

***RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Richfield Township  
4410 West Streetsboro Road  
Richfield, Ohio 44286

We have reviewed the *Report of Independent Accountants* of Richfield Township, Summit County, prepared by Charles E. Harris & 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Richfield Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 2, 2010

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**RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2009 and 2008**

**TABLE OF CONTENTS**

<b><u>Title</u></b>	<b><u>Page</u></b>
<b>Report of Independent Accountants</b>	<b>1-2</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2009</b>	<b>3</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2008</b>	<b>4</b>
<b>Notes to the Financial Statements</b>	<b>5-11</b>
<b>Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>12-13</b>
<b>Schedule of Findings</b>	<b>14-15</b>
<b>Status of Prior Audit Findings</b>	<b>16</b>

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Richfield Township  
Summit County  
4410 West Streetsboro Road  
Richfield, Ohio 44286

To the Board of Trustees:

We have audited the accompanying financial statements of Richfield Township, Summit County (the Township), as and for the years ended December 31, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although, we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2009 and 2008. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Richfield Township, Summit County as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2009 and 2008. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 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, grant agreements and other matters. While we did 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 results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

***Charles E. Harris & Associates, Inc.***  
June 9, 2010



**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND**  
**CASH BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**For the Year Ended December 31, 2009**

	Governmental Fund Types				(Memorandum Only) Total
	General	Special Revenue	Debt Service	Capital Projects	
<b>Receipts:</b>					
Property and Other Local Taxes	\$ 303,003	\$ 941,393	\$ 337	-	\$ 1,244,733
Licenses, permits and fees	26,994	11,100	-	-	38,094
Fines and Forfeitures	2,728	-	-	-	2,728
Intergovernmental	342,773	247,233	-	-	590,006
Earnings on Investments	2,815	75	-	-	2,890
Miscellaneous	15,218	-	-	\$ 23,805	39,023
<b>Total Receipts</b>	<b>693,531</b>	<b>1,199,801</b>	<b>337</b>	<b>23,805</b>	<b>1,917,474</b>
<b>Disbursements:</b>					
<b>Current:</b>					
General Government	397,680	18,781	-	-	416,461
Public Safety	-	874,138	-	-	874,138
Public Works	166,096	350,585	-	-	516,681
Health	57,642	-	-	-	57,642
Conservation-Recreation	25,648	-	-	-	25,648
<b>Debt Service:</b>					
Principal Retirement	-	-	337	-	337
<b>Total Cash Disbursements</b>	<b>647,066</b>	<b>1,243,504</b>	<b>337</b>	<b>-</b>	<b>1,890,907</b>
<b>Excess of Cash Receipts Over/(Under) Cash Disbursements</b>	<b>46,465</b>	<b>(43,703)</b>	<b>-</b>	<b>23,805</b>	<b>26,567</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	-	55,051	-	-	55,051
Transfers Out	(55,051)	-	-	-	(55,051)
Other Financing Sources	59	-	-	-	59
<b>Total Other Financing Sources (Uses)</b>	<b>(54,992)</b>	<b>55,051</b>	<b>-</b>	<b>-</b>	<b>59</b>
<b>Total Receipts and Other Sources Over (Under) Disbursements and Other Uses</b>	<b>(8,527)</b>	<b>11,348</b>	<b>-</b>	<b>23,805</b>	<b>26,626</b>
<b>Fund Balance, January 1</b>	<b>652,032</b>	<b>357,504</b>	<b>337</b>	<b>66,948</b>	<b>1,076,821</b>
<b>Fund Balance, December 31</b>	<b>\$ 643,505</b>	<b>\$ 368,852</b>	<b>\$ 337</b>	<b>\$ 90,753</b>	<b>\$ 1,103,447</b>

See accompanying Notes to the Financial Statements.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2008**

	Governmental Fund Types				(Memorandum Only) Total
	General	Special Revenue	Debt Service	Capital Projects	
<b>Receipts:</b>					
Property and Other Local Taxes	\$ 293,314	\$ 819,827	\$ 675	-	\$ 1,113,816
Licenses, permits and fees	40,658	19,788	-	-	60,446
Fines and Forfeitures	2,243	-	-	-	2,243
Intergovernmental	325,936	295,255	-	-	621,191
Earnings on Investments	22,972	550	-	-	23,522
Miscellaneous	8,365	-	-	\$ 21,994	30,359
<b>Total Receipts</b>	<b>693,488</b>	<b>1,135,420</b>	<b>675</b>	<b>21,994</b>	<b>1,851,577</b>
<b>Disbursements:</b>					
<b>Current:</b>					
General Government	380,085	8,569	-	-	388,654
Public Safety	-	849,317	-	-	849,317
Public Works	181,849	311,361	-	-	493,210
Health	54,362	-	-	-	54,362
Conservation-Recreation	26,809	-	-	-	26,809
<b>Debt Service:</b>					
Principal Retirement	-	-	675	-	675
<b>Total Cash Disbursements</b>	<b>643,105</b>	<b>1,169,247</b>	<b>675</b>	<b>-</b>	<b>1,813,027</b>
<b>Excess of Cash Receipts Over/(Under)</b>					
Cash Disbursements	50,383	(33,827)	-	21,994	38,550
<b>Fund Balance, January 1</b>	<b>601,649</b>	<b>391,331</b>	<b>337</b>	<b>44,954</b>	<b>1,038,271</b>
<b>Fund Balance, December 31</b>	<b>\$ 652,032</b>	<b>\$ 357,504</b>	<b>\$ 337</b>	<b>\$ 66,948</b>	<b>\$ 1,076,821</b>

See accompanying Notes to the Financial Statements.

**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY, OHIO**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

Richfield Township, Summit County (the Township) is a body corporate and politic established for the purpose of exercising 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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with the Village of Richfield to provide police and fire protection and emergency medical services.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

**B. BASIS OF ACCOUNTING**

The Township prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

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

**C. CASH**

Investments are included in the fund cash balances. 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 disbursements, respectively.

**D. FUND ACCOUNTING**

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY, OHIO**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

D. **FUND ACCOUNTING** – (continued)

**Governmental Fund Types:**

**General Fund:** The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

**Special Revenue Funds:** These funds are used to account for proceeds from special sources (other than capital projects) that are restricted to expenditures for specific purposes. The Township has the following significant Special Revenue funds:

- *Police District Fund* – This fund receives money from a special tax levy used to pay the Village of Richfield for contracted police services.
- *Fire District Fund* – This fund receives money from a special tax levy to fund the cost of the Township's fire services contract with the Village of Richfield.

**Debt Service Fund:** The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township's only Debt Service Fund is the Ohio Public Works Commission (OPWC) Briarwood Road Culvert Fund, which is used to accumulate resources for the repayment of a loan from the Ohio Public Works Commission for culvert replacement on Briarwood Road.

**Capital Project Funds:** This fund accounts for receipts restricted for acquiring or constructing major governmental capital projects. The Township had the following significant Capital Project Fund:

- *Road Improvement* – This fund is used to account for projects undertaken to improve the Township's roads.

E. **BUDGETARY PROCESS**

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Township Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY, OHIO**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

E. **BUDGETARY PROCESS** - (continued)

1. **Estimated Resources**

The county auditor calculates the estimated revenues available to the Township. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The county budget commission approves the certificate of estimated resources.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate, which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate and submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Clerk identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2008 and 2009. However, those fund balances are available for appropriation.

2. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

3. **Encumbrances**

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The Township's legal level of control is the object level.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding year without being re-appropriated.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**F. PROPERTY, PLANT AND EQUIPMENT**

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

**G. ACCUMULATED LEAVE**

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

**2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

	2009	2008
Demand Deposit	\$ 88,447	\$ (18,179)
Repurchase Agreement	1,015,000	1,095,000
Total Deposits and Investments	\$ 1,103,447	\$ 1,076,821

The negative demand deposits are due to the overnight investments in the repurchase agreements.

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

**3. PROPERTY TAXES**

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2009.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008**

**3. PROPERTY TAXES - (continued)**

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax. Tangible property taxes are being phased out through 2009.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs Actual Budgetary Basis Expenditures			
Funds	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,141,200	\$ 647,066	\$ 494,134
Special Revenue	1,545,980	1,243,504	302,476
Debt Service	674	337	337
Capital Projects	87,918	-	87,918

2008 Budgeted vs Actual Budgetary Basis Expenditures			
Funds	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,142,223	\$ 643,105	\$ 499,118
Special Revenue	1,191,255	1,169,247	22,008
Debt Service	675	675	-
Capital Projects	62,819	-	62,819

2009 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 526,804	\$ 693,590	\$ 166,786
Special Revenue	1,226,676	1,254,852	28,176
Debt Service	675	337	(338)
Capital Projects	23,805	23,805	-

**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2009 and 2008**

**4. BUDGETARY ACTIVITY - (continued)**

2008 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 569,764	\$ 693,488	\$ 123,724
Special Revenue	1,184,197	1,135,420	(48,777)
Debt Service	675	675	-
Capital Projects	20,700	21,994	1,294

**5. DEBT**

Debt outstanding at December 31, 2009 is as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$ 5,399	0%

The Ohio Public Works Commission Loan was issued in 1998 to finance the replacement of the culvert on Briarwood Road. The Ohio Public Works Commission is an interest free loan. The responsibility for repayment of this loan was assumed by the Township from the former Richfield Township, which was dissolved on August 12, 2003.

Amortization of the above debt, including interest, is scheduled as follows:

	Ohio Public Works Commission Loan
Year ending December 31:	
2010	\$ 675
2011	675
2012	675
2013	675
2014	675
2015-2017	2,024
	\$ 5,399

**6. RETIREMENT SYSTEM**

Employees of the Township belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a state operated, cost sharing, multiple employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.



**RICHFIELD TOWNSHIP**  
**SUMMIT COUNTY, OHIO**  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**6. RETIREMENT SYSTEM - (continued)**

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 10% in 2008 and in 2009 of their gross pay while the Township contributed an amount equal to 14% of covered payroll for both years. The Township paid all required contributions through 2009.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Township pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

**8. PERMIT FEES**

The Township has an agreement with Verizon, whereby Verizon pays the Township a permit fee for a cell phone tower on the property of the Road Service Yard. The fees are used for any capital property improvement.

**9. TRANSFERS**

In 2009, the General Fund transferred \$55,051 to various Special Revenue funds to subsidize operations. The transfers were made in accordance with all Ohio Revised Code requirements.

**10. CONTINGENT LIABILITES/SUBSEQUENT EVENTS**

Management believes there are no pending claims or lawsuits.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Richfield Township  
Summit County  
4410 West Streetsboro Road  
Richfield, Ohio 44286

To the Board of Trustees:

We have audited the financial statements of Richfield Township, Summit County, Ohio (Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 9, 2010, wherein we noted the Township followed accounting practices prescribed or permitted by the Auditor of State of Ohio. 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.

**Internal Controls 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 certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-002 described in the accompanying schedule of findings to be a material weakness.

### 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 one instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

***Charles E. Harris & Associates, Inc.***

June 9, 2010

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO  
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 – Noncompliance Citation

Ohio Revised Code Section 5705.39 states, in part, that “... The total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission...” This section also provides that no appropriation measure shall become effective until the Township obtains the County Auditor’s certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources. Contrary to this requirement, the following funds had total appropriations in excess of estimated resources plus carryover balances:

2008			
Fund	Estimated Resources	Appropriations	Variance
Special Revenue Fund-Gasoline Tax	\$ 98,001	\$ 105,001	\$ (7,000)

2009			
Fund	Estimated Resources	Appropriations	Variance
Special Revenue Fund-Gasoline Tax	\$ 102,543	\$ 108,543	\$ (6,000)
Special Revenue Fund-Road and Bridge	207,667	237,319	(29,652)

We recommend the Township monitor estimated resources versus appropriations as necessary to comply with budgetary requirements and to avoid overspending.

Management Response:

Management agrees and will monitor estimated resources and appropriations.

Finding Number: 2009-002 - Material Weakness

Bank Reconciliations/Accounting Transactions

A necessary step in the internal control over financial reporting is to prove both the balance of the bank and the balance of cash in the accounting records. A bank reconciliation means accounting for the differences between the balance on the bank statement(s) and the cash and investment balances according to the entity’s records. This process involves reconciling the bank balance to the cash and investment balance. For the audit period of January 1, 2008 to December 31, 2009, the Township did not reconcile the bank balance to the Township’s records on a monthly basis.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY, OHIO  
For the Years Ended December 31, 2009 and 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS-(CONTINUED)

Finding Number: 2009-002 - Material Weakness (continued)

Without complete and accurate monthly bank reconciliations, the Township's internal control is weakened, which could hinder the detection of errors or irregularities by the Township's management in a timely manner. We also noted several current period transactions recorded in the Miscellaneous Revenue line item, when they should have been recorded in a more specific line item, i.e., Intergovernmental Revenue or Licenses, Permits and Fees.

We noted that the bank reconciliations were properly performed after year-end and adjustments were made in the accounting records to correct the misstatements above. Also, the adjustments were made in the accompanying financial statements and the Township's records.

The Township should perform bank reconciliations monthly and timely, and have the Board of Trustees sign and date the bank reconciliation to indicate they have been reviewed. Also, care should be exercised in posting receipts to the accounting records to ensure they are recorded in the proper line items. The Fiscal Officer can refer to the Ohio Township Handbook to determine the proper account to post transactions.

Management Response:

Management has since reconciled the accounting records and will continue to perform these reconciliations on a monthly basis. Also, they will utilize the Ohio Township Handbook in the recording of accounting transactions.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY  
For the Years Ended December 31, 2009 and 2008**

**STATUS OF PRIOR AUDIT FINDINGS**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2007-Richfield-001	The Township did not perform bank reconciliations monthly.	No	Not Corrected, Repeated as Finding 2009-002



**Mary Taylor, CPA**  
Auditor of State

**RICHFIELD TOWNSHIP**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 12, 2010**