



**PERRY TOWNSHIP
LOGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY TOWNSHIP
LOGAN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Perry Township
Logan County
P. O. Box 15
3279 South Main Street
East Liberty, OH 43319-0015

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Logan County, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 10, 2001

**PERRY TOWNSHIP
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$41,090	\$166,767	\$207,857
Intergovernmental	11,808	57,070	68,878
Special Assessments		2,899	2,899
Licenses, Permits, and Fees	1,374	4,370	5,744
Earnings on Investments	38,049	5,047	43,096
Other Revenue	5,177	8,008	13,185
 Total Cash Receipts	 97,498	 244,161	 341,659
Cash Disbursements:			
Current:			
General Government	101,698		101,698
Public Safety		132,301	132,301
Public Works		57,398	57,398
Health		32,443	32,443
Conservation - Recreation		14,471	14,471
Capital Outlay	278	31,544	31,822
 Total Cash Disbursements	 101,976	 268,157	 370,133
 Total Receipts Over/(Under) Disbursements	 (4,478)	 (23,996)	 (28,474)
Other Financing Receipts:			
Sale of Fixed Assets	201	0	201
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	 (4,277)	 (23,996)	 (28,273)
 Fund Cash Balances, January 1	 194,474	 849,986	 1,044,460
 Fund Cash Balances, December 31	 \$190,197	 \$825,990	 \$1,016,187
 Reserve for Encumbrances, December 31	 \$0	 \$1,200	 \$1,200

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

**PERRY TOWNSHIP
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$46,654	\$191,905	\$238,559
Intergovernmental	10,966	60,294	71,260
Special Assessments		3,141	3,141
Licenses, Permits, and Fees	1,881	3,410	5,291
Earnings on Investments	30,485	3,955	34,440
Other Revenue	1,436	6,775	8,211
	<u>91,422</u>	<u>269,480</u>	<u>360,902</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	145,637		145,637
Public Safety		62,581	62,581
Public Works		104,558	104,558
Health		25,427	25,427
Conservation - Recreation		7,796	7,796
Capital Outlay	606	1,110	1,716
	<u>146,243</u>	<u>201,472</u>	<u>347,715</u>
Total Cash Disbursements			
	<u>146,243</u>	<u>201,472</u>	<u>347,715</u>
Total Receipts Over/(Under) Disbursements	(54,821)	68,008	13,187
Other Financing Receipts:			
Other Sources	125		125
	<u>125</u>		<u>125</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(54,696)	68,008	13,312
Fund Cash Balances, January 1	249,170	781,978	1,031,148
	<u>249,170</u>	<u>781,978</u>	<u>1,031,148</u>
Fund Cash Balances, December 31	\$194,474	\$849,986	\$1,044,460
	<u>\$194,474</u>	<u>\$849,986</u>	<u>\$1,044,460</u>
Reserve for Encumbrances, December 31	\$0	\$14,341	\$14,341
	<u>\$0</u>	<u>\$14,341</u>	<u>\$14,341</u>

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

**PERRY TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Township, Logan County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Cemetery Fund - This fund receives money from the sale of lots and the opening and closing of graves to operate the Township cemeteries.

Fire Fund - This fund receives property tax money to provide fire and emergency services.

**PERRY TOWNSHIP
LOGAN TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$616,187	\$644,460
Certificates of deposit	<u>400,000</u>	<u>400,000</u>
Total deposits	<u><u>1,016,187</u></u>	<u><u>1,044,460</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation,(2) collateralized by the financial institution's public entity deposit pool.

**PERRY TOWNSHIP
LOGAN TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending Dec. 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,000	\$97,699	\$7,699
Special Revenue	260,100	244,161	(15,939)
Total	<u>\$350,100</u>	<u>\$341,860</u>	<u>(\$8,240)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$284,474	\$101,976	\$182,498
Special Revenue	1,110,086	269,357	840,729
Total	<u>\$1,394,560</u>	<u>\$371,333</u>	<u>\$1,023,227</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,000	\$91,547	\$1,547
Special Revenue	269,500	269,480	(20)
Total	<u>\$359,500</u>	<u>\$361,027</u>	<u>\$1,527</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$339,170	\$146,243	\$192,927
Special Revenue	1,051,478	215,813	835,665
Total	<u>\$1,390,648</u>	<u>\$362,056</u>	<u>\$1,028,592</u>

4. PROPERTY TAX

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

**PERRY TOWNSHIP
LOGAN TOWNSHIP**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX (Continued)

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

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

5. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries during the period January 1, 1999 through June 30, 2000. During the period of July 1, 2000 through December 31, 2000 there was a temporary reduction which reduced the employer rate to 8.13%. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance to elected officials through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Perry Township
Logan County
P. O. Box 15
3279 South Main Street
East Liberty, OH 43319-0015

To the Board of Trustees:

We have audited the financial statements of Perry Township, Logan County, (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 10, 2001.

Perry Township
Logan County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 10, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PERRY TOWNSHIP

LOGAN 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
MAY 29, 2001**