



**Auditor of State  
Betty Montgomery**



**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountant's 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, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – For the Year Ended December 31, 2003.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – For the Year Ended December 31, 2002.....	6
Notes to the Financial Statements .....	7
Independent Accountant's Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	16

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Perry Township  
Columbiana County  
P.O. Box 795  
Salem, Ohio 44460

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Columbiana County (the Township) as of and for the years ended December 31, 2003 and 2002. 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.

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

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 Perry Township, Columbiana County as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2004 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. 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 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

September 3, 2004

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$52,860	\$527,342		\$580,202
Intergovernmental	137,966	147,667	111,000	396,633
Special Assessments		2,399		2,399
Licenses, Permits, and Fees	140	6,857		6,997
Fines, Forfeitures, and Penalties	28,821	1,491		30,312
Earnings on Investments	18,474	2,709		21,183
Other Revenue	45,406	49,256		94,662
<b>Total Cash Receipts</b>	<u>283,667</u>	<u>737,721</u>	<u>111,000</u>	<u>1,132,388</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	264,438	5,627		270,065
Public Safety		336,083		336,083
Public Works		335,548		335,548
Capital Outlay	20,900	302,786	111,000	434,686
<b>Total Cash Disbursements</b>	<u>285,338</u>	<u>980,044</u>	<u>111,000</u>	<u>1,376,382</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(1,671)</u>	<u>(242,323)</u>		<u>(243,994)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In	27,000	27,000		54,000
Advances-Out	(27,000)	(27,000)		(54,000)
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(1,671)</u>	<u>(242,323)</u>		<u>(243,994)</u>
<b>Fund Cash Balances, January 1 (See Note 7)</b>	<u>486,395</u>	<u>1,042,041</u>		<u>1,528,436</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$484,724</u></u>	<u><u>\$799,718</u></u>	<u><u>\$0</u></u>	<u><u>\$1,284,442</u></u>
<b>Reserve for Encumbrances, December 31</b>	<u><u>\$0</u></u>	<u><u>\$44,659</u></u>	<u><u>\$0</u></u>	<u><u>\$44,659</u></u>

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

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>Fiduciary Fund Types</b>
	<b>Agency Fund</b>
<b>Operating Cash Disbursements:</b>	
Current:	
Other Objects	\$700
Total Operating Cash Disbursements	700
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	1,100
Total Non-Operating Cash Receipts	1,100
Net Receipts Over/(Under) Disbursements	400
Fund Cash Balances, January 1	11,394
<b>Fund Cash Balances, December 31</b>	<b>\$11,794</b>

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



**PERRY TOWNSHIP  
COLUMBIANA 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>	
<b>Cash Receipts:</b>			
Local Taxes	\$52,171	\$532,267	\$584,438
Intergovernmental	108,860	135,300	244,160
Special Assessments		2,475	2,475
Licenses, Permits, and Fees	118	6,177	6,295
Fines, Forfeitures, and Penalties	56,093		56,093
Earnings on Investments	39,989	4,989	44,978
Other Revenue	4,066	33,596	37,662
	<u>261,297</u>	<u>714,804</u>	<u>976,101</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	189,003	6,775	195,778
Public Safety		303,232	303,232
Public Works		253,485	253,485
Capital Outlay		43,072	43,072
	<u>189,003</u>	<u>606,564</u>	<u>795,567</u>
<b>Total Cash Disbursements</b>			
	<u>72,294</u>	<u>108,240</u>	<u>180,534</u>
<b>Total Receipts Over/(Under) Disbursements</b>			
	<u>417,645</u>	<u>930,257</u>	<u>1,347,902</u>
Fund Cash Balances, January 1 (See Note 7)			
	<u>417,645</u>	<u>930,257</u>	<u>1,347,902</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$489,939</u></b>	<b><u>\$1,038,497</u></b>	<b><u>\$1,528,436</u></b>
Reserve for Encumbrances, December 31	<u>\$1,624</u>	<u>\$16,079</u>	<u>\$17,703</u>

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

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Fiduciary Fund Types</b>
	<b>Agency Fund</b>
<b>Operating Cash Disbursements:</b>	
Current:	
Other Objects	\$800
Total Operating Cash Disbursements	800
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	1,200
Total Non-Operating Cash Receipts	1,200
Net Receipts Over/(Under) Disbursements	400
Fund Cash Balances, January 1	10,994
<b>Fund Cash Balances, December 31</b>	<b>\$11,394</b>

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

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Perry Township, Columbiana 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 road and bridge maintenance and police and fire protection.

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:

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

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Police District Fund* – This fund’s receipts are generated from a restricted Township tax levy and are only to be utilized to assist in providing police protection for the residents of the Township.

*Fire Department Fund* - This fund’s receipts are generated from a restricted Township tax levy and are only to be utilized to assist in providing fire protection for the residents of the Township.

**3. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects fund:

*Miscellaneous Capital Projects Fund* - The Township was part of a multi-highway paving project for which the Township received a grant from the State of Ohio.

**4. Fiduciary Fund (Agency Fund)**

This fund is used to account for resources for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

*Culvert Deposits* - The Township collects deposits for culverts in new building construction within the Township. The deposits are refunded after the culverts pass zoning inspection.

**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 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.

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgetary Process (Continued)**

**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 reappropriated.

A summary of 2003 and 2002 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:

	2003	2002
Demand deposits	\$410,297	\$328,476
Certificates of deposit	885,939	1,211,354
Total deposits	\$1,296,236	\$1,539,830

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$271,999	\$283,667	\$11,668
Special Revenue	674,965	737,721	62,756
Capital Projects		111,000	111,000
Fiduciary	600	1,100	500
Total	\$947,564	\$1,133,488	\$185,924

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$334,849	\$285,338	\$49,511
Special Revenue	1,106,853	1,024,703	82,150
Capital Projects		111,000	(111,000)
Fiduciary	2,000	700	1,300
Total	<u>\$1,443,702</u>	<u>\$1,421,741</u>	<u>\$21,961</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$210,332	\$261,297	\$50,965
Special Revenue	635,185	714,804	79,619
Fiduciary		1,200	1,200
Total	<u>\$845,517</u>	<u>\$977,301</u>	<u>\$131,784</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$298,906	\$190,627	\$108,279
Special Revenue	737,076	622,643	114,433
Fiduciary	2,000	800	1,200
Total	<u>\$1,037,982</u>	<u>\$814,070</u>	<u>\$223,912</u>

Contrary to Ohio Revised Code § 5705.41(B), budgetary expenditures exceeded appropriation authority in the Miscellaneous Capital Projects Fund by \$111,000 for the year ended December 31, 2003. Also contrary to Ohio Revised Code § 5705.39, appropriations exceeded estimated resources in the Juvenile Officer Fund by \$500 for the year ended December 31, 2003.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

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

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

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. PROPERTY TAX (Continued)**

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

**5. RETIREMENT SYSTEMS**

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 2003 and 2002, members of PERS, except full-time police officers, contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. Full-time police officers contributed 10.10% of their gross salaries. The Township contributed an amount equal to 16.67% of these members' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

**Risk Pool Membership**

The Government belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss 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 \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

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.

Financial Position

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

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$27,792,223	\$23,757,036
Liabilities	(11,791,300)	(9,197,512)
Retained earnings	<u>\$16,000,923</u>	<u>\$14,559,524</u>

<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$6,791,060	\$6,596,996
Liabilities	(750,956)	(1,204,326)
Retained earnings	<u>\$6,040,104</u>	<u>\$5,392,670</u>

**7. PRIOR PERIOD ADJUSTMENT**

The year ended December 31, 2001 audited fund balances did not agree to beginning January 1, 2002 system fund balances due to the following prior audit adjustments which were recorded during the year ended December 31, 2003:

	<u>12/31/01 Fund</u>		<u>1/1/02 Fund</u>
<u>Fund Type</u>	<u>Cash Balances</u>	<u>Adjustments</u>	<u>Cash Balances</u>
General	\$ 414,101	\$ 3,544	\$ 417,645
Special Revenue	\$ 933,801	\$ (3,544)	\$ 930,257

  

	<u>12/31/02 Fund</u>		<u>1/1/03 Fund</u>
<u>Fund Type</u>	<u>Cash Balances</u>	<u>Adjustments</u>	<u>Cash Balances</u>
General	\$ 489,939	\$ (3,544)	\$ 486,395
Special Revenue	\$ 1,038,497	\$ 3,544	\$ 1,042,041





## Auditor of State Betty Montgomery

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

Perry Township  
Columbiana County  
P.O. Box 795  
Salem, Ohio 44460

To the Board of Trustees:

We have audited the financial statements of Perry Township, Columbiana County (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 3, 2004 wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 tested its compliance with certain provisions of laws, regulations and contracts, 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 such an opinion. The results of our tests disclosed instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated September 3, 2004.

#### 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 the township's management in a separate letter dated September 3, 2004.

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Perry Township  
Columbiana 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

September 3, 2004

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

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

**FINDING NUMBER 2003-001**

**Noncompliance Citation**

**Ohio Revised Code §5705.41(B)** prohibits a subdivision from making an expenditure unless it has been properly appropriated.

The following fund had disbursements and encumbrances exceeding appropriations and prior year carryover appropriations for the year ended December 31, 2003:

<u>Fund</u>	<u>Appropriations</u>	Actual <u>Disbursements</u>	<u>Variance</u>
Misc. Cap Projects	-	111,000	(111,000)

This situation could lead to monies being disbursed contrary to the intentions of the Board of Trustees.

The Clerk-Treasurer should deny payment requests exceeding appropriations. The Clerk-Treasurer may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2003-002**

**Ohio Revised Code § 5705.39** provides in part that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated revenues in the following funds for the year ending December 31, 2003:

<u>Fund</u>	Estimated <u>Receipts</u>	<u>Appropriations</u>	<u>Variance</u>
Juvenile Officer	2,500	3,000	(500)

This situation may lead to disbursements within said funds exceeding the actual revenues available.

We recommend that Management monitor the appropriations and estimated resources and file amendments as needed with the County Auditor in order to receive a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. This will help to reduce the risk of disbursements exceeding the actual revenues available as well as add a measure of control over the Township's budgetary process.

**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-41215-001	Ohio Revised Code § 5705.41(D) – Failure to certify funds.	Yes	
2001-41215-002	Ohio Revised Code § 5705.41(B) – Disbursements and encumbrances exceeding appropriations and prior year carryover appropriations.	No	Not corrected: This was reissued as Finding #2003-001.



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**PERRY TOWNSHIP  
COLUMBIANA 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  
NOVEMBER 4, 2004**