

RICHLAND TOWNSHIP, VINTON COUNTY

Regular Audit

**For the Years Ended
December 31, 2011 and 2010**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
Richland Township
58009 US Highway 50
McArthur, 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, 2010 through December 31, 2011. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 23, 2012

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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, 2011 and 2010, 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2011 and 2010, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund and Fire Levy Fund, thereof for the years then ended in conformity with the cash basis of accounting presented in Note 2.

As described in Note 11, during 2011 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 30, 2012 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.

We conducted our audit to opine on the Government's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 30, 2012

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
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, 2011 and 2010, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2011 are as follows:

Net assets of governmental activities increased \$10,251, or 50.28 percent.

Program receipts accounted for \$121,345 or 47.46 percent of total receipts. General receipts accounted for \$134,340 or 52.54 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 \$245,434 in disbursements; \$121,345 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$134,340 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 \$87,578 in receipts and \$94,090 in disbursements.

Key highlights for 2010 are as follows:

Net assets of governmental activities decreased \$27,568, or 57.48 percent.

Program receipts accounted for \$107,439 or 42.61 percent of total receipts. General receipts accounted for \$144,735 or 57.39 percent of total receipts. The Township's general receipts are primarily property taxes and miscellaneous receipts.

The Township had \$279,742 in disbursements; \$107,439 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$144,735 were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$100,887 in receipts and \$122,718 in disbursements.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
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 2011 and 2010, 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, 2011 and 2010
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, Gasoline Tax Fund, Road and Bridge, Cemetery and the Fire Levy 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 2011 and 2010 compared to 2009 on a cash basis:

(Table 1)

Net Assets

Governmental Activities			
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assets			
Cash and Cash Equivalents	\$ 30,640	\$ 20,389	\$ 47,582
Total Assets	<u>30,640</u>	<u>20,389</u>	<u>47,582</u>
 Net Assets			
<i>Restricted for:</i>			
Other Purposes	28,408	15,865	35,080
Unrestricted	<u>2,232</u>	<u>4,524</u>	<u>12,502</u>
Total Net Assets	<u>\$30,640</u>	<u>\$20,389</u>	<u>\$47,582</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

As mentioned previously, net assets increased \$10,251, or 50.28 percent during 2011. The primary reasons contributing to the increase in cash balances are as follows:

- The Township had an increase in grants received in the All Other Governmental Fund during 2011.

Table 2 reflects the changes in net assets in 2011, 2010 and 2009.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2011	2010	2009
<u>Receipts:</u>			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$300	\$600	\$1,175
Operating Grants and Contributions	121,045	106,839	103,187
Total Program Receipts	121,345	107,439	104,362
<i>General Receipts:</i>			
Property and Other Local Taxes	105,020	96,885	90,861
Grants and Entitlements Not Restricted to Specific Programs	10,511	9,769	23,122
Interest	73	91	146
Proceeds of Notes	0	13,000	23,030
Insurance Settlement	0	11,312	0
Miscellaneous	18,736	13,678	15,074
Total General Receipts	134,340	144,735	152,233
Total Receipts	255,685	252,174	256,595
<u>Disbursements:</u>			
General Government	42,302	46,599	32,923
Public Safety	23,500	23,200	23,069
Public Works	140,751	142,027	105,169
Health	23,307	15,526	18,528
Conservation-Recreation	0	11,312	0
Capital Outlay	2,707	14,871	44,280
Principal Retirement	11,376	23,815	9,358
Interest and Fiscal Charges	1,491	2,392	2,309
Total Disbursements	245,434	279,742	235,636
Increase (Decrease) in Net Assets	10,251	(27,568)	20,959
Net Assets, Beginning of Year	20,389	47,957	26,623
Net Assets, End of Year	\$30,640	\$20,389	\$47,582

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

Governmental Activities

Program receipts represent 47.46 percent of total receipts for 2011 and 42.61 percent of total receipts for 2010. Program receipts are primarily comprised of restricted intergovernmental receipts such as gasoline tax receipts and motor vehicle license fees.

General receipts represent 52.54 percent of total receipts for 2011 and 57.39 percent of total receipts for 2010. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 41.07 percent of total receipts in 2011 and 38.42 percent in 2010. Grants and entitlements not restricted to specific programs represent 4.11 percent of total receipts in 2011 and 3.87 percent in 2010.

The most significant program disbursements for the Township are Public Works and General Government. These programs account for 74.59 percent of total disbursements in 2011 and 67.43 percent in 2010. Public Works, which accounts for 57.35 percent of the total in 2011 and 50.77 percent in 2010, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 17.24 of the total in 2011 and 16.66 in 2010, represents the overhead costs of running the Township and the support services provided for the other Township activities. These include the board of trustees and the fiscal officer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

If you look at the 2011 Statement of Activities on page 10 and the 2010 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 Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
	2011	2011	2010	2010	2009	2009
General Government	\$42,302	\$42,302	\$46,599	\$46,599	\$32,923	\$32,923
Public Safety	23,500	22,684	23,200	22,225	23,069	22,125
Public Works	140,751	21,384	142,027	36,794	105,169	3,554
Health	23,307	22,145	15,526	14,295	18,528	16,725
Conservation-Recreation	0	0	11,312	11,312	0	0
Capital Outlay	2,707	2,707	14,871	14,871	44,280	44,280
Principal Retirement	11,376	11,376	23,815	23,815	9,358	9,358
Interest and Fiscal Charges	1,491	1,491	2,392	2,392	2,309	2,309
Total Expenses	\$245,434	\$124,089	\$279,742	\$172,303	\$235,636	\$131,274

It should be noted that 49.44 percent of the costs of services for 2011 and 38.41 percent for 2010, 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, 2011 and 2010
Unaudited

The Township's Funds

Total governmental funds had receipts of \$254,493 and disbursements of \$245,434 in 2011. There was an increase in fund balances for 2011.

Total governmental funds had receipts of \$225,942 and disbursements of \$279,742 in 2010. There was a decrease in fund balances for 2010.

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 2011 were \$33,672 representing no change from the original budgeted receipts, while actual receipts were \$37,735.

General Fund final disbursements were budgeted at \$43,939 for 2011 representing an increase from the original budgeted disbursements of \$6,118 or 16.18 percent, while actual disbursements were \$40,585. The difference between final budgeted disbursements and actual disbursements was \$3,354 or 7.63 percent.

For the General Fund final budgeted receipts for 2010 were \$30,500 representing no change from the original budgeted receipts, while actual receipts were \$37,434.

General Fund final disbursements were budgeted at \$50,580 for 2010 representing an increase from the original budgeted disbursements of \$7,578 or 17.62 percent, while actual disbursements were \$46,436. The difference between final budgeted disbursements and actual disbursements was \$4,144 or 8.19 percent.

Debt Administration

At December 31, 2011, the Township had a total of \$19,822 in outstanding debt.

At December 31, 2010, the Township had a total of \$31,198 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.

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RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2011

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$30,640</u>
<i>Total Assets</i>	<u>30,640</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	28,408
Unrestricted	<u>2,232</u>
<i>Total Net Assets</i>	<u>\$30,640</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Activities - Cash Basis

For the Year Ended December 31, 2011

			<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
General Government	\$42,302	\$0	\$0	(\$42,302)
Public Safety	23,500	0	816	(22,684)
Public Works	140,751	0	119,367	(21,384)
Health	23,307	300	862	(22,145)
Capital Outlay	2,707	0	0	(2,707)
<i>Debt Service:</i>				
Principal Retirement	11,376	0	0	(11,376)
Interest and Fiscal Charges	1,491	0	0	(1,491)
<i>Total Governmental Activities</i>	<u>\$245,434</u>	<u>\$300</u>	<u>\$121,045</u>	<u>(124,089)</u>
<u>General Receipts:</u>				
Property Taxes				105,020
Grants and Entitlements not Restricted to Specific Programs				10,511
Earnings on Investments				73
Miscellaneous				<u>18,736</u>
<i>Total General Receipts</i>				<u>134,340</u>
Change in Net Assets				10,251
<i>Net Assets at Beginning of Year</i>				<u>20,389</u>
<i>Net Assets at End of Year</i>				<u>\$30,640</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2011

	General	Gasoline Tax	Road and Bridge
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$2,232</u>	<u>\$15,722</u>	<u>\$1,885</u>
<i>Total Assets</i>	<u><u>\$2,232</u></u>	<u><u>\$15,722</u></u>	<u><u>\$1,885</u></u>
 <u>Fund Balances:</u>			
Restricted	<u>\$0</u>	<u>\$15,722</u>	<u>\$1,885</u>
Unassigned	<u>2,232</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>\$2,232</u></u>	<u><u>\$15,722</u></u>	<u><u>\$1,885</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$8,130	\$68	\$2,603	\$30,640
<u>\$8,130</u>	<u>\$68</u>	<u>\$2,603</u>	<u>\$30,640</u>

\$8,130	\$68	\$2,603	\$28,408
0	0	0	\$2,232
<u>\$8,130</u>	<u>\$68</u>	<u>\$2,603</u>	<u>\$30,640</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes	\$27,171	\$0	\$29,641
Intergovernmental	10,511	87,423	1,034
Earnings on Investments	53	16	0
Miscellaneous	0	16,197	0
<i>Total Receipts</i>	<i>37,735</i>	<i>103,636</i>	<i>30,675</i>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	40,585	1,130	587
Public Safety	0	0	0
Public Works	0	84,469	25,831
Health	0	0	0
Capital Outlay	0	1,691	0
<i>Debt Service:</i>			
Principal Retirement	0	5,930	4,575
Interest and Fiscal Charges	0	870	492
<i>Total Disbursements</i>	<i>40,585</i>	<i>94,090</i>	<i>31,485</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(2,850)</i>	<i>9,546</i>	<i>(810)</i>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	558	0	238
Advances In	3,000	3,000	0
Advances Out	(3,000)	(3,000)	0
<i>Total Other Financing Receipts (Disbursements)</i>	<i>558</i>	<i>0</i>	<i>238</i>
<i>Net Change in Fund Balances</i>	<i>(2,292)</i>	<i>9,546</i>	<i>(572)</i>
<i>Fund Balances at Beginning of Year</i>	<i>4,524</i>	<i>6,176</i>	<i>2,457</i>
<i>Fund Balances at End of Year</i>	<i>\$2,232</i>	<i>\$15,722</i>	<i>\$1,885</i>

See accompanying notes to the basic financial statements.

Cemetery	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$24,701	\$23,507	\$0	\$105,020
862	816	30,910	131,556
0	0	4	73
300	0	1,347	17,844
<hr/> 25,863	<hr/> 24,323	<hr/> 32,261	<hr/> 254,493
0	0	0	42,302
0	23,500	0	23,500
0	0	30,451	140,751
23,307	0	0	23,307
0	1,016	0	2,707
<hr/> 0	<hr/> 0	<hr/> 871	<hr/> 11,376
<hr/> 0	<hr/> 0	<hr/> 129	<hr/> 1,491
<hr/> 23,307	<hr/> 24,516	<hr/> 31,451	<hr/> 245,434
<hr/> 2,556	<hr/> (193)	<hr/> 810	<hr/> 9,059
198	198	0	1,192
0	0	0	6,000
0	0	0	(6,000)
<hr/> 198	<hr/> 198	<hr/> 0	<hr/> 1,192
2,754	5	810	10,251
<hr/> 5,376	<hr/> 63	<hr/> 1,793	<hr/> 20,389
<hr/> <u>\$8,130</u>	<hr/> <u>\$68</u>	<hr/> <u>\$2,603</u>	<hr/> <u>\$30,640</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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$24,922	\$24,922	\$27,171	\$2,249
Intergovernmental	8,700	8,700	10,511	1,811
Earnings on Investments	50	50	53	3
<i>Total Receipts</i>	<i>33,672</i>	<i>33,672</i>	<i>37,735</i>	<i>4,063</i>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	37,821	43,939	40,585	3,354
Public Works	0	0	0	0
<i>Total Disbursements</i>	<i>37,821</i>	<i>43,939</i>	<i>40,585</i>	<i>3,354</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(4,149)</i>	<i>(10,267)</i>	<i>(2,850)</i>	<i>7,417</i>
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	558	558
Advances In	0	0	3,000	3,000
Advances Out	0	0	(3,000)	(3,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>558</i>	<i>558</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(4,149)</i>	<i>(10,267)</i>	<i>(2,292)</i>	<i>7,975</i>
<i>Fund Balance at Beginning of Year</i>	<i>4,524</i>	<i>4,524</i>	<i>4,524</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$375</i>	<i>(\$5,743)</i>	<i>\$2,232</i>	<i>\$7,975</i>

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Intergovernmental	\$87,980	\$87,980	\$87,423	(\$557)
Earnings on Investments	20	20	16	(4)
Miscellaneous	0	0	16,197	16,197
<i>Total Receipts</i>	<u>88,000</u>	<u>88,000</u>	<u>103,636</u>	<u>15,636</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	0	1,130	1,130	0
Public Works	81,309	97,756	84,469	13,287
Capital Outlay	6,067	4,548	1,691	2,857
<i>Debt Service:</i>				
Principal Retirement	5,930	5,930	5,930	0
Interest and Fiscal Charges	870	870	870	0
<i>Total Disbursements</i>	<u>94,176</u>	<u>110,234</u>	<u>94,090</u>	<u>16,144</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,176)</u>	<u>(22,234)</u>	<u>9,546</u>	<u>31,780</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	0	3,000	3,000
Advances Out	0	0	(3,000)	(3,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(6,176)</u>	<u>(22,234)</u>	<u>9,546</u>	<u>31,780</u>
<i>Fund Balance at Beginning of Year</i>	<u>6,176</u>	<u>6,176</u>	<u>6,176</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$16,058)</u></u>	<u><u>\$15,722</u></u>	<u><u>\$31,780</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)*
Road and Bridge Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$26,930	\$26,930	\$29,641	\$2,711
Intergovernmental	1,200	1,200	1,034	(166)
<i>Total Receipts</i>	<i>28,130</i>	<i>28,130</i>	<i>30,675</i>	<i>2,545</i>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	0	587	587	0
Public Works	30,587	26,654	25,831	823
<i>Debt Service:</i>				
Principal Retirement	0	4,575	4,575	0
Interest and Fiscal Charges	0	492	492	0
<i>Total Disbursements</i>	<i>30,587</i>	<i>32,308</i>	<i>31,485</i>	<i>823</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(2,457)</i>	<i>(4,178)</i>	<i>(810)</i>	<i>3,368</i>
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	0	0	238	238
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>238</i>	<i>238</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(2,457)</i>	<i>(4,178)</i>	<i>(572)</i>	<i>3,606</i>
<i>Fund Balance at Beginning of Year</i>	<i>2,457</i>	<i>2,457</i>	<i>2,457</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$0</i>	<i>(\$1,721)</i>	<i>\$1,885</i>	<i>\$3,606</i>

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$17,400	\$17,400	\$24,701	\$7,301
Intergovernmental	600	600	862	262
Miscellaneous	0	0	300	300
<i>Total Receipts</i>	<i>18,000</i>	<i>18,000</i>	<i>25,863</i>	<i>7,863</i>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	23,376	30,552	23,307	7,245
<i>Total Disbursements</i>	<i>23,376</i>	<i>30,552</i>	<i>23,307</i>	<i>7,245</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(5,376)</i>	<i>(12,552)</i>	<i>2,556</i>	<i>15,108</i>
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	198	198
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>198</i>	<i>198</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(5,376)</i>	<i>(12,552)</i>	<i>2,754</i>	<i>15,306</i>
<i>Fund Balance at Beginning of Year</i>	<i>5,376</i>	<i>5,376</i>	<i>5,376</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i><u>\$0</u></i>	<i><u>(\$7,176)</u></i>	<i><u>\$8,130</u></i>	<i><u>\$15,306</u></i>

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$20,864	\$20,864	\$23,507	\$2,643
Intergovernmental	1,001	1,001	816	(185)
Miscellaneous	0	0	0	0
<i>Total Receipts</i>	<u>21,865</u>	<u>21,865</u>	<u>24,323</u>	<u>2,458</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	20,228	23,500	23,500	0
Capital Outlay	1,700	1,085	1,016	69
<i>Total Disbursements</i>	<u>21,928</u>	<u>24,585</u>	<u>24,516</u>	<u>69</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(63)</u>	<u>(2,720)</u>	<u>(193)</u>	<u>2,527</u>
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	198	198
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>198</u>	<u>198</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<u>(63)</u>	<u>(2,720)</u>	<u>5</u>	<u>2,725</u>
<i>Fund Balance at Beginning of Year</i>	<u>63</u>	<u>63</u>	<u>63</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>(\$2,657)</u>	<u>\$68</u>	<u>\$2,725</u>

See accompanying notes to the basic financial statements.

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RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2010

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$20,389</u>
<i>Total Assets</i>	<u>20,389</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	15,865
Unrestricted	<u>4,524</u>
<i>Total Net Assets</i>	<u>\$20,389</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Activities - Cash Basis

For the Year Ended December 31, 2010

			Program Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
General Government	\$46,599	\$0	\$0	(\$46,599)
Public Safety	23,200	0	975	(22,225)
Public Works	142,027	0	105,233	(36,794)
Health	15,526	600	631	(14,295)
Conservation-Recreation	11,312	0	0	(11,312)
Capital Outlay	14,871	0	0	(14,871)
<i>Debt Service:</i>				
Principal Retirement	23,815	0	0	(23,815)
Interest and Fiscal Charges	2,392	0	0	(2,392)
<i>Total Governmental Activities</i>	\$279,742	\$600	\$106,839	(172,303)
<u>General Receipts:</u>				
Property Taxes				96,885
Grants and Entitlements not Restricted to Specific Programs				9,769
Earnings on Investments				91
Proceeds of Notes				13,000
Insurance Settlement				11,312
Miscellaneous				13,678
<i>Total General Receipts</i>				144,735
Change in Net Assets				(27,568)
<i>Net Assets at Beginning of Year</i>				47,957
<i>Net Assets at End of Year</i>				\$20,389

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Gasoline Tax	Road and Bridge
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$4,524</u>	<u>\$6,176</u>	<u>\$2,457</u>
<i>Total Assets</i>	<u><u>\$4,524</u></u>	<u><u>\$6,176</u></u>	<u><u>\$2,457</u></u>
 <u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	<u>\$4,524</u>	<u>\$0</u>	<u>\$0</u>
Special Revenue Funds	<u>0</u>	<u>6,176</u>	<u>2,457</u>
<i>Total Fund Balances</i>	<u><u>\$4,524</u></u>	<u><u>\$6,176</u></u>	<u><u>\$2,457</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$5,376	\$63	\$1,793	\$20,389
\$5,376	\$63	\$1,793	\$20,389

\$0	\$0	\$0	\$4,524
5,376	63	1,793	15,865
\$5,376	\$63	\$1,793	\$20,389

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes	\$27,603	\$0	\$30,113
Intergovernmental	9,769	90,454	1,261
Earnings on Investments	62	22	0
Miscellaneous	0	10,411	0
<i>Total Receipts</i>	<u>37,434</u>	<u>100,887</u>	<u>31,374</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	45,817	782	0
Public Safety	0	0	0
Public Works	619	85,830	37,307
Health	0	0	0
Conservation-Recreation	0	0	0
Capital Outlay	0	13,299	0
<i>Debt Service:</i>			
Principal Retirement	0	20,952	2,863
Interest and Fiscal Charges	<u>0</u>	<u>1,855</u>	<u>537</u>
<i>Total Disbursements</i>	<u>46,436</u>	<u>122,718</u>	<u>40,707</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,002)</u>	<u>(21,831)</u>	<u>(9,333)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	649	0	477
Proceeds of Notes	0	13,000	0
Insurance Settlement	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>649</u>	<u>13,000</u>	<u>477</u>
<i>Net Change in Fund Balances</i>	<u>(8,353)</u>	<u>(8,831)</u>	<u>(8,856)</u>
<i>Fund Balances at Beginning of Year</i>	<u>12,877</u>	<u>15,007</u>	<u>11,313</u>
<i>Fund Balances at End of Year</i>	<u>\$4,524</u>	<u>\$6,176</u>	<u>\$2,457</u>

Cemetery	Fire Levy	Other Governmental Funds	Total Governmental Funds
\$15,788	\$23,381	\$0	\$96,885
631	975	13,518	116,608
0	0	7	91
600	0	1,347	12,358
<hr/>	<hr/>	<hr/>	<hr/>
17,019	24,356	14,872	225,942
<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	46,599
0	23,200	0	23,200
0	0	18,271	142,027
15,526	0	0	15,526
0	0	11,312	11,312
0	1,572	0	14,871
<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	23,815
0	0	0	2,392
<hr/>	<hr/>	<hr/>	<hr/>
15,526	24,772	29,583	279,742
<hr/>	<hr/>	<hr/>	<hr/>
1,493	(416)	(14,711)	(53,800)
<hr/>	<hr/>	<hr/>	<hr/>
397	397	0	1,920
0	0	0	13,000
0	0	13,312	11,312
<hr/>	<hr/>	<hr/>	<hr/>
397	397	13,312	26,232
<hr/>	<hr/>	<hr/>	<hr/>
1,890	(19)	(1,399)	(25,568)
<hr/>	<hr/>	<hr/>	<hr/>
3,486	82	5,192	47,957
<hr/>	<hr/>	<hr/>	<hr/>
\$5,376	\$63	\$3,793	\$22,389
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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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$20,803	\$20,803	\$27,603	\$6,800
Intergovernmental	9,602	9,602	9,769	167
Earnings on Investments	95	95	62	(33)
<i>Total Receipts</i>	<i>30,500</i>	<i>30,500</i>	<i>37,434</i>	<i>6,934</i>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	43,002	46,581	45,817	764
Public Works	0	3,999	619	3,380
<i>Total Disbursements</i>	<i>43,002</i>	<i>50,580</i>	<i>46,436</i>	<i>4,144</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(12,502)</i>	<i>(20,080)</i>	<i>(9,002)</i>	<i>11,078</i>
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	649	649
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>649</i>	<i>649</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(12,502)</i>	<i>(20,080)</i>	<i>(8,353)</i>	<i>11,727</i>
<i>Fund Balance at Beginning of Year</i>	<i>12,877</i>	<i>12,877</i>	<i>12,877</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$375</i>	<i>(\$7,203)</i>	<i>\$4,524</i>	<i>\$11,727</i>

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Intergovernmental	\$83,430	\$83,430	\$90,454	\$7,024
Earnings on Investments	70	70	22	(48)
Miscellaneous	0	0	10,411	10,411
<i>Total Receipts</i>	<i>83,500</i>	<i>83,500</i>	<i>100,887</i>	<i>17,387</i>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	350	782	782	0
Public Works	85,290	87,147	85,830	1,317
Capital Outlay	12,867	13,299	13,299	0
<i>Debt Service:</i>				
Principal Retirement	0	20,952	20,952	0
Interest and Fiscal Charges	0	1,855	1,855	0
<i>Total Disbursements</i>	<i>98,507</i>	<i>124,035</i>	<i>122,718</i>	<i>1,317</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(15,007)</i>	<i>(40,535)</i>	<i>(21,831)</i>	<i>18,704</i>
<u>Other Financing Sources (Uses):</u>				
Proceeds of Notes	0	0	13,000	13,000
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>0</i>	<i>13,000</i>	<i>13,000</i>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<i>(15,007)</i>	<i>(40,535)</i>	<i>(8,831)</i>	<i>31,704</i>
<i>Fund Balance at Beginning of Year</i>	<i>15,007</i>	<i>15,007</i>	<i>15,007</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$0</i>	<i>(\$25,528)</i>	<i>\$6,176</i>	<i>\$31,704</i>

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$24,400	\$24,400	\$30,113	\$5,713
Intergovernmental	1,100	1,100	1,261	161
<i>Total Receipts</i>	<i>25,500</i>	<i>25,500</i>	<i>31,374</i>	<i>5,874</i>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	34,813	39,763	37,307	2,456
<i>Debt Service:</i>				
Principal Retirement	2,000	2,863	2,863	0
Interest and Fiscal Charges	0	537	537	0
<i>Total Disbursements</i>	<i>36,813</i>	<i>43,163</i>	<i>40,707</i>	<i>2,456</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(11,313)</i>	<i>(17,663)</i>	<i>(9,333)</i>	<i>8,330</i>
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	0	0	477	477
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>477</i>	<i>477</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(11,313)</i>	<i>(17,663)</i>	<i>(8,856)</i>	<i>8,807</i>
<i>Fund Balance at Beginning of Year</i>	<i>11,313</i>	<i>11,313</i>	<i>11,313</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$0</i>	<i>(\$6,350)</i>	<i>\$2,457</i>	<i>\$8,807</i>

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$13,400	\$13,400	\$15,788	\$2,388
Intergovernmental	600	600	631	31
Miscellaneous	0	0	600	600
<i>Total Receipts</i>	<u>14,000</u>	<u>14,000</u>	<u>17,019</u>	<u>3,019</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	<u>17,486</u>	<u>20,916</u>	<u>15,526</u>	<u>5,390</u>
<i>Total Disbursements</i>	<u>17,486</u>	<u>20,916</u>	<u>15,526</u>	<u>5,390</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(3,486)	(6,916)	1,493	8,409
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	<u>0</u>	<u>0</u>	<u>397</u>	<u>397</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>397</u>	<u>397</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(3,486)	(6,916)	1,890	8,806
<i>Fund Balance at Beginning of Year</i>	<u>3,486</u>	<u>3,486</u>	<u>3,486</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>(\$3,430)</u>	<u>\$5,376</u>	<u>\$8,806</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Receipts:</u>				
Property Taxes	\$20,100	\$20,100	\$23,381	\$3,281
Intergovernmental	900	900	975	75
<i>Total Receipts</i>	<i>21,000</i>	<i>21,000</i>	<i>24,356</i>	<i>3,356</i>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	19,882	23,264	23,200	64
Capital Outlay	1,200	1,572	1,572	0
<i>Total Disbursements</i>	<i>21,082</i>	<i>24,836</i>	<i>24,772</i>	<i>64</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(82)</i>	<i>(3,836)</i>	<i>(416)</i>	<i>3,420</i>
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	397	397
<i>Total Other Financing Receipts (Disbursements)</i>	<i>0</i>	<i>0</i>	<i>397</i>	<i>397</i>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	<i>(82)</i>	<i>(3,836)</i>	<i>(19)</i>	<i>3,817</i>
<i>Fund Balance at Beginning of Year</i>	<i>82</i>	<i>82</i>	<i>82</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$0</i>	<i>(\$3,754)</i>	<i>\$63</i>	<i>\$3,817</i>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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, 2011 and 2010

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.

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, 2011 and 2010

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 certificate 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, 2011 and 2010

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 2011 was \$53, which includes \$39 assigned from other Township funds. Interest receipts credited to the General Fund during 2010 was \$62 which includes \$50 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, 2011 and 2010

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

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable: The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted: Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed: Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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.

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;

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Deposits and Investments (continued)

7. The State Treasurer's investment pool (STAR Ohio).
8. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
9. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized ratings agencies.

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

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

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

At December 31, 2011, the carrying amount of all Township deposits was \$30,640. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2011, none of the Township's bank balance of \$37,094 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, 2010, the carrying amount of all Township deposits was \$20,389. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2010, none of the Township's bank balance of \$24,277 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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 5- Debt

A summary of the debt transactions for the year ended December 31, 2011, follows:

	Interest Rate	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011
<u>Governmental Activities:</u>					
2007 Kobeko Excavator Note	5.339%	\$14,914	\$0	\$7,261	\$7,653
2009 Truck Note	4.75%	16,284	0	4,115	12,169
Total		<u>\$31,198</u>	<u>\$0</u>	<u>\$11,376</u>	<u>\$19,822</u>

A summary of the debt transactions for the year ended December 31, 2010, follows:

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010
<u>Governmental Activities:</u>					
2007 Kobeko Excavator Note	5.339%	\$21,804	\$0	\$6,890	\$14,914
2003 Skid Steer Loader	4.70%	0	13,000	13,000	0
2009 Truck Note	4.75%	20,209	0	3,925	16,284
Total		<u>\$42,013</u>	<u>13,000</u>	<u>23,815</u>	<u>\$31,198</u>

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

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

The 2003 Skid Steer Loader relates to the purchase of a 2003 Skid Loader during 2010. The full faith and credit of the Township is pledged to repay the debt.

Amortization of the above debt, including interest of \$414 and \$831, respectively, is as follows:

Year ending December 31:	Excavator	Truck
2012	8,067	4,500
2013	0	8,500
Total	<u>\$8,067</u>	<u>\$13,000</u>

Note 6 – Property Taxes

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by April 30.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 6 – Property Taxes (continued)

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

The full tax rate for all Township operations for the year ended December 31, 2011, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

	2011	2010
Real Property		
Residential & Agriculture	\$17,596,520	\$17,906,150
Commercial/Industrial/Mineral	439,350	439,630
Public Utility Property		
Personal	5,951,990	5,560,270
Tangible Personal Property	14,830	31,320
Total Assessed Value	<u>\$24,002,690</u>	<u>\$23,937,370</u>

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP.) Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 7 – Risk Management- (continued)

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide property aggregate stop loss coverage to APEEP based upon the combined Members' Total Insurable Value (TIV). If the stop loss is reached by payment of the Pools retained losses, Travelers will then reinsurance property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, effective January 1, 2009, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverage's to the Pools.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

	2010	2009
Assets	\$ 35,855,252	\$ 38,982,088
Liabilities	10,664,724	12,880,766
Net Assets	<u>25,190,528</u>	<u>26,101,322</u>

At December 31, 2010 and 2009, respectively, liabilities noted above include approximately \$9.9 million and \$12.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$9.5 million and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, 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 is approximately \$60,684.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the years ending December 31, 2010 and 2009 were \$25,196 and \$22,209, respectively.

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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.

For the year ended December 31, 2011, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Village's contribution rate for pension benefits for 2011 was 14.0 percent. For those classifications, the Village's pension contributions were 18.1 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2010, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Village's contribution rate for pension benefits for 2010 was 14.0 percent. For those classifications, the Village's pension contributions were 17.87 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, 2011, 2010, and 2009 were \$3,434, \$3,310, and \$2,563 respectively. The full amount has been contributed for 2011, 2010 and 2009.

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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 - Postemployment Benefits - (continued)

In 2011 for local government employer units, the rate was 14.0 percent of covered payroll; for members in the Traditional Plan, 4.0 percent was the portion used to fund healthcare during calendar year 2011 and for members in the Combined Plan, 6.05 percent was the portion used during calendar year 2011. In 2010, for local government employer units, the rate was 14.0 percent of covered payroll; for members in the Traditional Plan, 5.5 percent was the portion used to fund healthcare from January 1 through February 28, 2010 and 5.0 percent was the portion used from March 1 through December 31, 2010; and for members in the Combined Plan, 4.73 percent was the portion used to fund healthcare from January 1 through February 28, 2010 and 4.23 percent was the portion used from March 1 through December 31, 2010. The 2010 employer rate was 17.87 percent, and 7.0 percent was used to fund healthcare for both the law enforcement and public safety divisions.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rates increases allowed additional funds to be allocated to the health care plan.

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.

Note 11 – Change in Accounting Principle and Prior Period Adjustment

For 2011, the Township implemented GASB Statement No. 54, “Fund Balances Reporting and Governmental Fund Type Definitions”. The implementation of this statement did not result in any change in the Township’s financial statements.

2010 Prior Period Adjustment

In January 2011, the Township had voided previously issued checks. This resulted in a restatement of the prior period cash balance.

	Governmental Activities	General Fund
Net Assets at December 31, 2010	\$47,582	\$12,502
Overstatement of Cash and Cash Equivalents	375	375
Adjusted net Assets at December 31, 2010	<u>\$49,957</u>	<u>\$12,877</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 12 – Fund Cash Balances

As of December 31, 2011, fund balances are composed of the following:

	General	Gasoline Tax	Road and Bridge	Cemetery	Fire Levy	Other Governmental Funds	Total
<i>Restricted:</i>							
Public Works	\$0	\$15,722	\$1,885	\$0	\$0	\$2,603	\$20,210
Cemetery	0	0	0	8,130	0	0	8,130
Fire Operating	0	0	0	0	68	0	68
<i>Unassigned</i>	<u>2,232</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>130,517</u>
Total	<u>\$2,232</u>	<u>\$15,722</u>	<u>\$1,885</u>	<u>\$8,130</u>	<u>\$68</u>	<u>\$2,603</u>	<u>\$30,640</u>

**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, 2011, and 2010 which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 30, 2012, wherein we noted the Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 2011-001 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

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 May 30, 2012.

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, and it is not intended to be used and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 30, 2012

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Findings
For the Years Ended December 31, 2011 and 2010

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

Finding Number 2011-001

Financial Record Keeping - Material Weakness

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

The Township also incorrectly posted debt payments to the improper account in 2011 and 2010. This did not allow the Fiscal Officer to accurately reflect the principal and interest.

The fact that the posting errors occurred, resulting in audit reclassification entries, indicates a material weakness in the internal controls over financial record keeping and reporting and resulted in the inaccurate reflection of the receipts and disbursements of the Township for 2011 and 2010. The audit adjustments have been reflected in the financial statements included in this report.

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

Officials' Response

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

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2011 and 2010

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 2011-001

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Dave Yost • Auditor of State

RICHLAND TOWNSHIP

VINTON COUNTY

CLERK'S CERTIFICATION

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

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
AUGUST 02, 2012