



**PERRY TOWNSHIP  
COLUMBIANA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Columbiana County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

**Jim Petro**  
Auditor of State

April 3, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$50,095	\$535,418	\$585,513
Intergovernmental	158,940	94,252	253,192
Special Assessments		2,512	2,512
Licenses, Permits, and Fees	983	8,250	9,233
Fines, Forfeitures, and Penalties	35,403		35,403
Earnings on Investments	34,848	11,692	46,540
Other Revenue	6,439	13,155	19,594
	<u>286,708</u>	<u>665,279</u>	<u>951,987</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	138,994	5,233	144,227
Public Safety		267,310	267,310
Public Works		214,962	214,962
Capital Outlay	160,607	7,744	168,351
	<u>299,601</u>	<u>495,249</u>	<u>794,850</u>
Total Cash Disbursements	<u>299,601</u>	<u>495,249</u>	<u>794,850</u>
Total Receipts Over/(Under) Disbursements	<u>(12,893)</u>	<u>170,030</u>	<u>157,137</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	9,800	9,800	19,600
Advances-Out	(9,800)	(9,800)	(19,600)
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,893)	170,030	157,137
Fund Cash Balances, January 1	<u>328,022</u>	<u>751,560</u>	<u>1,079,582</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$315,129</u></b>	<b><u>\$921,590</u></b>	<b><u>\$1,236,719</u></b>
Reserve for Encumbrances, December 31	<u>\$3,335</u>	<u>\$18,809</u>	<u>\$22,144</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Agency</b>
<b>Operating Cash Receipts:</b>	
Interest	\$310
Miscellaneous	900
Total Operating Cash Receipts	1,210
<b>Operating Cash Disbursements:</b>	
Miscellaneous	1,300
Total Operating Cash Disbursements	1,300
Operating Loss	(90)
Fund Cash Balances, January 1	10,334
<b>Fund Cash Balances, December 31</b>	<b>\$10,244</b>
Reserve for Encumbrances, December 31	\$0

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



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$42,586	\$417,653	\$460,239
Intergovernmental	172,404	142,661	315,065
Special Assessments		2,488	2,488
Licenses, Permits, and Fees	194	13,315	13,509
Fines, Forfeitures, and Penalties	31,668		31,668
Earnings on Investments	31,945	10,945	42,890
Other Revenue	8,325	13,007	21,332
	<u>287,122</u>	<u>600,069</u>	<u>887,191</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	126,821	7,250	134,071
Public Safety		198,439	198,439
Public Works		311,276	311,276
Capital Outlay	15,350	21,983	37,333
	<u>142,171</u>	<u>538,948</u>	<u>681,119</u>
<b>Total Cash Disbursements</b>			
<b>Total Receipts Over Disbursements</b>	<u>144,951</u>	<u>61,121</u>	<u>206,072</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		6,000	6,000
Transfers-Out	(6,000)		(6,000)
	<u>(6,000)</u>	<u>6,000</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>138,951</u>	<u>67,121</u>	<u>206,072</u>
<b>Fund Cash Balances, January 1</b>	<u>189,071</u>	<u>684,439</u>	<u>873,510</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$328,022</u></u>	<u><u>\$751,560</u></u>	<u><u>\$1,079,582</u></u>
<b>Reserve for Encumbrances, December 31</b>	<u><u>\$2,981</u></u>	<u><u>\$32,519</u></u>	<u><u>\$35,500</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Agency Fund</u>
<b>Operating Cash Receipts:</b>	
Interest	\$97
Miscellaneous	1,700
Total Operating Cash Receipts	1,797
<b>Operating Cash Disbursements:</b>	
Miscellaneous	200
Total Operating Cash Disbursements	200
Operating Income	1,597
Fund Cash Balances, January 1	8,737
<b>Fund Cash Balances, December 31</b>	<b>\$10,334</b>
Reserve for Encumbrances, December 31	\$0

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Perry Township, Columbiana County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, fire protection, and police protection.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

*Police District Fund* - This fund receives tax money to pay for operating and maintaining the Police Department.

*Fire Department Fund* - This fund receives property tax money for operation of the Township Fire Department.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**3. Agency Fund**

This fund is used to account for funds for which the Township is acting in an agency capacity.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 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. Unpaid Vacation and Sick Leave**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$1,046,963	\$889,916
Certificates of deposit	<u>200,000</u>	<u>200,000</u>
Total deposits	<u><u>\$1,246,963</u></u>	<u><u>\$1,089,916</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$192,013	\$286,708	\$94,695
Special Revenue	546,319	665,279	118,960
Fiduciary	<u>1,050</u>	<u>1,210</u>	<u>160</u>
Total	<u><u>\$739,382</u></u>	<u><u>\$953,197</u></u>	<u><u>\$213,815</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$197,875	\$302,936	(\$105,061)
Special Revenue	663,071	514,058	149,013
Fiduciary	<u>4,000</u>	<u>1,300</u>	<u>2,700</u>
Total	<u><u>\$864,946</u></u>	<u><u>\$818,294</u></u>	<u><u>\$46,652</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$183,056	\$287,122	\$104,066
Special Revenue	579,067	606,069	27,002
Fiduciary	<u>1,800</u>	<u>1,797</u>	<u>(3)</u>
Total	<u><u>\$763,923</u></u>	<u><u>\$894,988</u></u>	<u><u>\$131,065</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$178,175	\$151,152	\$27,023
Special Revenue	671,950	571,467	100,483
Fiduciary	4,000	200	3,800
Total	\$854,125	\$722,819	\$131,306

**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. 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, 1999.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance coverage to full-time employees through a private carrier.



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OFFICE OF THE AUDITOR  
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## REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Columbiana County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 3, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 3, 2000.

Perry Township  
Columbiana County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended for the information and use of the Board of Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 3, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**PERRY TOWNSHIP**

**COLUMBIANA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 2, 2000**