



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types- For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance- Non -Expendable Trust Fund For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings	13

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Perry Township
Montgomery County
3025 Johnsville-Brookville Road
Brookville, Ohio 45309

To the Board of Trustees:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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, 2000, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Perry Township
Montgomery County
Report of Independent Accountants

This report is intended solely for the information and use of the management, the Board, 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

October 16, 2001

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$21,313	\$466,359			\$487,672
Intergovernmental	106,030	204,094		\$75,132	385,256
Special Assessments		895			895
Charges for Services		141,153			141,153
Licenses, Permits, and Fees		15,882			15,882
Fines, Forfeitures, and Penalties	9,612	483			10,095
Earnings on Investments	21,393	14,905			36,298
Other Revenue	8,475	5,650			14,125
Total Cash Receipts	166,823	849,421		75,132	1,091,376
Cash Disbursements:					
Current:					
General Government	169,935				169,935
Public Safety		410,587			410,587
Public Works		267,936			267,936
Health		19,875			19,875
Debt Service:					
Redemption of Principal			\$30,000		30,000
Interest and Fiscal Charges			1,220		1,220
Capital Outlay	2,913	28,707		75,132	106,752
Total Cash Disbursements	172,848	727,105	31,220	75,132	1,006,305
Total Receipts Over/(Under) Disbursements	(6,025)	122,316	(31,220)		85,071
Other Financing Receipts/(Disbursements):					
Transfers-In		42,000	31,220		73,220
Advances-In		2,600			2,600
Transfers-Out	(73,220)				(73,220)
Advances-Out	(2,600)				(2,600)
Total Other Financing Receipts/(Disbursements)	(75,820)	44,600	31,220		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(81,845)	166,916			85,071
Fund Cash Balances, January 1	156,601	328,564			485,165
Fund Cash Balances, December 31	\$74,756	\$495,480	\$0	\$0	\$570,236
Reserve for Encumbrances, December 31	\$211	\$2,550	\$0	\$0	\$2,761

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

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Non Expendable Trust</u>
Cash Receipts:	
Earnings on Investments	<u>\$1,164</u>
Total Cash Receipts	<u>1,164</u>
Cash Disbursements:	
Current:	
Other	<u> </u>
Total Cash Disbursements	<u> </u>
Total Receipts Over/(Under) Disbursements	<u>1,164</u>
Fund Cash Balance, January 1	<u>30,753</u>
Fund Cash Balance, December 31	<u><u>\$31,917</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perry Township, Montgomery 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of New Lebanon to provide fire services and Emergency Medical Services, Inc., to provide ambulance services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Garbage and Waste Disposal District - This fund assesses and collects fees for waste collection in the Township.

Police District - This fund receives property tax money to provide police services to the Township.

Fire Fund - This fund receives property tax money to provide fire and ambulance services to the Township.

Federal Cops Fast Fund - This fund receives federal monies to provide specific police functions to the Township.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Note Debt Fund - This fund services note debt obligations for the Township.

4. Capital Project Funds

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

Issue II Fund - The Township received a grant from the State of Ohio for the Heeter Road Project.

5. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Cemetery Bequest Fund - A nonexpendable trust fund. Amounts donated are maintain in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 2000 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.

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2000
Demand deposits	\$571,371
Certificates of deposit	30,782
Total deposits	\$602,153

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$151,127	\$166,823	\$15,696
Special Revenue	878,868	891,421	12,553
Debt Service	31,251	23,094	(8,157)
Capital Projects	73,079	75,132	2,053
Non Expendable Trust	824	1,164	340
Total	\$1,135,149	\$1,157,634	\$22,485

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$203,824	\$238,153	(\$34,329)
Special Revenue	947,159	729,655	217,504
Debt Service	31,251	31,220	31
Capital Projects	73,079	75,132	(2,053)
Non Expendable Trust	0	0	0
Total	\$1,255,313	\$1,074,160	\$181,153

Contrary to Ohio Law, budgetary expenditures exceeded appropriation authority in the General Fund, Gasoline Tax Fund, Garbage and Waste Disposal Fund, and the Police District Fund.

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000
(Continued)**

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.

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

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

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 law enforcement officers and all other full time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. 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. Members of Law enforcement contributed 9% of their wages and the Township contributed an amount equal to 16.7% for January through June of 2000 and 14.7% for July through December 2000 of participant's gross salaries. All other employees contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 2000 through June 2000 and 8.13% for July 2000 through December,2000. The Township has paid all contributions required through December 31, 2000.

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 and dental and vision coverage to full-time employees through a private carrier.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Perry Township
Montgomery County
3025 Johnsville-Brookville Road
Brookville, Ohio 45309

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Township, Montgomery County, (the Township), as of and for the year ended December 31, 2000, and have issued our report thereon dated October 16, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-40357-001 through 2000-40357-006. We also noted certain immaterial instances of noncompliance that we have reported to the management of Perry Township in a separate letter dated October 16, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-40357-007. 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2000-40357-007 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated October 16, 2001.

Perry Township
Montgomery County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

October 16, 2001

**PERRY TOWNSHIP
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000**

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

FINDING NUMBER 2000-403570-001

Ohio Rev. Code § 5705.36 states that the principal of a nonexpendable trust fund and any addition to the principal arising from sources other than the reinvestment of investment earnings to the fund that has been established for receiving donations and/or contributions pursuant to Ohio Rev. Code § 5705.131 must also be excluded from the amount of unencumbered balances that are certified. The Township did not remove the fiscal year end 1999 principal balance of the nonexpendable trust fund from the amount of unencumbered balances that were certified for fiscal year 2000. This resulted in cash available for appropriations in fiscal year 2000, in the nonexpendable trust fund, being overstated by \$30,753.

The Township should remove the principal of the nonexpendable trust fund from the Certificate of Available Resources prior to certification so that this amount is not appropriated.

FINDING NUMBER 2000-40357-002

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided by statute:

Then and Now Certificates: This exception provides that, if the fiscal officer can certify that at both the time that the contract or order was made, and at the time he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate an otherwise applicable requirement for approval of expenditures by the taxing authority.

For 86% of expenditures selected for testing, expenditures were not certified prior to incurring the obligation. The township asserted that purchase orders were utilized; however, not retained.

The Township should assure that the fiscal officer's certificate is properly executed prior to incurring obligations.

FINDING NUMBER 2000-40357-003

Ohio Revised Code Section 149.351 (A), states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully. 86% of transactions tested had no purchase orders attached to them, as indicated in finding 002, and were not retained by the township.

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

The Township should adopt a policy on the retainage of records generated and the manner in which they are to be maintained until they have been audited. A request for destruction may then be submitted to the Records Commission to address the appropriate procedures for destruction.

FINDING NUMBER 2000-40357-004

Ohio Rev. Code Section 5705.41(B) outlines the restrictions on the appropriation and expenditure of money by the Township. The requirement establishes that no subdivision or taxing unit is to expend money unless it has been appropriated.

Budgetary laws and regulations were tested throughout the audit period at a fund and legal level of control. The legal level of control is adopted by the Township. The legal level of control is the level at which the appropriation resolution is adopted by the Board of Trustees of the Township.

At December 31, 2000, actual expenditures plus outstanding encumbrances exceeded appropriations at the fund level of control, in the following funds:

Fund	Actual Expenditures plus Outstanding Encumbrances	Appropriations	Variance
General Fund	\$248,878	\$203,824	(\$45,054)
Gasoline Tax Fund	\$64,013	\$59,850	(\$4,163)

The following instances were noted where budgetary expenditures (cash disbursements plus outstanding encumbrances) exceeded appropriations at the legal level of control:

Fund/Function/Object	Actual Expenditures plus Outstanding Encumbrances	Appropriations	Actual Expenditure in Excess of Appropriations
General Fund/Admin/Salary-Clerk	\$15,877	\$13,503	(\$2,374)
Gasoline Tax Fund/Highways/Salary-Other	56,699	50,000	(6,699)
Garbage and Waste Disposal Fund/Highways/Contract Services	161,982	130,000	(31,982)
Police District Fund/Police Protection/Salaries-Other	105,000	103,500	(1,500)
Police District Fund/Police Protection/Medical	23,422	18,000	(5,422)
Police District Fund/Police Protection/Repairs and Maint.	13,679	10,000	(3,679)

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

The Township should monitor appropriations and expenditures throughout the fiscal year, making amendments to its appropriations as needed to be in compliance with this section of Ohio Revised Code. Implementing these procedures will also reduce the risk that the District expends and encumbers more than what was legally appropriated by the Board.

FINDING NUMBER 2000-40357-005

Ohio Revised Code Section 5705.40 states that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. During calender year 2000 the township's budgetary system included appropriated amounts that were not approved by the Board of Trustees.

The following funds had appropriations that were entered on the Township's financial records that were not lawfully appropriated and approved.

Fund/Function/Object	Appropriations per Board Resolution	Appropriations per system	Variance
General Fund/Admin/Salary-Trustees	\$25,464	\$26,064	(\$600)
General Fund/Admin/Salary-Clerk	13,503	16,649	(3,146)
General Fund/Admin/Medical	26,000	25,400	600
Gasoline Tax Fund/Highway/Salaries-Other	50,000	57,100	(7,100)
Road & Bridge Fund/Highway/Medical	13,000	15,000	(2,000)
Road & Bridge Fund/Highway/Contract Services	31,555	33,897	(2,342)
Police District Fund/Police/Contract Services	14,000	19,000	(5,000)
Road & Bridge Fund/Highway/Operating Supplies	10,000	15,000	(5,000)
Garbage and Waste Disposal Fund/Sanitary/Salaries-Other	7,500	14,400	(6,900)
Garbage and Waste Disposal Fund/Sanitary/Contract Services	130,000	150,000	(20,000)
Police District Fund/Police/Salaries-Other	103,500	122,500	(19,000)
Police District Fund/Police/Medical	18,000	30,000	(12,000)
Police District Fund/Police/Repairs & Maint.	10,000	27,000	(17,000)
Police District Fund/Police/Operating Supplies	19,000	29,000	(10,000)

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

All appropriation amendments should be approved by the board prior to being posted to the financial records. These unapproved appropriation increases enabled the Township to process expenditures that exceeded Board approved appropriations.

FINDING NUMBER 2000-40357-006

Ohio Rev. Code Section 5705.14 states money may be transferred from the general fund to any other fund of the subdivision by resolution of the taxing authority (Board of Trustees). The following transfers from the general fund were not approved by the Board of Trustees:

Police District Fund	\$40,000
Federal Cops Fast Fund	2,000

All transfers should be approved by the taxing authority prior to the permanent reallocation of funds.

FINDING NUMBER 2000-40357-007

The Township did not reconcile the bank accounts from March of 2000 through December 2000. The Township contracted with a consultant to reconcile the accounts in January 2001. Failing to reconcile in a timely manner resulted in the failure to detect errors in a timely manner.

To prevent errors from going undetected we recommend that all accounts should be reconciled on a monthly basis and if a missing check is voided the bank should be notified to stop payment.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PERRY TOWNSHIP
MONTGOMERY 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 8, 2001**