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM’s property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020 (The most up to date information available at this time.)

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members’ Equity	<u>\$ 5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Note 8 - CONTINGENT LIABILITIES

The Township is the defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, believes that the resolution of these matters will not materially adversely affect the Township’s financial condition

Note 9 - FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods and services Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special Revenue	Permanent	Total
Nonspendable:			
Corpus		\$60,315	\$60,315
Outstanding Encumbrances	<u>\$814,954</u>		<u>814,954</u>
Total	<u>\$814,954</u>	<u>\$60,315</u>	<u>\$875,269</u>

CONCORD TOWNSHIP
LAKE COUNTY

Notes to the Financial Statements
For the Year Ending December 31, 2021

Note 9 - FUND BALANCES – (Continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general funds, outstanding encumbrances are considered assigned.

Note 10 - Construction and Contractual commitments

On November 3, 2020, Concord Township voters voted in favor of an \$8,000,000 bond levy for the purpose of constructing, furnishing, and equipping fire station buildings and improving the sites thereof. At that time, Concord Township received estimates totaling \$12 million to construct two fire stations. Due to rising costs of materials and labor from Coronavirus, the July 7, 2021 bids came back at approximate \$15 million for the two fire stations. All bids were rejected as too high. Subsequently, the Township then went out to bid on October 6, 2021 for one fire station. The winning bid of \$9.8 million by Pinnacle Construction Inc. was accepted.

Note 11 - SUBSEQUENT EVENTS

We were notified by ODOT on April 6, 2022 that the SIB loan had a balance of \$67,784 that was booked on May 17, 2021 and not reported to the township because of an accounting system error. The Township paid the balance in full the next day and requested that any interest accrued be waived since it was an ODOT error. The Township received notification from the State Infrastructure Bank that the line of credit was paid in full effective April 19, 2022.

Note 12 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either Federal or State cannot be estimated.

During 2021, the Township received \$950,825 from the Coronavirus Local Fiscal Recovery fund of the American Rescue Plan Act. Of the amounts received, \$119,514 was used to replace lost revenue, \$9,906 was used for the Sheriff's project and \$15,722 has been used for the water project. As of December 31, 2021 a fund balance of \$805,682 remains.

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S 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, Ohio 44077

To the Township Trustees:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021 and the related notes to the financial statements of Concord Township, Lake County, Ohio (the Township) and have issued our report thereon dated May 24, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

OHIO AUDITOR OF STATE KEITH FABER



CONCORD TOWNSHIP

LAKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/23/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov