



Dave Yost • Auditor of State

**RICHLAND TOWNSHIP
LOGAN COUNTY**

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Dave Yost • Auditor of State

Richland Township
Logan County
P.O. Box 95
Belle Center, Ohio 43310

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

May 13, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Richland Township
Logan County
P.O. Box 95
Belle Center, Ohio 43310

To the Board of Trustees:

We have audited the accompanying financial statements of Richland Township, Logan County (the Township), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Richland Township, Logan County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 13, 2011

**RICHLAND TOWNSHIP
LOGAN 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$70,467	\$149,001		\$219,468
Charges for Services		7,471		7,471
Licenses, Permits, and Fees	9,737	17,750		27,487
Intergovernmental	29,085	124,511	\$43,276	196,872
Special Assessments		1,719		1,719
Earnings on Investments	475	84		559
Miscellaneous	18,724	24,177		42,901
Total Cash Receipts	<u>128,488</u>	<u>324,713</u>	<u>43,276</u>	<u>496,477</u>
Cash Disbursements:				
Current:				
General Government	124,580			124,580
Public Safety		110,565		110,565
Public Works		128,366		128,366
Health	9,669	27,154		36,823
Conservation - Recreation	3,598	2,878		6,476
Capital Outlay		30,400	45,248	75,648
Total Cash Disbursements	<u>137,847</u>	<u>299,363</u>	<u>45,248</u>	<u>482,458</u>
Total Receipts Over/(Under) Disbursements	<u>(9,359)</u>	<u>25,350</u>	<u>(1,972)</u>	<u>14,019</u>
Other Financing Receipts / (Disbursements):				
Other Financing Receipts	9,083	27,014		36,097
Total Other Financing Receipts / (Disbursements)	<u>9,083</u>	<u>27,014</u>		<u>36,097</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(276)	52,364	(1,972)	50,116
Fund Cash Balances, January 1	<u>13,790</u>	<u>119,714</u>	<u>1,972</u>	<u>135,476</u>
Fund Cash Balances, December 31	<u>\$13,514</u>	<u>\$172,078</u>	<u>\$0</u>	<u>\$185,592</u>

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

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PRIVATE PURPOSE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2010**

Operating Cash Disbursements:

Purchased Services	\$49
Total Operating Cash Disbursements	<u>49</u>

Operating Income/(Loss)	<u>(49)</u>
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Non-Operating Cash Receipts:

Earnings on Investments	8
Total Non-Operating Cash Receipts	<u>8</u>

Receipts Over/(Under) Disbursements	(41)
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Fund Cash Balance, January 1	<u>1,820</u>
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Fund Cash Balance, December 31	<u><u>\$1,779</u></u>
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The notes to the financial statements are an integral part of this statement.

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$68,628	\$143,495		\$212,123
Charges for Services		7,491		7,491
Licenses, Permits, and Fees	9,905	9,006		18,911
Intergovernmental	40,450	220,567	\$22,281	283,298
Special Assessments		1,098		1,098
Earnings on Investments	392	207		599
Miscellaneous	15,570	24,052		39,622
Total Cash Receipts	<u>134,945</u>	<u>405,916</u>	<u>22,281</u>	<u>563,142</u>
Cash Disbursements:				
Current:				
General Government	129,829			129,829
Public Safety		80,396		80,396
Public Works		117,153		117,153
Health	19,677	27,655		47,332
Conservation - Recreation	3,947	35		3,982
Capital Outlay		101,058	20,309	121,367
Total Cash Disbursements	<u>153,453</u>	<u>326,297</u>	<u>20,309</u>	<u>500,059</u>
Total Receipts Over Disbursements	<u>(18,508)</u>	<u>79,619</u>	<u>1,972</u>	<u>63,083</u>
Fund Cash Balances, January 1	<u>32,298</u>	<u>40,095</u>		<u>72,393</u>
Fund Cash Balances, December 31	<u><u>\$13,790</u></u>	<u><u>\$119,714</u></u>	<u><u>\$1,972</u></u>	<u><u>\$135,476</u></u>

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

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PRIVATE PURPOSE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Cash Disbursements:	
Purchased Services	\$100
Total Operating Cash Disbursements	<u>100</u>
Operating Income/(Loss)	<u>(100)</u>
Non-Operating Cash Receipts:	
Earnings on Investments	8
Total Non-Operating Cash Receipts	<u>8</u>
Receipts Over/(Under) Disbursements	(92)
Fund Cash Balance, January 1	<u>1,912</u>
Fund Cash Balance, December 31	<u><u>\$1,820</u></u>

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

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Richland Township, Logan County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

The Township participates in one jointly governed organization and the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Notes 6 and 7 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

OTARMA provides property and casualty coverage for its members.

Jointly Governed Organizations:

B.M.R.T. Ambulance District – The District provides rescue services within the District and responds with mutual aid service to any agency requesting services.

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. Cash 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.

D. Fund Accounting

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

1. General Fund

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

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Special Revenue Funds

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

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

Fire District Fund - This fund receives property tax money from a special levy to help cover the cost of fire protection.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Public Works Project Fund - The Township accounts for the memo receipts and expenditures for Issue II money spent on behalf of the Township for constructing, maintaining and repairing Township roads.

4. 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.

The Township's Cemetery Endowment Fund, private purpose trust fund, is used for placing flowers on graves as specified by the donor.

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. Appropriations lapse at year end.

2. Estimated Resources

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

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

2. EQUITY IN POOLED CASH

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

	2010	2009
Demand deposits	\$187,371	\$137,296
Total deposits	187,371	137,296

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$129,340	\$137,571	\$8,231
Special Revenue	336,840	351,727	14,887
Capital Projects	58,970	43,276	(15,694)
Trust	8	8	
Total	\$525,158	\$532,582	\$7,424

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$143,130	\$137,847	\$ 5,283
Special Revenue	391,050	299,363	91,687
Capital Projects	60,943	45,248	15,695
Trust	100	49	51
Total	\$595,223	\$482,507	\$112,716

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$134,009	\$134,945	\$ 936
Special Revenue	382,875	405,916	23,041
Capital Projects	18,741	22,281	3,540
Trust	10	8	(2)
Total	\$535,635	\$563,150	\$27,515

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$165,100	\$153,453	\$ 11,647
Special Revenue	421,397	326,297	95,100
Capital Projects	20,309	20,309	
Trust	100	100	
Total	\$606,906	\$500,159	\$106,747

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, members of OPERS participants contributed 10 percent of their wages. The Township contributed an amount equal to 14 percent of their wages to OPERS for 2010 and 2009. The Township has paid all contributions required through December 31, 2010.

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	(12,880,766)	(12,981,818)
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$11,000.

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. RISK MANAGEMENT (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2009	2010
<u>\$8,582</u>	<u>\$10,291</u>

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

7. JOINTLY GOVERNED ORGANIZATION

B.M.R.T. Regional Ambulance District

B.M.R.T. is a jointly governed organization consisting of the Village of Belle Center, McDonald Township, and Richland Township in Logan County, and Taylor-Creek Township in Hardin County. The District is directed by an appointed four-member Board of Trustees. One member is appointed by each political subdivision within the District. The District provides ambulance services within the District. Financial information can be obtained from Donna Canfield, Clerk, 104 West Buckeye Street, Belle Center, Ohio 43310.



Dave Yost • Auditor of State

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

Richland Township
Logan County
P.O. Box 95
Belle Center, Ohio 43310

To the Board of Trustees:

We have audited the financial statements of Richland Township, Logan County (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 13, 2011 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 processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 and 2010-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 13, 2011.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 13, 2011

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Noncompliance – Actual Resources Less than Appropriations

Ohio Rev. Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate of estimated resources if the amount of the deficiency in estimated resources will reduce available resources below the current level of appropriations.

During 2010 the following fund had actual resources less than budgeted resources and the deficiency resulted in actual resources to be less than appropriations. A reduced amended certificate of estimated resources was not obtained, nor was appropriations reduced.

<u>Year</u>	<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2010	Capital Projects	\$58,970	\$45,248	\$60,943	(\$15,695)

To prevent deficit spending the Fiscal Officer and/or the Board of Trustees should periodically compare estimated resources to actual resources to identify which funds may not achieve estimated resource levels. The current level of appropriation should then be compared to actual resources to determine if an amended certificate of estimated resources should be obtained along with reducing appropriations.

FINDING NUMBER 2010-002

Noncompliance – Estimated Resources Less than Appropriations

Ohio Revised Code Section 5705.39 provides in part that the total appropriation from each fund shall not exceed the estimated revenue available for expenditure there from as certified by the county budget commission, or in case of appeal, by the board of tax appeals.

During 2009 the following fund had appropriations which exceeded estimated receipts:

<u>Year</u>	<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2009	Capital Projects	\$18,741	\$20,309	(\$1,568)

The adoption of appropriations in an amount greater than the certificate of estimated resources could result in expenditures where resources are not available to cover payment.

To prevent deficit spending the Fiscal Officer and/or Board of Trustees should periodically compare estimated resources to appropriations.

**RICHLAND TOWNSHIP
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Accurate recording of financial activity.	No	Partially corrected. reported to management of the Township in a separate letter.



Dave Yost • Auditor of State

RICHLAND TOWNSHIP

LOGAN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 23, 2011**