



RICHLAND TOWNSHIP, VINTON COUNTY

Regular Audit

**For the Years Ended
December 31, 2009 and 2008**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

Board of Trustees
Richland Township
58009 US Highway 50 W
MacArthur, Ohio 45651

We have reviewed the *Independent Auditor's Report* of Richland Township, Vinton County, prepared by J. L. Uhrig and Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 29, 2010

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Richland Township, Vinton County
Table of Contents
For the Years Ended December 31, 2009 and 2008

Independent Auditor's Report 1

Management's Discussion and Analysis 3

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements - 2009:

Statement of Net Assets - Cash Basis 9

Statement of Activities - Cash Basis 10

Fund Financial Statements - 2009:

Statement of Cash Basis Assets and Fund Balances-
Governmental Funds 11

Statement of Receipts, Disbursements and Changes in
Cash Basis Fund Balances - Governmental Funds 13

Statement of Receipts, Disbursements and Changes in Fund
Balances - Budget and Actual (Budget Basis)

General Fund	15
Motor Vehicle License Tax Fund	16
Gasoline Tax Fund	17
Road and Bridge Fund	18
Fire Levy Fund	19

Government-Wide Financial Statements - 2008:

Statement of Net Assets - Cash Basis 20

Statement of Activities - Cash Basis 21

Fund Financial Statements - 2008:

Statement of Cash Basis Assets and Fund
Balances - Governmental Funds 22

Statement of Receipts, Disbursements and Changes in
Cash Basis Fund Balances - Governmental Funds 24

Statement of Receipts, Disbursements and Changes in Fund
Balances - Budget and Actual (Budget Basis)

General Fund	26
Gasoline Tax Fund	27
Road and Bridge Fund	28
Cemetery Fund	29

Richland Township, Vinton County
Table of Contents
For the Years Ended December 31, 2009 and 2008

Notes to the Basic Financial Statements	30
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	42
Schedule of Findings	44
Schedule of Prior Audit Findings	45

Independent Auditor's Report

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

We have audited the accompanying 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, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position - cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2009 and 2008, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Levy Fund and Cemetery Fund, thereof for the years then ended in conformity with the cash basis of accounting presented in Note 2.

Board of Trustees
Richland Township, Vinton County
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued a report dated July 12, 2010 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 grants. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

July 12, 2010

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
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, 2009 and 2008, within the limitations of the Township's modified 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 2009 are as follows:

Net assets of governmental activities increased \$20,959, or 78.73 percent.

Program receipts accounted for \$104,362 or 40.67 percent of total receipts. General receipts accounted for \$152,233 or 59.33 percent of total receipts. The Township's general receipts are primarily property taxes and proceeds from the sale of notes.

The Township had \$235,636 in disbursements; \$104,362 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$152,233 and net assets from the prior year were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$122,258 in receipts and \$121,092 in disbursements.

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased \$10,363, or 28.02 percent.

Program receipts accounted for \$101,945 or 52.12 percent of total receipts. General receipts accounted for \$93,661 or 47.88 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 \$205,969 in disbursements; \$101,945 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$93,661 were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$85,634 in receipts and \$87,481 in disbursements.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
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 assets 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 assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets 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, 2009 and 2008
Unaudited

In the statement of net assets 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 Fund, Road and Bridge, Fire Levy 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 assets for 2009 and 2008 compared to 2007 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		
	2009	2008	2007
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 47,582	\$ 26,623	\$ 36,986
Total Assets	<u>47,582</u>	<u>26,623</u>	<u>36,986</u>
 Net Assets			
<i>Restricted for:</i>			
Other Purposes	35,080	22,271	31,649
Unrestricted	<u>12,502</u>	<u>4,352</u>	<u>5,337</u>
Total Net Assets	<u>\$47,582</u>	<u>\$26,623</u>	<u>\$36,986</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

As mentioned previously, net assets increased \$20,959 or 78.73 percent during 2009. The primary reasons contributing to the increase in cash balances are as follows:

- The Township had an increase in grants received in the General Fund and sold some equipment during 2009.

Table 2 reflects the changes in net assets in 2009, 2008 and 2007.

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
<i>Receipts:</i>			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$1,175	\$900	\$0
Operating Grants and Contributions	103,187	101,045	103,076
Total Program Receipts	104,362	101,945	103,076
<i>General Receipts:</i>			
Property and Other Local Taxes	90,861	78,971	81,754
Grants and Entitlements Not Restricted to Specific Programs	23,122	10,756	9,920
Interest	146	231	259
Proceeds of Notes	23,030	0	33,615
Miscellaneous	15,074	3,703	3,987
Total General Receipts	152,233	93,661	129,535
Total Receipts	256,595	195,606	232,611
<i>Disbursements:</i>			
General Government	32,923	37,584	32,095
Public Safety	23,069	12,600	12,600
Public Works	105,169	130,757	126,540
Health	18,528	16,433	23,732
Capital Outlay	44,280	528	42,634
Principal Retirement	9,358	5,274	0
Interest and Fiscal Charges	2,309	2,793	0
Total Disbursements	235,636	205,969	237,601
 Increase (Decrease) in Net Assets	 20,959	 (10,363)	 (4,990)
 Net Assets, Beginning of Year	 26,623	 36,986	 41,976
Net Assets, End of Year	\$47,582	\$26,623	\$36,986

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Governmental Activities

Program receipts represent 40.67 percent of total receipts for 2009 and 52.12 percent of total receipts for 2008. Program receipts are primarily comprised of restricted intergovernmental receipts such as gasoline tax receipts and motor vehicle license fees.

General receipts represent 59.33 percent of total receipts for 2009 and 47.88 percent of total receipts for 2008. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 35.41 percent of total receipts in 2009 and 40.37 percent in 2008. Grants and entitlements not restricted to specific programs represent 9.01 percent of total receipts in 2009 and 5.50 percent in 2008.

The most significant program disbursements for the Township are Public Works, General Government and Capital Outlay. These programs account for 77.39 percent of total disbursements in 2009 and 81.99 percent in 2008. Public Works, which accounts for 44.63 percent of the total in 2009 and 63.48 percent in 2008, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 13.97 of the total in 2009 and 18.25 in 2008, 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. Capital Outlay, which accounts for 18.79 percent of the total in 2009 and 0.26 percent in 2008, represents costs associated with the purchase of equipment and contract repairs.

If you look at the 2009 Statement of Activities on page 10 and the 2008 Statement of Activities on page 21 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
	2009	2009	2008	2008	2007	2007
General Government	\$32,923	\$32,923	\$37,584	\$37,584	\$32,095	\$32,095
Public Safety	23,069	22,125	12,600	12,382	12,600	12,600
Public Works	105,169	3,554	130,757	30,552	126,540	23,464
Health	18,528	16,725	16,433	14,911	23,732	23,732
Capital Outlay	44,280	44,280	528	528	42,634	42,634
Principal Retirement	9,358	9,358	5,274	5,274	0	0
Interest and Fiscal Charges	2,309	2,309	2,793	2,793	0	0
Total Expenses	\$235,636	\$131,274	\$205,969	\$104,024	\$237,601	\$134,525

It should be noted that 44.29 percent of the costs of services for 2009 and 49.50 percent for 2008, 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, 2009 and 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$230,831 and disbursements of \$235,636 in 2009. There was an increase in fund balances for 2009.

Total governmental funds had receipts of \$193,452 and disbursements of \$205,969 in 2008. There was a decrease in fund balances for 2008.

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 2009 were \$47,608 representing a change of \$14,108 or 42.11 percent from the original budgeted receipts, while actual receipts were \$48,448.

General Fund final disbursements were budgeted at \$51,234 for 2009 representing an increase from the original budgeted disbursements of \$13,382 or 35.35 percent, while actual disbursements were \$33,026. The difference between final budgeted disbursements and actual disbursements was \$18,208 or 35.54 percent.

For the General Fund final budgeted receipts for 2008 were \$35,132 representing a change of \$3,555 or 11.26 percent from the original budgeted receipts, while actual receipts were \$35,716.

General Fund final disbursements were budgeted at \$41,352 for 2008 representing an increase from the original budgeted disbursements of \$4,438 or 12.02 percent, while actual disbursements were \$37,584. The difference between final budgeted disbursements and actual disbursements was \$3,768 or 9.11 percent.

Debt Administration

At December 31, 2009, the Township had a total of \$42,013 in outstanding debt.

At December 31, 2008, the Township had a total of \$28,341 in 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 Mac Minton, Fiscal Officer for Richland Township, Vinton County, Ohio at 1856 58009 U.S. Highway 50, McArthur, OH 45651.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$47,582</u>
<i>Total Assets</i>	<u>47,582</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	35,080
Unrestricted	<u>12,502</u>
<i>Total Net Assets</i>	<u><u>\$47,582</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, 2009*

	Disbursements	Charges for Services and Sales	Program Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
<u>Governmental Activities:</u>				
General Government	\$32,923	\$0	\$0	(\$32,923)
Public Safety	23,069	0	944	(22,125)
Public Works	105,169	0	101,615	(3,554)
Health	18,528	1,175	628	(16,725)
Capital Outlay	44,280	0	0	(44,280)
<i>Debt Service:</i>				
Principal Retirement	9,358	0	0	(9,358)
Interest and Fiscal Charges	2,309	0	0	(2,309)
<i>Total Governmental Activities</i>	<u>\$235,636</u>	<u>\$1,175</u>	<u>\$103,187</u>	<u>(131,274)</u>
 <u>General Receipts:</u>				
Property Taxes				90,861
Grants and Entitlements not Restricted to Specific Programs				23,122
Earnings on Investments				146
Proceeds of Notes				23,030
Miscellaneous				15,074
<i>Total General Receipts</i>				<u>152,233</u>
Change in Net Assets				20,959
<i>Net Assets at Beginning of Year</i>				<u>26,623</u>
<i>Net Assets at End of Year</i>				<u>\$47,582</u>

See accompanying notes to the basic financial statements.

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RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$12,502	\$5,192	\$15,007
<i>Total Assets</i>	\$12,502	\$5,192	\$15,007
 <u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$12,502	\$0	\$0
Special Revenue Funds	0	5,192	15,007
<i>Total Fund Balances</i>	\$12,502	\$5,192	\$15,007

See accompanying notes to the basic financial statements.

Road and Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$11,313	\$82	\$3,486	\$47,582
<u>\$11,313</u>	<u>\$82</u>	<u>\$3,486</u>	<u>\$47,582</u>
\$0	\$0	\$0	\$12,502
11,313	82	3,486	35,080
<u>\$11,313</u>	<u>\$82</u>	<u>\$3,486</u>	<u>\$47,582</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Receipts:</u>			
Property Taxes	\$25,236	\$0	\$0
Intergovernmental	23,122	12,053	88,425
Earnings on Investments	90	17	39
Miscellaneous	0	1,576	10,764
<i>Total Receipts</i>	<u>48,448</u>	<u>13,646</u>	<u>99,228</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	32,576	0	347
Public Safety	0	0	0
Public Works	0	10,947	75,261
Health	0	0	0
Capital Outlay	450	159	33,817
<i>Debt Service:</i>			
Principal Retirement	0	0	9,358
Interest and Fiscal Charges	0	0	2,309
<i>Total Disbursements</i>	<u>33,026</u>	<u>11,106</u>	<u>121,092</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>15,422</u>	<u>2,540</u>	<u>(21,864)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	1,463	0	0
Proceeds of Notes	0	0	23,030
Transfers In	0	0	0
Transfers Out	(8,735)	0	0
Advances In	6,000	0	6,000
Advances Out	(6,000)	0	(6,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(7,272)</u>	<u>0</u>	<u>23,030</u>
<i>Net Change in Fund Balances</i>	8,150	2,540	1,166
<i>Fund Balances at Beginning of Year</i>	<u>4,352</u>	<u>2,652</u>	<u>13,841</u>
<i>Fund Balances at End of Year</i>	<u><u>\$12,502</u></u>	<u><u>\$5,192</u></u>	<u><u>\$15,007</u></u>

See accompanying notes to the basic financial statements.

Road and Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$27,530	\$22,883	\$15,212	\$90,861
1,137	944	628	126,309
0	0	0	146
0	0	1,175	13,515
<u>28,667</u>	<u>23,827</u>	<u>17,015</u>	<u>230,831</u>
0	0	0	32,923
0	23,069	0	23,069
18,961	0	0	105,169
0	0	18,528	18,528
8,736	1,118	0	44,280
0	0		9,358
0	0		2,309
<u>27,697</u>	<u>24,187</u>	<u>18,528</u>	<u>235,636</u>
<u>970</u>	<u>(360)</u>	<u>(1,513)</u>	<u>(4,805)</u>
477	397	397	2,734
0	0	0	23,030
8,735	0	0	8,735
0	0	0	(8,735)
0	0	0	12,000
0	0	0	(12,000)
<u>9,212</u>	<u>397</u>	<u>397</u>	<u>25,764</u>
10,182	37	(1,116)	20,959
<u>1,131</u>	<u>45</u>	<u>4,602</u>	<u>26,623</u>
<u>\$11,313</u>	<u>\$82</u>	<u>\$3,486</u>	<u>\$47,582</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$22,680	\$22,680	\$25,236	\$2,556
Intergovernmental	10,720	24,828	23,122	(1,706)
Earnings on Investments	100	100	90	(10)
<i>Total Receipts</i>	33,500	47,608	48,448	840
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	37,852	50,784	32,576	18,208
Capital Outlay	0	450	450	0
<i>Total Disbursements</i>	37,852	51,234	33,026	18,208
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,352)	(3,626)	15,422	19,048
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	1,463	1,463
Advances In	0	0	6,000	6,000
Advances Out	0	0	(6,000)	(6,000)
Transfers Out	0	(8,735)	(8,735)	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	(8,735)	(7,272)	1,463
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(4,352)	(12,361)	8,150	20,511
<i>Fund Balance at Beginning of Year</i>	4,352	4,352	4,352	0
<i>Fund Balance at End of Year</i>	\$0	(\$8,009)	\$12,502	\$20,511

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Receipts:</u>				
Intergovernmental	\$12,950	\$12,950	\$12,053	(\$897)
Earnings on Investments	35	35	17	(18)
Miscellaneous	1,350	1,350	1,576	226
<i>Total Receipts</i>	<u>14,335</u>	<u>14,335</u>	<u>13,646</u>	<u>(689)</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	16,987	16,787	10,947	5,840
Capital Outlay	0	200	159	41
<i>Total Disbursements</i>	<u>16,987</u>	<u>16,987</u>	<u>11,106</u>	<u>5,881</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,652)	(2,652)	2,540	5,192
<i>Fund Balance at Beginning of Year</i>	<u>2,652</u>	<u>2,652</u>	<u>2,652</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,192</u>	<u>\$5,192</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)
Gasoline Tax Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$85,995	\$85,995	\$88,425	\$2,430
Earnings on Investments	70	70	39	(31)
Miscellaneous	0	19,128	10,764	(8,364)
<i>Total Receipts</i>	86,065	105,193	99,228	(5,965)
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	0	500	347	153
Public Works	91,839	87,717	75,261	12,456
Capital Outlay	0	33,817	33,817	0
<i>Debt Service:</i>				
Principal Retirement	6,537	9,358	9,358	0
Interest and Fiscal Charges	1,530	2,309	2,309	0
<i>Total Disbursements</i>	99,906	133,701	121,092	12,609
<i>Excess of Receipts Over (Under) Disbursements</i>	(13,841)	(28,508)	(21,864)	6,644
<u>Other Financing Sources (Uses):</u>				
Proceeds of Notes	0	0	23,030	23,030
Advances In	0	0	6,000	6,000
Advances Out	0	0	(6,000)	(6,000)
<i>Total Other Financing Sources (Uses)</i>	0	0	23,030	23,030
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(13,841)	(28,508)	1,166	29,674
<i>Fund Balance at Beginning of Year</i>	13,841	13,841	13,841	0
<i>Fund Balance at End of Year</i>	\$0	(\$14,667)	\$15,007	\$29,674

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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$26,100	\$27,155	\$27,530	\$375
Intergovernmental	1,000	1,000	1,137	137
<i>Total Receipts</i>	<u>27,100</u>	<u>28,155</u>	<u>28,667</u>	<u>512</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	28,231	29,286	18,961	10,325
Capital Outlay	0	8,736	8,736	0
<i>Total Disbursements</i>	<u>28,231</u>	<u>38,022</u>	<u>27,697</u>	<u>10,325</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,131)	(9,867)	970	10,837
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	0	0	477	477
Transfers In	0	0	8,735	8,735
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>9,212</u>	<u>9,212</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(1,131)	(9,867)	10,182	20,049
<i>Fund Balance at Beginning of Year</i>	<u>1,131</u>	<u>1,131</u>	<u>1,131</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$8,736)</u></u>	<u><u>\$11,313</u></u>	<u><u>\$20,049</u></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)*
Fire Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$12,200	\$22,883	\$22,883	\$0
Intergovernmental	200	944	944	0
<i>Total Receipts</i>	12,400	23,827	23,827	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	12,445	23,069	23,069	0
Capital Outlay	0	1,200	1,118	82
<i>Total Disbursements</i>	12,445	24,269	24,187	82
<i>Excess of Receipts Over (Under) Disbursements</i>	(45)	(442)	(360)	82
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	397	397	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	397	397	0
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(45)	(45)	37	82
<i>Fund Balance at Beginning of Year</i>	45	45	45	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$82	\$82

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$26,623</u>
<i>Total Assets</i>	<u>26,623</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	22,271
Unrestricted	<u>4,352</u>
<i>Total Net Assets</i>	<u><u>\$26,623</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, 2008*

	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
			<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
General Government	\$37,584	\$0	\$0	(\$37,584)
Public Safety	12,600	\$0	218	(12,382)
Public Works	130,757	0	100,205	(30,552)
Health	16,433	900	622	(14,911)
Capital Outlay	528	0	0	(528)
<i>Debt Service:</i>				
Principal Retirement	5,274	0	0	(5,274)
Interest and Fiscal Charges	2,793	0	0	(2,793)
<i>Total Governmental Activities</i>	<u>\$205,969</u>	<u>\$900</u>	<u>\$101,045</u>	<u>(104,024)</u>
 <u>General Receipts:</u>				
Property Taxes				78,971
Grants and Entitlements not Restricted to Specific Programs				10,756
Earnings on Investments				231
Miscellaneous				<u>3,703</u>
<i>Total General Receipts</i>				<u>93,661</u>
Change in Net Assets				(10,363)
<i>Net Assets at Beginning of Year</i>				<u>36,986</u>
<i>Net Assets at End of Year</i>				<u>\$26,623</u>

See accompanying notes to the basic financial statements.

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RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Gasoline Tax	Road and Bridge
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,352	\$13,841	\$1,131
<i>Total Assets</i>	\$4,352	\$13,841	\$1,131
 <u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$4,352	\$0	\$0
Special Revenue Funds	0	13,841	1,131
<i>Total Fund Balances</i>	\$4,352	\$13,841	\$1,131

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$4,602	\$2,697	\$26,623
<u>\$4,602</u>	<u>\$2,697</u>	<u>\$26,623</u>

\$0	\$0	\$4,352
<u>4,602</u>	<u>2,697</u>	<u>22,271</u>
<u>\$4,602</u>	<u>\$2,697</u>	<u>\$26,623</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes	\$24,843	\$0	\$27,101
Intergovernmental	10,756	85,363	1,080
Earnings on Investments	117	73	0
Miscellaneous	0	198	0
<i>Total Receipts</i>	<u>35,716</u>	<u>85,634</u>	<u>28,181</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	37,584	0	0
Public Safety	0	0	0
Public Works	0	79,414	34,114
Health	0	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	0	5,274	0
Interest and Fiscal Charges	0	2,793	0
<i>Total Disbursements</i>	<u>37,584</u>	<u>87,481</u>	<u>34,114</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,868)</u>	<u>(1,847)</u>	<u>(5,933)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	883	0	477
Advances In	5,000	5,000	0
Advances Out	(5,000)	(5,000)	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>883</u>	<u>0</u>	<u>477</u>
<i>Net Change in Fund Balances</i>	(985)	(1,847)	(5,456)
<i>Fund Balances at Beginning of Year</i>	<u>5,337</u>	<u>15,688</u>	<u>6,587</u>
<i>Fund Balances at End of Year</i>	<u><u>\$4,352</u></u>	<u><u>\$13,841</u></u>	<u><u>\$1,131</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$15,064	\$11,963	\$78,971
622	13,980	111,801
0	41	231
900	1,351	2,449
<u>16,586</u>	<u>27,335</u>	<u>193,452</u>
0	0	37,584
0	12,600	12,600
0	17,229	130,757
16,433	0	16,433
0	528	528
0		5,274
0		2,793
<u>16,433</u>	<u>30,357</u>	<u>205,969</u>
<u>153</u>	<u>(3,022)</u>	<u>(12,517)</u>
397	397	2,154
0	0	10,000
0	0	(10,000)
<u>397</u>	<u>397</u>	<u>2,154</u>
550	(2,625)	(10,363)
<u>4,052</u>	<u>5,322</u>	<u>36,986</u>
<u>\$4,602</u>	<u>\$2,697</u>	<u>\$26,623</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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$21,578	\$23,992	\$24,843	\$851
Intergovernmental	9,849	10,990	10,756	(234)
Earnings on Investments	150	150	117	(33)
<i>Total Receipts</i>	31,577	35,132	35,716	584
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	35,618	41,352	37,584	3,768
Public Works	1,296	0	0	0
<i>Total Disbursements</i>	36,914	41,352	37,584	3,768
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,337)	(6,220)	(1,868)	4,352
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	883	883	0
Advances In	0	0	5,000	5,000
Advances Out	0	0	(5,000)	(5,000)
<i>Total Other Financing Receipts (Disbursements)</i>	0	883	883	0
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(5,337)	(5,337)	(985)	4,352
<i>Fund Balance at Beginning of Year</i>	5,337	5,337	5,337	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$4,352	\$4,352

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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$88,820	\$88,820	\$85,363	(\$3,457)
Earnings on Investments	80	80	73	(7)
Miscellaneous	0	0	198	198
<i>Total Receipts</i>	88,900	88,900	85,634	(3,266)
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	92,088	96,521	79,414	17,107
<i>Debt Service:</i>				
Principal Retirement	12,500	5,274	5,274	0
Interest and Fiscal Charges	0	2,793	2,793	0
<i>Total Disbursements</i>	104,588	104,588	87,481	17,107
<i>Excess of Receipts Over (Under) Disbursements</i>	(15,688)	(15,688)	(1,847)	13,841
<u>Other Financing Sources (Uses):</u>				
Advances In	0	0	5,000	5,000
Advances Out	0	0	(5,000)	(5,000)
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(15,688)	(15,688)	(1,847)	13,841
<i>Fund Balance at Beginning of Year</i>	15,688	15,688	15,688	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$13,841	\$13,841

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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$24,299	\$27,101	\$27,101	\$0
Intergovernmental	0	1,080	1,080	0
<i>Total Receipts</i>	24,299	28,181	28,181	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	30,186	35,245	34,114	1,131
Capital Outlay	700	0	0	0
<i>Total Disbursements</i>	30,886	35,245	34,114	1,131
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,587)	(7,064)	(5,933)	1,131
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	0	477	477	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	477	477	0
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(6,587)	(6,587)	(5,456)	1,131
<i>Fund Balance at Beginning of Year</i>	6,587	6,587	6,587	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$1,131	\$1,131

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$13,584	\$14,765	\$15,064	\$299
Intergovernmental	0	622	622	0
Miscellaneous	0	900	900	0
<i>Total Receipts</i>	13,584	16,287	16,586	299
<u>Disbursements:</u>				
<i>Current:</i>				
Health	17,636	20,736	16,433	4,303
<i>Total Disbursements</i>	17,636	20,736	16,433	4,303
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,052)	(4,449)	153	4,602
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	397	397	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	397	397	0
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(4,052)	(4,052)	550	4,602
<i>Fund Balance at Beginning of Year</i>	4,052	4,052	4,052	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$4,602	\$4,602

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

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 assets 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 assets 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, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets 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 and bridges.

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, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

Fire Levy Fund – This fund receives property tax money to provide fire and emergency services protection for the Township.

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, 2009 and 2008

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 2009 was \$90, which includes \$57 assigned from other Township funds. Interest receipts credited to the General Fund during 2008 was \$117 which includes \$82 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, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

M. Net Assets

Net assets 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 assets 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 assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

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, the Road and Bridge Fund, the Fire Levy Fund, and the 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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (continued)

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;
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."

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (continued)

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, 2009, the carrying amount of all Township deposits was \$47,582. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2009, none of the Township’s bank balance of \$51,206 was exposed to custodial risk as discussed above, while all of the Township’s Bank balance was covered by Federal Deposit Insurance.

At December 31, 2008, the carrying amount of all Township deposits was \$26,623. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2008, none of the Township’s bank balance of \$30,933 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, 2009, follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009
<i>Governmental Activities:</i>					
2007 Kobeko Excavator Note	5.339%	\$28,341	\$0	\$6,537	\$21,804
2009 Truck Note	4.75%	0	23,030	2,821	20,209
Total		<u>\$28,341</u>	<u>\$23,030</u>	<u>\$9,358</u>	<u>\$42,013</u>

A summary of the debt transactions for the year ended December 31, 2008, follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
<i>Governmental Activities:</i>					
2007 Kobeko Excavator Note	5.339%	\$33,615	\$0	\$5,274	\$28,341

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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5- Debt (continued)

Amortization of the above debt, including interest of \$2,397 and \$1,791, respectively, is as follows:

Year ending December 31:	Excavator	Truck
2010	\$8,067	\$4,500
2011	8,067	4,500
2012	8,067	4,500
2013	0	8,500
Total	<u>\$24,201</u>	<u>\$22,000</u>

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2006 taxes. Real property taxes received in 2009 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2003, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2009 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2008, on the value as of December 31, 2008. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Township prior to June 30.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

	2009	2008
Real Property		
Residential & Agriculture	\$17,906,150	\$16,022,500
Commercial/Industrial/Mineral	439,630	369,510
Public Utility Property		
Personal	5,560,270	4,797,330
Tangible Personal Property	<u>31,320</u>	<u>12,380</u>
Total Assessed Value	<u>\$23,937,370</u>	<u>\$21,201,720</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management

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

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

Risk Pool Membership

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

A. Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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

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

B. Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township’s share of these unpaid claims collectible in the future years is approximately \$7,944.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management- (continued)

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

<u>Contributions to OTARMA</u>	
2007	\$3,897
2008	4,070
2009	3,972

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 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 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, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional 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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 – Defined Benefit Pension Plan (continued)

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2009 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.4 percent of covered payroll. 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, 2009, 2008, and 2007 were \$2,563, \$2,233, and \$2,446 respectively. The full amount has been contributed for 2009, 2008 and 2007.

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 as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14.0 percent of covered payroll (17.63 percent for public safety and law enforcement); 7.0 from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009 of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 3.00 percent annually for the next six years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 9 - Postemployment Benefits (continued)

The number of active contributing participants in the traditional and combined plans for December 31, 2009 and December 31, 2008 were 358,584 and 356,388 respectively . Actual employer contributions for 2009 and 2008, which were used to fund postemployment benefits were \$2,067 and \$2,233 respectively. The actual contribution and the actuarially required contribution amounts are the same. The actual value of OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) was \$29.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.9 billion and \$10.7 billion, respectively.

On September 9, 2005, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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.

**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards**

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

We have audited 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, 2009, and 2008 which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 12, 2010. As discussed in Note 2, the Township followed the cash basis of accounting which is a comprehensive basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiencies in internal control over financial reporting, that we consider a material weakness and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of 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 timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Board of Trustees
Richland Township, Vinton County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2009-001 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instance of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters that we reported to the Township's management in a separate letter dated July 12, 2010.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

July 12, 2010

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Findings
For the Years Ended December 31, 2009 and 2008

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

Finding Number 2009-001

Financial Record Keeping - Significant Deficiency/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.

A few receipt transactions were incorrectly posted to the improper accounts in both 2008 and 2007. This did not allow the Fiscal Officer to accurately reflect the receipt transactions of the Township. During 2009, the Township posted intergovernmental revenue received from the State as interest receipts in the accounting system. During 2009 and 2008, the Township posted disbursements from the Fire Levy Fund as General Government function instead of the appropriate Public Safety.

The Township also incorrectly posted debt payments to the improper account in 2009 and 2008. 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 significant deficiency 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 2009 and 2008. 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 both debt payments and revenues received, 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, 2009 and 2008

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 2009-001

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Mary Taylor, CPA
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
NOVEMBER 16, 2010**