



***CONCORD TOWNSHIP
ROSS COUNTY***

Regular Audit

**For the Years Ended
December 31, 2020 and 2019**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Township 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, 2019 through December 31, 2020. 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.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 14, 2021

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CONCORD TOWNSHIP, ROSS COUNTY
Table of Contents
For the Years Ended December 31, 2020 and 2019

Independent Auditor’s Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2020.....	4
Fund Cash Balances – Fiduciary Fund For the Year Ended December 31, 2020.....	5
Notes to the Financial Statements for the Year Ended December 31, 2020	6
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2019.....	13
Fund Cash Balances – Fiduciary Fund For the Year Ended December 31, 2019.....	14
Notes to the Financial Statements for the Year Ended December 31, 2019	15
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Prior Audit Findings.....	23

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Independent Auditor's Report

Board of Trustees
Concord Township
Ross County
110 Edgington Road
South Salem, Ohio 45681

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Concord Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2020 and 2019.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal controls relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 2 of the December 31, 2020 and 2019 financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D), which is an accounting basis other than accounting principles generally accepted in the United States of American (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2020 and 2019, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Concord Township, Ross County as of December 31, 2020 and 2019, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the 2020 financial statements and Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2021 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

April 15, 2021

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, 2020

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$61,573	\$230,578	\$0	\$292,151
Intergovernmental	53,345	437,980	18,750	510,075
Charges for Service	0	102,212	0	102,212
Fines, Licenses, and Permits	0	27,476	0	27,476
Earnings on Investments	154	129	0	283
Miscellaneous	235	82,863	0	83,098
Total Cash Receipts	115,307	881,238	18,750	1,015,295
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	55,302	103,590	0	158,892
Public Safety	0	392,654	0	392,654
Public Works	0	243,669	0	243,669
Health	26,791	63,506	0	90,297
Capital Outlay	0	207,987	18,750	226,737
<i>Debt Service:</i>				
Principal	2,653	5,600	0	8,253
Interest	238	504	0	742
Total Cash Disbursements	84,984	1,017,510	18,750	1,121,244
Cash Receipts Over/(Under) Cash Disbursements	30,323	(136,272)	0	(105,949)
<u>Other Financing Receipts (Disbursements)</u>				
Other Debt Proceeds	0	200,000	0	200,000
Sale of Capital Assets	0	6,878	0	6,878
Transfers In	3,596	3,596	0	7,192
Transfers Out	(3,596)	0	0	(3,596)
Total Other Financing Receipts (Disbursements)	0	210,474	0	210,474
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	30,323	74,202	0	104,525
Fund Cash Balances, January 1	31,674	571,275	0	602,949
Fund Cash Balances, December 31	\$61,997	\$645,477	\$0	\$711,070

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
Fiduciary Fund
For the Year Ended December 31, 2020

	Private Purpose Trust
<u>Cash Receipts:</u>	
Property and Local Taxes	\$0
Intergovernmental	0
Charges for Service	0
Fines, Licenses, and Permits	0
Earnings on Investments	0
Miscellaneous	0
	0
Total Cash Receipts	0
<u>Cash Disbursements:</u>	
<i>Current:</i>	
General Government	0
Public Safety	0
Public Works	0
Health	0
Capital Outlay	0
<i>Debt Service:</i>	
Principal	0
Interest	0
	0
Total Cash Disbursements	0
Cash Receipts Over/(Under) Cash Disbursements	0
<u>Other Financing Receipts (Disbursements)</u>	
Other Debt Proceeds	0
Sale of Capital Assets	0
Transfers In	0
Transfers Out	(3,596)
	(3,596)
Total Other Financing Receipts (Disbursements)	(3,596)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	(3,596)
Fund Cash Balances, January 1	3,596
<i>Fund Cash Balances, December 31</i>	\$0

See accompanying notes to the financial statements.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Concord Township, Ross County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, fire protection and emergency medical services.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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.

Special Levy Fund This fund receives real estate tax, tangible personal property tax and homestead and rollback tax money to provide firefighting and emergency services to the Township. This levy was approved November 3, 2020 as a 1.75 mill continuous levy.

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 Fund:

General Bond (Note) Retirement Fund This fund accounts for and reports resources restricted for the retirement of debt issued by the Township. There are no vote levies for debt service.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Township's private purpose trust fund is for the benefit of a certain individuals. During 2019 the Township decided to liquidate the cemetery bequest fund according to O.R.C. 317.15. This was further approved by the Ross County Prosecuting attorney. 317.15 provides that if the income produced from the fund is not enough to maintain, improve or beautify township cemeteries, then the principal of the fund may be expended from the fund itself. A unanimous approval was given by the Trustees to expend the fund starting 2020. The funds were spent in 2020 for upgrades to Greenlawn Cemetery

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each 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. Unencumbered appropriations lapse at year-end.

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 approve estimated resources.

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 reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Accumulated Leave

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

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:

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

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,646	\$118,903	\$36,257
Special Revenue	827,687	1,091,712	264,025
Capital Projects	18,750	18,750	0
Trust	3,000	0	(3,000)
Total	\$932,083	\$638,190	\$297,282

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$113,021	\$88,959	\$24,062
Special Revenue	1,391,639	1,021,464	370,175
Capital Projects	18,750	18,750	0
Trust	3,596	3,596	0
Total	\$1,527,006	\$1,132,769	\$394,237

Note 4 – Deposits and Investments

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2020 was as follows: \$707,474.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the Township.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 - Risk Management

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Vehicles
- Property
- Equipment breakdown

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

	2019*
Cash and Investments	\$35,207,320
Actuarial Liabilities	\$10,519,942

* latest information available

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

Several Township's employees 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, 2020.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2020.

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
Zero Turn Mowers	\$5,295	3.00%
Backhoe	11,200	3.00%
Emergency Squad	200,000	3.35%

The Township has issued three notes to finance the purchase, two zero turn mowers to provide lawn care for the cemeteries and a backhoe for on roads and in cemeteries and an emergency squad to provide EMS services to township residents. The notes are collateralized by the Township’s taxing authority.

Amortization

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

Year ending December 31:	Zero Turns	Backhoe	Emergency Squad
2021	\$2,813	\$5,939	\$35,271
2022	2,722	5,768	34,314
2023	0	0	33,357
2024	0	0	32,400
2025	0	0	31,442
2026	0	0	30,485
2027	0	0	29,528
Total	\$5,535	\$11,707	\$226,797

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. Those restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township had no outstanding encumbrances all year end.

Note 11 – Extraordinary Event
CARES Act (Coronavirus Aid, Relief and Economic Security Act)

Funds were awarded to the State of Ohio as Federal Financial Assistance from the US Treasury Department and enacted March 27, 2020. The Treasury Department determined these funds could be used for approved expenditures incurred between March 1, 2020 through December 31, 2020. The entity is permitted to recover salaries and benefits for both fire and EMS back to 1-1-2020. The percentage of distribution was determined by The Ross County Auditor. The Township was awarded a total of \$173,804 which included \$4.59 of interest. The law firm of Brosius, Johnson and Griggs, LLC guided the Township Trustees on acceptable expenditures.

Note 12 – Litigation

The Board is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measured.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The investments of the pension and other employee benefit plan in which the Township participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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, 2019

	Governmental Fund Types			Totals
	General	Special Revenue	Debt Service	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$52,575	\$211,653	\$9,242	\$273,470
Intergovernmental	40,905	185,907	0	226,812
Charges for Service	0	88,286	0	88,286
Fines, Licenses, and Permits	0	23,300	0	23,300
Earnings on Investments	430	278	0	708
Miscellaneous	474	19,298	0	19,772
Total Cash Receipts	94,384	528,722	9,242	632,348
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	37,221	121,966	0	159,187
Public Safety	0	158,702	0	158,702
Public Works	0	202,482	0	202,482
Health	4,614	68,729	0	73,343
Capital Outlay	0	11,226	0	11,226
<i>Debt Service:</i>				
Principal	0	0	13,941	13,941
Interest	0	0	1,141	1,141
Total Cash Disbursements	41,835	563,105	15,082	620,022
Cash Receipts Over/(Under) Cash Disbursements	52,549	(34,383)	(5,840)	12,326
<u>Other Financing Receipts (Disbursements)</u>				
Transfers In	0	0	5,840	5,840
Transfers Out	0	(5,840)	0	(5,840)
Total Other Financing Receipts (Disbursements)	0	(5,840)	5,840	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	52,549	(40,223)	0	12,326
Fund Cash Balances, January 1	(20,875)	611,498	0	590,623
Restricted	0	571,275	0	571,275
Unassigned	31,674	0	0	31,674
Fund Cash Balances, December 31	\$31,674	\$571,275	\$0	\$602,949

See accompanying notes to the financial statements.

CONCORD TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
Fiduciary Fund
For the Year Ended December 31, 2019

	Private Purpose Trust
<u>Cash Receipts:</u>	
Property and Local Taxes	\$0
Intergovernmental	0
Charges for Service	0
Fines, Licenses, and Permits	0
Earnings on Investments	0
Miscellaneous	0
	0
Total Cash Receipts	0
<u>Cash Disbursements:</u>	
<i>Current:</i>	
General Government	0
Public Safety	0
Public Works	0
Health	0
Capital Outlay	0
<i>Debt Service:</i>	
Principal	0
Interest	0
	0
Total Cash Disbursements	0
Cash Receipts Over/(Under) Cash Disbursements	0
<u>Other Financing Receipts (Disbursements)</u>	
Transfers In	0
Transfers Out	0
	0
Total Other Financing Receipts (Disbursements)	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	0
Fund Cash Balances, January 1	3,596
Restricted	0
Unassigned	0
Fund Cash Balances, December 31	\$3,596

See accompanying notes to the financial statements.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Concord Township, Ross County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, fire protection and emergency medical services.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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Special Levy Fund This fund receives real estate tax, tangible personal property tax and homestead and rollback tax money to provide firefighting and emergency services to the Township.

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 Fund:

General Bond (Note) Retirement Fund This fund accounts for and reports resources restricted for the retirement of debt issued by the Township. There are no vote levies for debt service.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

The Township's private purpose trust fund is for the benefit of a certain individuals. During 2019 the Township decided to liquidate the cemetery bequest fund according to O.R.C. 317.15. This was further approved by the Ross County Prosecuting attorney. 317.15 provides that if the income produced from the fund is not enough to maintain, improve or beautify township cemeteries, then the principal of the fund may be expended from the fund itself. A unanimous approval was given by the Trustees to expend the fund starting 2020.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each 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. Unencumbered appropriations lapse at year-end.

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 approve estimated resources.

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 reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Accumulated Leave

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

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:

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

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,840	\$94,384	\$13,544
Special Revenue	387,326	528,720	141,394
Debt Service	15,801	15,082	(719)
Total	\$483,967	\$638,190	\$154,219

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,870	\$42,548	\$16,322
Special Revenue	987,392	571,677	415,715
Debt Service	15,801	15,801	0
Total	\$1,062,063	\$630,026	\$432,037

Note 4 – Deposits and Investments

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows: \$602,949.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the Township.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 - Risk Management

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

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Vehicles
- Property
- Equipment breakdown

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

	2019
Cash and Investments	\$35,207,320
Actuarial Liabilities	\$10,519,942

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

Social Security

Several Township’s employees 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, 2019.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2019.

Concord Township
Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Zero Turn Mowers	\$7,947	3.00%
Backhoe	16,800	3.00%

The Township has issued two notes to finance the purchase, two zero turn mowers to provide lawn care for the cemeteries and a backhoe for work on roads and in cemeteries. The notes are collateralized by the Township’s taxing authority.

Amortization

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

Year ending December 31:	Zero Turns	Backhoe
2020	\$2,671	\$6,105
2021	2,664	5,936
2022	2,658	5,768
Total	\$7,993	\$17,809

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The investments of the pension and other employee benefit plan in which the Township participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Independent Auditor'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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Concord Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated April 15, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the Township.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or 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 internal control deficiencies that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Board of Trustees
Concord Township, Ross County
Independent Auditor'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 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

April 15, 2021

CONCORD TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2020

Finding Number	Description	Status	Comments
2018-01	Material Posting Errors	Corrected	None
2018-02	Ohio Rev. Code Section 5705.10 (1)	Corrected	None

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OHIO AUDITOR OF STATE KEITH FABER



CONCORD TOWNSHIP

ROSS 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 6/24/2021

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