

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2004 and 2003

WALTER ROCH VON ROCHSBURG, CLERK



**Auditor of State
Betty Montgomery**

Board of Trustees
Perry Township
7125 Sawmill Road
Dublin, Ohio 43017

We have reviewed the *Independent Accountant's Report* of Perry Township, Franklin County, prepared by Julian & Grube, Inc. for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Perry Township is responsible for compliance with these laws and regulations.

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BETTY MONTGOMERY
Auditor of State

October 21, 2005

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**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant's Report	1 - 2
Combined Statement of Cash Fund Balances - All Fund Types - December 31, 2004 and 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - For The Year Ended December 31, 2004	4
Combined Statement of Cash Receipts, Cash Disbursements and Encumbrances Compared with Expenditure Authority - Budget and Actual - For The Year Ended December 31, 2004	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - For The Year Ended December 31, 2003	6
Combined Statement of Cash Receipts, Cash Disbursements and Encumbrances Compared with Expenditure Authority - Budget and Actual - For The Year Ended December 31, 2003	7
Notes to the Financial Statements	8 - 17
Independent Accountant's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	18 - 19

JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

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Independent Accountant’s Report

Perry Township
Franklin County
7125 Sawmill Road
Dublin, Ohio 43016

We have audited the accompanying financial statements of Perry Township, Franklin County, as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of Perry 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 of the United States. 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Township prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted (GAAP) in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

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

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash fund balances of Perry Township, Franklin County as of December 31, 2004 and 2003, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2005, on our consideration of Perry 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 cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.
September 9, 2005

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2004 AND 2003

<u>Cash and Investments</u>	2004	2003
Cash and Cash Equivalents	\$ 729,017	\$ 1,176,458
Investments	3,658,767	3,231,080
Total Cash and Investments	\$ 4,387,784	\$ 4,407,538
<u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 3,402,779	\$ 3,265,498
Special Revenue Funds	985,005	1,142,040
Total Fund Balances	\$ 4,387,784	\$ 4,407,538

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

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

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 154,688	\$ 1,506,132	\$ 1,660,820
Intergovernmental	336,522	298,552	635,074
Fines, Licenses, Permits and Fees	37,773	6,168	43,941
Fines and Forfeitures	-	69,960	69,960
Interest	51,852	61	51,913
Miscellaneous	16,318	27,660	43,978
Total cash receipts	<u>597,153</u>	<u>1,908,533</u>	<u>2,505,686</u>
Cash disbursements:			
Current:			
General government	353,454	325	353,779
Public safety	6,121	1,693,298	1,699,419
Public works	70,698	335,479	406,177
Health	23,157	-	23,157
Capital outlay	6,442	38,168	44,610
Debt service:			
Principal retirement	-	7,981	7,981
Interest and fiscal charges	-	1,036	1,036
Total cash disbursements	<u>459,872</u>	<u>2,076,287</u>	<u>2,536,159</u>
Total cash receipts over/(under) cash disbursements	<u>137,281</u>	<u>(167,754)</u>	<u>(30,473)</u>
Other financing receipts/(disbursements):			
Proceeds from sale of fixed assets	-	10,719	10,719
Advances in	65,000	65,000	130,000
Advances out	(65,000)	(65,000)	(130,000)
Total other financing receipts/(disbursements)	<u>-</u>	<u>10,719</u>	<u>10,719</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	137,281	(157,035)	(19,754)
Cash fund balances, January 1, 2004	<u>3,265,498</u>	<u>1,142,040</u>	<u>4,407,538</u>
Cash fund balances, December 31, 2004	<u>\$ 3,402,779</u>	<u>\$ 985,005</u>	<u>\$ 4,387,784</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2004 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2004 Appropriations	Total	Actual 2004 Disbursements	Encumbrances Outstanding at 12/31/04	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 3,265,498	\$ 509,894	\$ 3,775,392	\$ 662,153	\$ 152,259	\$ -	\$ 3,717,500	\$ 3,717,500	\$ 524,872	\$ -	\$ 524,872	\$ 3,192,628
Special Revenue	<u>1,142,040</u>	<u>2,147,789</u>	<u>3,289,829</u>	<u>1,984,252</u>	<u>(163,537)</u>	<u>-</u>	<u>3,213,521</u>	<u>3,213,521</u>	<u>2,141,287</u>	<u>-</u>	<u>2,141,287</u>	<u>1,072,234</u>
Total												
(Memorandum Only)	<u>\$ 4,407,538</u>	<u>\$ 2,657,683</u>	<u>\$ 7,065,221</u>	<u>\$ 2,646,405</u>	<u>\$ (11,278)</u>	<u>\$ -</u>	<u>\$ 6,931,021</u>	<u>\$ 6,931,021</u>	<u>\$ 2,666,159</u>	<u>\$ -</u>	<u>\$ 2,666,159</u>	<u>\$ 4,264,862</u>

5

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 177,036	\$ 1,721,066	\$ 1,898,102
Intergovernmental	329,545	286,112	615,657
Fines, Licenses, Permits and Fees	36,723	10,345	47,068
Fines and forfeitures	-	66,813	66,813
Interest	46,951	85	47,036
Donations and contributions	36,670	231	36,901
Miscellaneous	-	30,203	30,203
Total cash receipts	<u>626,925</u>	<u>2,114,855</u>	<u>2,741,780</u>
Cash disbursements:			
Current:			
General government	324,267	-	324,267
Public safety	24,450	1,720,221	1,744,671
Public works	113,437	334,456	447,893
Health	23,610	-	23,610
Capital outlay	37,405	87,051	124,456
Debt service:			
Principal retirement	-	7,642	7,642
Interest and fiscal charges	-	1,374	1,374
Total cash disbursements	<u>523,169</u>	<u>2,150,744</u>	<u>2,673,913</u>
Total cash receipts over/(under) cash disbursements	<u>103,756</u>	<u>(35,889)</u>	<u>67,867</u>
Other financing receipts/(disbursements):			
Proceeds from sale of fixed assets	-	9,800	9,800
Operating transfers in	6,000	-	6,000
Operating transfers out	-	(6,000)	(6,000)
Advances in	23,000	93,000	116,000
Advances out	(93,000)	(23,000)	(116,000)
Other sources	48	-	48
Total other financing receipts/(disbursements)	<u>(63,952)</u>	<u>73,800</u>	<u>9,848</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	39,804	37,911	77,715
Cash fund balances, January 1, 2003	<u>3,225,694</u>	<u>1,104,129</u>	<u>4,329,823</u>
Cash fund balances, December 31, 2003	<u>\$ 3,265,498</u>	<u>\$ 1,142,040</u>	<u>\$ 4,407,538</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances Outstanding at 12/31/03	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 3,225,694	\$ 475,700	\$ 3,701,394	\$ 655,973	\$ 180,273	\$ -	\$ 3,381,432	\$ 3,381,432	\$ 616,169	\$ -	\$ 616,169	\$ 2,765,263
Special Revenue	<u>1,104,129</u>	<u>2,105,893</u>	<u>3,210,022</u>	<u>2,217,655</u>	<u>111,762</u>	<u>-</u>	<u>2,758,588</u>	<u>2,758,588</u>	<u>2,179,744</u>	<u>-</u>	<u>2,179,744</u>	<u>578,844</u>
Total												
(Memorandum Only)	<u>\$ 4,329,823</u>	<u>\$ 2,581,593</u>	<u>\$ 6,911,416</u>	<u>\$ 2,873,628</u>	<u>\$ 292,035</u>	<u>\$ -</u>	<u>\$ 6,140,020</u>	<u>\$ 6,140,020</u>	<u>\$ 2,795,913</u>	<u>\$ -</u>	<u>\$ 2,795,913</u>	<u>\$ 3,344,107</u>

7

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 1 - DESCRIPTION OF THE ENTITY

Perry Township, Franklin County, Ohio, (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. The Township also provides police protection. The Township contracts with the City of Upper Arlington and the City of Worthington to provide fire protection and emergency medical services.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Township's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Township are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Township:

Governmental Fund Types

General Fund

The general fund is used to account for all activities of the Township not required to be included 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.

Special Revenue Funds

These funds are used to account for proceeds of specific revenue sources (other than from trusts or for capital projects) that are legally restricted to expenditure for specific purposes.

The Township had the following significant special revenue funds:

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fire District Fund - This fund receives property tax money for providing security of persons and property for Township residents.

Police District Fund – This fund receives property tax money for providing security of persons and property for Township residents.

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. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The primary level of budgetary control is at the item level within a department and fund. Any budgetary modifications at this level may only be made by resolution of the Township's Board of Trustees. The Township had several budget modifications throughout the years ended December 31, 2004 and 2003.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except certain agency funds, are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Township receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Township determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Township legally adopted several supplemental appropriations during 2004 and 2003.

Encumbrances:

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Township had no outstanding encumbrances at December 31, 2004 and 2003.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Township considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Township with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held is credited to its respective funds. Interest income earned and received by the Township totaled \$51,913 and \$36,901 for the years ended December 31, 2004 and 2003, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Township's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded

F. UNPAID VACATION AND SICK LEAVE

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

G. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Township's cash basis method of accounting.

H. INTERFUND TRANSACTIONS

During the course of normal operations, the Township had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. The resources advanced are temporary loans of cash.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

	<u>2004</u>	<u>2003</u>
Deposits:		
Demand deposits	\$ 663,026	\$ 913,024
Money Market	<u>65,991</u>	<u>263,434</u>
Total Deposits	<u>729,017</u>	<u>1,176,458</u>
Investments:		
STAR Ohio	1,553,693	2,731,080
US Treasury Notes	<u>2,105,074</u>	<u>500,000</u>
Total investments	<u>3,658,767</u>	<u>3,231,080</u>
Total deposits and investments	<u>\$ 4,387,784</u>	<u>\$ 4,407,538</u>

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

Investments: The Township overnight repurchase agreement is invested in Federal National Mortgage Association Notes. The Federal Government and Federal Agency securities are held in book-entry form by the Federal Reserve, in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 4 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, the first half is due December 31. The second half payment is due on 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.

NOTE 5 - DEBT OBLIGATION

At December 31, 2004, debt obligations consisted of the following issuance:

<u>Description</u>	<u>Balance at 12/31/04</u>	<u>Balance at 12/31/03</u>
2002 National City Bank Note (911 Upgrade) due in monthly installments through 2007, bearing interest at 4.34%.	\$ 19,339	\$ 27,320

Transactions for the years ended December 31, 2004 and 2003 are summarized as follows:

	<u>Balance 01/01/04</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/04</u>
2002 911 Upgrade	\$ 27,320	\$ -	\$ (7,981)	\$ 19,339

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 5 - DEBT OBLIGATIONS - (Continued)

	Balance 01/01/03	Proceeds	Retirements	Balance at 12/31/03
2002 911 Upgrade	\$ 34,962	\$ -	\$ (7,642)	\$ 27,320

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2004, are as follows:

Year Ending December 31,	911 Upgrade	
	Principal	Interest
2005	\$ 8,405	\$ 612
2006	8,773	244
2007	2,161	96
Totals	\$ 19,339	\$ 952

NOTE 6 - RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, members of OPERS participants contributed 8.5% and 10% of their wages. The Township contributed an amount equal to 13.55% and 16.77% of their wages to OPERS. The Township has paid all contributions required through December 31, 2004 and 2003.

NOTE 7 - RISK MANAGEMENT

Risk Pool Membership

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 7 - RISK MANAGEMENT - (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do 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, which is the latest information available:

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$ 30,687,203	\$ 27,792,223
Liabilities	<u>(13,640,962)</u>	<u>(11,791,300)</u>
Retained earnings	<u>\$ 17,046,241</u>	<u>\$ 16,000,923</u>
 <u>Property Coverage</u>	 <u>2004</u>	 <u>2003</u>
Assets	\$ 7,799,073	\$ 6,791,060
Liabilities	<u>(753,906)</u>	<u>(750,956)</u>
Retained earnings	<u>\$ 7,045,167</u>	<u>\$ 6,040,104</u>

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

NOTE 7 - RISK MANAGEMENT - (Continued)

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

NOTE 8 - INTERFUND TRANSACTIONS

The Township had the following interfund transactions for the year ended December 31, 2004 and 2003:

<u>Fund Type/Fund</u>	<u>Advances In</u>	<u>Advances Out</u>
<u>2004:</u>		
General Fund	<u>\$ 65,000</u>	<u>\$ (65,000)</u>
<u>Special Revenue Funds:</u>		
Road and Bridge	<u>65,000</u>	<u>(65,000)</u>
Total Special Revenue	<u>65,000</u>	<u>(65,000)</u>
Total	<u>\$ 130,000</u>	<u>\$ (130,000)</u>
<u>Fund Type/Fund</u>	<u>Advances In</u>	<u>Advances Out</u>
<u>2003:</u>		
General Fund	<u>\$ 23,000</u>	<u>\$ (93,000)</u>
<u>Special Revenue Funds:</u>		
Road and Bridge	<u>93,000</u>	<u>(23,000)</u>
Total Special Revenue Funds	<u>93,000</u>	<u>(23,000)</u>
Total	<u>\$ 116,000</u>	<u>\$ (116,000)</u>

**PERRY TOWNSHIP
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

NOTE 8 - INTERFUND TRANSACATIONS

The Township had the following transfer in 2003.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 6,000	\$ -
<u>Special Revenue Fund:</u>		
Underground storage trash fund	<u>-</u>	<u>6,000</u>
Total	<u>\$ 6,000</u>	<u>\$ 6,000</u>

The transfer for the year ended December 31, 2003 was made in accordance with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 9 - CONTINGENT LIABILITIES

The Township is not currently involved in litigation.

JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

333 County Line Road West
Westerville, Ohio 43082

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Perry Township
Franklin County
7125 Sawmill Road
Dublin, Ohio 43016

We have audited the financial statements of Perry Township as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 9, 2005, wherein we noted Perry Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 Perry Township’s internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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 certain matters involving the internal control over financial reporting that we have reported to the management of Perry Township in a separate letter dated September 9, 2005.

Board of Trustees
Perry Township

Compliance and Other Matters

As part of reasonably assuring whether Perry 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain matters involving compliance and other matters that we reported to the management of Perry Township in a separate letter dated September 9, 2005.

We intend this report solely for the information and use of management and Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
September 9, 2005



**Auditor of State
Betty Montgomery**

88 East Broad Street
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800-282-0370

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PERRY TOWNSHIP

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2005**