

**PERRY TOWNSHIP  
RICHLAND COUNTY**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 1999 AND 2000**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
*12 East Main Street*  
*Lexington, Ohio 44904*





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Perry Township  
2776 Bellville Johnsville Road  
Bellville, Ohio 44813

We have reviewed the Independent Auditor's Report of Perry Township, Richland County, prepared by J E Slaybaugh & Associates, Inc., for the audit period January 1, 1999 through December 31, 2000. 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. Perry Township is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

June 8, 2001

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**PERRY TOWNSHIP  
RICHLAND COUNTY**

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 2000

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**PERRY TOWNSHIP  
RICHLAND COUNTY**

2776 Bellville Johnsville Rd  
Bellville, Ohio

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2000**

<b>NAME</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>	<b>SURETY</b>	<b>AMOUNT</b>	<b>PERIOD</b>
Donald E Goodwin	Trustee Chairman	1/1/98 - 12/31/2001	(A)	\$ 5,000	(B)
Wayne R Berry	Trustee	1/1/00-12/31/03	(A)	\$ 5,000	(B)
Bruce Steel	Trustee	1/1/98-12/31/2001	(A)	\$ 5,000	(B)
Beth Fry	Clerk	4/1/00-12/31/2004	(A)	\$ 25,000	(B)

Statutory Legal Counsel

James J. Mayer  
Richland County Prosecuting Attorney  
38 South Park Avenue  
Mansfield, Ohio 44902

(A) Ohio Government Risk Management Plan  
(B) Concurrent With Term

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCP*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Trustees of Perry Township  
2776 Bellville Johnsville Rd  
Bellville, Ohio

We have audited the accompanying financial statements for the Perry Township, Richland County, as of and for the years ended December 31, 1999 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; *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 Perry 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 of the Perry Township, Richland County, as of December 31, 1999 and 2000, 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 a report dated May 11, 2001, on our consideration of the Perry Township's internal control over financial reporting and our tests of 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 when considering the results of our audit.

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

*J. E. Slaybaugh & Associates, Inc.*  
\_\_\_\_\_  
J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
May 11, 2001

**PERRY TOWNSHIP  
RICHLAND 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**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>				
Local Taxes	\$ 16,498	\$ 170,086		\$ 186,584
Intergovernmental	49,598	68,991		118,589
Interest	10,519	2,585		13,104
Miscellaneous	<u>1,375</u>	<u>9,279</u>		<u>10,654</u>
<b>Total Cash Receipts</b>	<u>77,990</u>	<u>250,941</u>	<u>-</u>	<u>328,931</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Public Safety		19,500		19,500
Public Works		69,687		69,687
General Government	70,025	82,516		152,541
Capital Outlay		84		84
Debt Service				-
Interest				-
<b>Total Program Disbursements</b>	<u>70,025</u>	<u>171,787</u>	<u>-</u>	<u>241,812</u>
<b>Total receipts over/(under) program disbursements</b>	7,965	79,154	-	87,119
<b>OTHER FINANCING RECEIPTS/(DISBURSEMENTS):</b>				
Transfers In				-
Transfers Out		-	-	-
<b>Total other financing receipts/(disbursements)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,119</u>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	7,965	79,154	-	87,119
Fund Cash Balances - January 1, 2000	61,239	207,561	5,445	274,245
Fund Balance Adjustments	<u>164</u>			<u>164</u>
<b>Fund Cash Balances - December 31, 2000</b>	<u>\$ 69,368</u>	<u>\$ 286,715</u>	<u>\$ 5,445</u>	<u>\$ 361,528</u>

**PERRY TOWNSHIP**  
**RICHLAND 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**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>						
Local Taxes	\$ 13,250	\$ 157,213	\$ 10,200			\$ 180,663
Intergovernmental	30,142	66,411				96,553
Interest	7,433	1,507				8,940
Miscellaneous	5,579	10,519				16,098
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
Total Cash Receipts	56,404	235,650	10,200	0		302,254
<b>CASH DISBURSEMENTS:</b>						
Current:						
Public Safety		20,600				20,600
Public Works		55,304				55,304
General Government	66,051	94,007				160,058
Capital Outlay	3,534	10,610				14,144
Debt Service			10,000			10,000
Interest			200			200
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
Total Program Disbursements	69,585	180,521	10,200	-		260,306
Total receipts over/(under) program disbursements	(13,181)	55,129	-			41,948
<b>OTHER FINANCING RECEIPTS/(DISBURSEMENTS):</b>						
Transfers In		5,767				5,767
Transfers Out		(5,767)				(5,767)
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
Total other financing receipts/(disbursements)	-	-	-	-		-
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(13,181)	55,129	-	-		41,948
Fund Cash Balances - January 1, 1999	74,410	152,423	-	5,445		232,278
Fund Balance Adjustment	10	9				19
	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
Fund Cash Balances - December 31, 1999	\$ 61,239	\$ 207,561	\$ -	\$ 5,445		\$ 274,245

**PERRY TOWNSHIP  
RICHLAND COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Description of the Entity

Perry Township, Richland County, Perry 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 provides general governmental services, including fire protection services and road maintenance

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 make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township maintains a demand deposit sweep account

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:

General Fund

The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Fire District Fund and Road and Bridge Fund- These funds receive tax revenues for providing fire protection and use in maintaining and repairing Township roads and bridges

#### Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, note indebtedness.

#### Capital Project Fund

The Capital Project Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Permanent Improvement Fund was the only capital project fund used by the Township.

#### D. Budgetary Process

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

#### 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 Township 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.

#### 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.

#### Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. There were no encumbrances at year ended.

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

#### E. 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.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

2. Equity in Pooled Cash and Investments

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 45,528	\$ 35,245
Sweep Account	<u>316,000</u>	<u>239,000</u>
Total deposits	<u>\$ 361,528</u>	<u>\$ 274,245</u>

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 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 42,664	\$ 77,990	\$ 35,326
Special Revenue	165,036	250,941	85,905
Capital Projects	<u>721</u>	<u>-</u>	<u>(721)</u>
Total	<u>\$ 208,421</u>	<u>\$ 328,931</u>	<u>\$ 120,510</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 116,948	\$ 70,025	\$ 46,923
Special Revenue	396,587	171,787	224,800
Capital Projects	<u>5,445</u>	<u>-</u>	<u>5,445</u>
Total	<u>\$ 518,980</u>	<u>\$ 241,812</u>	<u>\$ 277,168</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 53,804	\$ 56,404	\$ 2,600
Special Revenue	166,536	241,417	74,881
Debt Service	12,944	10,200	2,744
Capital Projects	<u>721</u>	<u>-</u>	<u>721</u>
Total	<u>\$ 234,005</u>	<u>\$ 308,021</u>	<u>\$ 80,946</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 113,947	\$ 69,585	\$ 44,362
Special Revenue	361,577	186,288	175,289
Debt Service	10,200	10,200	-
Capital Projects	<u>5,638</u>	<u>-</u>	<u>5,638</u>
Total	<u>\$ 491,362</u>	<u>\$ 266,073</u>	<u>\$ 225,289</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township 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 is due the following June 20.

Public utilities are also taxed on personal 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.

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

5. Retirement System

The Township's full-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 1999 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55 % of participant's gross salaries. The Township has paid all contributions required through December 31, 2000.

7. Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA provides its' members insurance coverage at group rates. The following risks are covered by the policy:

- Comprehensive property and general liability
- Vehicles
- Public official's liability

The Township also provides health insurance to its full-time employee through a private carrier.

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Trustees of Perry Township  
2776 Bellville Johnsville Rd  
Richland, Ohio

We have audited the financial statements of the Perry Township, Richland County, as of and for the years ended December 31, 1999 and 2000, and have issued our report thereon dated May 11, 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 Perry 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

In planning and performing our audit, we considered the Perry 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.

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

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
May 11, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**PERRY TOWNSHIP**

**RICHLAND 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  
JUNE 19, 2001**