

**RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2000 AND 1999**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370

Facsimile 614-728-  
7398  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

We have reviewed the Independent Auditor's Report of Richland Township, Logan County, prepared by Van Krevel & Company, for the audit period January 1, 1999 through December 31, 2000. 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. Richland Township is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

July 23, 2001

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RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO  
YEARS ENDED DECEMBER 31, 2000 AND 1999

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Van Krevel & Company  
Certified Public Accountants  
P. O. Box 1432  
Dublin, Ohio 43017-6432  
614/761-3743

**Report of Independent Accountants**

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

To the Board of Trustees:

We have audited the accompanying financial statements of Richland Township, Logan County, Ohio, as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 Richland Township, Logan County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2001, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audits.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

/s/ VAN KREVEL & COMPANY

May 18, 2001

Richland Township  
Logan County, Ohio

Combined Statements of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances - All Governmental Fund Types  
For the Year Ended December 31, 2000

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Memo Only</u>
<b>CASH RECEIPTS</b>			
Taxes	\$ 38,157	\$101,575	\$139,732
Charges for Services	4,264	7,251	11,515
Licenses, Permits and Fees	4,728	11,313	16,041
Intergovernmental Receipts	45,307	50,324	95,631
Interest	7,687	646	8,333
Other Revenue	<u>21,870</u>	<u>15,263</u>	<u>37,133</u>
Total Cash Receipts	122,013	186,372	308,385
<b>CASH DISBURSEMENTS</b>			
General Government	93,847		93,847
Public Safety		40,887	40,887
Public Works		61,177	61,177
Health	41,293	10,209	51,502
Capital Outlay	<u>27,414</u>	<u>191,507</u>	<u>218,921</u>
Total Cash Disbursements	162,554	303,780	466,334
Total Receipts Over (Under) Disbursements	(40,541)	(117,408)	(157,949)
<b>OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>			
Advances In		20,000	20,000
Advances Out	(20,000)		(20,000)
Proceeds from Debt		90,000	90,000
Other Financing Sources		<u>352</u>	<u>352</u>
Total Other Financing Receipts (Disbursements)	(20,000)	110,352	90,352
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(60,541)	(7,056)	(67,597)
Fund Cash Balances-January 1, 2000	<u>120,632</u>	<u>132,356</u>	<u>252,988</u>
Fund Cash Balances-December 31, 2000	<u>\$ 60,091</u>	<u>\$125,300</u>	<u>\$185,391</u>
Reserve for Encumbrances-December 31, 2000	<u>\$ 2,158</u>	<u>\$ 0</u>	<u>\$ 2,158</u>

The notes to the financial statements are an integral part of this statement.  
Richland Township  
Logan County, Ohio

Combined Statements of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances - Non Expendable Trust Fund  
For the Year Ended December 31, 2000

	<u>Non</u> <u>Expendable</u> <u>Trust</u>
CASH RECEIPTS	
Interest	\$ 46
OTHER FINANCING DISBURSEMENTS	
Personal Service	<u>(684)</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(638)
Fund Cash Balance-January 1, 2000	<u>2,798</u>
Fund Cash Balance-December 31, 2000	<u>\$2,160</u>
Reserve for Encumbrances-December 31, 2000	<u>\$ 0</u>

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

Richland Township  
Logan County, Ohio

Combined Statements of Cash Receipts, Cash Disbursements and  
Changes in Cash Fund Balances - All Governmental Fund Types  
For the Year Ended December 31, 1999

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Memo Only</u>
<b>CASH RECEIPTS</b>			
Taxes	\$ 40,433	\$104,637	\$145,070
Charges for Services		12,126	12,126
Licenses, Permits and Fees	3,278		3,278
Intergovernmental Receipts	57,617	56,785	114,402
Interest	6,626	308	6,934
Other Revenue	<u>15,833</u>	<u>8,461</u>	<u>24,294</u>
Total Cash Receipts	123,787	182,317	306,104
<b>CASH DISBURSEMENTS</b>			
General Government	64,496		64,496
Public Safety		30,705	30,705
Public Works		71,023	71,023
Health	18,927	10,648	29,575
Capital Outlay	<u>37,735</u>	<u>16,142</u>	<u>53,877</u>
Total Cash Disbursements	121,158	128,518	249,676
Total Receipts Over (Under) Disbursements	2,629	53,799	56,428
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	2,629	53,799	56,428
Fund Cash Balances-January 1, 1999	<u>118,003</u>	<u>78,557</u>	<u>196,560</u>
Fund Cash Balances-December 31, 1999	<u>\$120,632</u>	<u>\$132,356</u>	<u>\$252,988</u>
Reserve for Encumbrances-December 31, 1999	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Richland Township  
Logan County, Ohio

Combined Statements of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances - Non Expendable Trust Fund  
For the Year Ended December 31, 1999

	<u>Non Expendable Trust</u>
CASH RECEIPTS	
Interest	\$ 53
OTHER FINANCING RECEIPTS (DISBURSEMENTS)	
Personal Services	_____
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	53
Fund Cash Balance-January 1, 1999	<u>2,745</u>
Fund Cash Balance-December 31, 1999	<u>\$2,798</u>
Reserve for Encumbrances-December 31, 1999	<u>\$ 0</u>

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

RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2000 AND 1999

1. Summary of Significant Accounting Policies

A. Description of the Entity

Richland Township, Logan County, Ohio is a body corporate and politic 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 provides general governmental services, including road and bridge maintenance, cemetery maintenance, emergency medical services and fire protection.

The Township and the Village of Belle Center contract with McDonald, Taylor Creek and Lynn Townships 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash

Cash includes certificates of deposit with a maturity date of less than 2 years. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2000 AND 1999

General Fund

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

Special Revenue Funds

These funds are used to 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 streets.

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

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary fund.

Cemetery Bequest Fund. This fund receives donations to be maintained in perpetuity for the upkeep of the Township cemetery.

E. Budgetary Process

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

RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO  
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YEARS ENDED DECEMBER 31, 2000 AND 1999

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Township 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.

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.

Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

RICHLAND TOWNSHIP  
 LOGAN COUNTY, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2000 AND 1999

2. Equity in Pooled Cash

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$142,529	\$130,765
Certificates of deposit	45,000	125,000
STAR Ohio	<u>22</u>	<u>21</u>
Total deposits and investments	<u>\$187,551</u>	<u>\$255,786</u>

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the Township; or (3) collateralized by the financial institution's public entity deposit pool.

Investments:

Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$123,787	\$122,013	(\$1,774)
Special Revenue	299,316	296,724	(2,592)
Non Expendable Trust	<u>0</u>	<u>46</u>	<u>46</u>
Total	<u>\$423,103</u>	<u>\$418,783</u>	<u>(\$4,320)</u>

RICHLAND TOWNSHIP  
 LOGAN COUNTY, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2000 AND 1999

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$221,333	\$182,554	\$38,779
Special Revenue	360,103	303,780	56,323
Non Expendable Trust	<u>0</u>	<u>684</u>	<u>(684)</u>
Total	<u>\$581,436</u>	<u>\$487,018</u>	<u>\$94,418</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$111,521	\$123,787	\$12,266
Special Revenue	163,906	182,317	18,411
Non-Expendable Trust	<u>0</u>	<u>53</u>	<u>53</u>
Total	<u>\$275,427</u>	<u>\$306,157</u>	<u>\$30,730</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$142,000	\$121,158	\$20,842
Special Revenue	162,900	128,518	34,382
Non Expendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$304,900</u>	<u>\$249,676</u>	<u>\$55,224</u>

RICHLAND TOWNSHIP  
 LOGAN COUNTY, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2000 AND 1999

4. Property Tax

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

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

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, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable-Bank	<u>\$90,000</u>	6.0%

The note payable was issued to finance a fire truck. The note is unsecured. Amortization of the above debt, including interest, is scheduled as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2001	\$ 33,670
2002	33,670
2003	<u>33,670</u>
	<u>\$101,010</u>

RICHLAND TOWNSHIP  
LOGAN COUNTY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2000 AND 1999

6. Retirement Systems

The Township full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the period from January 1, 1999 through June 30, 2000. During the period from July 1, 2000 through December 31, 2000, there was a temporary reduction which lowered the employer rate to 8.13%. The Township had paid all required contributions through December 31, 2000.

7. Risk Management

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

8. Related Party

Early in the year 2000, the Township requested bids for the repair of the roof on the fire house. Only two bids were received - one of which was from Ruble Construction, a company owned by the son of a Township trustee. Because the bid from Ruble was significantly lower, the repair contract in the amount of \$10,657 was awarded to that company and subsequently paid in November of 2000.

9. Subsequent Events

In September of 2000, the Auditor of State's Office issued a check payable to the Township in the amount of \$6,047.36 covering the second half property tax rollback. Since this check was not received by the Township, the warrant was voided. In April of 2001, the Township received and deposited a replacement check.

Van Krevel & Company  
Certified Public Accountants  
P. O. Box 1432  
Dublin, Ohio 43017-6432  
614/761-3743

**Report of Independent Accounts on Compliance and on  
Internal Control Required by *Government Auditing Standards***

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

To the Board of Trustees:

We have audited the accompanying financial statements of Richland Township, Logan County, Ohio, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 18, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Township in a separate letter dated May 18, 2001.

Report of Independent Accounts on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Richland Township  
May 18, 2001  
Page 2

This report is intended solely for the information of the audit committee, Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

/s/ VAN KREVEL & COMPANY

May 18, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**RICHLAND TOWNSHIP**

**LOGAN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 9, 2001**