



**Auditor of State  
Betty Montgomery**



RICH HILL TOWNSHIP  
MUSKINGUM COUNTY

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**Auditor of State  
Betty Montgomery**

Rich Hill Township  
Muskingum County  
4235 Herron Road  
Chandlersville, Ohio 43727

To the Board of Township 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 a February 2, 2005 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 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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**Betty Montgomery**  
Auditor of State

October 31, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Rich Hill Township  
Muskingum County  
4235 Herron Road  
Chandlersville, Ohio 43727

To the Board of Township Trustees:

We have audited the accompanying financial statements of Rich Hill Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2004, does 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Rich Hill Township, Muskingum County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 October 31, 2005, 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.



**Betty Montgomery**  
Auditor of State

October 31, 2005



**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$9,175	\$12,244	\$6,863	\$	\$28,282
Intergovernmental	23,944	73,093			97,037
Earnings on Investments	1,575	759		25	2,359
<b>Total Cash Receipts</b>	<b>34,694</b>	<b>86,096</b>	<b>6,863</b>	<b>25</b>	<b>127,678</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	21,901	2,248			24,149
Public Safety		4,684			4,684
Public Works	4,989	64,492			69,481
Health	266				266
Debt Service:					
Redemption of Principal			6,000		6,000
Interest and Fiscal Charges			1,035		1,035
Capital Outlay	2,618	3,116		39,626	45,360
<b>Total Cash Disbursements</b>	<b>29,774</b>	<b>74,540</b>	<b>7,035</b>	<b>39,626</b>	<b>150,975</b>
Total Cash Receipts Over/(Under) Cash Disbursements	4,920	11,556	(172)	(39,601)	(23,297)
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes				23,000	23,000
Sale of Fixed Assets	1,000	1,000			2,000
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>	<b>23,000</b>	<b>25,000</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,920	12,556	(172)	(16,601)	1,703
Fund Cash Balances, January 1	74,527	94,732	3,518	16,970	189,747
<b>Fund Cash Balances, December 31</b>	<b>\$80,447</b>	<b>\$107,288</b>	<b>\$3,346</b>	<b>\$369</b>	<b>\$191,450</b>
Reserve for Encumbrances, December 31	\$280	\$1,736	\$0	\$0	\$2,016

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

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$8,893	\$11,567	\$7,208	\$	\$27,668
Intergovernmental	22,808	66,813			89,621
Earnings on Investments	1,811	503		101	2,415
Other Revenue	0	618			618
	<u>33,512</u>	<u>79,501</u>	<u>7,208</u>	<u>101</u>	<u>120,322</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	22,522	1,085			23,607
Public Safety	20	4,632			4,652
Public Works	5,499	60,405			65,904
Health	260				260
Debt Service:					
Redemption of Principal			6,000		6,000
Interest and Fiscal Charges			1,380		1,380
Capital Outlay	0	0		5	5
	<u>28,301</u>	<u>66,122</u>	<u>7,380</u>	<u>5</u>	<u>101,808</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>5,211</u>	<u>13,379</u>	<u>(172)</u>	<u>96</u>	<u>18,514</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Fixed Assets	276				276
Transfers-In				11,000	11,000
Transfers-Out	(5,000)	(6,000)		0	(11,000)
	<u>(4,724)</u>	<u>(6,000)</u>	<u>0</u>	<u>11,000</u>	<u>276</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	487	7,379	(172)	11,096	18,790
Fund Cash Balances, January 1	74,040	87,353	3,690	5,874	170,957
<b>Fund Cash Balances, December 31</b>	<u><u>\$74,527</u></u>	<u><u>\$94,732</u></u>	<u><u>\$3,518</u></u>	<u><u>\$16,970</u></u>	<u><u>\$189,747</u></u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$718</u>	<u>\$0</u>	<u>\$0</u>	<u>\$718</u>

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

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**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 Rich Hill Township, Muskingum County, Ohio (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, fire protection and emergency medical services. The Township contracts with the Village of New Concord and the Cumberland Volunteer Fire Department to provide fire protection and emergency medical services.

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 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**

The Township values certificates of deposit at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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.

**2. Special Revenue Funds**

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

Gasoline Tax Fund – This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads and bridges.

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

This fund accounts for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

Note Retirement Fund – This fund was established to retire notes issued for the purchase of a loader/backhoe to be used for Township road maintenance.

**4. 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:

Reserve Balance – Dump Truck Fund – This fund was established to accumulate resources towards the purchase of a new dump truck to be used for Township road maintenance.

**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, 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 reappropriated.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 deposits at December 31 was as follows:

	2004	2003	
Demand deposits	\$147,090	\$145,791	
Certificates of deposit	44,360	43,956	
Total deposits	\$191,450	\$189,747	

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,707	\$35,694	(\$13)
Special Revenue	88,239	87,096	(1,143)
Debt Service	6,863	6,863	0
Capital Projects	23,025	23,025	0
Total	\$153,834	\$152,678	(\$1,156)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,409	\$30,054	\$75,355
Special Revenue	179,016	76,276	102,740
Debt Service	10,380	7,035	3,345
Capital Projects	39,995	39,626	369
Total	\$334,800	\$152,991	\$181,809

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$33,689	\$33,788	\$99
Special Revenue	69,254	79,501	10,247
Debt Service	7,208	7,208	0
Capital Projects	11,000	11,101	101
Total	\$121,151	\$131,598	\$10,447

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$110,517	\$33,301	\$77,216
Special Revenue	152,607	72,840	79,767
Debt Service	10,898	7,380	3,518
Capital Projects	11,374	5	11,369
Total	\$285,396	\$113,526	\$171,870

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt 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. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
2001 General Obligation Road Equipment Notes	\$12,000	5.75%
2004 General Obligation Road Equipment Notes	23,000	3.84%
Total	\$35,000	

In 2001, the Township issued general obligation road equipment notes to finance the purchase of a loader/backhoe for use in constructing, maintaining and repairing township roads. The full faith, credit and revenue of the Township are pledged for the prompt payment. The debt is being retired from the Debt Service Note Retirement Fund.

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**5. DEBT (Continued)**

In 2004, the Township issued general obligation road equipment notes to finance the purchase of a dump truck for use in constructing, maintaining and repairing township roads. The full faith and credit of the Township are pledged for the timely payment of the securities. The debt will be retired from the Special Revenue Gasoline Tax Fund and Motor Vehicle License Tax Fund beginning in 2005.

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

Year ending December 31:	General Obligation Notes
2005	\$12,173
2006	11,652
2007	5,130
2008	4,953
2009	4,777
Total	<u><u>\$38,685</u></u>

**6. RETIREMENT SYSTEMS**

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 prescribes contribution rates. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Inland Marine;
- Automobile;
- Linebacker; and
- Bonding of public officials.

The Township also provides cancer insurance coverage for its officials and employees through a private carrier.

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**Auditor of State  
Betty Montgomery**

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

Rich Hill Township  
Muskingum County  
4235 Herron Road  
Chandlersville, Ohio 43727-9769

To the Board of Township Trustees:

We have audited the financial statements of Rich Hill Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 31, 2005, 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 uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving internal control over the financial and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financials reporting that, in our judgment could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2004-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the Township's management dated October 31, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

### **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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2004-001. In a separate letter to the Township's management dated October 31, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Township Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

October 31, 2005

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2004-001**

**Noncompliance Citation and Reportable Condition**

Ohio Rev. Code § 5705.40 provides, in part, that a subdivision may amend or supplement its appropriation measure provided the entity complies with the same provisions of law as are used in making the original appropriation. In addition, Ohio courts have held that a board or officer whose judgment and discretion is required, was chosen because they were deemed fit and competent to exercise that judgment and discretion and unless power to substitute another in their place has been given, such board or officer cannot delegate these duties to another. Following such reasoning, a Township Board of Trustees would be prohibited from delegating duties statutorily assigned to it, such as the duty of amending appropriations as provided for in Ohio Revised Code Section 5705.40. See, *C.B. Transportation, Inc. v. Butler County Board of Mental Retardation*, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979); *Burkholder v. Lauber*, 6 Ohio Misc. 152, 216 N.E.2d (C.P. 1965).

During January 2003 and 2004, the Board directed the Clerk to make appropriation amendments as he deemed necessary. The Township Clerk then posted approximately 30 line item appropriation amendments to various funds each year. However, not all of these amendments were approved by the Board of Trustees in the minutes, nor certified to the County Auditor. Variances existed between the amount approved by the legislative body and the amount posted to the accounting system as follows:

December 31, 2003:

<b>Fiscal Year</b>	<b>Fund/Line Item</b>	<b>Approved Appropriations</b>	<b>Appropriations per the UAN system</b>	<b>Variance</b>
2003	1000-110-211	\$1,950	\$2,250	(\$300)
2003	1000-110-381	\$1,600	\$1,000	\$600
2003	1000-110-382	\$1,100	\$1,700	(\$600)
2003	1000-110-599	\$30,718	\$29,156	\$1,562
2003	1000-330-360	\$2,143	\$1,918	\$225
2003	1000-910-910	\$4,775	\$5,000	(\$225)
2003	2011-330-599	\$1,808	\$308	\$1,500
2003	2011-910-910	\$1,500	\$3,000	(\$1,500)
2003	2021-110-230	\$500	\$1,500	(\$1,000)
2003	2021-330-111	\$20,227	\$20,229	(\$2)
2003	2021-330-190	\$10,000	\$10,500	(\$500)
2003	2021-330-211	\$4,200	\$4,975	(\$775)
2003	2021-330-229	\$1,975	\$1,200	\$775
2003	2021-330-312	\$870	\$1,070	(\$200)
2003	2021-330-381	\$0	\$500	(\$500)
2003	2021-330-382	\$0	\$1,600	(\$1,600)
2003	2021-330-599	\$9,820	\$4,518	\$5,302
2003	2021-910-910	\$1,500	\$3,000	(\$1,500)
2003	2031-330-111	\$562	\$563	(\$1)
2003	2031-330-190	\$1,000	\$999	\$1
2003	2031-330-312	\$667	\$867	(\$200)
2003	2031-330-599	\$4,941	\$4,741	\$200
2003	2111-220-314	\$0	\$300	(\$300)
2003	2111-230-599	\$710	\$410	\$300
2003	4401-760-360	\$366	\$0	\$366
2003	4401-910-910	\$0	\$366	(\$366)

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2004-001 (Continued)**

**Noncompliance Citation and Reportable Condition - Ohio Rev. Code § 5705.40 (Continued)**

December 31, 2004:

Fiscal Year	Fund/Line Item	Approved Appropriations	Appropriations per the UAN system	Variance
2004	1000-710-599	\$20,000	\$24,500	(\$4,500)
2004	2011-330-599	\$1,700	\$2,034	(\$334)
2004	2021-330-599	\$3,380	\$4,500	(\$1,120)
2004	2031-330-599	\$7,068	\$9,446	(\$2,378)
2004	2111-220-599	\$4,066	\$4,188	(\$122)

Because the information entered into the accounting system was inaccurate, the Township management was unable to effectively monitor budget versus actual activity. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present appropriations approved by the Township Board of Trustees.

We recommend the Township Board of Trustees approve all appropriation amendments, record approval in the Board minutes, and file all appropriation amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Clerk should post these amendments only after the required approvals have been obtained.

**RICH HILL TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-41060-001	The Township did not comply with Ohio Rev. Code § 5705.40 – amending appropriations which created non-compliance with Ohio Rev. Code § 5705.41(B) – expenditures exceeding appropriations.	No	Not Corrected. A citation for § 5705.40 is included in the current Schedule of Findings as item 2004-001 and a citation for § 5705.41(B) is included in the management letter.





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**RICH HILL TOWNSHIP**

**MUSKINGUM 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  
DECEMBER 15, 2005**