



RICHLAND TOWNSHIP, VINTON COUNTY

Regular Audit

**For the Years Ended
December 31, 2007 and 2006**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

Board of Trustees
Richland Township
58009 US Highway 50
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, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Richland Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 30, 2008

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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, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position - cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2007 and 2006, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Cemetery Fund, thereof for the years then ended in conformity with the cash basis of accounting presented in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2008 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 21, 2008

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
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, 2007 and 2006, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statements No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Highlights

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased \$4,990, or 11.89 percent.

Program receipts accounted for \$103,076 or 44.31 percent of total receipts. General receipts accounted for \$129,535 or 55.69 percent of total receipts. The Township's general receipts are primarily property taxes and proceeds from the sale of notes.

The Township had \$237,601 in disbursements; \$103,076 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$129,535 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 \$89,607 in receipts and \$91,178 in disbursements.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$1,962, or 4.90 percent.

Program receipts accounted for \$104,661 or 53.25 percent of total receipts. General receipts accounted for \$91,873 or 46.75 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 \$194,572 in disbursements; \$104,661 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$91,873 were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$86,302 in receipts and \$80,362 in disbursements.

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
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 2007, 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, 2007 and 2006
Unaudited

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

Governmental Activities - All of the Township's basic services are reported here, including fire, roads and general government services. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township consist of one category: governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Motor Vehicle License Tax, Gasoline Tax Fund, Road and Bridge and the Cemetery Funds. The programs reported in governmental funds are the same as those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 and 2006 compared to 2005 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		
	2007	2006	2005
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 36,986	\$ 41,976	\$ 40,014
Total Assets	<u>36,986</u>	<u>41,976</u>	<u>40,014</u>
 Net Assets			
<i>Restricted for:</i>			
Other Purposes	31,649	39,255	37,045
Unrestricted	<u>5,337</u>	<u>2,721</u>	<u>2,969</u>
Total Net Assets	<u>\$36,986</u>	<u>\$41,976</u>	<u>\$40,014</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

As mentioned previously, net assets decreased \$4,990 or 11.89 percent during 2007. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township was purchased a new excavator and trailer for road repair and improvements.

Table 2 reflects the changes in net assets in 2007, 2006 and 2005.

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2007	2006	2005
<i>Receipts:</i>			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$0	\$0	\$2,400
Operating Grants and Contributions	103,076	104,661	97,796
Total Program Receipts	103,076	104,661	100,196
<i>General Receipts:</i>			
Property and Other Local Taxes	81,754	70,723	67,122
Grants and Entitlements Not Restricted to Specific Programs	9,920	11,899	11,801
Interest	259	276	287
Proceeds of Notes	33,615	0	0
Miscellaneous	3,987	8,975	8,361
Total General Receipts	129,535	91,873	87,571
Total Receipts	232,611	196,534	187,767
<i>Disbursements:</i>			
General Government	32,095	33,721	38,320
Public Safety	12,600	11,301	0
Public Works	126,540	116,437	117,609
Health	23,732	22,685	16,733
Capital Outlay	42,634	10,428	28,151
Total Disbursements	237,601	194,572	200,813
 Increase (Decrease) in Net Assets	 (4,990)	 1,962	 (13,046)
 Net Assets, Beginning of Year	 41,976	 40,014	 53,060
Net Assets, End of Year	\$36,986	\$41,976	\$40,014

RICHLAND TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Governmental Activities

Program receipts represent 44.31 percent of total receipts for 2007 and 53.25 percent of total receipts for 2006. Program receipts are primarily comprised of restricted intergovernmental receipts such as gasoline tax receipts and motor vehicle license fees.

General receipts represent 55.69 percent of total receipts for 2007 and 46.75 percent of total receipts for 2006. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 35.15 percent of total receipts in 2007 and 35.99 percent in 2006. Grants and entitlements not restricted to specific programs represent 4.26 percent of total receipts in 2007 and 6.05 percent in 2006.

The most significant program disbursements for the Township are Public Works, General Government and Capital Outlay. These programs account for 84.71 percent of total disbursements in 2007 and 82.53 percent in 2006. Public Works, which accounts for 53.26 percent of the total in 2007 and 59.84 percent in 2006, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 13.51 of the total in 2007 and 17.33 in 2006, represents the overhead costs of running the Township and the support services provided for the other Township activities. These include the board of trustees and the fiscal officer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs. Capital Outlay, which accounts for 17.94 percent of the total in 2007 and 5.36 percent in 2006, represents costs associated with the purchase of equipment and contract repairs.

If you look at the 2007 Statement of Activities on page 10 and the 2006 Statement of Activities on page 21 you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next column of the Statement entitled Program Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)						
Governmental Activities						
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	Of Services	of Services	Of Services	of Services	Of Services	of Services
	2007	2007	2006	2006	2005	2005
General Government	\$32,095	\$32,095	\$33,721	\$33,721	\$38,320	\$37,611
Public Safety	12,600	12,600	11,301	11,301	0	0
Public Works	126,540	23,464	116,437	11,776	117,609	21,733
Health	23,732	23,732	22,685	22,685	16,733	13,122
Capital Outlay	42,634	42,634	10,428	10,428	28,151	28,151
Total Expenses	\$237,601	\$134,525	\$194,572	\$89,911	\$200,813	\$100,617

It should be noted that 43.38 percent of the costs of services for 2007 and 53.79 percent for 2006, 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, 2007 and 2006
Unaudited

The Township's Funds

Total governmental funds had receipts of \$197,051 and disbursements of \$237,601 in 2007. There was a small decrease in fund balances for 2007.

Total governmental funds had receipts of \$190,101 and disbursements of \$194,572 in 2006. There was a small margin of difference between the receipts and disbursements for 2006.

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 2007 were \$32,500 representing no change from the original budgeted receipts of \$32,500, while actual receipts were \$35,783.

General Fund final disbursements were budgeted at \$68,775 for 2007 representing a decrease from the original budgeted disbursements of \$61 or 0.09 percent, while actual disbursements were \$67,456. The difference between final budgeted disbursements and actual disbursements was \$1,319 or 1.92 percent.

For the General Fund final budgeted receipts for 2006 were \$32,020 representing no change from the original budgeted receipts of \$32,020, while actual receipts were \$33,423.

General Fund final disbursements were budgeted at \$34,989 for 2006 representing no change from the original budgeted disbursements of \$34,989, while actual disbursements were \$34,276. The difference between final budgeted disbursements and actual disbursements was \$713 or 2.04 percent.

Debt Administration

At December 31, 2007, the Township had a total of \$33,615 in outstanding debt.

At December 31, 2006, the Township had no 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, 2007

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$36,986</u>
<i>Total Assets</i>	<u>36,986</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	31,649
Unrestricted	<u>5,337</u>
<i>Total Net Assets</i>	<u><u>\$36,986</u></u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2007*

		Program Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>			
General Government	\$32,095	\$0	(\$32,095)
Public Safety	12,600	0	(12,600)
Public Works	126,540	103,076	(23,464)
Health	23,732	0	(23,732)
Capital Outlay	42,634	0	(42,634)
<i>Total Governmental Activities</i>	\$237,601	\$103,076	(134,525)
<u>General Receipts:</u>			
Property Taxes			81,754
Grants and Entitlements not Restricted to Specific Programs			9,920
Earnings on Investments			259
Proceeds of Notes			33,615
Miscellaneous			3,987
<i>Total General Receipts</i>			129,535
Change in Net Assets			(4,990)
<i>Net Assets at Beginning of Year</i>			41,976
<i>Net Assets at End of Year</i>			\$36,986

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,337	\$4,728	\$15,688
<i>Total Assets</i>	\$5,337	\$4,728	\$15,688
 <u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$5,337	\$0	\$0
Special Revenue Funds	0	4,728	15,688
<i>Total Fund Balances</i>	\$5,337	\$4,728	\$15,688

See accompanying notes to the basic financial statements.

Road and Bridge	Cemetery	Other Governmental Funds	Total Governmental Funds
\$6,587	\$4,052	\$594	\$36,986
<u>\$6,587</u>	<u>\$4,052</u>	<u>\$594</u>	<u>\$36,986</u>
\$0	\$0	\$0	\$5,337
6,587	4,052	594	31,649
<u>\$6,587</u>	<u>\$4,052</u>	<u>\$594</u>	<u>\$36,986</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Motor Vehicle License Tax	Gasoline Tax
<u>Receipts:</u>			
Property Taxes	\$25,708	\$0	\$0
Intergovernmental	9,920	14,096	88,980
Earnings on Investments	155	27	77
Miscellaneous	0	1,342	550
<i>Total Receipts</i>	<u>35,783</u>	<u>15,465</u>	<u>89,607</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	32,095	0	0
Public Safety	0	0	0
Public Works	1,746	14,435	83,178
Health	0	0	0
Capital Outlay	33,615	0	8,000
<i>Total Disbursements</i>	<u>67,456</u>	<u>14,435</u>	<u>91,178</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(31,673)</u>	<u>1,030</u>	<u>(1,571)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	674	0	0
Proceeds of Notes	33,615	0	0
Advances In	8,000	0	8,000
Advances Out	(8,000)	0	(8,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>34,289</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,616	1,030	(1,571)
<i>Fund Balances at Beginning of Year</i>	<u>2,721</u>	<u>3,698</u>	<u>17,259</u>
<i>Fund Balances at End of Year</i>	<u><u>\$5,337</u></u>	<u><u>\$4,728</u></u>	<u><u>\$15,688</u></u>

See accompanying notes to the basic financial statements.

Road and Bridge	Cemetery	Other Governmental Funds	Total Governmental Funds
\$28,045	\$15,763	\$12,238	\$81,754
0	0	0	112,996
0	0	0	259
0	150	0	2,042
<u>28,045</u>	<u>15,913</u>	<u>12,238</u>	<u>197,051</u>
0	0	0	32,095
0	0	12,600	12,600
27,181	0	0	126,540
0	23,732	0	23,732
500	0	519	42,634
<u>27,681</u>	<u>23,732</u>	<u>13,119</u>	<u>237,601</u>
<u>364</u>	<u>(7,819)</u>	<u>(881)</u>	<u>(40,550)</u>
477	397	397	1,945
0	0	0	33,615
0	0	0	16,000
0	0	0	(16,000)
<u>477</u>	<u>397</u>	<u>397</u>	<u>35,560</u>
841	(7,422)	(484)	(4,990)
<u>5,746</u>	<u>11,474</u>	<u>1,078</u>	<u>41,976</u>
<u>\$6,587</u>	<u>\$4,052</u>	<u>\$594</u>	<u>\$36,986</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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$20,350	\$20,350	\$25,708	\$5,358
Intergovernmental	12,000	12,000	9,920	(2,080)
Earnings on Investments	150	150	155	5
<i>Total Receipts</i>	<u>32,500</u>	<u>32,500</u>	<u>35,783</u>	<u>3,283</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	34,088	33,414	32,095	1,319
Public Works	1,133	1,746	1,746	0
Capital Outlay	33,615	33,615	33,615	0
<i>Total Disbursements</i>	<u>68,836</u>	<u>68,775</u>	<u>67,456</u>	<u>1,319</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(36,336)	(36,275)	(31,673)	4,602
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	674	674
Other Financing Disbursements	0	(61)	0	61
Proceeds of Notes	33,615	33,615	33,615	0
Advances In	0	0	8,000	8,000
Advances Out	0	0	(8,000)	(8,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>33,615</u>	<u>33,554</u>	<u>34,289</u>	<u>735</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(2,721)	(2,721)	2,616	5,337
<i>Fund Balance at Beginning of Year</i>	<u>2,721</u>	<u>2,721</u>	<u>2,721</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,337</u>	<u>\$5,337</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)*
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Receipts:</u>				
Intergovernmental	\$14,220	\$14,220	\$14,096	(\$124)
Earnings on Investments	25	25	27	2
Miscellaneous	1,330	1,330	1,342	12
<i>Total Receipts</i>	<u>15,575</u>	<u>15,575</u>	<u>15,465</u>	<u>(110)</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	19,273	19,273	14,435	4,838
<i>Total Disbursements</i>	<u>19,273</u>	<u>19,273</u>	<u>14,435</u>	<u>4,838</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(3,698)	(3,698)	1,030	4,728
<i>Fund Balance at Beginning of Year</i>	<u>3,698</u>	<u>3,698</u>	<u>3,698</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$4,728</u>	<u>\$4,728</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Gasoline Tax Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$81,900	\$81,900	\$88,980	\$7,080
Earnings on Investments	100	100	77	(23)
Miscellaneous	0	0	550	550
<i>Total Receipts</i>	82,000	82,000	89,607	7,607
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	91,259	91,259	83,178	8,081
Capital Outlay	8,000	8,000	8,000	0
<i>Total Disbursements</i>	99,259	99,259	91,178	8,081
<i>Excess of Receipts Over (Under) Disbursements</i>	(17,259)	(17,259)	(1,571)	15,688
<u>Other Financing Sources (Uses):</u>				
Advances In	8,000	8,000	8,000	0
Advances Out	(8,000)	(8,000)	(8,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(17,259)	(17,259)	(1,571)	15,688
<i>Fund Balance at Beginning of Year</i>	17,259	17,259	17,259	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$15,688	\$15,688

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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$23,000	\$23,000	\$28,045	\$5,045
Intergovernmental	1,500	1,500	0	(1,500)
<i>Total Receipts</i>	<u>24,500</u>	<u>24,500</u>	<u>28,045</u>	<u>3,545</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	28,746	29,746	27,181	2,565
Capital Outlay	1,500	500	500	0
<i>Total Disbursements</i>	<u>30,246</u>	<u>30,246</u>	<u>27,681</u>	<u>2,565</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,746)	(5,746)	364	6,110
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	0	0	477	477
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>477</u>	<u>477</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(5,746)	(5,746)	841	6,587
<i>Fund Balance at Beginning of Year</i>	<u>5,746</u>	<u>5,746</u>	<u>5,746</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$6,587</u>	<u>\$6,587</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)*
Cemetery Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$14,000	\$14,000	\$15,763	\$1,763
Intergovernmental	1,500	1,500	0	(1,500)
Miscellaneous	0	0	150	150
<i>Total Receipts</i>	<u>15,500</u>	<u>15,500</u>	<u>15,913</u>	<u>413</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	26,974	26,974	23,732	3,242
<i>Total Disbursements</i>	<u>26,974</u>	<u>26,974</u>	<u>23,732</u>	<u>3,242</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,474)	(11,474)	(7,819)	3,655
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	397	397
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>397</u>	<u>397</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(11,474)	(11,474)	(7,422)	4,052
<i>Fund Balance at Beginning of Year</i>	<u>11,474</u>	<u>11,474</u>	<u>11,474</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$4,052</u>	<u>\$4,052</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2006

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$41,976</u>
<i>Total Assets</i>	<u>41,976</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Other Purposes	39,255
Unrestricted	<u>2,721</u>
<i>Total Net Assets</i>	<u><u>\$41,976</u></u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY

Statement of Activities - Cash Basis

For the Year Ended December 31, 2006

	<u>Disbursements</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>			
General Government	\$33,721	\$0	(\$33,721)
Public Safety	11,301	0	(11,301)
Public Works	116,437	104,661	(11,776)
Health	22,685	0	(22,685)
Capital Outlay	10,428	0	(10,428)
<i>Total Governmental Activities</i>	<u>\$194,572</u>	<u>\$104,661</u>	<u>(89,911)</u>
<u>General Receipts:</u>			
Property Taxes			70,723
Grants and Entitlements not Restricted to Specific Programs			11,899
Earnings on Investments			276
Miscellaneous			8,975
<i>Total General Receipts</i>			<u>91,873</u>
Change in Net Assets			1,962
<i>Net Assets at Beginning of Year</i>			<u>40,014</u>
<i>Net Assets at End of Year</i>			<u>\$41,976</u>

See accompanying notes to the basic financial statements.

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RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Gasoline Tax	Road and Bridge
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,721	\$17,259	\$5,746
<i>Total Assets</i>	\$2,721	\$17,259	\$5,746
 <u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$2,721	\$0	\$0
Special Revenue Funds	0	17,259	5,746
<i>Total Fund Balances</i>	\$2,721	\$17,259	\$5,746

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$11,474	\$4,776	\$41,976
\$11,474	\$4,776	\$41,976

\$0	\$0	\$2,721
11,474	4,776	39,255
\$11,474	\$4,776	\$41,976

RICHLAND TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Gasoline Tax	Road and Bridge
<u>Receipts:</u>			
Property Taxes	\$21,379	\$0	\$23,066
Intergovernmental	11,899	86,202	2,315
Earnings on Investments	145	100	0
Miscellaneous	0	0	0
<i>Total Receipts</i>	<u>33,423</u>	<u>86,302</u>	<u>25,381</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	33,721	0	0
Public Safety	0	0	0
Public Works	555	72,412	25,114
Health	0	0	0
Capital Outlay	0	7,950	1,500
<i>Total Disbursements</i>	<u>34,276</u>	<u>80,362</u>	<u>26,614</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(853)</u>	<u>5,940</u>	<u>(1,233)</u>
<u>Other Financing Receipts (Disbursements):</u>			
Other Financing Receipts	605	0	596
Advances In	10,000	10,000	0
Advances Out	(10,000)	(10,000)	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>605</u>	<u>0</u>	<u>596</u>
<i>Net Change in Fund Balances</i>	(248)	5,940	(637)
<i>Fund Balances at Beginning of Year</i>	<u>2,969</u>	<u>11,319</u>	<u>6,383</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,721</u></u>	<u><u>\$17,259</u></u>	<u><u>\$5,746</u></u>

See accompanying notes to the basic financial statements.

Cemetery	Other Governmental Funds	Total Governmental Funds
\$14,830	\$11,448	\$70,723
1,191	14,953	116,560
0	31	276
1,200	1,342	2,542
17,221	27,774	190,101
0	0	33,721
0	11,301	11,301
0	18,356	116,437
22,685	0	22,685
0	978	10,428
22,685	30,635	194,572
(5,464)	(2,861)	(4,471)
4,736	496	6,433
0	0	20,000
0	0	(20,000)
4,736	496	6,433
(728)	(2,365)	1,962
12,202	7,141	40,014
\$11,474	\$4,776	\$41,976

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$20,085	\$20,085	\$21,379	\$1,294
Intergovernmental	11,785	11,785	11,899	114
Earnings on Investments	150	150	145	(5)
<i>Total Receipts</i>	32,020	32,020	33,423	1,403
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	34,664	34,434	33,721	713
Public Works	325	555	555	0
<i>Total Disbursements</i>	34,989	34,989	34,276	713
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,969)	(2,969)	(853)	2,116
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	0	0	605	605
Other Financing Disbursements	0	0	0	0
Advances In	0	0	10,000	10,000
Advances Out	0	0	(10,000)	(10,000)
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	605	605
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(2,969)	(2,969)	(248)	2,721
<i>Fund Balance at Beginning of Year</i>	2,969	2,969	2,969	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$2,721	\$2,721

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$78,933	\$78,933	\$86,202	\$7,269
Earnings on Investments	0	0	100	100
<i>Total Receipts</i>	78,933	78,933	86,302	7,369
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	82,252	82,302	72,412	9,890
Capital Outlay	8,000	7,950	7,950	0
<i>Total Disbursements</i>	90,252	90,252	80,362	9,890
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,319)	(11,319)	5,940	17,259
<i>Fund Balance at Beginning of Year</i>	11,319	11,319	11,319	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$17,259	\$17,259

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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$21,331	\$21,331	\$23,066	\$1,735
Intergovernmental	2,469	2,469	2,315	(154)
<i>Total Receipts</i>	23,800	23,800	25,381	1,581
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	28,992	28,992	25,114	3,878
Capital Outlay	1,500	1,500	1,500	0
<i>Total Disbursements</i>	30,492	30,492	26,614	3,878
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,692)	(6,692)	(1,233)	5,459
<u>Other Financing Receipts (Disbursements)</u>				
Other Financing Receipts	309	309	596	287
<i>Total Other Financing Receipts (Disbursements)</i>	309	309	596	287
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(6,383)	(6,383)	(637)	5,746
<i>Fund Balance at Beginning of Year</i>	6,383	6,383	6,383	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$5,746	\$5,746

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$12,544	\$12,544	\$14,830	\$2,286
Intergovernmental	979	979	1,191	212
Miscellaneous	1,545	1,545	1,200	(345)
<i>Total Receipts</i>	<u>15,068</u>	<u>15,068</u>	<u>17,221</u>	<u>2,153</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	32,503	32,503	22,685	9,818
<i>Total Disbursements</i>	<u>32,503</u>	<u>32,503</u>	<u>22,685</u>	<u>9,818</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(17,435)	(17,435)	(5,464)	11,971
<u>Other Financing Receipts (Disbursements):</u>				
Other Financing Receipts	5,233	5,233	4,736	(497)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,233</u>	<u>5,233</u>	<u>4,736</u>	<u>(497)</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(12,202)	(12,202)	(728)	11,474
<i>Fund Balance at Beginning of Year</i>	<u>12,202</u>	<u>12,202</u>	<u>12,202</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$11,474</u>	<u>\$11,474</u>

See accompanying notes to the basic financial statements.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into one category, governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the sources, uses, and balances of current financial resources.

The following is the Township's major governmental funds:

General Fund – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund – This fund is comprised of taxes on the sale of gasoline which is distributed to the township based upon road mileage determined by the State. The Township uses the Gasoline Tax Fund for the repair and maintenance of township roads.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Cemetery Levy Fund – This fund receives property tax money for maintaining Township cemeteries.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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 2007 was \$155, which includes \$129 assigned from other Township funds. Interest receipts credited to the General Fund during 2006 was \$145 which includes \$119 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 7 and 8, 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, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for state grants reported in special revenue funds.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

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

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, the Road and Bridge Fund, and the Cemetery Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 – Deposits and Investments (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
9. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized ratings agencies.

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

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

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 – Deposits and Investments (continued)

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

At December 31, 2007, the carrying amount of all Township deposits was \$36,986. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2007, none of the Township’s bank balance of \$41,959 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, 2006, the carrying amount of all Township deposits was \$41,976. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2006, none of the Township’s bank balance of \$41,959 was exposed to custodial risk as discussed above, while all of the Township’s Bank balance was covered by Federal Deposit Insurance.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5- Debt

A summary of the debt transactions for the year ended December 31, 2007, follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Amount Due in 1 Year
<i>Governmental Activities:</i>						
2007 Kobeko Excavator Note	5.339%	\$0	\$33,615	\$0	\$33,615	\$7,341

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

Amortization of the above debt, including interest of \$3,840, is as follows:

Year ending December 31:	Excavator
2008	\$7,491
2009	7,491
2010	7,491
2011	7,491
2012	7,491
Total	<u>\$37,455</u>

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2003, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Township prior to June 30.

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

	2007	2006
Real Property		
Residential & Agriculture	\$15,674,360	\$13,656,290
Commercial/Industrial/Mineral	377,830	377,830
Public Utility Property		
Personal	4,772,010	4,625,330
Tangible Personal Property	1,254,950	1,264,410
Total Assessed Value	\$22,079,150	\$19,923,860

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 7 – Risk Management

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA 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 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 a per-claim limit of \$2,000,000 for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 of any specific loss in any one occurrence. The Travelers Indemnity Company reinsured specific losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. It provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 (latest information available) was \$1,901,127.

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.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 7 – Risk Management (continued)

Risk Pool Membership (continued)

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with the generally accepted accounting principles, and reported the following assets, liabilities and retained earning at December 31, 2006 and 2005 (latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained Earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	(676,709)	(1,406,031)
Retained Earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed approximately 958 member townships in the future, as of December 31, 2006 and 2005, respectively.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 8 – Defined Benefit Pension Plan (continued)

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.75 percent. The Township's contribution rate for pension benefits for 2007 was 7.85 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 13.85 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2006 was 9.20 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 13.70 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, 2007, 2006, and 2005 were \$2,446, \$2,800, and \$2,771 respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement); 6.00 percent of covered payroll was the portion that was used to fund health care. The 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

RICHLAND TOWNSHIP, VINTON COUNTY
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 9 - Postemployment Benefits (continued)

The number of active contributing participants in the traditional and combined plans was 374,979 as of December 31, 2007. Actual employer contributions for 2007, which were used to fund postemployment benefits were \$2,401. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$1,801. The actual contribution and the actuarially required contribution amounts are the same. The actual value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**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, 2007, and 2006 which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 21, 2008. 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 expressing our opinions on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as items 2007-001.

We also noted certain matters that we reported to the Township's management in a separate letter dated May 21, 2008.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 21, 2008

RICHLAND TOWNSHIP, VINTON COUNTY
Schedule of Findings
For the Years Ended December 31, 2007 and 2006

Finding Number 2007-001

Financial Record Keeping and Reporting - Noncompliance Citation

The fact that the posting errors resulting in adjusting and reclassification entries occurred, indicates a significant deficiency in the internal controls over financial record keeping and reporting. 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.

Although the Township utilizes the Uniform Accounting Network (UAN) System developed and monitored by the Auditor of State, transactions relating to the issuance of debt for the purchase of an excavator were not posted to the Township's accounting system. This did not allow the Fiscal Officer to accurately record and report the financial activity of the Township.

This resulted in an adjustment to the Township's financial statements.

We recommend the Fiscal Officer review the requirements of OAC Section 117-2-02 and the description of accounts in the UAN System and maintain the required ledgers in the manner prescribed therein. We also recommend that all transactions relating to the Township be included in the financial statements of the Township at year end.

Officials Response

The citation was issued due to our purchase of an excavator. My posting of entries in this transaction were performed as the rest of my entries for 2006-2007 entered on a cash basis method of accounting. Your firm says that according to the Auditor of State, the loan proceeds from this transaction should have been entered as a memo receipt and then recorded as an expenditure. Even though we did not actually receive the loan proceeds from the lease to purchase agreement with Southeastern Equipment, we did however receive the asset in equipment. There have been purchases of equipment in prior years that were also financed that I recorded in the same manner as this purchase without any mention of the transactions being in error in the prior audits. Therefore, I unknowingly recorded this purchase in the same manner without realizing that I had failed to meet the requirements of the Ohio Administrative Code Section 117-2-02. In the future, I will work closely with the Auditor of State when financing any purchases to be sure that our Township is in compliance with all Ohio Administrative Codes.

RICHLAND TOWNSHIP, VINTON COUNTY
Corrective Action Plan
For the Years Ended December 31, 2007 and 2006

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2007-001	Township will maintain required accounting ledgers as prescribed and make all postings to the UAN system in a timely manner.	Immediate future	Danny Minton, Fiscal Officer



Mary Taylor, CPA
Auditor of State

RICHLAND TOWNSHIP

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 15, 2008**