



Dave Yost • Auditor of State

**PERRY TOWNSHIP
MUSKINGUM COUNTY**

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**PERRY TOWNSHIP
MUSKINGUM COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Perry Township
Muskingum County
P.O. Box 714
Zanesville, Ohio 43702

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Perry Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 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 processes its financial transactions with 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 audit 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(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Perry Township, Muskingum County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General, Gasoline Tax, Road & Bridge, and Fire Levy Funds thereof for the years then ended in conformity with the accounting basis Note 2 describes.

As described in Note 3, during 2011 and 2010 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012, 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*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 9, 2012

Perry Township
Muskingum County, Ohio
Statement of Net Assets - Cash Basis
December, 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$486,255</u>
<i>Total Assets</i>	<u><u>\$486,255</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$327,698
Unrestricted	<u>158,557</u>
<i>Total Net Assets</i>	<u><u>\$486,255</u></u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Current:				
General Government	\$94,151		\$4,547	(\$89,604)
Public Safety	64,961	\$7,694	39,411	(17,856)
Public Works	322,810	250	128,591	(193,969)
Health	46,996	15,440		(31,556)
Human Services	1,338			(1,338)
Capital Outlay	26,221			(26,221)
Debt Service:				
Principal Retirement	7,515	7,515		0
Interest and Fiscal Charges	1,953	1,953		0
<i>Total Governmental Activities</i>	<u>\$565,945</u>	<u>\$32,852</u>	<u>\$172,549</u>	<u>(\$360,544)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				\$340,441
Grants and Entitlements not Restricted to Specific Programs				38,271
Earnings on Investments				2,425
Miscellaneous				1,821
Total General Receipts				<u>382,958</u>
<i>Change in Net Assets</i>				22,414
<i>Net Assets Beginning of Year</i>				<u>463,841</u>
<i>Net Assets End of Year</i>				<u><u>\$486,255</u></u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
 December 31, 2011

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road & Bridge</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	<u>\$158,557</u>	<u>\$14,967</u>	<u>\$24,385</u>	<u>\$265,765</u>	<u>\$22,581</u>	<u>\$486,255</u>
<i>Total Assets</i>	<u><u>\$158,557</u></u>	<u><u>\$14,967</u></u>	<u><u>\$24,385</u></u>	<u><u>\$265,765</u></u>	<u><u>\$22,581</u></u>	<u><u>\$486,255</u></u>
Fund Balances						
Restricted		\$14,967		\$265,765	\$22,581	\$303,313
Committed			\$24,385			24,385
Unassigned (Deficit)	<u>\$158,557</u>					<u>158,557</u>
<i>Total Fund Balances</i>	<u><u>\$158,557</u></u>	<u><u>\$14,967</u></u>	<u><u>\$24,385</u></u>	<u><u>\$265,765</u></u>	<u><u>\$22,581</u></u>	<u><u>\$486,255</u></u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2011

	General	Gasoline Tax	Road & Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$75,212	\$0	\$145,497	\$119,732	\$0	\$340,441
Charges for Services	0	0	0	0	7,694	7,694
Licenses, Permits and Fees	250	0	0	0	10,630	10,880
Intergovernmental	36,933	85,873	34,136	36,122	17,116	210,180
Special Assessments	0	0	0	0	9,468	9,468
Earnings on Investments	2,425	483	0	0	157	3,065
Miscellaneous	1,811	0	0	10	4,810	6,631
<i>Total Receipts</i>	<u>116,631</u>	<u>86,356</u>	<u>179,633</u>	<u>155,864</u>	<u>49,875</u>	<u>588,359</u>
Disbursements						
Current:						
General Government	84,852	0	0	9,299	0	94,151
Public Safety	0	0	0	57,901	7,060	64,961
Public Works	49,257	95,420	155,248	0	22,885	322,810
Health	33,136	0	0	0	13,860	46,996
Human Services	0	0	0	0	1,338	1,338
Capital Outlay	750	0	0	25,471	0	26,221
Debt Service:						
Principal Retirement	0	0	0	0	7,515	7,515
Interest and Fiscal Charges	0	0	0	0	1,953	1,953
<i>Total Disbursements</i>	<u>167,995</u>	<u>95,420</u>	<u>155,248</u>	<u>92,671</u>	<u>54,611</u>	<u>565,945</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(51,364)</u>	<u>(9,064)</u>	<u>24,385</u>	<u>63,193</u>	<u>(4,736)</u>	<u>22,414</u>
Other Financing Sources (Uses)						
Advances In	9,280	0	0	0	10,739	20,019
Advances Out	(10,739)	0	0	0	(9,280)	(20,019)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,459)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,459</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(52,823)</u>	<u>(9,064)</u>	<u>24,385</u>	<u>63,193</u>	<u>(3,277)</u>	<u>22,414</u>
<i>Fund Balances Beginning of Year</i>	<u>211,380</u>	<u>24,031</u>	<u>0</u>	<u>202,572</u>	<u>25,858</u>	<u>463,841</u>
<i>Restricted</i>	0	14,967		265,765	22,581	303,313
<i>Committed</i>	0	0	24,385	0	0	24,385
<i>Unassigned (Deficit)</i>	<u>158,557</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>158,557</u>
<i>Fund Balances End of Year</i>	<u>\$158,557</u>	<u>\$14,967</u>	<u>\$24,385</u>	<u>\$265,765</u>	<u>\$22,581</u>	<u>\$486,255</u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$70,201	\$87,139	\$75,212	(\$11,927)
Licenses, Permits and Fees	200	250	250	0
Intergovernmental	82,815	28,208	36,933	8,725
Earnings on Investments	2,500	2,500	2,425	(75)
Miscellaneous	7,600	1,624	1,811	187
<i>Total Receipts</i>	163,316	119,721	116,631	(3,090)
Disbursements				
Current:				
General Government	131,241	131,241	84,852	46,389
Public Works	193,455	149,859	49,257	100,602
Health	14,000	46,263	33,136	13,127
Capital Outlay	24,000	24,000	750	23,250
<i>Total Disbursements</i>	362,696	351,363	167,995	183,368
<i>Excess of Receipts Over (Under) Disbursements</i>	(199,380)	(231,642)	(51,364)	180,278
Other Financing Sources (Uses)				
Advances In	0	0	9,280	9,280
Advances Out	0	0	(10,739)	(10,739)
<i>Total Other Financing Sources (Uses)</i>	0	0	(1,459)	(1,459)
<i>Net Change in Fund Balance</i>	(199,380)	(231,642)	(52,823)	178,819
<i>Unencumbered Fund Balance Beginning of Year</i>	211,380	211,380	211,380	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$12,000	(\$20,262)	\$158,557	\$178,819

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$87,100	\$87,100	\$85,873	(\$1,227)
Earnings on Investments	600	600	483	(117)
Miscellaneous	300	300	0	(300)
<i>Total Receipts</i>	88,000	88,000	86,356	(1,644)
Disbursements				
Current:				
Public Works	112,031	106,631	95,420	11,211
Other	0	5,400	0	5,400
<i>Total Disbursements</i>	112,031	112,031	95,420	16,611
<i>Excess of Receipts Over (Under) Disbursements</i>	(24,031)	(24,031)	(9,064)	14,967
<i>Unencumbered Fund Balance Beginning of Year</i>	24,031	24,031	24,031	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$0	\$0	\$14,967	\$14,967

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$133,734	\$171,318	\$145,497	(\$25,821)
Intergovernmental	58,700	17,644	34,136	16,492
Miscellaneous	4,000	0	0	0
<i>Total Receipts</i>	196,434	188,962	179,633	(9,329)
Disbursements				
Current:				
Public Works	164,171	156,699	155,248	1,451
<i>Total Disbursements</i>	164,171	156,699	155,248	1,451
<i>Excess of Receipts Over (Under) Disbursements</i>	32,263	32,263	24,385	(7,878)
<i>Unencumbered Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$32,263	\$32,263	\$24,385	(\$7,878)

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Levy
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$109,580	\$150,911	\$119,732	(\$31,179)
Intergovernmental	14,800	14,800	36,122	21,322
Miscellaneous	3,200	3,200	10	(3,190)
<i>Total Receipts</i>	<u>127,580</u>	<u>168,911</u>	<u>155,864</u>	<u>(13,047)</u>
Disbursements				
Current:				
General Government	11,000	12,635	9,299	3,336
Public Safety	200,000	202,365	57,901	144,464
Capital Outlay	119,151	156,482	25,471	131,011
<i>Total Disbursements</i>	<u>330,151</u>	<u>371,482</u>	<u>92,671</u>	<u>278,811</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(202,571)</u>	<u>(202,571)</u>	<u>63,193</u>	<u>265,764</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	202,572	202,572	202,572	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$265,765</u></u>	<u><u>\$265,764</u></u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Net Assets - Cash Basis
December, 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$463,841
<i>Total Assets</i>	\$463,841
Net Assets	
Restricted for:	
Other Purposes	\$252,461
Unrestricted	211,380
<i>Total Net Assets</i>	\$463,841

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	<u>Program Cash Receipts</u>		Net (Disbursements) Receipts and Changes in Net Assets
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	
Governmental Activities			
General Government	\$86,371	\$175	(\$86,196)
Public Safety	79,367	11,814	(32,471)
Public Works	351,411		(220,276)
Health	19,607	17,540	(2,067)
Capital Outlay	153,443		(153,443)
Debt Service:			
Principal Retirement	7,515	7,509	(6)
Interest and Fiscal Charges	2,771	2,771	0
<i>Total Governmental Activities</i>	<u>\$700,485</u>	<u>\$39,809</u>	<u>(\$494,459)</u>
General Receipts			
Property Taxes Levied for:			
General Purposes			\$308,310
Grants and Entitlements not Restricted to Specific Programs			55,291
Earnings on Investments			3,653
Miscellaneous			80,624
<i>Total General Receipts</i>			<u>447,878</u>
Change in Net Assets			(46,581)
<i>Net Assets Beginning of Year</i>			<u>510,422</u>
<i>Net Assets End of Year</i>			<u>\$463,841</u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County

Statement of Assets and Fund Balances - Cash Basis

Governmental Funds

December 31, 2010

	General	Gasoline Tax	Road & Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$211,380	\$24,031	\$0	\$202,572	\$25,858	\$463,841
<i>Total Assets</i>	<u>\$211,380</u>	<u>\$24,031</u>	<u>\$0</u>	<u>\$202,572</u>	<u>\$25,858</u>	<u>\$463,841</u>
Fund Balances						
Restricted		\$24,031		\$202,572	\$25,858	\$252,461
Unassigned (Deficit)	\$211,380					211,380
<i>Total Fund Balances</i>	<u>\$211,380</u>	<u>\$24,031</u>	<u>\$0</u>	<u>\$202,572</u>	<u>\$25,858</u>	<u>\$463,841</u>

See accompanying notes to the basic financial statements

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2010

	General	Gasoline Tax	Road & Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$60,611		\$136,208	\$111,491		\$308,310
Charges for Services					\$11,814	11,814
Licenses, Permits and Fees	175				11,190	11,365
Intergovernmental	48,061	\$87,889	35,291	37,945	11,822	221,008
Special Assessments					10,280	10,280
Earnings on Investments	2,769	724			160	3,653
Miscellaneous	54,787	8,732		9,094	14,861	87,474
<i>Total Receipts</i>	<u>166,403</u>	<u>97,345</u>	<u>171,499</u>	<u>158,530</u>	<u>60,127</u>	<u>653,904</u>
Disbursements						
Current:						
General Government	79,440		1,120	5,812		86,372
Public Safety				73,260	6,107	79,367
Public Works	202	95,749	178,692		76,768	351,411
Health					19,607	19,607
Capital Outlay	50,873	19,525	44,244		38,800	153,442
Debt Service:						
Principal Retirement					7,515	7,515
Interest and Fiscal Charges					2,771	2,771
<i>Total Disbursements</i>	<u>130,515</u>	<u>115,274</u>	<u>224,056</u>	<u>79,072</u>	<u>151,568</u>	<u>700,485</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,888</u>	<u>(17,929)</u>	<u>(52,557)</u>	<u>79,458</u>	<u>(91,441)</u>	<u>(46,581)</u>
Other Financing Sources (Uses)						
Transfers In			39,000		34,106	73,106
Transfers Out	(73,106)					(73,106)
Advances In	31,754				7,630	39,384
Advances Out	(7,630)		(6,672)		(25,082)	(39,384)
<i>Total Other Financing Sources (Uses)</i>	<u>(48,982)</u>	<u>0</u>	<u>32,328</u>	<u>0</u>	<u>16,654</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(13,094)</u>	<u>(17,929)</u>	<u>(20,229)</u>	<u>79,458</u>	<u>(74,787)</u>	<u>(46,581)</u>
<i>Fund Balances Beginning of Year</i>	<u>224,474</u>	<u>41,960</u>	<u>20,229</u>	<u>123,114</u>	<u>100,645</u>	<u>510,422</u>
<i>Restricted</i>	0	24,031	0	202,572	25,858	252,461
<i>Committed</i>	0	0	0	0	0	0
<i>Unassigned (Deficit)</i>	<u>211,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>211,380</u>
<i>Fund Balances End of Year</i>	<u>\$211,380</u>	<u>\$24,031</u>	<u>\$0</u>	<u>\$202,572</u>	<u>\$25,858</u>	<u>\$463,841</u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$62,000	\$67,542	\$60,611	(\$6,931)
Licenses, Permits and Fees	350	175	175	0
Intergovernmental	28,206	40,077	48,061	7,984
Earnings on Investments	3,900	2,580	2,769	189
Miscellaneous	3,515	55,840	54,787	(1,053)
<i>Total Receipts</i>	97,971	166,214	166,403	189
Disbursements				
Current:				
General Government	140,841	134,835	79,440	55,395
Public Works	97,595	104,642	202	104,440
Health	10,500	9,500	0	9,500
Capital Outlay	6,000	60,009	50,873	9,136
<i>Total Disbursements</i>	254,936	308,986	130,515	178,471
<i>Excess of Receipts Over (Under) Disbursements</i>	(156,965)	(142,772)	35,888	178,660
Other Financing Sources (Uses)				
Transfers Out	0	(73,106)	(73,106)	0
Advances In	0	2,180	31,754	29,574
Advances Out	0	0	(7,630)	(7,630)
<i>Total Other Financing Sources (Uses)</i>	0	(70,926)	(48,982)	21,944
<i>Net Change in Fund Balance</i>	(156,965)	(213,698)	(13,094)	200,604
<i>Unencumbered Fund Balance Beginning of Year</i>	224,474	224,474	224,474	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$67,509	\$10,776	\$211,380	\$200,604

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$87,000	\$93,878	\$87,889	(\$5,989)
Earnings on Investments	1,013	698	724	26
Miscellaneous	368	8,732	8,732	0
<i>Total Receipts</i>	88,381	103,308	97,345	(5,963)
Disbursements				
Current:				
Public Works	128,973	119,682	95,749	23,933
Capital Outlay	1,000	24,329	19,525	4,804
<i>Total Disbursements</i>	129,973	144,011	115,274	28,737
<i>Excess of Receipts Over (Under) Disbursements</i>	(41,592)	(40,703)	(17,929)	22,774
<i>Unencumbered Fund Balance Beginning of Year</i>	41,960	41,960	41,960	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$368	\$1,257	\$24,031	\$22,774

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$135,000	\$149,945	\$136,208	(\$13,737)
Intergovernmental	24,484	21,554	35,291	13,737
<i>Total Receipts</i>	<u>159,484</u>	<u>171,499</u>	<u>171,499</u>	<u>0</u>
Disbursements				
Current:				
General Government	2,000	1,120	1,120	0
Public Works	212,300	178,692	178,692	0
Capital Outlay	4,413	44,244	44,244	0
<i>Total Disbursements</i>	<u>218,713</u>	<u>224,056</u>	<u>224,056</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(59,229)</u>	<u>(52,557)</u>	<u>(52,557)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In	39,000	39,000	39,000	0
Advances Out		0	(6,672)	(6,672)
<i>Total Other Financing Sources (Uses)</i>	<u>39,000</u>	<u>39,000</u>	<u>32,328</u>	<u>(6,672)</u>
<i>Net Change in Fund Balance</i>	<u>(20,229)</u>	<u>(13,557)</u>	<u>(20,229)</u>	<u>(6,672)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	20,229	20,229	20,229	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$6,672</u></u>	<u><u>\$0</u></u>	<u><u>(\$6,672)</u></u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Levy
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$112,000	\$130,256	\$111,491	(\$18,765)
Intergovernmental	10,713	19,179	37,945	18,766
Miscellaneous	2,500	9,094	9,094	0
<i>Total Receipts</i>	<u>125,213</u>	<u>158,529</u>	<u>158,530</u>	<u>1</u>
Disbursements				
Current:				
General Government	21,500	24,500	5,812	18,688
Public Safety	135,700	166,017	73,260	92,757
Other	91,112	91,112	0	91,112
<i>Total Disbursements</i>	<u>248,312</u>	<u>281,629</u>	<u>79,072</u>	<u>202,557</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(123,099)</u>	<u>(123,100)</u>	<u>79,458</u>	<u>202,558</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	123,114	123,114	123,114	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$15</u>	<u>\$14</u>	<u>\$202,572</u>	<u>\$202,558</u>

See accompanying notes to the basic financial statements.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 1 – Reporting Entity

Perry Township, Muskingum County, Ohio (the Township), is a body politic and corporate 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 also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board; and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township.

Perry Township has no component units.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA).

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

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into one category governmental.

Governmental Funds The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

General The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Fire Levy Fund The Fire District Fund uses property taxes collected to provide fire protection services to the Township residents.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. Advances-in and Advances-out are not required to be budgeted.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments

To improve cash management, cash received by the Township is deposited into an interest bearing checking account.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2011 and 2010 was \$2,425 and \$2,769, respectively.

Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include gasoline tax receipts used for the upkeep of Township roads and bridges, road and bridge property taxes used for the upkeep of Township roads and bridges, and road district property taxes used for the upkeep of Township roads. Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Accounting Principles

For 2011 and 2010, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the major governmental funds and all other governmental funds as previously reported.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund, gasoline tax fund, road and bridge fund and fire levy fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance. There were no outstanding encumbrances at year end.

Note 5 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township did not have any undeposited cash on hand for 2011 and 2010.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year ended December 31, 2011, \$281,928 of the Township's bank balance of \$531,928 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At year ended December 31, 2010, \$281,695 of the Township's bank balance of \$531,695 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2011, was \$6.20 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Property	\$67,663,540
Public Utility Personal Property	<u>1,945,050</u>
Total	<u><u>\$69,608,590</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Assets	\$35,086,165	\$35,855,252
Liabilities	(9,718,792)	(10,664,724)
Net Assets	<u>\$25,367,373</u>	<u>\$25,190,528</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$9.1 and \$9.9 million of estimated incurred claims payable. The assets above also include approximately \$8.6 and \$9.5 million of unpaid claims to be billed to approximately 938 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Township's share of these unpaid claims collectible in future years is approximately \$9,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2011</u>	<u>2010</u>
\$12,540	\$12,220

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent. For the years ended December 31, 2011 and 2010, members in the state and local divisions contributed 10 percent of covered payroll. For 2010, member and employer contribution rates were consistent across all three plans.

The Township's 2011 and 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$13,865, \$13,785, and \$16,485, respectively. The full amount has been contributed for 2011, 2010, and 2009.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$5,407, \$5,376, and \$7,359, respectively. 100 percent has been contributed for 2011, 2010, and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 10 – Debt

The Township's long-term debt activity was as follows:

	Amount Outstanding 12/31/10	Deletions	Amount Outstanding 12/31/11	Amounts Due in One Year
Rusty Rifle Road Improvement Bond	\$45,085	\$7,515	\$37,570	\$7,514
	Amount Outstanding 12/31/09	Deletions	Amount Outstanding 12/31/10	Amounts Due in One Year
Rusty Rifle Road Improvement Bond	\$52,600	\$7,515	\$45,085	\$7,515

The Rusty Rifle Road Improvement Bond was issued in 2009 to finance the repairs and improvements to Rusty Rifle Road. The bond was issued for \$52,600 at an interest rate of 4.35%. A special assessment has been levied on property owners to make the principal and interest payments on the bond. The full faith and credit of the Township has been pledged to repay this debt.

The following is a summary of the Township's future annual debt service requirements:

Year	Rusty Rifle Bond	
	Principal	Interest
2012	\$7,514	\$1,634
2013	7,514	1,307
2014	7,514	981
2015	7,514	654
2016	7,514	327
Total	\$37,570	\$4,903

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances, December 31, 2011	General	Gasoline Tax	Road & Bridge	Fire Levy	Other Governmental Funds
Restricted for					
Road and Bridge	\$0	\$14,967	\$0	\$0	\$4,562
Cemetery	0	0	0	0	2,788
Emergency Medical Services	0	0	0	0	15,231
Fire Operations and EMS	0	0	0	265,765	
<i>Total Restricted</i>	<u>0</u>	<u>14,967</u>	<u>0</u>	<u>265,765</u>	<u>22,581</u>
Committed to					
Road and Bridge	0	0	24,385	0	0
Unassigned (Deficit)	<u>158,557</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>\$158,557</u></u>	<u><u>\$14,967</u></u>	<u><u>\$24,385</u></u>	<u><u>\$265,765</u></u>	<u><u>\$22,581</u></u>

Fund Balances, December 31, 2010	General	Gasoline Tax	Road & Bridge	Fire Levy	Other Governmental Funds
Restricted for					
Road and Bridge	\$0	\$24,031	\$0	\$0	\$16,824
Cemetery	0	0	0	0	1,208
Emergency Medical Services	0	0	0	0	6,446
Fire Operations and EMS	0	0	0	202,572	880
Other Purposes	0	0	0	0	500
<i>Total Restricted</i>	<u>0</u>	<u>24,031</u>	<u>0</u>	<u>202,572</u>	<u>25,858</u>
Unassigned (Deficit)	<u>211,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>\$211,380</u></u>	<u><u>\$24,031</u></u>	<u><u>\$0</u></u>	<u><u>\$202,572</u></u>	<u><u>\$25,858</u></u>

Perry Township
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 12 – Interfund Transfers

During 2010, the General Fund transferred \$39,000 to the Road and Bridge special revenue fund, \$22,902 to the Cemetery special revenue fund, \$6 to the Special Assessment Rusty Rifle Road Project debt service fund, and \$11,198 to the Perry Township Veterans Memorial capital projects fund to provide additional resources. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Accountability and Compliance

Contrary to Ohio Rev. Code Section 5705.39, in 2011 the General Fund appropriations exceeded estimated resources by \$20,262. In 2010, the Cemetery Fund appropriations exceeded estimated resources by \$5,500.

The Board of Trustees and Fiscal Officer will monitor appropriations and estimated resources more closely and file amendments as needed with the County Auditor to ensure the total appropriations from each fund do not exceed the total official estimate or amended official estimate of resources available for expenditure.

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Perry Township
Muskingum County
P.O. Box 714
Zanesville, Ohio 43702

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Perry Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010 which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 9, 2012, wherein we noted the Township has adopted Governmental Accounting Standards Board Statement No. 54. We also noted the Township processes its financial transactions with 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 audit 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(A) mandates the Auditor of State to audit Ohio governments. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control over financial reporting. We consider Finding 2011-02 to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2011-01.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated November 9, 2012.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

November 9, 2012

**PERRY TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-01

Noncompliance Citation

Ohio Rev. Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the County Budget Commission.

At December 31, 2011, appropriations exceeded estimated resources in the General Fund by \$20,262.

At December 31, 2010, appropriations exceeded estimated resources in the Cemetery Fund by \$5,500.

We recommend the Board of Trustees and the Fiscal Officer monitor appropriations and estimated resources and file amendments as needed with the County Auditor to ensure the total appropriations from each fund do not exceed the total official estimate or amended official estimate of resources available for expenditure. This will help to reduce the risk of disbursements exceeding actual revenues available and will add a measure of control over the Township's budgetary process.

Officials' Response: The Fiscal Officer will compare estimated resources to appropriations at least quarterly.

FINDING NUMBER 2011-02

Significant Deficiency

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook (revised March 2012) provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

During 2011 and 2010, Township receipts were not always posted to accurate classifications, based upon the source of receipt.

For example, in 2011, homestead and rollback of \$3,862, \$8,398, and \$5,948 were posted to "taxes" instead of "intergovernmental revenue" in the General, Road and Bridge, and Fire Levy funds, respectively. Tangible Personal Property Reimbursements of \$5,983, \$14,070, and \$18,761 were posted to "taxes" instead of "intergovernmental revenue" in the General, Road and Bridge, and Fire Levy funds, respectively. In addition, enterprise zone compensation settlement of \$1,065, \$2,533, and \$3,363 were posted to "taxes" instead of "intergovernmental revenue" in the General, Road and Bridge, and Fire Levy funds, respectively. Also, a state grant received from the state for emergency medical services in the amount of \$5,450 was posted as "charges for services" instead of "intergovernmental revenue" in the Ambulance and EMS Service Fund.

**PERRY TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 2011-02 (Continued)

Significant Deficiency (Continued)

For example, in 2010, tangible personal property reimbursements of \$7,332, \$14,687, and \$19,585 were posted to "taxes" instead of "intergovernmental revenue" in the General, Road and Bridge, and Fire Levy funds, respectively. A manufactured home tax settlement of \$402, \$951, and \$818 were posted to "intergovernmental revenue" instead of "taxes" in the General, Road and Bridge, and Fire Levy funds, respectively. In addition, enterprise zone compensation settlement of \$1,053, \$2,493, and \$3,324 were posted to "miscellaneous revenue" instead of "intergovernmental revenue" in the General, Road and Bridge, and Fire Levy funds, respectively. Also, reimbursements to funds to cover expenditures originally made in 2009 on-behalf of the Rusty Rifle Road project in the amounts of \$51,225, \$8,364, and \$8,011 was posted as "Special Assessments" instead of "Miscellaneous Revenue" in the General, Gasoline Tax, and Motor Vehicle License Tax funds, respectively.

Material adjustments with which the Township officials' agree are reflected in the accompanying financial statements.

We recommend the Township utilize available authoritative resources to appropriately classify receipt transactions.

Officials' Response: The Fiscal Officer will refer to the Ohio Township Handbook in the future to ensure proper account classifications.



Dave Yost • Auditor of State

PERRY TOWNSHIP

MUSKINGUM 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 27, 2012**