



RICHLAND TOWNSHIP, VINTON COUNTY

Regular Audit

**For the Years Ended
December 31, 2013 and 2012**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
Richland Township
58009 US Highway 50
McArthur, OH 45651

We have reviewed the *Independent Auditor's Report* of the Richland Township, Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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. The Richland Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 3, 2014

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Independent Auditor's Report

Board of Trustees
Richland Township, Vinton County
58009 US Highway 50
McArthur, OH 45651

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Township (Township), Vinton County as of and for the years ended December 31, 2013 and 2012, and related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis accounting as described in Note 2; this includes determining that the cash basis of accounting is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2013 and 2012, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Cemetery Fund, thereof for the years then ended in conformity with the accounting basis Note 2 describes.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the Township's basic financial statements taken as a whole. Management's Discussion and Analysis includes tables of net position, changes in net position and cost of program services. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in the Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 5, 2014 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The 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

May 5, 2014

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

This discussion and analysis of the Richland Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2013 and 2012, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2013 are as follows:

Net position of governmental activities decreased \$63,270, or 64.43 percent.

Program receipts accounted for \$114,252 or 41.13 percent of total receipts. General receipts accounted for \$163,510 or 58.87 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$341,032 in disbursements; \$114,252 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$163,510 and net position from the prior year were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$88,569 in receipts and \$121,061 in disbursements.

Key highlights for 2012 are as follows:

Net position of governmental activities increased \$67,556, or 220.48 percent.

Program receipts accounted for \$108,847 or 33.70 percent of total receipts. General receipts accounted for \$214,187 or 66.30 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$255,478 in disbursements; \$108,847 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$214,187 were utilized to provide for the remainder of these programs.

Among the major funds, the General Fund is the most significant with \$133,311 in receipts and \$69,333 in disbursements.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2013 and 2012, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

In the statement of net position and the statement of activities, the Township consists of one type of activity:

Governmental Activities - All of the Township's basic services are reported here, including fire, roads and general government services. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township consist of one category: governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, and the Cemetery Funds. The programs reported in governmental funds are the same as those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2013 and 2012 compared to 2011 on a cash basis:

(Table 1)

Net Position

	Governmental Activities		
	2013	2012	2011
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$34,926	\$98,196	\$30,640
Total Assets	<u>34,926</u>	<u>98,196</u>	<u>30,640</u>
Net Position			
<i>Restricted for:</i>			
Other Purposes	30,913	30,961	28,408
Unrestricted	4,013	67,235	2,232
Total Net Position	<u>\$34,926</u>	<u>\$98,196</u>	<u>\$30,640</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

As mentioned previously, net position decreased \$63,270, or 64.43 percent during 2013. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township had a decrease in grants received in the General Fund during 2013.

Table 2 reflects the changes in net position in 2013, 2012 and 2011.

(Table 2)

Changes in Net Position

	Governmental Activities		
	2013	2012	2011
<u>Receipts:</u>			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$375	\$1,400	\$300
Operating Grants and Contributions	113,877	107,447	121,045
Total Program Receipts	<u>114,252</u>	<u>108,847</u>	<u>121,345</u>
<i>General Receipts:</i>			
Property Taxes	103,644	105,477	105,020
Grants and Entitlements Not Restricted to Specific Programs	10,013	106,004	10,511
Interest	98	119	73
Proceeds of Loan	42,000	0	0
Miscellaneous	7,755	2,587	18,736
Total General Receipts	<u>163,510</u>	<u>214,187</u>	<u>134,340</u>
Total Receipts	<u>277,762</u>	<u>323,034</u>	<u>255,685</u>
<u>Disbursements:</u>			
General Government	45,169	51,140	42,302
Public Safety	23,300	23,868	23,500
Public Works	150,701	148,027	140,751
Health	34,016	23,048	23,307
Capital Outlay	80,784	1,118	2,707
Principal Retirement	6,072	7,861	11,376
Interest and Fiscal Charges	990	416	1,491
Total Disbursements	<u>341,032</u>	<u>255,478</u>	<u>245,434</u>
Increase (Decrease) in Net Position	(63,270)	67,556	10,251
Net Position, Beginning of Year	<u>98,196</u>	<u>30,640</u>	<u>20,389</u>
Net Position, End of Year	<u><u>\$34,926</u></u>	<u><u>\$98,196</u></u>	<u><u>\$30,640</u></u>

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

Governmental Activities

Program receipts represent 41.13 percent of total receipts for 2013 and 33.70 percent of total receipts for 2012. Program receipts are primarily comprised of restricted intergovernmental receipts such as gasoline tax receipts and motor vehicle license fees.

General receipts represent 58.87 percent of total receipts for 2013 and 66.30 percent of total receipts for 2012. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 37.31 percent of total receipts in 2013 and 32.65 percent in 2012. Grants and entitlements not restricted to specific programs represent 3.60 percent of total receipts in 2013 and 32.82 percent in 2012.

The most significant program disbursements for the Township are Public Works and General Government. These programs account for 57.43 percent of total disbursements in 2013 and 77.96 percent in 2012. Public Works, which accounts for 44.19 percent of the total in 2013 and 57.94 percent in 2012, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 13.24 of the total in 2013 and 20.02 in 2012, represents the overhead costs of running the Township and the support services provided for the other Township activities. These include the board of trustees and the fiscal officer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

If you look at the 2013 Statement of Activities on page 11 and the 2012 Statement of Activities on page 23 you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next column of the Statement entitled Program Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	Of Services	Of Services	Of Services	Of Services	Of Services	Of Services
	2013	2013	2012	2012	2011	2011
General Government	\$45,169	\$45,169	\$51,140	\$51,140	\$42,302	\$42,302
Public Safety	23,300	22,584	23,868	23,203	23,500	22,684
Public Works	150,701	38,282	148,027	41,930	140,751	21,384
Health	34,016	32,899	23,048	20,963	23,307	22,145
Capital Outlay	80,784	80,784	1,118	1,118	2,707	2,707
Principal Retirement	6,072	6,072	7,861	7,861	11,376	11,376
Interest and Fiscal Charges	990	990	416	416	1,491	1,491
Total Expenses	\$341,032	\$226,780	\$255,478	\$146,631	\$245,434	\$124,089

It should be noted that 33.50 percent of the costs of services for 2013 and 42.61 percent for 2012, are derived from program receipts including operating grants and contributions.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

The Township's Funds

Total governmental funds had receipts of \$231,121 and disbursements of \$341,032 in 2013. There was a decrease in fund balances for 2013.

Total governmental funds had receipts of \$322,742 and disbursements of \$255,476 in 2012. There was a increase in fund balances for 2012.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund final budgeted receipts for 2013 were \$41,027 representing an increase of \$6,827 from the original budgeted receipts, while actual receipts were \$37,147.

General Fund final disbursements were budgeted at \$108,263 for 2013 representing an increase from the original budgeted disbursements of \$6,827 or 6.73 percent, while actual disbursements were \$105,011. The difference between final budgeted disbursements and actual disbursements was \$3,252 or 3.00 percent.

For the General Fund final budgeted receipts for 2012 were \$134,404 representing an increase of \$96,404 from the original budgeted receipts, while actual receipts were \$133,311.

General Fund final disbursements were budgeted at \$69,424 for 2012 representing an increase from the original budgeted disbursements of \$29,350 or 73.24 percent, while actual disbursements were \$69,333. The difference between final budgeted disbursements and actual disbursements was \$91.

Debt Administration

At December 31, 2013, the Township had a total of \$35,928 in outstanding debt.

At December 31, 2012, the Township had no outstanding debt.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Danny Minton, Fiscal Officer for Richland Township, Vinton County, Ohio at 58009 U.S. Highway 50, McArthur, OH 45651.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Position - Cash Basis

December 31, 2013

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$34,926</u>
<i>Total Assets</i>	<u>34,926</u>
<u>Net Position:</u>	
<i>Restricted for:</i>	
Other Purposes	30,913
Unrestricted	<u>4,013</u>
<i>Total Net Position</i>	<u><u>\$34,926</u></u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2013*

	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
			<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
General Government	\$45,169	\$0	\$0	(\$45,169)
Public Safety	23,300	0	716	(22,584)
Public Works	150,701	0	112,419	(38,282)
Health	34,016	375	742	(32,899)
Capital Outlay	80,784	0	0	(80,784)
<i>Debt Service:</i>				
Principal Retirement	6,072	0	0	(6,072)
Interest and Fiscal Charges	990	0	0	(990)
<i>Total Governmental Activities</i>	<u>\$341,032</u>	<u>\$375</u>	<u>\$113,877</u>	<u>(226,780)</u>
 <u>General Receipts:</u>				
Property Taxes				103,644
Grants and Entitlements not Restricted to Specific Programs				10,013
Proceeds from Loan				42,000
Earnings on Investments				98
Miscellaneous				<u>7,755</u>
<i>Total General Receipts</i>				<u>163,510</u>
Change in Net Position				(63,270)
<i>Net Position at Beginning of Year</i>				<u>98,196</u>
<i>Net Position at End of Year</i>				<u><u>\$34,926</u></u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2013

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,013	\$1,782	\$22,289
<i>Total Assets</i>	\$4,013	\$1,782	\$22,289
 <u>Fund Balances:</u>			
Restricted	\$0	\$1,782	\$22,289
Unassigned	4,013	0	0
<i>Total Fund Balances</i>	\$4,013	\$1,782	\$22,289

See accompanying notes to the basic financial statements.

Road and Bridge	Cemetery	Other Governmental Funds	Total Governmental Funds
\$2,743	\$4,037	\$62	\$34,926
<u>\$2,743</u>	<u>\$4,037</u>	<u>\$62</u>	<u>\$34,926</u>
\$2,743	\$4,037	\$62	\$30,913
0	0	0	4,013
<u>\$2,743</u>	<u>\$4,037</u>	<u>\$62</u>	<u>\$34,926</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Receipts:</u>			
Property Taxes	\$27,064	\$0	\$0
Intergovernmental	10,013	19,649	85,434
Earnings on Investments	70	7	21
Miscellaneous	0	0	3,114
<i>Total Receipts</i>	<u>37,147</u>	<u>19,656</u>	<u>88,569</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	39,703	2,974	2,492
Public Safety	0	0	0
Public Works	24,591	16,019	71,747
Health	1,530	0	0
Capital Outlay	39,187	0	41,044
<i>Debt Service:</i>			
Principal Retirement	0	1,104	4,968
Interest and Fiscal Charges	0	180	810
<i>Total Disbursements</i>	<u>105,011</u>	<u>20,277</u>	<u>121,061</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(67,864)</u>	<u>(621)</u>	<u>(32,492)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	4,641	0	0
Proceeds from Loan	0	0	42,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,641</u>	<u>0</u>	<u>42,000</u>
<i>Net Change in Fund Balances</i>	(63,223)	(621)	9,508
<i>Fund Balances at Beginning of Year</i>	<u>67,236</u>	<u>2,403</u>	<u>12,781</u>
<i>Fund Balances at End of Year</i>	<u><u>\$4,013</u></u>	<u><u>\$1,782</u></u>	<u><u>\$22,289</u></u>

See accompanying notes to the basic financial statements.

Road and Bridge	Cemetery	Other Governmental Funds	Total Governmental Funds
\$29,524	\$23,945	\$23,111	\$103,644
915	742	7,137	123,890
0	0	0	98
0	375	0	3,489
30,439	25,062	30,248	231,121
0	0	0	45,169
0	0	23,300	23,300
31,923	0	6,421	150,701
0	32,486	0	34,016
0	0	553	80,784
0	0	0	6,072
0	0	0	990
31,923	32,486	30,274	341,032
(1,484)	(7,424)	(26)	(109,911)
0	0	0	4,641
0	0	0	42,000
0	0	0	46,641
(1,484)	(7,424)	(26)	(63,270)
4,227	11,461	88	98,196
\$2,743	\$4,037	\$62	\$34,926

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$26,500	\$28,736	\$27,064	(\$1,672)
Intergovernmental	7,675	12,266	10,013	(2,253)
Earnings on Investments	25	25	70	45
<i>Total Receipts</i>	34,200	41,027	37,147	(3,880)
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	38,312	41,351	39,703	1,648
Public Works	0	24,591	24,591	0
Health	2,000	1,898	1,530	368
Capital Outlay	61,124	40,423	39,187	1,236
<i>Total Disbursements</i>	101,436	108,263	105,011	3,252
<i>Excess of Receipts Over (Under) Disbursements</i>	(67,236)	(67,236)	(67,864)	(628)
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	4,641	4,641
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	4,641	4,641
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(67,236)	(67,236)	(63,223)	4,013
<i>Fund Balance at Beginning of Year</i>	67,236	67,236	67,236	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$4,013	\$4,013

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$15,495	\$18,682	\$19,649	\$967
Earnings on Investments	5	5	7	2
<i>Total Receipts</i>	15,500	18,687	19,656	969
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	1,000	2,974	2,974	0
Public Works	16,903	16,832	16,019	813
<i>Debt Service:</i>				
Principal Retirement	0	1,104	1,104	0
Interest and Fiscal Charges	0	180	180	0
<i>Total Disbursements</i>	17,903	21,090	20,277	813
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,403)	(2,403)	(621)	1,782
<i>Fund Balance at Beginning of Year</i>	2,403	2,403	2,403	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$1,782	\$1,782

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$83,485	\$86,485	\$85,434	(\$1,051)
Earnings on Investments	15	15	21	6
Miscellaneous	0	2,676	3,114	438
<i>Total Receipts</i>	<u>83,500</u>	<u>89,176</u>	<u>88,569</u>	<u>(607)</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	3,000	4,305	2,492	1,813
Public Works	89,081	89,452	71,747	17,705
Capital Outlay	4,200	41,422	41,044	378
<i>Debt Service:</i>				
Principal Retirement	0	4,968	4,968	0
Interest and Fiscal Charges	0	810	810	0
<i>Total Disbursements</i>	<u>96,281</u>	<u>140,957</u>	<u>121,061</u>	<u>19,896</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(12,781)	(51,781)	(32,492)	19,289
<u>Other Financing Receipts:</u>				
Proceeds of Loans	0	0	42,000	42,000
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>0</u>	<u>42,000</u>	<u>42,000</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(12,781)	(51,781)	9,508	61,289
<i>Fund Balance at Beginning of Year</i>	<u>12,781</u>	<u>12,781</u>	<u>12,781</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>(\$39,000)</u>	<u>\$22,289</u>	<u>\$61,289</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Receipts:</u>				
Property Taxes	\$27,500	\$29,823	\$29,524	(\$299)
Intergovernmental	500	500	915	415
<i>Total Receipts</i>	<u>28,000</u>	<u>30,323</u>	<u>30,439</u>	<u>116</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	28,027	24,550	31,923	(7,373)
Capital Outlay	4,200	0	0	0
<i>Total Disbursements</i>	<u>32,227</u>	<u>24,550</u>	<u>31,923</u>	<u>(7,373)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,227)	5,773	(1,484)	(7,257)
<i>Fund Balance at Beginning of Year</i>	<u>4,227</u>	<u>4,227</u>	<u>4,227</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$10,000</u>	<u>\$2,743</u>	<u>(\$7,257)</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Cemetery Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$23,285	\$23,285	\$23,945	\$660
Intergovernmental	500	500	742	242
Miscellaneous	0	0	375	375
<i>Total Receipts</i>	<u>23,785</u>	<u>23,785</u>	<u>25,062</u>	<u>1,277</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	35,246	35,246	32,486	2,760
<i>Total Disbursements</i>	<u>35,246</u>	<u>35,246</u>	<u>32,486</u>	<u>2,760</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,461)	(11,461)	(7,424)	4,037
<i>Fund Balance at Beginning of Year</i>	<u>11,461</u>	<u>11,461</u>	<u>11,461</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,037</u></u>	<u><u>\$4,037</u></u>

See accompanying notes to the basic financial statements.

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RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Position - Cash Basis

December 31, 2012

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$98,196</u>
<i>Total Assets</i>	<u>98,196</u>
<u>Net Position:</u>	
<i>Restricted for:</i>	
Other Purposes	30,961
Unrestricted	<u>67,235</u>
<i>Total Net Position</i>	<u><u>\$98,196</u></u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2012*

	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
			<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
General Government	\$51,141	\$0	\$0	(\$51,141)
Public Safety	23,868	0	665	(23,203)
Public Works	148,027	0	106,097	(41,930)
Health	23,047	1,400	685	(20,962)
Capital Outlay	1,118	0	0	(1,118)
<i>Debt Service:</i>				
Principal Retirement	7,861	0	0	(7,861)
Interest and Fiscal Charges	416	0	0	(416)
<i>Total Governmental Activities</i>	<u>\$255,478</u>	<u>\$1,400</u>	<u>\$107,447</u>	<u>(146,631)</u>
 <u>General Receipts:</u>				
Property Taxes				105,477
Grants and Entitlements not Restricted to Specific Programs				106,004
Earnings on Investments				119
Miscellaneous				<u>2,587</u>
<i>Total General Receipts</i>				<u>214,187</u>
Change in Net Position				67,556
<i>Net Position at Beginning of Year</i>				<u>30,640</u>
<i>Net Position at End of Year</i>				<u>\$98,196</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2012

	General	Gasoline Tax	Road and Bridge
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$67,236	\$12,781	\$4,227
<i>Total Assets</i>	\$67,236	\$12,781	\$4,227
<u>Fund Balances:</u>			
Restricted	\$0	\$12,781	\$4,227
Unassigned	67,236	0	0
<i>Total Fund Balances</i>	\$67,236	\$12,781	\$4,227

See accompanying notes to the basic financial statements.

<u>Cemetery</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$11,461	\$2,491	\$98,196
<u>\$11,461</u>	<u>\$2,491</u>	<u>\$98,196</u>
\$11,461	\$2,491	\$30,960
<u>0</u>	<u>0</u>	<u>67,236</u>
<u>\$11,461</u>	<u>\$2,491</u>	<u>\$98,196</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes	\$27,212	\$0	\$29,685
Intergovernmental	106,004	83,475	822
Earnings on Investments	95	16	0
Miscellaneous	0	2,295	0
<i>Total Receipts</i>	<u>133,311</u>	<u>85,786</u>	<u>30,507</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	47,664	2,877	0
Public Safety	0	0	0
Public Works	21,669	80,785	24,165
Health	0	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	0	4,065	3,796
Interest and Fiscal Charges	0	212	204
<i>Total Disbursements</i>	<u>69,333</u>	<u>87,939</u>	<u>28,165</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>63,978</u>	<u>(2,153)</u>	<u>2,342</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	238	0	0
Transfers In	788	0	0
Transfers Out	0	(788)	0
Advances In	4,000	4,000	0
Advances Out	(4,000)	(4,000)	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,026</u>	<u>(788)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	65,004	(2,941)	2,342
<i>Fund Balances at Beginning of Year</i>	<u>2,232</u>	<u>15,722</u>	<u>1,885</u>
<i>Fund Balances at End of Year</i>	<u><u>\$67,236</u></u>	<u><u>\$12,781</u></u>	<u><u>\$4,227</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$24,239	\$24,341	\$105,477
685	22,465	213,451
0	8	119
1,400	0	3,695
<u>26,324</u>	<u>46,814</u>	<u>322,742</u>
0	600	51,141
0	23,868	23,868
0	21,408	148,027
23,047	0	23,047
0	1,118	1,118
0	0	7,861
0	0	416
<u>23,047</u>	<u>46,994</u>	<u>255,478</u>
<u>3,277</u>	<u>(180)</u>	<u>67,264</u>
54	0	292
0	0	788
0	0	(788)
0	0	8,000
0	0	(8,000)
<u>54</u>	<u>0</u>	<u>292</u>
3,331	(180)	67,556
<u>8,130</u>	<u>2,671</u>	<u>30,640</u>
<u>\$11,461</u>	<u>\$2,491</u>	<u>\$98,196</u>

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$27,400	\$27,954	\$27,212	(\$742)
Intergovernmental	10,550	106,400	106,004	(396)
Earnings on Investments	50	50	95	45
<i>Total Receipts</i>	38,000	134,404	133,311	(1,093)
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	36,910	47,755	47,664	91
Public Works	3,164	21,669	21,669	0
<i>Total Disbursements</i>	40,074	69,424	69,333	91
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,074)	64,980	63,978	(1,002)
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	238	238
Advances In	0	0	4,000	4,000
Advances Out	0	0	(4,000)	(4,000)
Transfers In	0	0	788	788
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	1,026	1,026
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(2,074)	64,980	65,004	24
<i>Fund Balance at Beginning of Year</i>	2,074	2,074	2,074	0
Prior Year Encumbrances Appropriated	158	158	158	0
<i>Fund Balance at End of Year</i>	\$158	\$67,212	\$67,236	\$24

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$85,985	\$85,985	\$83,475	(\$2,510)
Earnings on Investments	15	15	17	2
Miscellaneous	0	0	2,295	2,295
<i>Total Receipts</i>	86,000	86,000	85,787	(213)
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	4,596	2,963	2,877	86
Public Works	88,666	93,511	80,786	12,725
Capital Outlay	4,000	0	0	0
<i>Debt Service:</i>				
Principal Retirement	4,065	4,065	4,065	0
Interest and Fiscal Charges	212	212	212	0
<i>Total Disbursements</i>	101,539	100,751	87,940	12,811
<i>Excess of Receipts Over (Under) Disbursements</i>	(15,539)	(14,751)	(2,153)	12,598
<u>Other Financing Sources (Uses):</u>				
Advances In	0	0	4,000	4,000
Advances Out	0	0	(4,000)	(4,000)
Transfers Out	0	(788)	(788)	0
<i>Total Other Financing Sources (Uses)</i>	0	(788)	(788)	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(15,539)	(15,539)	(2,941)	12,598
<i>Fund Balance at Beginning of Year</i>	15,539	15,539	15,539	0
Prior Year Encumbrances Appropriated	183	183	183	0
<i>Fund Balance at End of Year</i>	\$183	\$183	\$12,781	\$12,598

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$27,000	\$27,000	\$29,685	\$2,685
Intergovernmental	1,000	1,000	822	(178)
<i>Total Receipts</i>	28,000	28,000	30,507	2,507
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	29,885	25,885	24,165	1,720
<i>Debt Service:</i>				
Principal Retirement	0	3,796	3,796	0
Interest and Fiscal Charges	0	204	204	0
<i>Total Disbursements</i>	29,885	29,885	28,165	1,720
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,885)	(1,885)	2,342	4,227
<i>Fund Balance at Beginning of Year</i>	1,885	1,885	1,885	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$4,227	\$4,227

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Cemetery Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$23,200	\$23,200	\$24,239	\$1,039
Intergovernmental	800	800	685	(115)
Miscellaneous	0	0	1,400	1,400
<i>Total Receipts</i>	<u>24,000</u>	<u>24,000</u>	<u>26,324</u>	<u>2,324</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	32,130	32,130	23,047	9,083
<i>Total Disbursements</i>	<u>32,130</u>	<u>32,130</u>	<u>23,047</u>	<u>9,083</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(8,130)	(8,130)	3,277	11,407
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	54	54
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>54</u>	<u>54</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(8,130)	(8,130)	3,331	11,461
<i>Fund Balance at Beginning of Year</i>	<u>8,130</u>	<u>8,130</u>	<u>8,130</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$11,461</u>	<u>\$11,461</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 1 – Reporting Entity

The Richland Township, Vinton County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries and fire and emergency service protection. The Vinton County Sheriff's Department provides the township with protection at no cost to the township.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk-sharing pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no business-type activities.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net position presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into one category, governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the sources, uses, and balances of current financial resources.

The following is the Township's major governmental funds:

General Fund – This fund is used to account for all financial resources, except those required to be accounted for 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.

Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads.

Gasoline Tax Fund – This fund is comprised of taxes on the sale of gasoline which is distributed to the township based upon road mileage determined by the State. The Township uses the Gasoline Tax Fund for the repair and maintenance of township roads.

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

Cemetery Levy Fund – This fund receives property tax money for maintaining Township cemeteries.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2013 was \$70, which includes \$18 assigned from other Township funds. Interest receipts credited to the General Fund during 2012 was \$95, which includes \$31 assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

L. Special Items

Special items are transactions or events that are within the control of the Township and that are not unusual in nature or infrequent in occurrence.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

M. Net Position

Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for state grants reported in special revenue funds.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

N. 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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 – Summary of Significant Accounting Policies (continued)

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, and Cemetery Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 4 – Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio).
8. Certain banker’s acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
9. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized ratings agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investment may be made only upon delivery of the securities representing the investments to the treasurer of qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” and GASB Statement No. 40, “Deposits and Investment Risk Disclosures.”

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

At December 31, 2013, the carrying amount of all Township deposits was \$34,926. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2013, none of the Township’s bank balance of \$38,876 was exposed to custodial risk as discussed above, while all of the Township’s Bank balance was covered by Federal Deposit Insurance.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 4 – Deposits and Investments (continued)

At December 31, 2012, the carrying amount of all Township deposits was \$98,196. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2012, none of the Township’s bank balance of \$100,015 was exposed to custodial risk as discussed above, while all of the Township’s Bank balance was covered by Federal Deposit Insurance.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5- Debt

A summary of the debt transactions for the year ended December 31, 2013, follows:

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<i>Governmental Activities:</i>						
2013 Truck Note	3.00%	\$0	\$42,000	\$6,072	\$35,928	\$7,098
Total		<u>\$0</u>	<u>\$42,000</u>	<u>\$6,072</u>	<u>\$35,928</u>	<u>\$7,098</u>

A summary of the debt transactions for the year ended December 31, 2012, follows:

	Interest Rate	Balance December 31, 2011*	Additions	Reductions	Balance December 31, 2012	Due Within One Year
<i>Governmental Activities:</i>						
2007 Kobeko Excavator Note	5.339%	\$7,653	\$0	\$7,653	\$0	\$0
2009 Truck Note	4.75%	208	0	208	0	0
Total		<u>\$7,861</u>	<u>0</u>	<u>\$7,861</u>	<u>\$0</u>	<u>\$0</u>

*Balance was restated due to outstanding balance with bank.

The 2007 Kobeko Excavator Note relates to the purchase of an excavator and trailer in 2007. The full faith and credit of the Township is pledged to repay the debt.

The 2009 Truck Note relates to the purchase of a 2004 Chevrolet Silverado during 2009. The full faith and credit of the Township is pledged to repay the debt.

The 2013 Truck Note relates to the purchase of a 2013 Ford F550 during 2013. The full faith and credit of the Township is pledged to repay the debt.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 5- Debt (continued)

Amortization of the above debt, including interest of \$2,362, is as follows:

Year ending December 31:	Truck	
	Principal	Interest
2014	\$7,098	\$560
2015	6,887	771
2016	7,096	562
2017	7,312	346
2018	7,535	123
Total	\$35,928	\$2,362

Note 6 – Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and 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.

The full tax rate for all Township operations for the year ended December 31, 2013, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2012 property tax receipts were based are as follows:

	2013	2012
Real Property		
Residential & Agriculture	\$18,688,640	\$18,669,940
Commercial/Industrial/Mineral	254,680	254,700
Public Utility Property		
Personal	6,472,690	6,076,820
Total Assessed Value	\$25,416,010	\$25,001,460

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township contracted with 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. OTARMA is a member of the American Public Entity Excess Pool (APEEP.) Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 7 – Risk Management- (continued)

Casualty Coverage

OTARMA retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide property aggregate stop loss coverage to APEEP based upon the combined Members' Total Insurable Value (TIV). If the stop loss is reached by payment of OTARMA's retained losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverage's to OTARMA.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets	\$34,771,270	\$35,186,165
Liabilities	<u>9,355,082</u>	<u>9,718,792</u>
Net Position	<u><u>\$25,416,188</u></u>	<u><u>\$25,367,373</u></u>

At December 31, 2012 and 2011, respectively, liabilities noted above include approximately \$7.9 million and \$8.5 million of estimated incurred claims payable. These amounts will be included in future contributions from members when the related claims are due for payment. The OTARMA membership increased from 938 members in 2011 to 944 members in 2012.

Based on discussions with OTARMA the expected rates charged by OTARMA 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 liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the years ending December 31, 2013 and 2012 were \$5,221 and \$5,091, respectively.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 7 – Risk Management- (continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional pension plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2013, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2013 was 14.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2012, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2012 was 14.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$4,966, \$3,820, and \$3,434 respectively. The full amount has been contributed for 2013, 2012 and 2011.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit. A portion of each employer's contribution to the traditional pension or combined plans is set aside for the funding of postretirement health care coverage.

In 2013 for local government employer units, the rate was 14.0 percent of covered payroll; for members in the Traditional Plan, 1.0 percent was the portion used to fund healthcare during calendar year 2013 and for members in the Combined Plan, 1.0 percent was the portion used during calendar year 2013. In 2012, for local government employer units, the rate was 14.0 percent of covered payroll; for members in the Traditional Plan, 4.0 percent was the portion used to fund healthcare and for members in the Combined Plan, 6.05 percent was the portion used to fund healthcare.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 19, 2012, was effective January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 11 – Fund Cash Balances

As of December 31, 2013, fund balances are composed of the following:

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Cemetery	Other Governmental Funds	Total
<i>Restricted:</i>							
Road & Bridge Repair	\$0	\$1,782	\$22,289	\$2,743	\$0	\$0	\$26,814
Cemetery Maintenance	0	0	0	0	4,037	0	4,037
Fire Department	0	0	0	0	0	62	62
<i>Unassigned</i>	4,013	0	0	0	0	0	4,013
Total	\$4,013	\$1,782	\$22,289	\$2,743	\$4,037	\$62	\$34,926

As of December 31, 2012, fund balances are composed of the following:

	General	Gasoline Tax	Road and Bridge	Cemetery	Other Governmental Funds	Total
<i>Restricted:</i>						
Road & Bridge Repair	\$0	\$12,781	\$4,227	\$0	\$2,403	\$19,411
Cemetery Maintenance	0	0	0	11,461	0	11,461
Fire Department	0	0	0	0	88	88
<i>Unassigned</i>	67,236	0	0	0	0	67,236
Total	\$67,236	\$12,781	\$4,227	\$11,461	\$2,491	\$98,196

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Richland Township, Vinton County
58009 US Highway 50
McArthur, OH 45651

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Township (the Township), Vinton County, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 5, 2014, wherein we noted the Township's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Board of Trustees
Richland Township, Vinton County
Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

Compliance and Other Matters

As part of obtaining reasonable assurance whether the Township's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards*.

Entity's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

J. L. Uhrig and Associates, Inc.

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

May 5, 2014

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Findings
For the Years Ended December 31, 2013 and 2012

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

Finding Number 2013-001

Financial Record Keeping - Material Weakness

Ohio Administrative Code (OAC) Section 117-2-02(A) directs all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, and analyze, classify, record, and report its transactions, maintain accountability for the related assets, and prepare financial statements required by Rule 117-2-03 of the OAC. OAC Section 117-2-02(D) allows the records to be maintained manually or in a computerized format and requires the following: (1) Cash journal with the amount, date, receipt number, check number, account code, and any other information necessary to properly classify the transaction; (2) Receipts ledger to assemble and classify receipts into separate accounts for each type of receipt of each fund consisting of the amount, date, name of the payer, purpose, receipt number, and other information necessary to record the transaction on this ledger, and; (3) Appropriation ledger to assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, date, fund, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations, and any other information required may be entered in the appropriate columns.

The Township also incorrectly posted debt payments to the improper account in 2013 and 2012. This did not allow the Fiscal Officer to accurately reflect the principal and interest.

The fact that the posting errors occurred, resulting in audit reclassification entries, indicates a material weakness in the internal controls over financial record keeping and reporting and resulted in the inaccurate reflection of the receipts and disbursements of the Township for 2013 and 2012. The audit adjustments have been reflected in the financial statements included in this report.

We recommend the Fiscal Officer review the requirements of OAC Section 117-2-02 and the description of the accounts and maintain the receipt and disbursement ledgers in the manner prescribed therein.

Officials' Response

After reviewing the information and discussing the posting errors associated with the debt payments, I agree that I have failed to accurately post these transactions. I will correct this in the future and will post monies into their proper accounts, per the language in the UAN code descriptions.

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2013 and 2012

Description	Status	Comments
1. The Township had audit adjustments to reclassify and adjust the financial statements due to errors in posting to the accounting system.	Partially Corrected	Re-issued as Finding 2013-001



Dave Yost • Auditor of State

RICHLAND TOWNSHIP

VINTON 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
JULY 15, 2014**