

**RICHLAND TOWNSHIP**  
**COLUMBUS REGION, WYANDOT COUNTY**  
**REPORT ON FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Richland Township  
18442 U. S. Route 30  
Forest, OH 45843

We have reviewed the Independent Auditor's Report of Richland Township, Wyandot County, prepared by Holbrook & Manter, CPAs, for the audit period January 1, 2001 through December 31, 2002. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 15, 2003

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Richland Township  
Wyandot County  
18442 US Rt. 30  
Forest, Ohio 45843

We have audited the accompanying financial statements of Richland Township, Wyandot County, Ohio, (the Township) as of and for the years ended 2002 and 2001. 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 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. 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Richland Township, Wyandot County, as of December 31, 2002 and December 31, 2001, 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 June 25, 2003 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 in considering the results of our audit.

This report is intended solely for the information and use of the 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.

*Holbrook & Manter*

Certified Public Accountants

June 25, 2003  
Marion, Ohio

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND**  
**CASH BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Project</b>	<b>(Memorandum Only) Total</b>
<b>Cash receipts:</b>				
Local taxes	\$ 18,458	\$ 9,809	\$ 34,750	\$ 63,017
Intergovernmental	20,795	61,389	49,683	131,867
Interest	652	1,110	0	1,762
Charges for service	0	8,000	0	8,000
Miscellaneous	370	7,309	0	7,679
<b>Total cash receipts</b>	<b>40,275</b>	<b>87,617</b>	<b>84,433</b>	<b>212,325</b>
<b>Cash disbursements:</b>				
Current:				
General government	27,989	10,186	0	38,175
Public safety	1,997	9,374	0	11,371
Public works	1,806	0	0	1,806
Health	5,369	0	0	5,369
Miscellaneous	887	0	1,113	2,000
Debt service:				
Redemption of principal	0	0	26,428	26,428
Interest	0	0	670	670
Capital outlay	0	43,519	88,306	131,825
<b>Total cash disbursements</b>	<b>38,048</b>	<b>63,079</b>	<b>116,517</b>	<b>217,644</b>
<b>Total receipts over/(under) cash disbursements</b>	<b>2,227</b>	<b>24,538</b>	<b>( 32,084)</b>	<b>( 5,319)</b>
<b>Other financing receipts/(disbursements):</b>				
Operating transfer-in	0	0	44,153	44,153
Operating transfer-out	0	( 44,153)	0	( 44,153)
<b>Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements</b>	<b>2,227</b>	<b>( 19,615)</b>	<b>12,069</b>	<b>( 5,319)</b>
<b>Fund cash balances, January 1, 2002</b>	<b>36,432</b>	<b>108,249</b>	<b>0</b>	<b>144,681</b>
<b>Fund cash balances, December 31, 2002</b>	<b>\$ 38,659</b>	<b>\$ 88,634</b>	<b>\$ 12,069</b>	<b>\$ 139,362</b>

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

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND**  
**CASH BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Project</b>	<b>(Memorandum Only) Total</b>
<b>Cash receipts:</b>				
Local taxes	\$ 17,676	\$ 9,342	\$ 31,089	\$ 58,107
Intergovernmental	33,457	68,854	47,643	149,954
Interest	1,308	1,972	0	3,280
Charges for service	0	7,850	0	7,850
Miscellaneous	820	3,455	0	4,275
<b>Total cash receipts</b>	<b>53,261</b>	<b>91,473</b>	<b>78,732</b>	<b>223,466</b>
<b>Cash disbursements:</b>				
Current:				
General government	27,664	0	0	27,664
Public safety	1,761	8,792	0	10,553
Public works	1,870	23,658	0	25,528
Health	5,482	0	0	5,482
Miscellaneous	1,674	0	1,018	2,692
Debt service:				
Redemption of principal	0	0	29,632	29,632
Interest	0	0	2,133	2,133
Capital outlay	37,073	23,165	70,582	130,820
<b>Total cash disbursements</b>	<b>75,524</b>	<b>55,615</b>	<b>103,365</b>	<b>234,504</b>
<b>Total receipts over/(under) cash disbursements</b>	<b>( 22,263)</b>	<b>35,858</b>	<b>( 24,633)</b>	<b>( 11,038)</b>
<b>Other financing receipts/(disbursements):</b>				
Operating transfer-in	0	0	24,633	24,633
Operating transfer-out	0	( 24,633)	0	( 24,633)
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>( 22,263)</b>	<b>11,225</b>	<b>0</b>	<b>( 11,038)</b>
<b>Fund cash balances, January 1, 2001</b>	<b>58,695</b>	<b>97,024</b>	<b>0</b>	<b>155,719</b>
<b>Fund cash balances, December 31, 2001</b>	<b>\$ 36,432</b>	<b>\$ 108,249</b>	<b>\$ 0</b>	<b>\$ 144,681</b>

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

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-**

**Description of the Entity** - Richland Township, Wyandot County, (the Township) 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, road and bridge maintenance, and fire and ambulance protection.

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

**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.

**Cash and Investments** - The Township places all funds in demand deposits.

**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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**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:

**Motor Vehicle License Tax Fund**

This fund receives motor vehicle tax money for constructing, maintaining and repairing Township roads.

**Gasoline Tax Fund**

This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

**Road and Bridge Fund**

This fund receives county auditor tax settlements for maintaining and repairing Township roads and bridges

**Fire District Fund**

This fund receives tax money for fire protection.

**Capital Project Funds**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

**Budgetary Process** - The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must approve appropriation measures and subsequent amendments annually. The County Budget Commission must also approve the annual appropriation measure.

**Estimated Resources**

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

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 2002 and 2001 budgetary activity appears in Note 4.

**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.

**NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS:-**

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

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$ <u>139,362</u>	\$ <u>144,681</u>

**Deposits** - The Township's deposits are insured by the Federal Depository Insurance Corporation for up to \$100,000. At December 31, 2002 and December 31, 2001, the Township's financial institution had adequate collateral to insure deposits exceeding \$100,000.

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**

**NOTE 3 - BUDGETARY ACTIVITY:-**

Budgetary activity for the years ending December 31, 2002 and 2001 was as follows:

**2002 Budgeted VS. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 44,500	\$ 40,275	\$ ( 4,225)
Special Revenue	63,500	87,617	24,117
Capital Project	<u>64,300</u>	<u>128,586</u>	<u>64,286</u>
<b>Total</b>	<b>\$ <u>172,300</u></b>	<b>\$ <u>256,478</u></b>	<b>\$ <u>84,178</u></b>

**2002 Budgeted VS. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 80,932	\$ 38,048	\$ 42,884
Special Revenue	171,749	107,232	64,517
Capital Project	<u>197,000</u>	<u>116,517</u>	<u>80,483</u>
<b>Total</b>	<b>\$ <u>449,681</u></b>	<b>\$ <u>261,797</u></b>	<b>\$ <u>187,884</u></b>

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**

**NOTE 3 - BUDGETARY ACTIVITY:-** (continued)

**2001 Budgeted VS. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 44,500	\$ 53,261	\$ 8,761
Special Revenue	61,200	91,473	30,273
Capital Project	<u>189,000</u>	<u>103,365</u>	<u>( 85,635)</u>
<b>Total</b>	<b>\$ <u>294,700</u></b>	<b>\$ <u>248,099</u></b>	<b>\$ <u>( 46,601)</u></b>

**2001 Budgeted VS. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 103,195	\$ 75,524	\$ 27,671
Special Revenue	158,222	80,248	77,974
Capital Project	<u>189,000</u>	<u>103,365</u>	<u>85,635</u>
<b>Total</b>	<b>\$ <u>450,417</u></b>	<b>\$ <u>259,137</u></b>	<b>\$ <u>191,280</u></b>

**RICHLAND TOWNSHIP**  
**WYANDOT COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002 AND 2001**

**NOTE 4 - RETIREMENT SYSTEMS:-**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employee plan. This 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the same period. The Township has paid all contributions required through December 31, 2002.

**NOTE 5 – 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.

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

**NOTE 6 – DEBT:-**

Debt Outstanding at December 31 was as follows:

	<u>2002</u>	<u>2001</u>
General obligation note		
Principal	\$ <u>0</u>	\$ <u>26,428</u>
Interest Rate	% <u>4.72</u>	% <u>4.72</u>

The general obligation note was issued in 1996 to finance the purchase of a new fire truck. The note was collateralized solely by the Township's taxing authority. In 2002 the note was repaid in full.

**NOTE 7 – RISK MANAGEMENT:-**

**Commercial Insurance** – The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Vehicle



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

Board of Trustees  
Richland Township  
Wyandot County  
18442 US Rt. 30  
Forest, Ohio 45843

We have audited the accompanying financial statements of Richland Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated June 25, 2003. 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 *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.

We noted other matters involving compliance over financial reporting that we have reported to the Management of the Township in a separate letter dated June 25, 2003.

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

*Holbrook & Manter*

Certified Public Accountants

June 25, 2003  
Marion, Ohio





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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**RICHLAND TOWNSHIP**

**WYANDOT 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  
SEPTEMBER 11, 2003**