

**PERRY TOWNSHIP
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003

**Vanessa L. Blevins
Certified Public Accountant**



**Auditor of State
Betty Montgomery**

Board of Trustees
Perry Township, Pickaway County
30 South Church St.
P.O. Box 334
New Holland, OH 43145

We have reviewed the *Independent Accountants' Report* of Perry Township, Pickaway County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2003 through December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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, Pickaway County is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 18, 2005

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PERRY TOWNSHIP
PICKAWAY COUNTY

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VANESSA L. BLEVINS
Certified Public Accountant

757 West Elm Street
Washington Courthouse, Ohio 43160
Phone: 740-333-1318

INDEPENDENT ACCOUNTANTS' REPORT

Perry Township
Pickaway County
30 South Church Street
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, 2004 and December 31, 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position or cash flows of its proprietary funds for the years then ended.

Also, 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, Pickaway County, Ohio, as of December 31, 2004 and December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2005 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 grant agreements and other matters. While we did 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 in considering the results of our audit.

Vanessa L. Blevins
Certified Public Accountant

September 23, 2005

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,197	\$63,220	\$78,417
Intergovernmental	22,422	85,246	107,668
Licenses, Permits, and Fees	0	565	565
Earnings on Investments	8,433	1,495	9,928
Other Revenue	14	481	495
Special Assessments	0	1,687	1,687
	<u>46,066</u>	<u>152,694</u>	<u>198,760</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	39,636	499	40,135
Public Safety	26	4,499	4,525
Public Works	677	68,348	69,025
Health	14,646	3,240	17,886
Supplies and Materials	0	0	0
Capital Outlay	0	45,810	45,810
	<u>54,985</u>	<u>122,396</u>	<u>177,381</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(8,919)</u>	<u>30,298</u>	<u>21,379</u>
Fund Cash Balances, January 1	<u>211,377</u>	<u>367,872</u>	<u>579,249</u>
Fund Cash Balances, December 31	<u>\$202,458</u>	<u>\$398,170</u>	<u>\$600,628</u>

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 AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,006	\$61,414	\$76,420
Intergovernmental	40,761	74,100	114,861
Licenses, Permits, and Fees	0	489	489
Earnings on Investments	2,635	2,096	4,731
Other Revenue	449	434	883
Special Assessments	0	1,686	1,686
	<u>58,851</u>	<u>140,219</u>	<u>199,070</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	39,366	94	39,460
Public Safety	26	4,503	4,529
Public Works	652	55,695	56,347
Health	14,666	2,505	17,171
Human Services			0
Interest and Fiscal Charges			0
Supplies and Materials	0	0	0
Capital Outlay	0	42,329	42,329
	<u>54,710</u>	<u>105,126</u>	<u>159,836</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>4,141</u>	<u>35,093</u>	<u>39,234</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	4,141	35,093	39,234
Fund Cash Balances, January 1	<u>207,235</u>	<u>332,778</u>	<u>540,013</u>
Fund Cash Balances, December 31	<u>\$211,376</u>	<u>\$367,871</u>	<u>\$579,247</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, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Township, Pickaway 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. The Township contracts with the New Holland 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:

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

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

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 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. 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 2004 and 2003 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, 2004 AND 2003
(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 December 31 was as follows:

	2004	2003
Demand deposits	\$455,629	\$434,248
Certificates of deposit	145,000	145,000
Total deposits	600,629	579,248

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and December 31, 2003 follows:

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,407	\$46,066	\$7,659
Special Revenue	122,473	152,694	30,221
Total	\$160,880	\$198,760	\$37,880

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$116,370	\$54,985	\$61,385
Special Revenue	274,258	122,396	151,862
Total	\$390,628	\$177,381	\$213,247

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,407	\$58,851	\$15,444
Special Revenue	116,763	140,219	23,456
Total	\$160,170	\$199,070	\$38,900

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$139,380	\$54,710	\$84,670
Special Revenue	273,724	105,126	168,598
Total	\$413,104	\$159,836	\$253,268

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 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 2004 and 2003, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

6. RELATED ORGANIZATIONS

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 service 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.

**PERRY TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RELATED ORGANIZATIONS (Continued)

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 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. The Township contributes \$4,470 to the District until 2006. 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 the 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.

The Township expended \$0,000 and \$00,000 in fiscal 2004 and 2003, 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 2004 and 2003 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 \$12,000 in fiscal 2004 and 2003, respectively, to the New Holland Union Cemetery for cemetery services. The monies were expended from the Township Cemetery Fund.

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VANESSA L. BLEVINS
Certified Public Accountant

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

Perry Township
Pickaway County
30 South Church Street
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, 2004 and December 31, 2003, and have issued our report thereon dated September 23, 2005. 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 instance of noncompliance that is 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 September 23, 2005.

757 West Elm Street
Washington Courthouse, Ohio 43160
Phone: 740-333-1318

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 management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

VANESSA L. BLEVINS
Certified Public Accountant

September 23, 2005



**Auditor of State
Betty Montgomery**

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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
NOVEMBER 10, 2005**