



**Auditor of State
Betty Montgomery**

**PERRY TOWNSHIP
PICKAWAY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Perry Township
Pickaway County
30 South Church Street
P.O. Box 334
New Holland, Ohio 43145

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2002 and December 31, 2001. 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. 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Perry Township, Pickaway County, Ohio, as of December 31, 2002 and December 31, 2001, 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 June 16, 2003 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.

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This report is intended solely for the information and use of 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 16, 2003

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,554	\$73,972	\$89,526
Intergovernmental	23,484	68,287	91,771
Special Assessments	0	1,907	1,907
Licenses, Permits, and Fees	0	721	721
Earnings on Investments	8,991	2,275	11,266
Other Revenue	0	763	763
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	48,029	147,925	195,954
Cash Disbursements:			
General Government	38,248	1,401	39,649
Public Safety	26	16,636	16,662
Public Works	703	44,652	45,355
Health	14,209	2,444	16,653
Capital Outlays	0	34,395	34,395
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	53,186	99,528	152,714
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	(5,157)	48,397	43,240
Other Financing Receipts			
Other Sources	<hr/>	<hr/>	<hr/>
	14	0	14
Total Other Financing Receipts	<hr/>	<hr/>	<hr/>
	14	0	14
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	(5,143)	48,397	43,254
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	212,378	284,381	496,759
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$207,235	\$332,778	\$540,013

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

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,456	\$75,802	\$91,258
Intergovernmental	30,283	67,913	98,196
Licenses, Permits, and Fees	0	802	802
Earnings on Investments	4,418	2,984	7,402
Other Revenue	945	2,620	3,565
	<u>51,102</u>	<u>150,121</u>	<u>201,223</u>
Total Cash Receipts			
	<u>51,102</u>	<u>150,121</u>	<u>201,223</u>
Cash Disbursements:			
Current:			
General Government	36,859	580	37,439
Public Safety	25	26,246	26,271
Public Works	661	48,438	49,099
Health	11,240	3,351	14,591
Capital Outlay	0	33,036	33,036
	<u>48,785</u>	<u>111,651</u>	<u>160,436</u>
Total Cash Disbursements			
	<u>48,785</u>	<u>111,651</u>	<u>160,436</u>
Total Receipts Over/ Disbursements	2,317	38,470	40,787
Fund Cash Balances, January 1	<u>210,061</u>	<u>245,911</u>	<u>455,972</u>
Fund Cash Balances, December 31	<u><u>\$212,378</u></u>	<u><u>\$284,381</u></u>	<u><u>\$496,759</u></u>

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

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Township, Pickaway County, Ohio (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 road and bridge maintenance. The Township contracts with Pick-a-Fay Fire District for fire protection, the New Holland Union Cemetery for cemetery services and Fayette County for 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

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 disbursements, respectively.

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:

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

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

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, 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. 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 canceled and re-appropriated in the subsequent year.

A summary of 2002 and 2001 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.

G. Accumulated Leave

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

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH

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

	2002	2001
Demand deposits	\$ 385,013	\$ 351,759
Certificates of deposit	155,000	145,000
Total deposits	\$ 540,013	\$ 496,759

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,407	\$48,043	\$6,636
Special Revenue	135,662	147,925	12,263
Total	\$177,069	\$195,968	\$18,899

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$146,820	\$53,186	\$93,634
Special Revenue	292,733	99,528	193,205
Total	\$439,553	\$152,714	\$286,839

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,286	\$51,102	\$7,816
Special Revenue	144,150	150,121	5,971
Total	\$187,436	\$201,223	\$13,787

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,729	\$48,785	\$98,944
Special Revenue	302,530	111,651	190,879
Total	\$450,259	\$160,436	\$289,823

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.

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 part time 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 postretirement 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

6. RELATED ORGANIZATIONS

New Holland Joint Fire District

Perry Township, Pickaway County; Marion Township, Fayette County; and the Village of New Holland, Pickaway County have entered into a contractual agreement to provide fire protection and for other services permitted by Ohio Rev. Code Sections 505.37 through 505.44 to its residents with the creation of the New Holland Joint Fire District, (the District) established in 1991.

The New Holland Joint Fire District Board is comprised of one representative from each participating subdivision, with each member having ongoing financial interest and responsibility proportionate to their interest in the District. Upon dissolution, each member shall receive one-third the value or the proceeds from the sale of assets.

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RELATED ORGANIZATIONS (Continued)

New Holland Joint Fire District (Continued)

The Village of New Holland was the fiscal agent for the District until July 2001 when the parties financial interest and District assets were transferred, through agreement, to the Pick-A-Fay Joint Fire District. The financial activity of the District is not included in the accompanying financial statements. The District's financial statements can be obtained from the Village of New Holland, 10 E. Front Street, New Holland, Ohio 43145.

Pick-A-Fay Joint Fire District

Perry Township, Pickaway County; Marion Township, Fayette County; and the Village of New Holland, Pickaway County created by agreement a separate legal entity to provide fire protection and for other services permitted by Ohio Rev. Code Sections 505.37 through 505.44 to its residents by the creation of the Pick-A-Fay Joint Fire District.

Established in July, 2001 the Pick-A-Fay Joint Fire District Board is comprised of one representative from each participating subdivision, which includes the former members of the New Holland Joint Fire District Board, with each member having ongoing financial interest and responsibility proportionate to their interest in the District. The Board shall appoint a clerk to maintain all financial recordkeeping. All fire fighting equipment, apparatus, appliances, materials, and fire hydrants purchased by the members and those from the former New Holland Joint Fire Board were transferred to the new joint fire district. All members are required to contribute an equal 1/3rd share to the District board until the Pick-A-Fay Board can pass a fire tax levy on all taxable property within the District.

All previous indebtedness of the New Holland Joint Fire District has become the obligation of the Pick-A-Fay District Board. At December 31, 2002, the principal outstanding is \$35,589 with an annual interest rate of 6.39%. The Township contributes \$4,470 to the District until 2005. No monies of the Township are pledged for the payment of the District's debt. The contributions are not recorded on the accompanying financial statements as debt principal or interest payments.

The financial activities of the Pick-A-Fay Fire District are not part of the accompanying financial statements. Financial information can be obtained through the Pick-A-Fay Fire District Board.

New Holland Union Cemetery

The Township jointly governs with Village of New Holland, Pickaway County, the New Holland Union Cemetery (the Cemetery). The Cemetery Board is comprised of the Village of New Holland Council, the Perry Township Trustees, and the New Holland Clerk/Treasurer. There is no equity interest held by either party in the Cemetery. The Cemetery financial statements can be obtained at P.O. Box 55, New Holland, Ohio 43145.

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RELATED PARTY TRANSACTIONS

The Township expended \$6,000 and \$12,000 in fiscal 2001 and 2002, respectively, for fire protection to the Pick-A-Fay Joint Fire District, a jointly governed organization. The Township contributed \$4,470 to the District in 2001 and 2002 for the payment of debt on a fire truck used to service the District constituents. These monies were expended from the Township's Fire District Levy Fund, a special revenue fund.

The Township expended \$15,776 to the New Holland Fire District in fiscal 2001. The monies were expended from the Township's Fire District Levy Fund, a special revenue fund.

The Township expended \$2,444 and \$3,551 in fiscal 2001 and 2002, respectively, to the New Holland Union Cemetery for cemetery services. The monies were expended from the Township Cemetery Fund.



**Auditor of State
Betty Montgomery**

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

Perry Township
Pickaway County
30 South Church Street
P.O. Box 334
New Holland, Ohio 43145

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated June 16, 2003. 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.

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 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 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 the 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 16, 2003.

Perry Township
Pickaway County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 16, 2003



**Auditor of State
Betty Montgomery**

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P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PERRY TOWNSHIP

PICKAWAY 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
OCTOBER 16, 2003**